



# INSIGHTSIAS

SIMPLIFYING IAS EXAM PREPARATION

**INSIGHTS** into EDITORIAL

**AUGUST 2019**

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# INSIGHTS into EDITORIAL

## POLITY & GOVT. POLICY

### 1. BEYOND TALAQ: ON MUSLIM DIVORCE BILL

#### Context:

- Recently, President Ram Nath Kovind gave his assent to the **Muslim Women (Protection of Rights on Marriage), Bill, 2019**, which criminalises instant ‘triple talaq’ among Muslims and attracts a **jail term of three years** for the husband. With the President’s approval, the **bill has become an Act**.
- The Act makes all declarations of **instant triple talaq void and illegal**. It seeks to make the practice a punishable offence with imprisonment of up to three years

#### What is instant triple talaq?

- Triple talaq is the practice under which a Muslim man can divorce his wife by simply **uttering “talaq” three times**. It is prevalent among India’s Muslim community majority of whom follow the Hanafi Islamic school of law.

- Instant triple talaq or talaq-e-bidat** is a practice that was challenged in the court.
- This mode of divorce is **not universal among Muslims** across the world, as many other Islamic schools of thought prefer the divorce process to be deferred, in many cases over a period of three months.
- The government has cited the example of many predominantly Muslim countries, including Pakistan, that have **banned triple talaq**.

#### Important provisions of the Bill:

- It claims that despite the court ruling, several instances have been reported.
- It defines talaq as talaq-e-biddat or any other similar form of talaq pronounced by a Muslim man resulting in **instant and irrevocable divorce**.
- Talaq-e-biddat** refers to the practice under Muslim personal laws where pronouncement of the word ‘talaq’ thrice in one sitting by a Muslim man to his wife results in an **instant and irrevocable divorce**.

#### Empowering women

Key features of the revised Muslim Women (Protection of Rights on Marriage) Bill, 2018

- The Bill will replace the ordinance promulgated in September 2018

- Clause 3 of the Bill declares pronouncement of talaq, both in written or electronic form, as illegal and void

- Pronouncement of talaq is a punishable offence with **imprisonment** for up to **3 years** and a fine. The Bill also makes the **woman entitled to maintenance** determined by a magistrate

- Cognisance of offence can be taken only on a **complaint** to a magistrate **by the wife or her close relatives**

- The woman can also **propose the case** against her husband if both reach a compromise

- There is provision for bail, which can be granted by a magistrate only after hearing the wife



#### Supreme Court on Instant Triple Talaq:

- In 1978, a Muslim woman, **Shah Bano**, filed a petition in court demanding maintenance from her divorced husband which **gave her divorced through talaq provision**.
- Shah Bano filed a claim for maintenance for herself and her children under **Section 123 of the Code of Criminal Procedure, 1973**.
- The Supreme Court has also declared that this practice is **unconstitutional and not protected by Article 25** which regards the freedom of religion.
- Also, in December 2016, the Allahabad High Court had said that no personal law board was above the constitution.

- Making it an offence, the government says, will deter further resort to triple talaq, and provide redress for women in the form of a **subsistence allowance and custody of children**, besides getting the **erring husband arrested**.
- The offence may be compounded by the Magistrate upon the **request of the woman** (against whom talaq has been declared).
- **Compounding** refers to the procedure where the two sides agree to stop legal proceedings, and **settle the dispute**. The terms and conditions of the compounding of the offence will be determined by the Magistrate.
- However, the core question regarding the necessity to **criminalise the practice of talaq-e-biddat** has not been convincingly answered.

**However, the core question regarding the necessity to criminalise the practice of talaq-e-biddat has not been convincingly answered:**

- The Opposition parties argued that the **proposed law could be misused to harass Muslims** and wanted it reviewed by a parliamentary panel.
- There is the **practical question** of how a man can provide a **subsistence allowance** while he is imprisoned.
- Opposition described the passage of the bill as a **“big jolt” to family laws in India**. A civil law has been changed into criminal law. This is a historic mistake.
- It has been argued by the Bill’s proponents that dowry harassment and cruelty towards wives are treated as **criminal offences** even while the marriage subsists.
- The law now gives a police officer the power to arrest the offender **without requiring a warrant**, alleged the Opposition.
- To check misuse, the government argued, the police takes cognisance only if the **complaint is filed by the aggrieved woman** or any of her relation by blood or marriage. The Bill also **provides for bail by a magistrate** but only after hearing the aggrieved woman.
- The Bill does not provide the victimised woman **any additional benefits** in terms of her **rights in marriage and divorce**.
- The aggrieved woman is entitled to **demand a maintenance** for her and her dependent children under the Act.

**Conclusion:**

- A milestone in the **quest for gender justice**; a moment of satisfaction for the entire country.
- The prime minister said this is an occasion to salute the **remarkable courage** of those Muslim women who have **suffered great wrongs** due to the practice of triple talaq and added that its abolition will contribute to **women empowerment** and give them the **dignity they deserve**.
- Despite the gains, gender equality does **not permeate all aspects of civil law**. This legislation **presents an opportunity** to put in place a civil code that steeped in equality across faiths and gender.

**Way Ahead:**

- Having ensured a **modicum of gender justice**, the government should use this moment to build on the gains to **address the gender inequities** that persist in civil and personal laws across the board.
- Building on the momentum for change, a demand that has come from within the community, the government should ask the **Law Commission to review all personal/civil laws** to ensure that these **do not violate the Fundamental Rights** guaranteed to all citizens by the Constitution.
- In doing so, paving the way for an **honest national dialogue** that would take the nation **towards a uniform civil code** that is steeped in **equality and democratic values**.

## 2. THE ROOTS OF SEXUAL BRUTALITY

**Introduction:**

- A vital part of understanding a **social problem**, and a precursor to **preventing it**, is an understanding of what causes it.
- Research on the **causes of violence against women** has consisted of two lines of inquiry:
  1. Examination of the characteristics that influence the behaviour of offenders and
  2. Consideration of whether some women have a heightened vulnerability to victimization.

- India is not alone when it comes to **high rates of incidence of rape**. But many believe patriarchy and a skewed sex ratio may be making matters worse. There is public apathy as well: the **rights and security of women never become election issues**.
- In India, in 2016, of the **3.38 lakh crime cases against women**, rape cases made up 11.5% of them. But **with only 1 in 4 rape cases** ending up in conviction, it's a painfully slow road to justice for rape victims in the country.

#### Context:

- As the young woman from Unnao, **victim of multiple outrages**, battles for her life, we, who are often reduced to **being hapless chroniclers**, have once again to wonder at the everyday **workings of India's criminal justice system**.
- Though several rounds of **police and judicial reforms** have sought to improve its workings, and **humanise its approach**, the fact remains that at the level of the police thana, other factors **direct police action**.

#### Problem still exists at Root Levels:

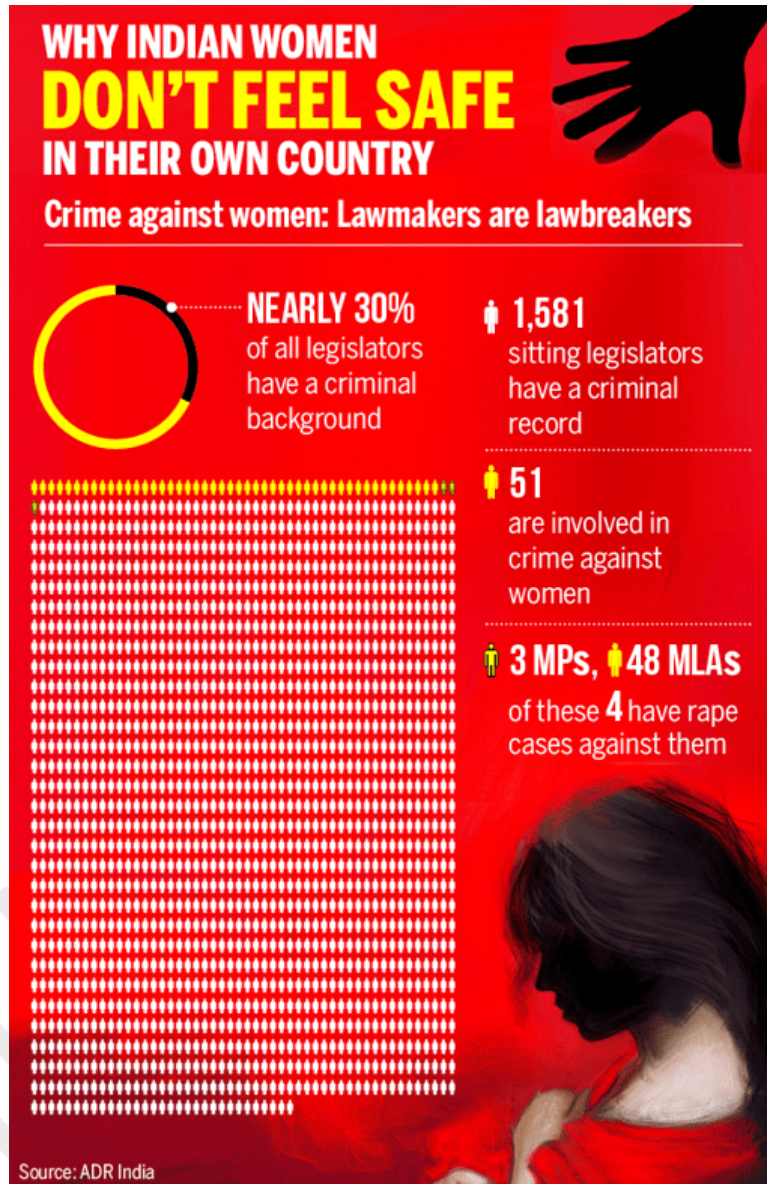
- Local political power; economic, social and sexual tensions between individuals; caste and community equations; habitual misogyny.
- The **measure of impunity** that a perpetrator of crime might claim and exercise all shape not only **police responses** but those of the **civilian government** as well, including of doctors, revenue officers and those in the local Collectorate.

#### If damage happened to Women at grass-root level:

- If any women had gone sexual assault, if she persists in keeping with the **justice system**, its menacing indifference is calculated **to demoralise her**.
- If her family supports her, there might be some relief and care, but if they don't or cannot because they are themselves **under pressure to keep quiet**, she is left feeling abandoned and friendless and, worse, tainted.
- Many a time, a protest or a campaign, or the continued presence of women's groups, Dalit groups and progressive political and civil rights interventions alone have made it possible for even a FIR to be registered.
- **Low status of women**: Perhaps the biggest issue, though, is women's overall lower status in Indian society.
- For poor families, the **need to pay a marriage dowry** can make daughters a burden. India has one of the **lowest female-to-male population ratios** in the world because of **sex-selective abortion and female infanticide**. Throughout their lives, sons are fed better than their sisters, are more likely to be sent to school and have brighter career prospects.

#### Reasons for assault on lower-strata women:

- **Sexual brutality** is thus not an afterthought: it is the **quintessential form of political privilege and social authority** in our social context.
- Verbal and physical acts of sexualised humiliation and violence directed at the **lower castes and Dalits** are necessary for the survival of caste society and increasingly so, in the face of challenges and resistance.



- **Birth-based superiority**, illegitimate as it is, cannot be sustained, unless it is renewed day in and day out through a **combination of patent lies and brute force**.
- **Rape victims** are often encouraged by **village elders and clan councils** to “**compromise**” with the family of accused and drop charges or even to marry the attacker.
- Such compromises are aimed at keeping the peace between families or clan groups. What’s more, a **girl’s eventual prospects of marriage** are thought to be more important than bringing a rapist to justice.
- **India’s court system** is painfully slow, in part because of a **shortage of judges**. The country has about 15 judges for every 1 million people, while China has 159. A Delhi high court judge once estimated it would take 466 years to get through the backlog in the capital alone.

#### Conclusion:

- **Better understanding** of the causes of violence against women will be useful in designing **both prevention programs and interventions** with offenders.
- Research has begun to identify childhood precursors to later violent aggressive behaviour, and criminological research has studied the progression of criminal careers.
- In recent days, Indian politicians have put forward a slew of **potential remedies** for **India’s sexual violence problem**. But it’s worth noting that it will be hard to end discrimination against women at police stations when it starts in the crib.
- **Oppression in all of its forms** is among the root causes of sexual violence. Sexual violence is preventable **through collaborations** of community members at multiple levels of society in our homes, neighbourhoods, schools, faith settings, workplaces, and other settings.
- **Our criminal justice system** is yet to reckon with such routinised and habitual criminality, for it is never quite registered as such.
- We all play a role in preventing sexual violence and **establishing norms of respect, safety, equality, and helping others**.

### 3. THIS IS WHAT HAS CHANGED IN JAMMU AND KASHMIR

#### Context:

- The Centre government **revoked Article 370 of the Constitution** which gives **special status to Jammu and Kashmir** and brought in the J&K Reorganisation Bill 2019 which splits the **state into two Union Territories**: Jammu and Kashmir with an Assembly and Ladakh without one.
- After the Union Cabinet’s decision, Union Home Minister proposed to scrap Article 370 and moved two resolutions and two Bills in the Rajya Sabha.

#### The Jammu and Kashmir Reorganisation Bill, 2019:

- The Bill provides for reorganisation of the state of Jammu and Kashmir into the **Union Territory of Jammu and Kashmir and Union Territory of Ladakh**.

The Bill reorganises the state of Jammu and Kashmir into:

- The Union Territory of Jammu and Kashmir **with a legislature**, and
- The Union Territory of Ladakh **without a legislature**.
  - The Union Territory of Ladakh will comprise **Kargil and Leh districts**, and the Union Territory of Jammu and Kashmir will comprise the remaining territories of the existing state of Jammu and Kashmir.
- The Union Territory of Jammu and Kashmir will be **administered by the President**, through an administrator appointed as the **Lieutenant Governor**. The Union Territory of Ladakh will be administered by the President, through a **Lieutenant Governor** appointed by him.
- The Union Territory of Jammu and Kashmir will have a **Council of Ministers of not more than ten percent of the total number of members** in the Assembly.
- The Council will aide and advise the Lieutenant Governor on matters that the Assembly has powers to make laws. The **Chief Minister will communicate all decisions of the Council** to the Lieutenant Governor.
- The **High Court of Jammu and Kashmir** will be the common High Court for the Union Territories of Ladakh, and Jammu and Kashmir.

- Further, the Union Territory of Jammu and Kashmir will have an **Advocate General** to provide legal advice to the government of the Union Territory.
- The central government will **appoint Advisory Committees**, for various purposes, including:
  1. **Distribution of assets and liabilities** of corporations of the state of Jammu and Kashmir between the two Union Territories,
  2. Issues related to the **generation and supply of electricity and water**, and
  3. Issues related to the Jammu and Kashmir **State Financial Corporation**.
  4. These Committees must submit their reports **within six months** to the Lieutenant Governor of Jammu and Kashmir, who must act on these recommendations within 30 days.

### Has Article 370 been scrapped?

**The Constitution (Application to Jammu and Kashmir) Order, 2019**, issued by President Ram Nath Kovind “in exercise of the powers conferred by **Clause (1) of Article 370** of the Constitution”, has **not abrogated Article 370**.

- While this provision remains in the statute book, it has been **used to withdraw the special status of Jammu and Kashmir**.
- The Presidential Order has extended all provisions of the Indian Constitution to Jammu and Kashmir.
- The Governments of the said State shall be construed as including references to the Governor of Jammu and Kashmir acting on the advice of his Council of Ministers.
- This is the first time that **Article 370 has been used to amend Article 367** (which deals with Interpretation) in respect of Jammu and Kashmir, and this amendment has then been **used to amend Article 370 itself**.
- **Article 35A stems from Article 370**, and was introduced through a Presidential Order in 1954.
- Article 35A does not appear in the main body of the Constitution. Article 35 is followed by Article 36 but appears in Appendix I.
- Article 35A empowers the Jammu and Kashmir legislature **to define the permanent residents of the state, and their special rights and privileges**.
- Now, the Presidential Order has **extended all provisions of the Constitution** to Jammu and Kashmir, including the **chapter on Fundamental Rights**.
- Therefore, the **discriminatory provisions under Article 35A** are now The President may also withdraw Article 35A.
- This provision is currently under challenge in the Supreme Court on the ground that it could have been introduced in the Indian Constitution **only through a constitutional amendment under Article 368**, and not through a Presidential Order under Article 370.
- However, Now, the Presidential Order, too has **amended Article 367 without following the amending process**.

### Central Government Argument: How Articles 370, 35A killed Jammu & Kashmir’s economy:

- Prime Minister Narendra Modi stated **that Article 35A and 370** held back development in Jammu & Kashmir.
- There must be **investment and job opportunities** in Jammu and Kashmir. Article 35A, 370 have been standing in the way of development. No one goes there to invest.
- We can build IIMs, but professors are not ready to go there as their children don’t get admission in schools. They can’t find homes. This **ends up harming the interests of J&K**. Therefore, the past policies needs to be reviewed.
- According to **Centre for Monitoring Indian Economy’s (CMIE)** monthly time-series data on unemployment, Jammu & Kashmir had the highest monthly average **unemployment rate of 15 per cent** between January 2016 and July 2019 among all the states.
- It is more than double the national monthly average unemployment rate of 6.4 per cent during the period.
- Most of the **manufacturing activity in the state** has remained restricted to the state’s inherent capacities in **agriculture and handicrafts**.
- With the passage of time, the policy makers and the industry continued cobbling many other relaxations that led to a variegated basket of industry incentives.

### Integration already done, now happened is removal of Autonomy:

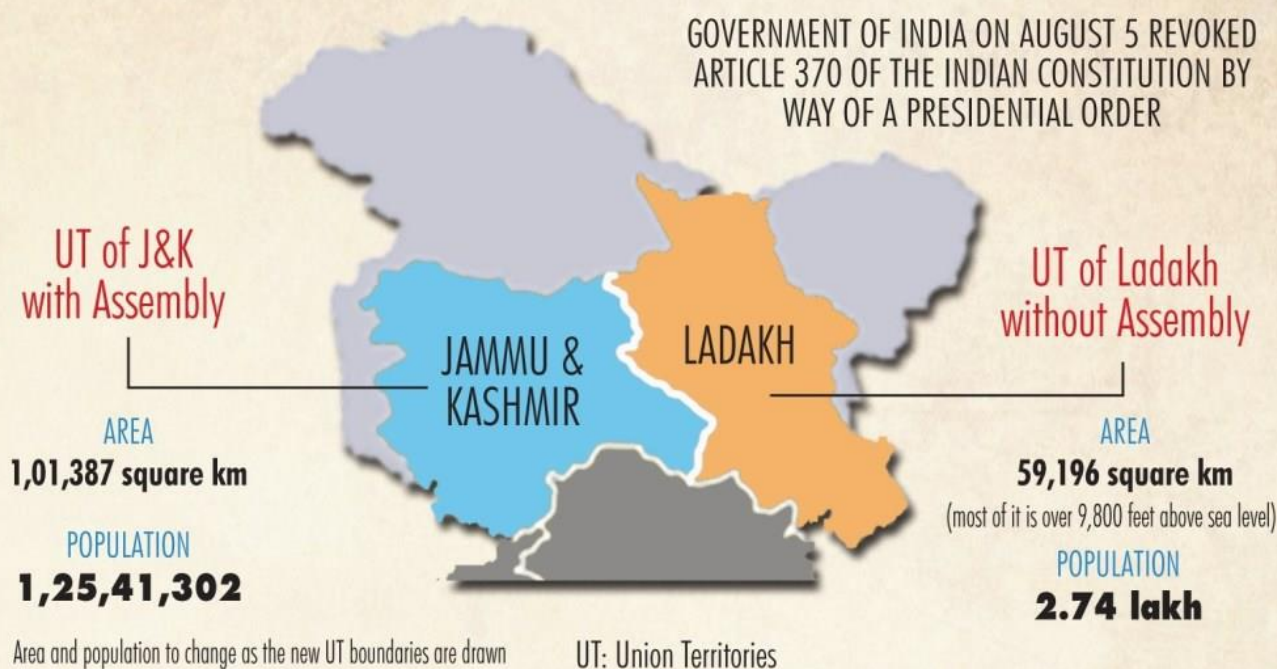
- **Article 3 of the Jammu and Kashmir constitution** itself declares the state to be an integral part of India.
- In the preamble of the Jammu and Kashmir constitution, not only is **there no claim to sovereignty** like in the Constitution of India, there is, rather, a categorical acknowledgment that the object of the Jammu and

Kashmir constitution is “to further define the **existing relationship of the state with the Union of India** as its integral part thereof”.

- Integration thus, was already complete. Article 370 merely gave **some autonomy to Jammu and Kashmir**, which has now been withdrawn.
- It will most likely be challenged in Supreme Court. However, the Supreme Court will consider that **Article 370** does, indeed, give sweeping powers to the President. It might also take **two to three years** for a Constitution Bench of the court to decide such a challenge.

## IN BRIEF: UT OF JAMMU & KASHMIR AND LADAKH

GOVERNMENT OF INDIA ON AUGUST 5 REVOKED ARTICLE 370 OF THE INDIAN CONSTITUTION BY WAY OF A PRESIDENTIAL ORDER



### JAMMU & KASHMIR AFTER ARTICLE 370 IS REVOKED:

- **No dual citizenship**
- **Central laws can directly apply**
- **No separate laws for J&K**
- **Indian citizens from**
- **other states can buy land & property**
- **No two flags**
- **Elections every five years**
- **Centre can declare**
- **financial emergency under Article 360**
- **Police will be managed by Centre**

IAN'S GRAPHICS

#### Conclusion:

- India has **used Article 370 at least 45 times** to extend provisions of the Indian Constitution to J&K. This is the only way through which, by mere Presidential Orders, India has almost nullified the effect of J&K's special status
- The special status of J&K was meant to end, but **only with the concurrence of its people**.
- The Centre's abrupt move **disenfranchised them** on a matter that directly affected their life and sentiments.
- Moreover, that this was done after a **massive military build-up** and the house arrest of senior political leaders, and the communications shutdown reveals a cynical disregard of democratic norms.
- The significant move, in theory, opens up **potential opportunities for development-led economic growth** in the Union Territories of J&K and Ladakh.
- Thus, the move is bound to have a significant impact on **the demography, culture, and politics of J&K**.

- Whatever its intent in enabling the **full integration of Jammu and Kashmir with India**, this decision to alter the State's status could have unintended and dangerous consequences.



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## 4. A CONSIDERED STEP THAT OPENS UP NEW VISTAS

### Context:

- The recent decision by the government to **abrogate Article 370** has resulted in a **countrywide debate** on the subject.
- While Article 370 has failed to benefit the people in a meaningful way, it was used by separatists to **drive a wedge** between those living in J&K and the rest of India. It was used by a neighbouring country to spread terrorism.
- History shows that instead of bringing people of Kashmir closer to the rest of India, **Article 370 has only widened the chasm.**
- This schism has been **systematically widened by vested interests.**
- The general perception is that a vast majority of people in the country feel that the **abrogation is a welcome step.**
- They also feel that the abrogation should not be viewed through a **narrow political prism** as it centres around the **unity and integrity of the nation.**
- In fact, it is also seen as a **major step towards ensuring an inclusive India.**

### Essence of Article 370: Views of First Law Minister of Independent India: In the book, **Dr. B.R. Ambedkar Framing of Indian Constitution**, by Dr. S.N. Busi,

- **Dr. Ambedkar was cited** as saying: “Mr. Abdullah, you want that India should defend Kashmir. You wish India should protect your borders, she should build roads in your area, she should supply you food grains, and Kashmir should get equal status as India, but **you don’t want** India and any citizen of India to have any rights in Kashmir and Government of India should have **only limited powers.**”
- To give consent to this proposal would be a treacherous thing **against the interests of India**, and I, as the Law Minister of India, will never do. I cannot betray the interests of my country”.
- Even Pandit Nehru had pointed out in Parliament on November 27, 1963 that “**Article 370 is part of certain transitional, provisional arrangements.** It is not a permanent part of the Constitution. It is a part as long as it remains so.”

### Historical perspective in the Indian Constitution:

- Before delving into the issue, one should understand the **essence of Article 370**; it was **only a temporary, transitional arrangement** and was never intended to be a permanent provision.
- Under **Part XXI of the Constitution of India**, which deals with ‘Temporary, Transitional and Special Provisions’, the special status was conferred upon Jammu and Kashmir (J&K) after Maharaja Hari Singh signed **The Instrument of Accession on October 26-27, 1947.**
- However, an important nugget of history is that Article 370 was not incorporated at the time of accession.
- It was included in October 1949 at the instance of Sheikh Abdullah, who was a member of the Constituent Assembly that drafted the Constitution. It became **operative only in 1952.**

### Temporary, Transitional and Special Provisions:

- Under **Article 370**, Jammu and Kashmir State was allowed to have **a separate Constitution and a Flag.**
- Its Constituent Assembly, initially, and the State legislature, subsequently, were empowered either to adopt or not to adopt any law passed by the Indian Parliament.
- Except for matters such as ‘**Defence**’, ‘**External Affairs**’, ‘**Communications**’ and matters mentioned in ‘The Instrument of Accession’, the Indian Parliament had no jurisdiction on extending its legislations to the border State without the concurrence of Jammu and Kashmir.

### A leveller to implement Central Laws for welfare of J&K people:

- The people of the country also need to know, as pointed out by the present Home Minister in the Lok Sabha recently, that **key Central laws** made for the **welfare of citizens** of the country could **not be implemented in J&K due to Article 370.**
- With its abrogation, a total of **106 Central laws will now be extended to J&K.**

- Some of the key pieces of legislation include the Prevention of Corruption Act, the Land Acquisition Act, the National Commission for Minorities Act, the Right to Education Act and those relating to empowering local bodies.
- With Article 35A becoming void, the **decades old discrimination against the women of J&K has been eliminated.**
- They can now purchase and transfer property to their children, even if they get married to a non-resident.
- Without having improved the lives of people in any way, Article 370 had become an impediment to the very development of the State.

## JAMMU & KASHMIR AND THE CONSTITUTION

**October 26, 1947:** Maharaja Hari Singh executes the Instrument of Accession under the Indian Independence Act according to the Dominion of India, which was to exercise powers only in relation to Defence, External Affairs and Communication.

**October 17, 1949:** Article 370 included in the Constitution making Jammu and Kashmir a part of India as one of the States under Article 1. Except Article 1 and Article 370, J&K exempted from the Constitution. For extending any central



law related to matters other than Defence, External Affairs and Communication, the concurrence of the State Government and its further ratification by the J&K Constituent Assembly was mandatory.

**July 24, 1952:** Delhi Agreement signed to constitute a framework for distribution of legislative power between State and Central legislature and extending the Constitutional jurisdiction in

the State. It gave special powers to the J&K State Legislature to make laws for conferring special rights and privileges on its subjects and it extended Articles 52 to 62 of the Constitution to the State.

**May 14, 1954:** The Constitution (Application to Jammu and Kashmir) Order, 1954, issued by the President under Article 370, extended numerous Articles of the

Constitution as well as the jurisdiction of the Supreme Court, Election Commission, CAG and UPSC to J&K. This Order also added Article 35A to the Constitution that empowered the State Legislature to define permanent residents of J&K and provide special rights and privileges to them.

**August 5, 2019:** The Government moves a resolution in Parliament to abrogate Article 370 and re-organise J&K as two distinct Union Territories – Jammu & Kashmir and Ladakh.

### Abrogation of Article 370 is purely an internal matter of India:

- The State of Jammu and Kashmir has been an integral part of our country. It will always remain so.
- So, the action to remove Article 370 is purely an internal matter. It goes without saying that **India will not allow outsiders to meddle in its internal affairs.**
- People should **guard against false and mischievous propaganda** by a section of the Indian and western media, which probably still believes in the colonial **mindset of 'divide and rule'.**
- Parliament has carefully considered and taken a decision that this transitory provision needs to go and that J&K must be fully integrated with the rest of India.
- The Bill was passed by **two-thirds in the Rajya Sabha and four-fifths in the Lok Sabha** after an elaborate discussion.

### Game changer for Improving Quality of life of people:

- Analysts view that this integration fulfils a **long-standing demand** of many sections of the people in J&K, including Ladakh.
- The speech of the Ladakh MP, in the Lok Sabha recently, was truly noteworthy, where he pointed out that **Ladakh** was not just a piece of land but a **precious gem of Bharat.**
- There is also need to restore the confidence of J&K people that the status of a State would be accorded once things **improve and total normalcy is restored** in Jammu and Kashmir.
- The Government's decision would **facilitate greater investments** by both individual entrepreneurs and major private companies in different sectors **including hospitality, tourism, education and health.**
- It would naturally generate **much-needed employment for local youth.** It would also enable greater scrutiny of the implementation of the schemes of the Government of India.

## Conclusion:

- The abrogation of Article 370 is indeed a step in the right direction **to safeguard the unity and integrity of India.**
- In conclusion, it should be noted that the **abrogation of Article 370** is a national issue involving our **country's safety, security, unity and equitable prosperity.**
- It is a **step in the right direction** that the Indian Parliament has taken with an overwhelming majority.
- It is a step that **opens up new vistas for the all-round development** in a State that was relatively neglected. It is a stepping stone to enable an improved **quality of life for the people of Jammu, Kashmir and Ladakh.**

## 5. BIGGER AND BETTER: ON NUMBER OF SUPREME COURT JUDGES

### Context:

- Union Cabinet has approved a proposal **to increase the strength of judges in Supreme Court from the present 31 to 34 (i.e. by 10%),** including Chief Justice of India (CJI). Cabinet has approved a bill to amend the **Supreme Court (Number of Judges) Act, 1956.**
- Against the backdrop of **nearly 60,000 pending cases in the Supreme Court,** a bill to increase the number of judges in the top court from 30 to 33 was introduced in Lok Sabha.
- At present Supreme Court has **sanctioned strength of judges is 31** (including CJI). Once the bill gets parliamentary approval, its **sanctioned strength will go up to 33, plus the CJI,** according to the Supreme Court (Number of Judges) Amendment Bill introduced by Law Minister.

### Recently, Chief Justice of India requested the same:

- The bill comes days after Chief Justice of India Ranjan Gogoi requested Prime Minister Narendra Modi to increase the number of Supreme Court judges.
- Due to paucity of judges, the required number of constitution benches to decide important cases involving **questions of law were not being formed.**
- The way back in 1988, about three decades ago, the **judge strength of the SC** was increased from 18 to 26, and then again after two decades in 2009, it was increased to 31, including the CJI, to **expedite disposal of cases** to keep pace with the rate of institution.
- According to the statement of objects and reasons of the bill, the pendency of cases in the Supreme Court has **constantly been on the rise** due to comparatively higher rate of institution of cases.

### SUGGESTIONS IN 3 LETTERS

- **Bring constitutional amendments on top priority to increase strength of SC judges, currently at 31, and raise retirement age of HC judges from 62 to 65 years**
- **Revive practice of tenure appointments of retired SC and HC judges for disposal of pending cases**

#### CASE PENDENCY

**43 lakh** in HCs  
**58,669** in SC



### Interpretation of Constitution involves substantial question of Law:

- As on the July 11, there were **59,331 cases pending** in the Supreme Court.
- It is not possible for the Chief Justice of India **to constitute five Judges Bench** on a regular basis to hear cases **involving substantial question of law** as to the **interpretation of the Constitution** as it would result in constitution of a smaller number of Division Benches which would **lead to delay in hearing of other civil and criminal matters.**
- The **feeder cadre** of chief justices and judges of the high courts have increased from 906 to 1,079 and new HCs have also been established in the previous years.
- This has led to **increase in the disposal of cases** at the high court level leading to **larger number of appeals** to the Supreme Court.

### Problems that needs to be corrected with respect to Supreme Court:

- Should the Supreme Court go into the **correctness of every decision of every high court**

- **Valuable time** is being taken up by **mundane matters** that do not impinge on larger questions that involve interpretation of laws and constitutional provisions
- **Routine bail matters** land up in the Supreme Court within days of persons being arrested
- Every major crime or disaster seems to **invite public interest litigation** which mentions the matter before the Chief Justice for **urgent hearing**. The court is being invited to even oversee flood relief work.

#### Conclusion:

- On top priority, to augment the **judge strength in the SC** appropriately so that it can **function more efficiently and effectively** as it will go a long way to attain the ultimate goal of **rendering timely justice** to the litigant public.
- The **retirement age of HC judges** should be **increased by three years**.
- This, in turn, would help to **improve the vacancy position** and, consequently, to reduce dependence on cases and also be in line with the (repeated) recommendations made by the **permanent parliamentary committees**.

#### Measures need in the way ahead:

A mere increase in the court's strength may not be enough to liquidate the burgeoning docket.

- Another set of **measures that would save the court's time**, including a reasonable restraint on the duration of oral arguments and a disciplined adherence to a schedule of hearings may be needed.
  - In this case, one of the principal objectives should be to preserve the apex court's primary role as the **ultimate arbiter of constitutional questions and statutory interpretation**.
- All other questions involving a final decision on routine matters, especially civil cases that involve nothing more than the interests of the parties before it, ought to be considered by a mechanism that will not detract from the court's primary role.
- Some countries have **brought in a clear division** at the level of the apex judiciary by having separate constitutional courts, which limit themselves to deciding questions of constitutional importance.
- It may be worthwhile considering the **229th Report of the Law Commission**, suggesting a **new system** under which there will be **one Constitution Bench in Delhi, and four 'Cassation Benches' for different regions** of the country.
- The **229th Report** has also suggested **territorial jurisdiction** of each of these **Cassation Benches of Supreme Court** to be constituted under **Article 130** of the Indian Constitution.
- Article 130 – Seat of Supreme Court – The Supreme Court shall sit in Delhi or in such other place or places, as the Chief Justice of India may, with the approval of the President, from time to time, appoint.
  - These will be **final appellate courts** for routine litigation.
  - This arrangement may also **increase access to justice** to those living in far-flung areas of the country and who may otherwise have to come to Delhi and spend more time and money in pursuing appeals. It may also **cut down on the time taken for disposal of cases**.

## 6. THE HARD REALITIES OF INDIA'S FAST-TRACK COURTS

#### Context:

- Recently, Minister for Women and Child Development, informed the **Rajya Sabha** that the government has **proposed to set up 1,023 fast-track courts** to clear the **cases under the Protection of Children from Sexual Offences (POCSO) Act**.
- A few weeks ago, the Supreme Court in a **suo motu petition** had issued directions, stating that **districts with more than 100 cases pending** under the POCSO Act need to **set up special courts** that can deal specifically with these cases.
- Increasing the number of courts as a recourse to deal with the mounting backlog has been a common practice.
- According to a recently released report by the Ministry of Law and Justice, Department of Justice in June 2019, there were **581 FTCs operational** in the country, with approximately **5.9 lakh pending cases**.

### Fast-track courts (FTCs) in India:

- A 'special court' is one which is to deal with special types of cases under a **shortened and simplified procedure**.
- The **11th Finance Commission** had recommended a scheme for the **establishment of 1734 FTCs** for the expeditious disposal of cases pending in the lower courts. Fast-track courts (FTCs) are created primarily to deal with the **judicial backlog**.
- At the end of March, 2019 there were **581 FTCs operational in the country**, with approximately 5.9 lakh pending cases. Uttar Pradesh has the most number of cases.
- However, 56% of the States and Union Territories, including Karnataka, Madhya Pradesh and Gujarat, had **no FTCs**.
- In terms of money, Rs. 870 crore was released by the Centre between 2000-2001 and 2010-2011 towards these FTCs.

## QUICK DELIVERY

Courts across the country have delivered quick justice over the years. A few examples of fast-track trials

**Rohtas, Bihar:** A court concluded a rape trial in just two days in June 2006 and sentenced a man to seven-year imprisonment for raping a minor.

**Jaipur, Rajasthan:** A rape trial was concluded in seven days in April 2006. A man was sentenced for raping a German student.

**Jodhpur, Rajasthan:** The local court finished the trial in two weeks and sentenced two men to life imprisonment for raping a 47-year-old German tourist.

**Hoshiarpur, Punjab:** The local court concluded a rape trial in nine days and sentenced a man to 10-year imprisonment.

**Delhi:** A fast-track court completed the December 16, 2012 gang rape-cum-murder case in 9 months and gave death penalty to convicts Mukesh, Vinay, Akshay, Pawan.

**Mumbai, Maharashtra:** A city court completed the Shakti Mills gang rape case in seven months and awarded death penalty to three convicts and life imprisonment to one convict.

**Imphal, Manipur:** In June 2013, an Imphal court completed a rape trial in 8 months and sentenced four convicts, including two India Reserve Battalion (IRB) jawans, to life imprisonment.

### Subordinate courts has the highest pendency of cases:

- The subordinate courts account for **over 86% pendency of cases**, followed by 13.8% pendency before the 24 High Courts. The remaining 0.2% of cases are pending with the Supreme Court.
- The main reasons for the long delay in the disposal of cases is the **high number of vacancies in position for judges** in the High Courts and the District Courts of the country.
- The court has put the actual figure at 5,133 out of 22,036 sanctioned posts. There are **more than 5,000 vacancies in the subordinate courts**.

### Problem is with systemic issues:

- However, while large sums of money and attention are being devoted to **creating additional posts**, little is being done to **identify and address** the prevalent **systemic issues**.
- Without fully **optimising the current mechanisms** and resolving the problems, sanctioning more judges may not provide the intended results.
- There is a **huge variation** in the kinds of cases handled by these courts across States.
- Certain States primarily allocate rape and sexual offence cases to FTCs and other States allocate various other matters.
- Further, several FTCs **lacked technological resources** to conduct audio and video recordings of the victims and many of them did **not have regular staff**.
- According to the latest '**National Judicial Data Grid statistics**', as of April 2018, there are **over three crore cases** pending across the Supreme Court, the High Courts, and the subordinate courts.

### Rationalisation of judicial structures:

- Fast-track courts and special courts are administered under different judicial bodies, with **little coordination or uniformity** among them.
- Therefore, a **lead agency** to be established by Central and State Governments to review the functioning of courts in a **systematic and streamlined manner**.
- The **training of staff** as per the demand of FTC is need of the hour. The FTCs must be provided with the **adequate infrastructure** to provide justice in a fair way and reduce the pendency of cases.

## Way Forward:

- For the FTCs to become successful, **States will need to take stock** of the issues at the **ground level**. States should engage with the principal and senior district judges to get a **sense of issues the courts** are facing in various districts.
- **Identifying systemic issues** and addressing the concerns is as important for timely disposal of cases as increasing the number of judges.
- The factors that have an **impact on disposal of cases** in judiciary include **inadequate staff and IT infrastructure** like delay in getting reports from the understaffed forensic science laboratories, frivolous adjournments, over-listing of cases in the cause list
- Also, given the **vacancies in subordinate courts**, it is to be seen if States would hire additional judges or appoint FTCs from the current pool of judges.
- The latter could prove to be problematic as it would increase substantially the workload of the remaining judges.
- **Equal attention** must be paid to both the metropolitan and far-flung non-metropolitan areas.
- For the **overall system to work productively**, it is important to ensure that its various **components work efficiently** and without any hindrance.

## 7. DOES THE MEDICAL COMMISSION BILL ENCOURAGE QUACKERY?

### Context:

- President Ram Nath Kovind has given his nod to **National Medical Commission Bill 2019**. The move came after Parliament passed the bill in the just-concluded session. The Bill seeks to **repeal the Indian Medical Council Act, 1956**.
- It has provisions to set up the **National Medical Commission** which will frame policies for **regulating medical institutions and medical professionals** and assess the requirements of healthcare-related human resources and infrastructure.
- Union Health Minister hails the NMC Act as **historic and milestone in the medical education sector**. The rules will be framed and the NMC will be constituted within **six months**.

**THE NEW-AGE DOC SHOULD...**

- > Understand and provide preventive, promotive and holistic care with compassion
- > Be a leader and member of the health care team with capabilities to analyse and communicate health data appropriately
- > Be a lifelong learner committed to continuous improvement of skills and knowledge
- > Be a professional who is committed to excellence, is ethical, responsive and accountable to patients and the community

“ Sometimes just treating the patient is not sufficient... the MCI's decision to introduce ethics and communication skills will help bridge the gap between patient's family and the doctors ”

**Dr G Srinivas** | CONVENER  
OF RESIDENT DOCTORS  
ASSOCIATION

source: Medical Council of India

### About National Medical Commission Bill, 2019:

- The Bill aims to provide for a **medical education system** that improves access to **quality and affordable medical education**, ensures availability of adequate and high-quality medical professionals in all parts of the country.
- Under the Bill, the NMC can **grant a limited license** to certain mid-level practitioners connected with the modern medical profession to practice medicine.

The bill seeks to **establish uniform standards National Exit Test (NEXT)** as

- i) an entrance test for post-graduate courses
  - ii) a screening test for those who obtained a degree in medicine from abroad and
  - iii) an exam to obtain the MBBS license for practice.
- NMC would **regulate fees** and all other charges for **50% of the seats in private medical colleges and deemed universities**.
  - As per the Bill, of 25 members proposed for the NMC, only five would be elected which means the non-elected members would be either government officials or those nominated by the government.

### Recent Government Initiatives:

- Government invested **Rs 10,000 Cr** in **creating Government seats** in the past five years.
- Government is also **setting up 21 new AIIMS** at a cost of over Rs 30,000 Cr to give boost to the medical education sector.
- Prior to the reforms of NEET and Common Counselling, rich students could afford to **pay huge and unrecorded capitation fees** to secure admission to private medical colleges.
- Now, as NEET qualified students only can get admission, this **ensures that merit prevails in admissions**.

### Apprehensions about National Medical Commission Bill, 2019:

- In the NMC Act **Clause 32** provides for **limited License to practice at Mid-level as Community Health Providers**:
- In other words, persons **without medical background** are becoming eligible to practise modern medicine and prescribe independently.

### Reasons mentioned:

- India as a whole also has a **huge shortage of specialists**. So, you may have doctors but it does not necessarily mean that they can **adequately address certain diseases**.
- The whole question of **doctor-population ratio** as per the **World Health Organisation (WHO)** norms doesn't really have much of a meaning.
- We don't have credible data. But estimates show that there could be **about eight lakh doctors actively practising**, which would mean that we need an **additional five lakh doctors**, but that's just a gross estimate.
- But, the **Indian Medical Association** has **raised concerns** over the term '**Community Health Provider**' as it allows anyone connected with modern medicine to get registered in NMC and be licensed to practise modern medicine.
- There is no doubt that there is **adequate number of doctors** in both Kerala and Tamil Nadu, whereas in **Bihar and the northern States**, there is an **acute shortage**.
- There is a differential between the rural and urban areas, as a large number of doctors tend to **cluster in urban areas**.

### About uniform standards National Exit Test (NEXT)

- **Clause 15** facilitates a common final year undergraduate examination (NEXT) with common standards of knowledge and skills for Doctors on a Nation-wide basis.
- Regulations operationalizing NEXT would be made in due course of time keeping in mind, both **theoretical, as well as clinical skill sets** required at the level of Under Graduation.
- Composition of NMC includes **75% doctors** representing Central and State Institutions/ Councils and Health Universities.

### Regarding Fee Regulation:

- There is criticism that representation of IMC should be **more from democratically elected members** than nominated.
- The IMA demand that there should be **capping on the fee charged by the unaided medical institutions**.
- **Refuting allegations** that the clause on fees regulation will make the medical education expensive, ministry clarified there was **no provision to regulate fees** in the Indian Medical Council Act 1956.
- In view of the lack of a regulatory mechanism, the Supreme Court had to pass orders for **setting up of fees committees** in each state to be chaired by retired high court judges.
- Regarding Community Health Provider, India has been able to have a **proper training programme** that really enables young doctors to go and work in rural areas. However, **Chhattisgarh and Assam** did work on having a three-year-trained physician such as LMPs (Licentiate Medical Practitioners).

### Conclusion:

- By the government's view, The NMC Act is **progressive legislation** which will **reduce the burden on students** and bring down costs of medical education.
- The critics major concerns are that **six months period is insufficient** and there must also be a **focus on quality**. However, nurses, if trained well along with strong regulations, can be a great asset.

- Thus, it would be adequate to have **three-year-trained public health practitioners**, who would really address all our infectious diseases and public health requirements of the rural poor.
- However, there should be a need of **continuous redesign**, actually having a **strong evaluation framework**, a strong **regulatory governance framework** is extremely important.

## ECONOMY

### 8. RBI'S GOLDILOCKS CUT: ON REPO RATE CUT

#### Context:

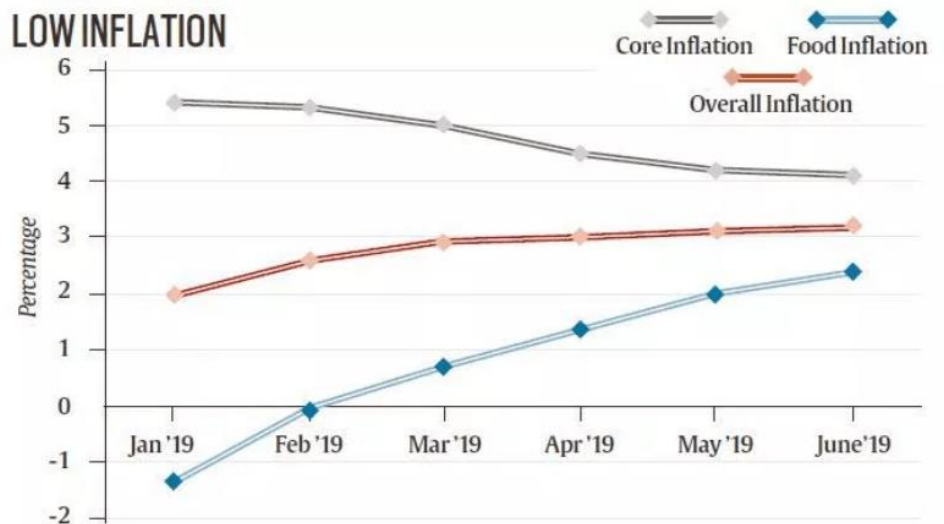
- The **Reserve Bank of India (RBI)** cut **key interest rates** for the fourth time this year as it strives to **boost corporate investment and consumer spending** to accelerate stubbornly slow economic growth, which it now expects will not exceed 6.9% in the current financial year, as **both domestic and external demand stay weak**.
- A **cut of 35 basis points** in the repurchase, or **repo rate**, at which the central bank lends funds to commercial banks, took the **cumulative reduction** since February to 1.1 percentage point. One basis point is one-hundredth of a percentage point. The **repo rate is now 5.4%**, the lowest in nine years.

#### Repo rate and Reverse repo rate:

- Repo and Reverse repo are **short for repurchase agreements** between the RBI and the commercial banks in the economy.
- In essence, the repo rate is the interest rate that the RBI charges a commercial bank when it **borrow money from the RBI**.
- As such, if the repo falls, all interest rates in the economy should fall. And that is why common people should be interested in the RBI's monetary policy.
- Investments depend essentially on the **"real" interest rate**. The real interest rate is the difference between the repo rate and retail inflation.

#### Reasons for Consecutive Rate Cuts by the Central Bank:

- RBI has been the **most aggressive central bank** in Asia in **cutting interest rates** this year to boost growth from a five-year low of 5.8% to which it sank in the quarter ended March and **spur investments**.
- Finance minister Nirmala Sitharaman had called for **"significant" policy easing** by the central bank to help revive **growth**, which slumped in the March quarter to a five-year low of 5.8%.
- The RBI said various **high-frequency indicators** suggest weakening of both domestic and external demand conditions.



#### HIGH REAL INTEREST RATE

	FY14	FY15	FY16	FY17	FY18	FY19
Repo Rate (%)	8	7.5	6.75	6.25	6	6.25
CPI Inflation (% y-o-y)	9.4	6	4.9	4.5	3.6	3.4
Real Interest Rate (%)	-1.4	1.5	1.9	1.8	2.4	2.9

Source: National Statistics Office (NSO), CRISIL Research

Source: NSO, CRISIL Research

- **Domestic economic activity** continues to be weak. **Private consumption**, the mainstay of aggregate demand, and investment activity are **sluggish**.
- To address the growth concerns, **reducing the cost of capital** is essential.
- The **Business Expectations Index of the RBI's industrial outlook survey** showed muted expansion in demand conditions in the second quarter, although a decline in input costs augurs well for growth.
- Global slow-down is clear. There are escalating trade tensions, allegations about currency manipulations.
- When **making an investment decision**, it is this interest rate that matters. As a variable, it allows an investor to compare the attractiveness of different economies.

#### For Effective Monetary Transmission: Rate Cuts need to transmit to real Economy by Banks:

- **Repo rate reductions** only provide enabling conditions to reduce the cost of borrowing. To be effective, **adequate transmission** needs to take place.
- Initially the banks were **slow to ensure monetary transmission**. Out of the 75 basis points cut in the past three policies, banks passed on just 29 basis points.
- The reduced repo rate applies **only to new borrowings of banks**. The banks cost of **existing funds is higher**. Of course, funding costs would eventually come down but this process would take time.
- Now, the rate-cuts are being gradually transmitted to the real economy. The benign inflation outlook of around 3% provides headroom for policy action to close the negative output gap.
- This **"lag" in monetary policy** is a **key variable** in determining the efficacy of any rate cut by the RBI. It could take anywhere **between 9 and 18 months** for the full effect of an RBI decision to reflect in interest rates across the economy.
- The RBI also **allowed banks to classify loans** to NBFCs for agriculture, small businesses and home mortgages as priority-sector lending, in a bid to ensure **credit flows to those key contributors** to economic growth and employment.
- The RBI is, therefore, cutting interest rates to incentivise people **to consume more and businesses to invest more**.
- Arguably, the **space for fiscal concessions is limited** given the overall revenue scenario, but the government can certainly push for further reforms to **incentivise investment** without impacting its fiscal arithmetic.

#### 24X7 transfers through NEFT from December:

- The RBI has decided to allow **round-the-clock fund transfers through NEFT** from December this year in order **to promote digital transactions**.
- The decision, the Reserve Bank of India said, "is expected to **revolutionise the retail payments system of the country**".
- Currently, the National Electronic Funds Transfer (NEFT) operated by the RBI as a retail payment system is available for customers from 8 am to 7 pm on all working days with the exception of second and fourth Saturdays of a month.
- The NEFT system is used for fund transfers up to Rs 2 lakh.
- The present economic slowdown now is part cyclical which can be addressed by a rate cut and part structural, for which reforms are an absolute necessity. Therefore, unless the **government responds with its own measures**, the RBI's efforts to support growth may go in vain.

#### Conclusion:

- RBI governor Shaktikanta Das, who became **central bank chief** in December after Urjit Patel resigned, told reporters that the **MPC viewed a quarter-point move as "inadequate."** A half-point reduction would have been "excessive" and **35 basis-point of easing was deemed "balanced"**.
- Further, demand for **investment and consumer durables** has to increase, which is a function of income much more than the cost of borrowing.
- To uplift investment sentiments, **adequate momentum** has to be generated by the **fiscal side**. Unless **capacity utilization improves**, investment demand from the private sector is not likely to improve.
- The central bank said addressing **growth concerns by boosting aggregate demand**, especially private investment, assumes the highest priority at this juncture while remaining consistent with the inflation mandate.

## 9. THE CONSUMER PROTECTION BILL, 2019

### Context:

- The both the houses of parliament passed the **Consumer Protection Bill, 2019** that provides for the **establishment of authorities for the timely and effective administration and settlement of consumer disputes.**
- The Consumer Protection Bill, 2019 seeks to **strengthen the consumer rights** and provides a **mechanism for redressal of complaints** regarding defects in goods and deficiency in services.
- Several countries like Canada, Estonia have devised **advertisement regulations for unhealthy foods targeted at children**
- Countries such as the UK, Ireland and Belgium have specifically banned celebrity **endorsement of unhealthy foods.** The impact of such restrictions has been reported to be significant.
- The present passed Bill seeks to replace the three-decade-old Consumer Protection Act, 1986.

### Important Features of The Consumer Protection Bill, 2019:

- Apart from setting up of authorities for **timely and effective administration** and settlement of consumer disputes, the bill also seeks to bring in **e-commerce** under **their jurisdiction** and hold celebrities accountable for **false and misleading advertisements of products** that they endorse.
- Apart from the consumer courts at the district, state and national level, the bill proposes a **Central Consumer Protection Authority (CCPA)** to promote, protect and **enforce consumer rights** as a class and protect them from unfair trade practices.
- CCPA, envisaged as a regulator, can **file a class action suit** if required and would take **immediate action** on any consumer complaint.

### Rights of consumers: Six consumer rights have been defined in the Bill, including the right to:

- be protected against marketing of goods and services which are hazardous to life and property;
- be informed of the quality, quantity, potency, purity, standard and price of goods or services;
- be assured of access to a variety of goods or services at competitive prices; and
- seek redressal against unfair or restrictive trade practices.

- The bill proposes **strict action against the advertiser** in case of **misleading advertisements** but not against the media through which the advertisement is being publicised.
- Celebrities can be **fined up to ₹10 lakh.** For repeat offences, this may rise to ₹50 lakh, with a jail term of up to five years.
- **Product liability:** Product liability means the **liability of a product manufacturer, service provider or seller** to compensate a consumer for any harm or injury caused by a defective good or deficient service.
- To claim compensation, a consumer has to prove any one of the conditions for defect or deficiency, as given in the Bill.

## PENALTIES FOR MISLEADING ADVERTISEMENT

### MANUFACTURER

Jail up to two years with fine of up to

**₹10 lakh**  
for first offence

Consequent offence to attract jail up to five years with fine up to **₹50 lakh**

### PUBLISHER/ ADVERTISER

Fine up to

**₹10 lakh**  
if Central Consumer Protection Authority finds the publisher or advertiser guilty

### ENDORSER

Up to

**₹10 lakh**

fine & one year ban on future endorsement for first offence

Repeat offence to attract fine up to **₹50 lakh** & ban on future endorsement up to three years



- It also provides for **product liability action** on account of harm caused to consumers due to defective products or deficient services.

#### Consumer Disputes Redressal Commission:

- Consumer Disputes Redressal Commissions (CDRCs) will be set up at **the district, state, and national levels**.  
A consumer can file a complaint with CDRCs in relation to:
  - Unfair or restrictive trade practices;
  - Defective goods or services;
  - Overcharging or deceptive charging; and
  - The offering of goods or services for sale which may be hazardous to life and safety.
- Complaints against an **unfair contract** can be filed with only the State and National Appeals from a District CDRC will be heard by the State CDRC.
- Appeals from the State CDRC will be heard by the National CDRC. Final appeal will lie before the Supreme Court.

#### Way Forward:

- Misleading ads, tele-marketing, multi-level marketing, direct selling and e-commerce pose new challenges to consumer protection and will require **appropriate and swift executive intervention** to prevent consumer detriment.
- However, **certain issues** such as the **appointment of mediators to settle disputes** are contentious as this would lead to **arm-twisting of the weaker parties** and may encourage corruption.
- The Bill does not address the **fundamental problem of protracted and complicated litigation**, the bane of consumer forums constituted under the Consumer Protection Act of 1986. Instead, it provides an alternative to the consumer forums, in the form of mediation.
- The setting up of a **Consumer Authority** and absence of provisions to streamline the conducting of cases in courts may only lead to greater regulations and complexities.
- Addressing these issues is necessary to ensure that the new amendments bring about definitive improvements in the CPA.

#### Conclusion:

- India is likely to cross **China's population by 2024** and consumerism is growing fast.
- With the passage of the Consumer Protection Bill in Parliament, consumer rights are set to **receive a massive boost**. The new regulations put **more responsibility on companies** for misleading advertising and faulty products.
- In a global first, it also lays out **penalties for celebrities** endorsing or promoting false advertising and adulterated goods.
- The emergence of global supply chain, rise in global trade and rapid development of e-commerce have led to a **new delivery system for goods and services** and also provided new options and opportunities for consumers.

## 10. PUBLIC SECTOR BANKS DURING ITS JOURNEY OF 50 YEARS OF NATIONALIZATION

#### Introduction:

- The **nationalisation of banks in 1969** was a **watershed moment** in the history of Indian banking.
- From July 19 that year, **14 private banks were nationalised**; another six private banks were nationalised in 1980. It is certain that one cannot locate a similar transformational moment in the banking policy of any country at any point of time in history.
- The nationalized or public sector banks (PSBs), accounting for **nearly 70 percent of total banking** in the country have been doing great service to the nation. The spread of **banking network in rural areas**, and disbursement of rural credit has been mainly because of PSBs.

### Banking sector at the time of India's Independence:

- At the time of Independence, India's rural financial system was marked by the **domination of landlords, traders and moneylenders**.
- In 1951, if a rural household had an outstanding debt of Rs.100, about Rs.93 came from non-institutional sources.
- From the 1950s, there were **sporadic efforts** to expand the reach of the institutional sector, particularly in the rural areas. Despite these measures, the predominantly **private banking system failed to meet the credit needs of the rural areas**.

### Watershed moment in Indian Banking History: Class to mass banking:

- **India's banking policy after 1969** followed a **multi-agency approach** towards expanding the **geographical spread and functional reach** of the formal banking system.
- First, as a part of a new branch licensing policy, banks were told that for every branch they opened in a metropolitan or port area, **four new branches had to be opened in unbanked rural areas**.
- As a result, the number of rural bank branches increased from 1,833 (in 1969) to 35,206 (in 1991).
- Second, the **concept of priority-sector lending** was introduced. All banks had to compulsorily **set aside 40% of their net bank credit** for agriculture, micro and small enterprises, housing, education and "weaker" sections.
- Third, a **differential interest rate scheme** was introduced in 1974. Here, loans were provided at a **low interest rate** to the weakest among the weakest sections of the society.
- Fourth, the **Lead Bank scheme was introduced in 1969**. Each district was assigned to one bank, where they acted as "pace-setters" in providing integrated banking facilities.
- Fifth, the **Regional Rural Banks (RRB)** were established in 1975 to enlarge the supply of institutional credit to the rural areas.
- Sixth, the **National Bank for Agriculture and Rural Development (NABARD)** was constituted in 1982 to regulate and supervise the functions of cooperative banks and RRBs.

### A To and Fro: The government and the RBI probably saw the danger coming in banking policy:

- Following measures were taken:
- In 2004, a policy to **double the flow of agricultural credit** within three years was announced. Only public banks could make this happen.
- In 2005, the RBI quietly brought in a **new branch authorisation policy**. Permission for new branches began to be given only if the RBI was satisfied that the banks concerned had a plan to adequately serve underbanked areas and ensure actual credit flow to agriculture.
- In 2011, the RBI further tightened this procedure. It was mandated that at least **25% of new branches** were to be compulsorily located in unbanked centres.



It is with this positive approach to problems of growth with stability and social justice, that we have sought to give new emphasis and a new sense of urgency to economic policy in recent months. The nationalisation of banks, for which there is overwhelming support in this Honourable House and the country at large, will, I am sure, be soon put on a stable footing.



**Indira Gandhi**  
On Feb. 28, 1970

### Outcome of these initiatives:

- India's nationalisation experience is an answer to mainstream economists who argue that administered **interest rates cause "financial repression"**.
- Public banks also played a central role in furthering the **financial inclusion agendas** of successive governments.
- Data show that more than **90% of the new no-frills accounts** were opened in public banks.
- The number of rural bank branches rose from 30,646 in 2005, to 33,967 in 2011 and 48,536 in 2015.
- The **annual growth rate of real agricultural credit** rose from about 2% in the 1990s to about 18% between 2001 and 2015.

- Much of this new provision of agricultural credit did not go to farmers; it largely went to big agri-business firms and corporate houses located in urban and metropolitan centres but recorded in the bank books as agricultural credit.

#### Benefits that reaped by India:

- The role and contribution of PSBs in last 50 years has been exemplary and needs to be celebrated in this Golden Jubilee year.
- These Banks were nationalized by an **Act of Parliament** and are now being consolidated, not privatized.
- This process of consolidation reflects that PSBs are here to stay and expected to play a much bigger role as well as compete with the best in the industry.
- It would be useful to have an **evaluative study conducted on the role of PSBs** in development of India.
- This **research-based study** should distil lessons from last five decades of experience and provide guidance for better performance in future.
- The outcomes of such a **multi-agency approach** were admirable. The share of institutional sources in the **outstanding debt of rural households** increased from just 16.9% in 1962 to 64% in 1992.

#### Conclusion:

- None can dispute the **beneficial impact of bank nationalisation** on the Indian economy but let us not forget that **everything is transient** in its time and place.
- There are obvious **unwanted consequences and developments** that call for change now. The recommendations of the **Narasimham Committees on banking sector reforms in the 1990s** deserve a closer look.
- The point of non-performing assets, the inherent deficiency of public sector banking in many areas and **new issues require a holistic look**.
- It would be far more prudent to **correct systemic faults** that have crept in the sector in the course of the last 50 years than reversing a policy measure that has made financial inclusion a reality. Even merger to **create a few leviathans** may prove to be **counterproductive**.
- Other issues include mergers of banks, the structure of non-banking financial companies and small- and medium-enterprises, holistic consolidation in banking and industrial structures. **Change is of the essence.**

## 11. SYMPTOM AS CAUSE: ON AUTOMOBILE INDUSTRY WOES

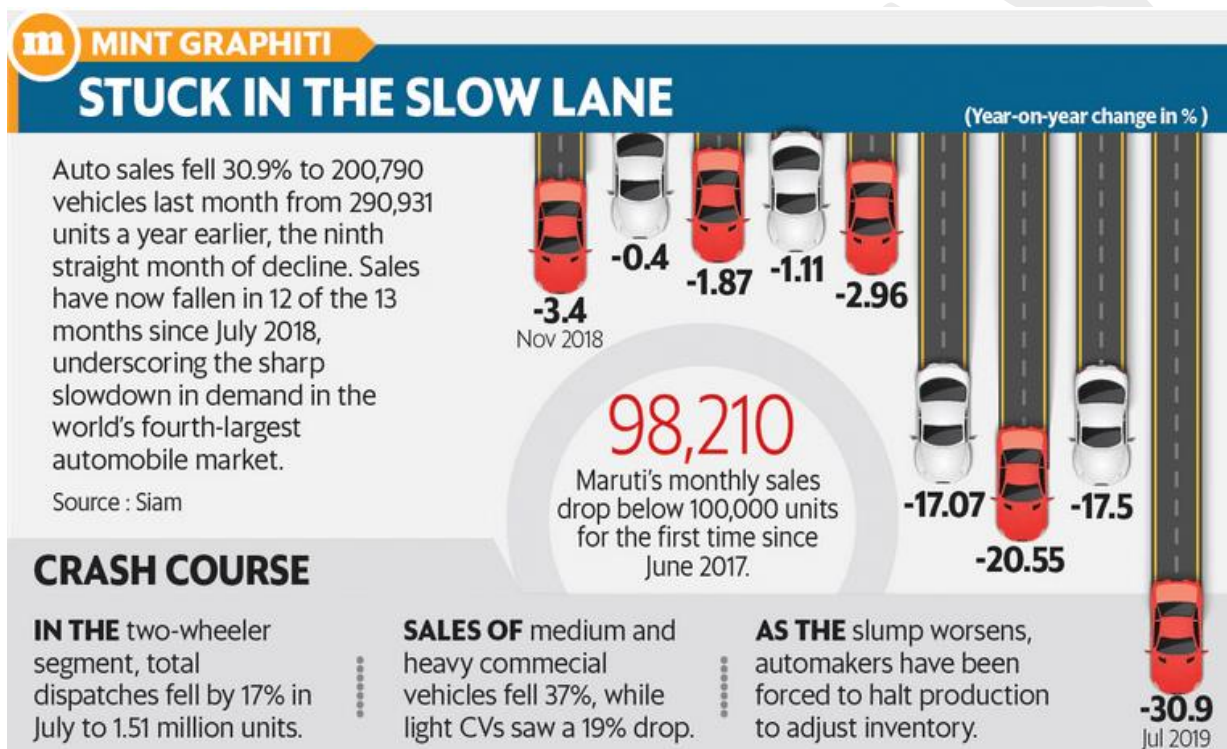
#### Context:

- **India's automobile industry** is experiencing a **snowballing crisis of demand** that shows no signs of abating, leave alone reversing.
- Domestic sales across all vehicle categories slid 19% year-on-year in July, as passenger vehicle despatches plunged 31% to register the **segment's steepest fall** in almost 19 years.
- And with the wheels having come off both two-wheeler deliveries and commercial vehicle shipments, with the former contracting 17% and the latter slumping 26%, the picture is one of widespread gloom.
- While the **Federation of Automobile Dealers Associations** recently warned of **more jobs being at risk**, on top of about two lakh positions that have already been shed, the Society of Indian Automobile Manufacturers (SIAM) admitted that the industry had laid off at least about 15,000 contract workers in the last three months.
- That the broader economy is experiencing a **serious slowdown** has been evident for some time now and the latest data from the auto sector only bears testament to it.

#### Liquidity crunch in NBFC Industry: Decrease in Private Consumption:

- The straightforward interpretation of the data is that **demand has dried up in all corners** and among all key consumer segments of urban, semi-urban and rural and personal and institutional.
- As the RBI acknowledged last week "**private consumption**, the mainstay of **aggregate demand**" remains sluggish.
- While some of the factors currently bedeviling demand in the auto sector are well established the **liquidity crunch in the NBFC industry** and the **resultant tightening of credit availability** to finance vehicle purchases.

- An increase in up front insurance costs and **the 28% GST charged on cars, motorcycles and scooters** — the fact that manufacturers overestimated demand when setting up capacity, especially of fossil-fuel powered vehicles, has largely been overlooked.
- For example, Maruti Suzuki, India's largest car maker, has announced plans to **stop selling diesel cars from April 1** as demand has slumped.
- In 2012, the company decided to invest Rs.1,700 crore in a new diesel engine plant in Gurugram, capacity that it now **needs to repurpose or idle**.
- Simultaneously, the **ride-share industry has mushroomed** in recent years, especially in urban areas where **choked roads and lack of parking space** have incentivised rapid adoption of app-based commuting. The outlook too, especially for the near term, looks far from hopeful.
- The Automotive Component Manufacturers Association of India has warned that **nearly a million jobs could be lost** if the contraction persists.
- For an economy accustomed to high single-digit growth, the travails of its main manufacturing industry have turned business sentiment especially gloomy.



### Reasons for this Slowdown of Automobile Industry:

- There are **several reasons** for the famed Indian automobile sector, **fourth largest in the world**, to experience this unprecedented slowdown.
- First, the sector was impacted due to **impending general elections**, where uncertainty over outcome drove people to **postpone vehicle purchases**.

Then, a **combination of factors worsened the industry's prospects:**

- Severe liquidity crunch due to the IL&FS crisis since late last year and
- A simultaneous increase in ownership costs, an overall weak economy affecting demand and
- Now, severe floods in some key vehicle buying states further hurting demand.
- The impending deadline of **mandatory transition to the Bharat Stage VI (BS VI) emission norms** is another irritant.
- To top it all, the face-off between the **industry and the policymakers** over a proposed deadline to **convert some vehicle categories to electric** from the present internal combustion engine (ICE) technology obviously did not help either.
- The government has been considering a proposal **to ban all ICE-driven two-wheelers under 150cc in the next six years** and all three-wheelers within four years.
- More than three in four vehicles sold in India currently would be impacted if this proposal were to be implemented and the automobile industry has mounted a quiet revolution against this proposal.

- According to the Supreme Court of India, from **deadline is April 1, 2020** onwards, no motor vehicle following the currently **existing BS IV norms** will be allowed to be sold across the country.
- On the emission transition, the **deadline is April 1, 2020** and this too is a major pain point for vehicle makers.
- Bajaj Auto, the second largest two-wheeler maker in the country, has described this **mandatory transition to BS VI** from next fiscal as the **“joker in the pack”** while providing a positive outlook for its business in the current fiscal.
  - However, it is difficult to anticipate the state of BS VI readiness of our competitors. If some, or most, of them have a large stock of unsold BS IV vehicles in the second half of FY2020, they will perforce have to dump these in the market before the advent of 1 April 2020.
  - That could trigger an unwarranted price war, to the detriment of all. We cannot claim that such a scenario will definitely play out; equally we cannot ignore a distinct risk overhang on that account.
  - This scenario will likely play out for other vehicle categories too, making the industry even more competitive than it already is and skewing price points.
- The chairman of Maruti Suzuki India, has already said that his company’s decision to **stop producing vehicles with up to 1.3 litre diesel engine capacity** was taken keeping in mind the rising cost of compliance with newer emission norms.

#### Fall in Farm Incomes and Its effect on Rural Demand Creation:

- It all started with agriculture from around mid-2014. **Global agri-commodity prices crashed**, it led to a collapse in export demand for Indian farm produce and simultaneously its **increased vulnerability to imports**.
- The problem became serious during the past three years or so. Consumer food inflation during the past 34-months ruled below general retail inflation level and averaged just 1.3% year-on-year.
- This resulted to automobile sector also. **India’s famed automobile sector** has been hit by a severe slowdown for many months now and its unprecedented sales decline has ceased to surprise. The latest numbers have instead begun raising severe concerns.

#### Arguments from Industry to revive the growth:

- SIAM has already sought a GST relief coinciding with the implementation of the new emission norms to prevent a further slide in vehicle sales.
- On the tight deadline for transition to EVs too, the industry appears up in arms and a solution to this prickly issue seems difficult at the moment.
- The government has **mitigated some concerns** by lowering GST on EVs and on the other nagging issue – lack of liquidity too – it seems to be making some moves. But the industry expects a **comprehensive “revival” package** to emerge from the present slowdown.
- This includes lowering insurance costs, putting in place a scrappage policy for phasing out older vehicles and slashing GST rates across vehicle categories.
- In commercial vehicles, the economic slowdown has coincided with an **increase in freight carrying capacity of trucks**, which led to a sharp fall in sales as fleet owners could carry more freight on their existing trucks.
- **Lower demand from agriculture** and other sectors also contributed to the weak market as fleet owners witnessed a drop-in rental.
- Will the government listen to the industry’s woes, given its own fiscal troubles? This remains to be seen.

#### Conclusion:

- If **half the manufacturing GDP** of the country is in **doldrums** and declining sales of cars, two wheelers and trucks will result in lower GST collections, the government’s already precarious fiscal math could worsen further in 2019-20.
- There’s a **combination of frequent changes** that led to this slump. Higher and non-standard road taxes, which have been **too frequent and inconsistent** have led to auto-makers having to increase prices of vehicles.
- Apart from this, the **ever-rising GST on automotive parts and vehicles** has also added to the woes of the industry. This has eventually led to customers shying away from buying these vehicles and a downturn in sales.
- The RBI’s July round of its **Consumer Confidence Survey**, which reflected a **decline in consumer confidence** in July, shows 63.8% of respondents expect discretionary spending will stay the same or shrink one year ahead.

- In June 2018, the comparable reading was 37.3%. The onus now lies on the government to **urgently formulate policy interventions** to address this sectoral crisis or risk wider contagion. *Reviving the automobile sector* should, therefore, become one of the top priorities of the government.

## 12. SENTIMENT BOOSTER: ON GOVT RESPONSE TO SLOWDOWN

### Context:

- The government came out on the front foot to try to boost private sector sentiments, with Finance Minister announcing a **slew of measures to reduce the burden on the sector**, including withdrawing the controversial surcharge on Foreign Portfolio Investors (FPIs) and reiterating the Prime Minister's statement that the government **"respects all wealth creators"**.
- In order to **encourage investment in the capital market**, it has been decided to **withdraw the enhanced surcharge** levied by the Finance Act (No 2) Act 2019 on **long- and short-term capital gains** arising from the transfer of equity shares.
- The government also decided to **front-load the Rs.70,000 crore of capital infusion** in public sector banks that was announced in the Budget, a move aimed at **increasing private investment** by facilitating greater credit disbursement by the banks.
- According to the government, this Rs.70,000 crore will lead to about **Rs.5 lakh crore of fresh liquidity that can be loaned out**.

### Comprehensive package of Measures:

- India's GDP growth plummeted to **nearly five-year low of 5.8 per cent** in January-March and it is widely believed that the growth might not have picked up in the first quarter of the current fiscal also.

Therefore, the announced measures will boost economy:

- They addressed the **growth slowdown concerns**; free up funds for investment and spending by banks, housing finance companies and MSMEs; and importantly, undo some controversial proposals, in the budget and outside it, which were affecting sentiment in the **markets and the corporate sector**.
- Importantly, these have all been done **without any significant financial burden** on the government.
- Some of the measures promote the **ease of doing business and even the ease of living for ordinary citizens**.
- The auto sector's biggest demand that of **reduction in GST rate** may not have been conceded, but Ms. Sitharaman has given the sector enough to cheer about.
- The **accelerated depreciation of 15%** (in addition to the existing 15%) for all vehicles acquired till March 31, 2020 and the **deferral of the proposed increase in registration fee** for new vehicles to June 2020 are positive measures that will boost sentiment and, it is to be hoped, **translate into demand**.
- As the festive season sets in, banks will have more space to increase their lending consequent to the upfront **funding of Rs.70,000 crore** (announced in the budget) that they will get from the government **towards recapitalisation**.
- This, together with the **strong push for repo rate linked loan products**, is likely to benefit consumers borrowing to buy new homes, vehicles and durables.
- The **roll-back of the capital gains tax** imposed in the budget on foreign portfolio investors.
- The **withdrawal of angel tax on start-ups** and the promise that non-compliance with corporate social responsibility (CSR) norms will be **decriminalised** show a government that is willing to listen to feedback from the ground.
- The assurance that **all pending GST refunds to MSMEs will be paid within 30 days** and going forward such refunds will be made within 60 days is a great relief for the sector. This will **ease the cash flows of MSMEs** who often work with stretched finances.

### Consistent growth will Stabilise Economy:

- With the **global environment in high flux**, India remains well-poised for staying at the top of the growth ladder.
- The growth momentum across sectors such as infrastructure, automotive, consumer durables, and others will **see huge impetus**. Kudos for this well-thought economic stimulus.

- In a bid to give **fillip to job-creating** Micro, Small and Medium Enterprises (MSME), Sitharaman said **pending GST refunds** would be done within 30 days, while start-ups – a major avenue for employment and new entrepreneurship – would be **exempt from so-called ‘angel tax’**.

- Creation of a **shelf of infrastructure projects** and announcement of a **long-term financial institution** have wide positive ramifications for the economy.

- For Housing Finance Companies (HFCs) the **National Housing Bank** will provide an additional line of **funding of Rs 200 billion** over the Rs 100 billion to HFCs. This will provide **additional liquidity to HFCs at reasonable rates**, the government had said.

This will provide **additional liquidity to HFCs at reasonable rates**, the government had said.

- To **bolster consumption**, the government also said that banks have decided to **cut interest rates**, a move that would lead to **lower equated-monthly instalments** for home, automobile and other loans.
- **Easing of FPI norms** could give a boost to the **overseas investment** in the country which is an **important source** of economic growth and development in India.
- These changed norms will make the **regulatory framework more investor-friendly** for FPIs and a **multidimensional approach** is needed to resolve the concerns of FPIs and reasons of outflows.

#### Conclusion:

- Some of the smaller steps can go a long way. Expediting delayed payments by government departments and public sector units is alone expected to release a massive Rs.60,000 crore into the economy.
- There are several measures there which will **boost consumer sentiment** and it will **boost investor sentiment** in any case.
- The **comprehensive measures** removing enhanced surcharge on FPIs (foreign portfolio investors) and DIs (domestic investors), securing transmission of lower repo rates, **addressing delayed payments** and ensuring that bank officials are confident about lending are **strategically targeted towards raising investments**.

### 13. GIVING WINGS TO BETTER AIR CONNECTIVITY

#### Context:

- In the last session of Parliament, the government acknowledged that **only one-fourth of the air routes** granted under the **Regional Connectivity Scheme (RCS)** or UDAN (Ude Desh ka Aam Nagrik- loosely translated to ‘every common man flies’) have become operational.
- Flights have commenced so far on merely 186 out of 705 RCS routes it had offered to airline operators so far.
- **Civil aviation is a Central subject** and one that barely got significant attention from the States until recently.
- It is evident from the fact that very few States in India have **active civil aviation departments**.
- This is also due to the reason that States have had a passive role, invariably, having had to look up to the Central government for the **development of airports and enhancing air connectivity**.

However, in the last four years, the situation has changed considerably:

- The cooperation of States is seen as a major factor in the growth of the civil aviation sector. The Regional Connectivity Scheme, **UdeDeshkaAamNaagrik (UDAN)**, has become a **game changer** as this flagship programme has a built-in mechanism to **develop stakes of State governments** in the growth of the sector.

#### When push comes to shove

**Finance Minister Nirmala Sitharaman** announced some measures to boost economic growth and promised that there is more to come. Two more press conferences are to be held, one of which will be next week. Here are some highlights:

- Increased surcharge on FPIs scrapped
- CSR violations not to be treated as criminal offences
- Public sector bank infusion of **₹70,000 crore** to be released upfront, in one go
- Banks agree to issue more repo-linked loan products to benefit borrowers
- Additional **₹20,000 crore** liquidity for housing finance companies, which will also

#### benefit borrowers

- Govt. to purchase cars to boost auto demand; higher registration fees put off
- Delayed payments by PSUs to be expedited
- Angel tax withdrawn for registered startups



- The government had launched the **Udan (Ude Desh ka Aam Nagrik)** scheme in October 2016 to stimulate regional air connectivity and make air travel affordable to the masses.
- Aviation minister launched the government's regional connectivity scheme Udan is not only "crucial" for the growth of the North-eastern region but also provide "affordable" aviation to the people.

#### International UDAN or Overseas UDAN:

- International UDAN is an extension of the domestic UDAN scheme that rolled out last year.
- UDAN in its **domestic avatar** seeks to **boost air connectivity by linking up un-served and under-served airports** in Tier 2 and Tier 3 cities with the big cities and also with each other.
- This is done by **offering cheap tickets** to passengers and the Central and State governments **paying a subsidy to the airlines** to enable them to offer cheap tickets.
- Under International UDAN, the **plan is to connect India's smaller cities directly to some key foreign destinations** in the neighbourhood.
- Such **direct air connectivity**, it is hoped, would promote the development of the city and the State **by wooing tourists and businesspeople** to travel via smaller towns, instead of their flying through the metros.
- The scheme seeks to **make use of the open skies policy** that India has with other Asian countries that allows direct and unlimited flights to and from these nations to 18 Indian destinations. Now, these routes are untested, and airlines could be understandably reluctant to ply them.
- To encourage them to participate, the government offers a **subsidy in the form of pre-decided payout per seat**. Airlines are required to bid on the number of passenger seats per flight for which such support is required.



#### Key policy interventions to promote Airlines in India:

- The policies of States and Centre are now being **interlinked to make flying accessible and affordable**.
- Governments are poised for the growth as they have the **potential to strengthen their partnership** under the **cooperative federalism framework** to provide the required impetus to the sector.
- **Here are some policy intervention suggestions to jump-start the aviation market.**
- For any airline in India, the **cost of Aviation Turbine Fuel (ATF) forms about 40% of the total operational cost**.
- Keeping petroleum products **out of the purview of Goods and Services Tax (GST)** may be a policy imperative for the State governments but this is a step that adversely impacts the expansion of air services to the States.
- States have **very high rates of value-added tax (VAT) on ATF** sometimes as high as 25% which has dampened the growth trajectory of civil aviation. ATF is a small component of overall petroleum products and deserves to be treated separately.
- The airline industry is **capital-intensive** and works on **very thin profit margins**. Therefore, **relief on ATF is a major incentive for airlines** to augment their operations.
- UDAN has motivated State governments **to reduce the VAT on ATF to 1%** for the flights that are operated under this scheme.
- Airports such as Jharsuguda (Odisha) and Kolhapur (Maharashtra) have successfully attracted airlines to connect these hitherto unconnected regions.
- **Reducing VAT on ATF is the biggest lever States can operate**, which will enable them in being an equal partner in steering sector policy.

#### Connecting the Unconnected areas:

- However, to attract airlines **from regional to remote connectivity**, further interventions are necessary.
- Considering the **infrastructural constraints and difficult terrain**, small aircraft operators need to be encouraged.

- Many a time, policy reluctance is observed considering the financial non-viability of the models to connect remote areas using smaller aircraft and helicopters. But air connectivity to these difficult regions is indispensable.
- Areas which cannot be connected meaningfully by road or rail have to be linked by air. No doubt, they will be cost-effective if the economic analysis is factored-in.
- For example, travel from Dehradun to Pithoragarh (both in Uttarakhand) by road takes 16 hours and communication is almost cut-off in the rainy season.
- Air connectivity would not only bring down travel time but also be a boon in emergencies. This is also **true for northeast India, the islands and also hilly States**.
- **Convergence is an element in governance** which is often overlooked due to a compartmentalisation in implementation.
- States may converge their relevant schemes relating to tourism, health, and insurance for supporting air connectivity to supplement the objectives of regional connectivity.

**Another area is in the development and management of airports:**

- There are many regional airports which can be **developed by States** on their own or in collaboration with the Airports Authority of India (AAI).
- In this, there have been different models of public-private-partnership which can be **leveraged to develop infrastructures**. Land involves huge capital and is a scarce resource. Innovative models can be explored to **create viable 'no-frill airports'**.
- These functional airports can open up regions and change the way people travel. India had about 70 airports since Independence until recently.
- Under UDAN, the Union government, with the help of the States, has operationalised 24 unserved airports over the past two years; 100 more are to be developed in the next five years, which can only be achieved through the active collaboration between willing States and the Centre.

**Linking the hinterland:**

- Third, States and the Central government can play a crucial role in supporting airlines to **develop air services in the remote regions**.
- To reduce operational cost of airlines and airport operators, incentives from State governments have been sought: some in the form of financial support such as VAT reduction; sharing of viability gap funding with airlines, and non-financial incentives such as providing security and fire services free of cost to airport operators.
- Under UDAN, some success stories have motivated States to announce innovative approaches and policies in support of airlines.

**Conclusion:**

- An **International Civil Aviation Organization (ICAO) study** has shown that the **output multiplier and employment multiplier of civil aviation are 3.25 and 6.10**, respectively.
- Empirically, this has been proved in many airports within India where the connectivity has changed the economic landscape in a positive way.
- Currently the penetration of the aviation market in India **stands at 7%**. There is potential to be among the **global top three nations** in terms of domestic and international passenger traffic.
- For this **States need to create a conducive business environment** to facilitate the strong aspirations of a burgeoning Indian middle class to fly at least once a year.
- It would **boost ticket sales** from the present level of eight crore domestic tickets. Developing airports, incentivising airlines and pooling resources of both the Union and State governments can **accelerate the harmonised growth** of the Indian civil aviation sector which would be **equitable and inclusive**.

## 14. REDISCOVERING DEVELOPMENT BANKS

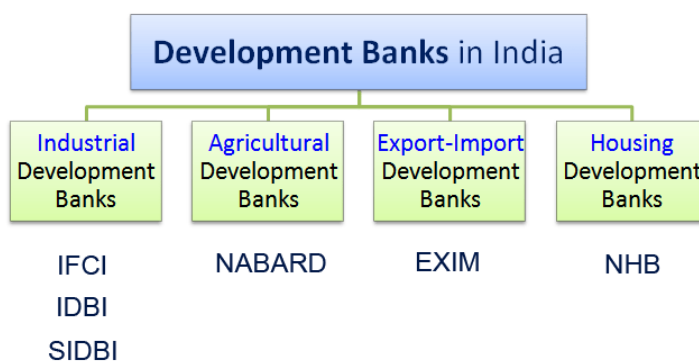
**Context:**

- Recently, the finance minister announced a list of measures in order to boost the economy which is presently facing a slowdown. One such announcement was setting up of a **development bank in India**.

- The Development Bank will be set up to **provide credit enhancement for infrastructure and housing projects.**
- A strong national development bank is the need of the hour that will be in the forefront of funding **India's strategic and long-term development.**

#### About Development Banks:

- Development banks are also known as **term-lending institutions** or development finance institutions (DFIs).
- Development banks are **financial institutions** that provide **long-term credit for capital-intensive investments** spread over a long period and yielding low rates of return, such as urban infrastructure, mining and heavy industry, and irrigation systems.
- Such banks often **lend at low and stable rates of interest** to promote long-term investments with **considerable social benefits.**
- Development banks are different from commercial banks which mobilise short- to medium-term deposits and lend for similar maturities **to avoid a maturity mismatch**-a potential cause for a bank's liquidity and solvency.



#### Need for Developmental Banks in India:

- After independence, the institutional framework for development banking began- IFCI (1948), IDBI (1964), IIBI (1972), NABARD and EXIM Bank (1982), SIDBI (1990), etc.
- IFCI, previously the Industrial Finance Corporation of India, was set up in 1948. This was probably **India's first development bank for financing industrial investments.**
- The **World Bank's new broad-based index of financial development** placed India in 38th place in regard to financial markets but 102 in respect of financial institutions, which reiterates that India **needs to do a lot to strengthen domestic financial institutions.**
- **Global Financial Crisis of 2008** reignited the need of development banks globally.
- An **IMF paper (2016)** noted, "the initial hopes that the privatisation wave of the 1980s would fuel a private sector funded greenfield infrastructure investment boom have fallen well short of expectations".
- The **World Bank** devoted its **Global Financial Development Report (2015)** to the theme of importance of long-term finance.
- The **UNCTAD study** asserted "the time is ripe to promote development banks."
- **India's economic downturn** in recent quarters and the **high NPAs of banks** affecting their credit culture have forced the government to think about reviving the Development banks to boost the economy through **infrastructure financing.**

#### China's development banks to finance long-term Projects:

- The Agricultural Development Bank of China, China Development Bank, and the Export-Import Bank of China have been at the forefront of financing its industrial prowess.
- After the global financial crisis, these institutions have underwritten China's risky technological investments helping it **gain global dominance in IT hardware and software companies.**
- Germany's development bank, KfW, has been spearheading **long-term investment in green technologies** and for sustainable development efforts requiring long-term capital.

#### Ways for Financing Development Banks:

- As the **domestic saving rate was low**, and **capital market was absent**, development finance institutions were financed by:
  - **Lines of credit** from the Reserve Bank of India (that is, some of its profits were channelled as long-term credit); and
  - **Statutory Liquidity Ratio bonds**, into which commercial banks had to invest a proportion of their deposits.

- In other words, by sleight of government hand, short-term bank deposits got transformed into long-term resources for development banks. The missing capital market was made up by an administrative fiat.
- However, development banks got discredited for mounting non-performing assets, allegedly caused by politically motivated lending and inadequate professionalism in assessing investment projects for **economic, technical and financial viability**.
- After 1991, following the **Narasimham Committee reports on financial sector reforms**, development finance institutions were disbanded and got converted to commercial banks.
- The result was a **steep fall in long-term credit** from a tenure of 10-15 years to five years.
- The development of the debt market has been an **article of faith** for over a quarter-century, but it has failed to take off as in most of Europe and industrialising Asia, where the bank-centric financial system continues to prevail.

#### Issues that need to be addressed in way Ahead:

- The Finance Minister's agenda for **setting up a development bank** is welcome.
- However, a few hard questions need to be addressed in **designing the proposed institution**. How will it be financed?
- If foreign private capital is expected to contribute **equity capital** (hence part ownership), such an **option needs to be carefully analysed**, especially in the current political juncture.
- The **design of the governance structure** is fraught with dangers with many interest groups at work. One sincerely hopes that the political and administrative leadership carefully weigh in the past lessons to lay a firm foundation for the new institution.

#### Conclusion:

- In order **to improve access to long-term finance**, it is proposed to establish an organisation to **provide credit enhancement** for infrastructure and housing projects, particularly in the context of India now not having a development bank.
- It also became necessary for the need for us to have an **institutional mechanism**. So, this will enhance debt flow toward such projects. The announcement could have far-reaching implications for India's financial system.
- Considering the **social benefits** of such investments, and uncertainties associated with them, development banks are often supported by governments or international institutions.
- Such support can be in the **form of tax incentives and administrative mandates** for private sector banks and financial institutions to invest in securities issued by development banks.

## 15. GOVERNMENT SHOULD USE RBI FUNDS IN A PRUDENT MANNER

#### Context:

- On August 26, the central board of the Reserve Bank of India (RBI) decided to **transfer a surplus of Rs 1.76 lakh crore** to the government-its highest transfer ever-sparking a fierce debate.
- The government was, it must be noted, acting on the **recommendations of a committee** chaired by former RBI governor **Bimal Jalan, on capital transfer**.
- Some economists have welcomed the move as it will help the government counter the **shortfall in revenue and tax collection**.
- Since inflationary pressure is low, economists believe that the move will not have a negative impact in the long run.
- Another group of economists which include the likes of Raghuram Rajan and former RBI governor Urjit Patel said earlier that the move could put RBI in a **vulnerable position apart from diminishing its autonomy**.



**Betting on Big Gains**

RBI's reserves: **₹9.6 lakh crore**

Govt has sought transfer of a big chunk of this

It has budgeted ₹90k cr in RBI dividends this fiscal. This excludes transfers from surplus

**Extra capital** will help meet fiscal deficit target

**PANEL'S MANDATE**

The panel was tasked with examining RBI's requirements on provisions, reserves and buffers

**That would** determine how much of reserves could be transferred to govt

### Bimal Jalan committee Recommendations:

- The surplus from the central bank comprised **two components**-Rs 1.23 lakh crore of surplus for the year 2018-19 and an additional Rs 52,637 crore of excess provisions that was made available as per the **revised economic capital framework recommended by the Bimal Jalan committee**.
- Of the Rs 1.23 lakh crore, the RBI has **already transferred Rs 28,000 crore** to the government in the previous fiscal, which will reflect in RBI's upcoming annual report.
- It suggested that the framework may be **periodically reviewed after every five years**.
- It recommended to align the **central bank's accounting year with the financial year**, which could reduce the need for paying interim dividend.
- The panel recommended **clear distinction** between the two components of economic capital, realised equity and revaluation balances. This is because of the **volatile nature of the revaluation reserves**.
- Only **realised equity built from profits** must be distributed. The panel recommended that the **Contingency Fund be maintained** within a range of 6.5% to 5.5% of RBI's balance sheet.
- Hence, the excess from the **pre-decided 5.5% level** or Rs. 52,637 Cr has been written back, that is **transferred to the Centre**.
- Revaluation gains from market fluctuations on foreign currency, gold or other assets must be retained. **Revaluation balances were not distributable**.
- Hence bulk of RBI's legacy reserves are ring-fenced from transfer demands.
- The **Bimal Jalan committee** should also be complimented for clearly specifying that the **revaluation reserve cannot be used to bridge shortfalls in other reserves**.

### Every year RBI transfer the surplus to government:

- **RBI is not a commercial organisation** like banks and other companies owned or controlled by the government to pay a dividend to the owner out of the profit generated.
- What the RBI does is transfer the surplus excess of income over expenditure to the government.
- **Under Section 47 of the RBI Act**, "after making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds and for all other matters for which provision is to be made by or under this Act or which are usually provided for by bankers, the balance of the profits shall be paid to the Central government".

### What is special about the pay out this time?

- Yes, the RBI does **transfer its surplus annually** to the government, the owner of the institution, after making adequate provisions for contingencies or potential losses.
- The profit that is distributed has varied, averaging over Rs 50,000 crore over the last few years.
- Now, the RBI Board accepted the recommendations of a committee headed by former Governor Bimal Jalan **on transfer of excess capital**.
- This marks the first time the RBI will be paying out such a huge amount, a one-off transfer. Earlier, the government had budgeted for Rs 90,000 crore from the RBI as dividend for this fiscal year.

### What are the sources, RBI generate money?

- A significant part comes from RBI's operations **in financial markets**, when
- It intervenes for instance **to buy or sell foreign exchange**;
- **Open Market operations**, when it attempts to prevent the rupee from appreciating;
- As income from **government securities** it holds;
- As returns from its **foreign currency assets** that are investments in the bonds of foreign central banks or top-rated securities;
- From **deposits with other central banks** or the Bank for International Settlement or BIS;
- Besides lending to banks for **very short tenures and management commission** on handling the borrowings of state governments and the central government.
- RBI buys these financial assets **against its fixed liabilities** such as currency held by the public and deposits issued to commercial banks on which it does not pay interest.

### Expenditure for RBI:

- The RBI's expenditure is mainly on **printing of currency notes**, on staff, besides commission to banks for **undertaking transactions** on behalf of the government and to primary dealers that include banks for underwriting some of these borrowings.
- The central bank's total costs, which includes expenditure on printing and commissions forms, is **only about 1/7th of its total net interest income**.

**However, in most countries, Central banks hold back on transferring large amounts:**

- Especially after the global financial crisis when central banks had to resort to unconventional means to revive their economies, the approach has been **to build adequate buffers** in the form of higher capital, reserves and other funds as a **potential insurance against future risks or losses**.
- A higher buffer **enhances the credibility of a central bank** during a crisis and helps avoid approaching the government for fresh capital and thus **maintain financial autonomy**.

**Filling the Revenue Gap in the government's account deficit:**

- Another major question has to do with **what the money will be used for**.
- The amount could either be used to **provide a fiscal stimulus** to the economy-which is in the grip of a slowdown-or to **reduce off-balance sheet borrowings**, or meet an expected shortfall in revenue collections.
- In the Union budget, the government had presented an optimistic scenario of **raising Rs 4.76 lakh crore in additional resources** to meet budget expenses.
- However, since there is a clear slowdown ahead, this revenue target may not be met, in which case the surplus from the RBI would be **used to bridge the shortfall**.
- While this is surely a big gain for the government, it will have a tough time justifying the transfer of such a big amount into its kitty.

**Conclusion:**

- Normally, the money is transferred to the **Consolidated Fund of India** from which salaries and pensions to government employees are paid and interest payments done, besides spending on government programmes.
- The large pay-out can help the **government cut back on planned borrowings** and keep interest rates relatively low.
- Besides, it will provide **space for private companies to raise money from markets**.
- And if it manages to meet its revenue targets, the windfall gain can lead to a **lower fiscal deficit**.
- The other option is to earmark these funds for public spending or specific projects, which could lead to a **revival in demand in certain sectors and boost economic activity**.

**IR**

## **16. PADDING UP FOR THE NEXT UNSC INNINGS**

**Context:**

- India was recently elected for its **8th term** as a non-permanent member of the UN Security Council for the **term 2021-22**.
- India has served as a **non-permanent member** of the United Nations Security Council (UNSC) more often than any country other than Japan from the Asia-Pacific Group.
- India will need the **vote of two-thirds of the 193** UN General Assembly members to win a non-permanent seat on the UNSC.
- It is a matter of **satisfaction and a tribute to Indian diplomacy** that the Group unanimously decided this year to support India for an **eighth second-year term**. The elections are to take place in June next year. This means that India's election is assured and its term will run in the **calendar years 2021 and 2022**.

**Issues that need to be addressed during India's tenure down the road:**

- The *dynamics of international politics* are fast moving.
- Factors such as tensions between major powers; proxy wars in West Asia, and widespread and scattershot use of threat and economic sanctions by the United States.
- It is significant that despite the poor state of **bilateral relations with Pakistan**, and the many challenges India has faced from China at the UN, both the countries graciously agreed to the nomination.

- An even bigger challenge will be to **nudge all five permanent members** on the one issue they have unitedly resisted: **towards the reform and expansion of the UNSC**, which would include **India's claim to a permanent seat** at the high table.
- It is necessary for the government to think beyond the campaign for the UNSC, and work out a **comprehensive strategy** for what it plans to do with the seat.

#### Objectives for Indian foreign policy in UNSC:

- Given the **twin challenges** of a rising China, and the U.S. receding from its UN responsibilities, India must consider **how it will strengthen the multilateral world order** amid frequent unilateral moves by both the world powers.
- India has been at the forefront of the **years-long effort to reform the security council** saying it rightly deserves a place as a **permanent member** of the council, which, in its current form, does not represent the geopolitical realities of the 21st Century.
- India should aim to have its decisions in UNSC **based on legal merit**. This would be well respected by international community. Enhance its credentials as a **constructive and responsible member** of international society, which can be used in future to push for a **permanent UNSC seat**.
- India should **emphasize and strengthening multilateralism** in international politics to counter existing trends towards unilateralism, ethno-centrism, protectionism and racial intolerance.
- India should attempt to make progress on the non-discriminatory elimination of weapons of mass destruction, protection of the environment against global warming & safeguarding outer space from weaponization
- India should underline the **validity of Article 2 of the UN Charter** that provides for **state sovereignty and safeguards** countries against outside interference in the domestic affairs of other states.
- India should seek to protect the **World Trade Organisation** from American attempts to undermine it, since the **WTO's dispute mechanism** is a resource for developing countries.
- India should also **work for the timely reforms** in the United Nations Educational, Scientific and Cultural Organization, the UN Human Rights Council and other UN bodies despite the U.S. and a few other countries withdrawing support to them.
- India could use its presence on the **UNSC's sanctions subcommittee** to proscribe Pakistan-based militant groups and individuals.
- India needs to become the **leader of the South Asian region**, since India cannot be considered a global power if it does not lead its own region.
- In upholding respect for a **rules-based order in international society**, India should underline the **sanctity of treaties** such as the multilateral accord with Iran **endorsed by the Security Council** and the Paris Agreement on Climate Change.

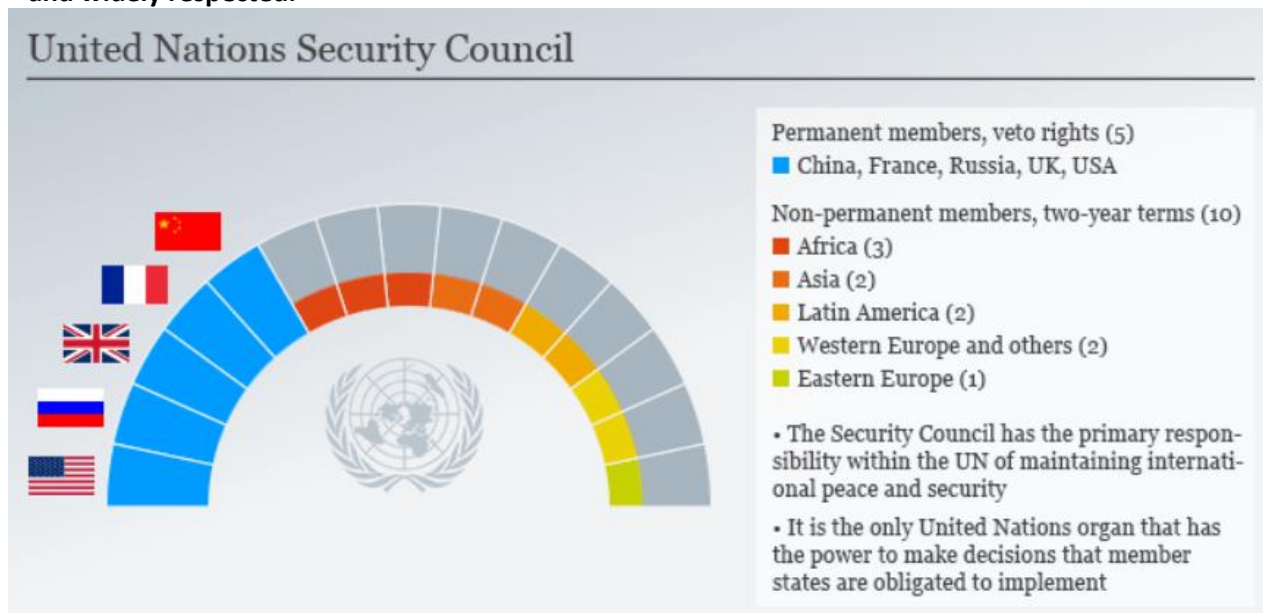
#### Conclusion:

- In a highly significant **diplomatic win for India** and a testament to its growing global stature, India's candidature for a **non-permanent seat** at the United Nations Security Council for a **two-year term** was unanimously endorsed by the **Asia-Pacific group** of the world body, including Pakistan and China.

#### About United Nations Security Council (UNSC):

- UNSC is one of the principal organisation of United Nation with an **aim for the international peace and security**. As of now there are 15 members of UNSC.
- Five of those US, UK, France, Russia and China are permanent members. India has been elected as a non-member of the UNSC for 7 terms.
- Prime function of the UNSC should be to **maintain international peace and security**. It should also **focus on shared goals**, especially international social and economic cooperation
- India was seemingly offered the **UNSC membership twice** but in both cases the offer could not have materialised since multiple forces were at play.
- Keeping in step with the decolonising world, restructuring of the UN's most important organ will serve as the most exemplary of reparation efforts at this point.
- The **potential of UN reform** in resolving armed conflicts and humanitarian crises, especially in the Middle East and Africa, should not be stifled at the cost of status quo bias.
- India is at the forefront of efforts at the UN to **push for the long-pending reform of the Security Council**, emphasising that it rightly deserves a place at the UN high table as a **permanent member**.
- With India, as member the council would be **more legitimate** and thus a **more effective body**. Adequate presence of developing countries is needed in the security council.

- Demosthenes in Fourth Century BC Athens stated that diplomats had “no battleships at their disposal, their weapons are words and opportunities”.
- India’s presence on the UNSC will present opportunities to enhance the country’s reputation. American policies in India’s near-neighbourhood towards West Asia, Russia and China present challenges that can be met only with great skill and delicate balance.
- India should aim to end its eighth term on the Council with **its merit- and legality-based judgments intact and widely respected.**



## 17. FORTIFYING THE AFRICA OUTREACH

### Context:

- Recently, President Ram Nath Kovind commenced his seven-day state visit to **Benin, Gambia and Guinea-Conakry** (July 28 to August 3) and Defence Minister Rajnath Singh arrived in **Maputo** on a three-day visit (July 28 to July 30) to **Mozambique**.
- India’s relation with Africa has been a **historical one**. In recent years, these ties have been sought to be imposed with **deeper economic and strategic relationship**.
- The India-Africa summit which began in 2008 has seen three summits, last one being held in October 2015.
- The simultaneity of the two visits may be a coincidence, but it also indicates enhanced priority to Africa. This should be welcomed.

### Recent developments of India-Africa:

- President Ram Nath Kovind said, **Technology** has been at the **centre of India’s development partnership** with countries in Africa, underlining that India is keen to share its **digital revolution with Africa** to enhance the well-being of its people.
- The **scientific gains** from India’s space programme have allowed us to strengthen **communication, resource mapping and disaster management** capacities in several African countries.
- **Air connectivity** between India and Africa has got a boost with three new services to Ethiopia, Kenya and Tanzania.
- We see a lot of **business traffic** between India and Africa. The visiting friends and relatives travel segment is also strong given the Indian diaspora in the continent. The new flights will increase access and may lower fares.
- Africa is a **niche and expensive destination** and the new connections will facilitate more leisure travel.
- President Ram Nath Kovind highlighted that India led the efforts **to establish a Slave Trade Memorial** at UN in New York and thanked the country Benin for its support towards **global recognition of the indenture labour heritage**.

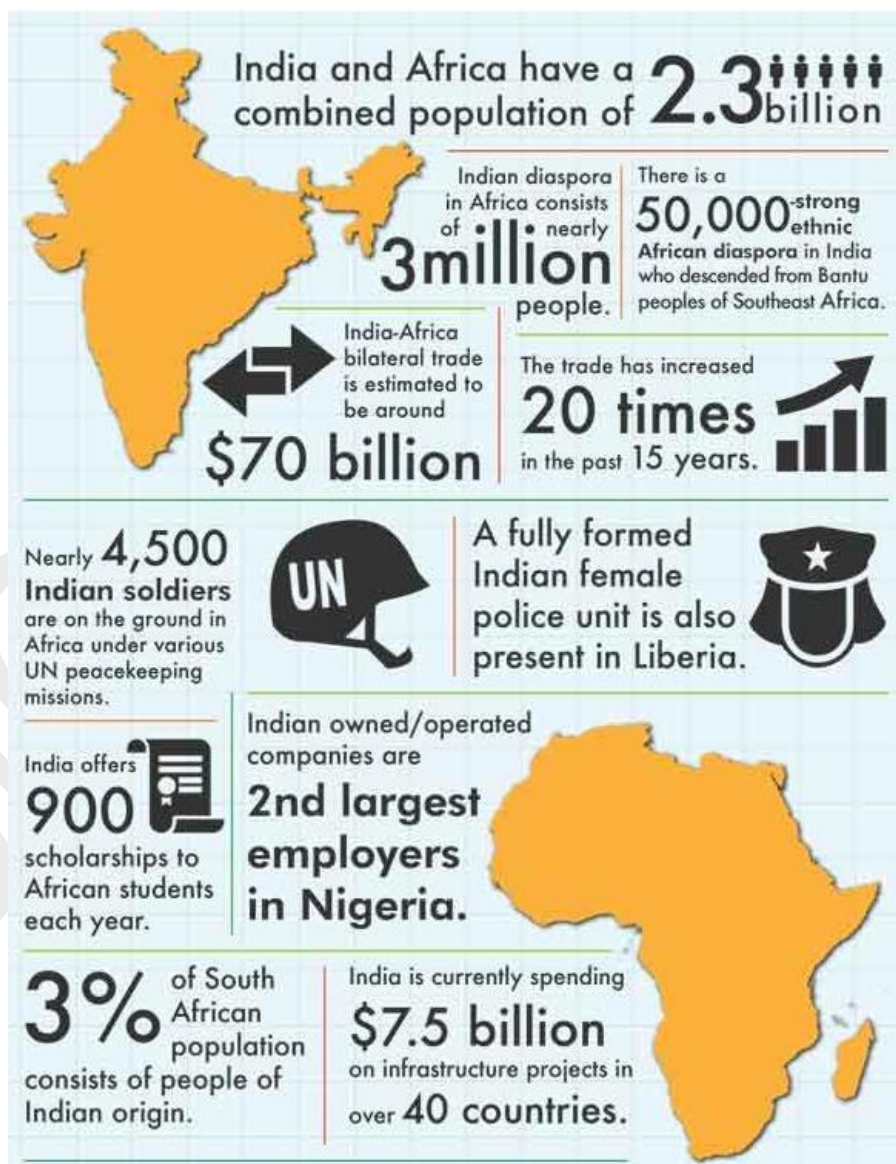
## Economic links between India and Africa:

- India has substantive economic engagement with Africa. Its trade with Africa totalled **\$63.3 billion in 2018-19**. India was ranked the **third largest trading partner of Africa** having edged past the United States during the year.
- During the past five years, Indian leaders have **paid 29 visits** to African countries. Forty-one African leaders participated in the last India-Africa Forum Summit in 2015, where India agreed to provide **concessional credit worth \$10 billion** during the next five years.
- By 2017, India had cumulatively extended 152 Lines of Credit **worth \$8 billion to 44 African countries**.
- India has also unilaterally provided **free access to its market for the exports** of 33 least developed African countries.

## Africa needs to reciprocate the same:

- Any objective cost-benefit analysis of India's development assistance to Africa is unlikely to impress.
- India's aid being unconditional, the recipients often take it as an entitlement.
- But India is neither a rich country nor has its hands been tainted by a history of slavery, colonisation and the exploitation of Africa.
- In fact, it is a developing country with **similar domestic challenges** of poverty, infrastructure deficit and underdevelopment.
- India's funds committed and seats in our **prestigious academic institutions offered to Africa** are at the **expense of the tax-paying Indians**.
- India's aid to Africa should be reciprocated by **acknowledgement** and **quid pro quo in terms of goodwill** and institutional preference.
- India cannot simply be a cash cow for Africa, particularly when its own economy is slowing down.
- There seems to be a **conspicuous disconnect** between Indian developmental assistance to and India's economic engagement with Africa. The time has now come to integrate these two axes for a **more comprehensive and sustainable engagement**. It would also **facilitate aided pilot projects** being scaled up seamlessly into commercially viable joint ventures.

## INDIA - AFRICA IN NUMBERS



## Steps need to take Forward:

For all the **development billions spent**, how many mega-projects did Indian companies get and how many natural resources does India have access to in Africa?

- Therefore, we should **reorient our developmental profile** to be more economically productive.
- 1) First, we need to take **direct control of our development programme** instead of handing our funds to intermediaries whose **priorities are often different from India's**.
  - To make an impact, our aid should be **disbursed bilaterally and aligned with national priorities** of the recipient state, which should be a substantial stakeholder and co-investor in schemes and projects from initiation to operation.
- 2) Second, India's development assistance should prefer the countries **with its substantial interests**, both existing and potential.
  - For instance, **Nigeria, South Africa, Egypt, Ghana, Angola and Algeria** are India's top six trading partners in Africa, accounting for nearly **two-thirds of its trade** and **half its exports** to the continent; yet, they do not figure commensurately in India's developmental pecking order.
  - India's own needs for raw materials, commodities and markets should be factored in its aid calculus.
- 3) Third, we ought to **prefer aiding countries** which are willing to help us from access to their natural resources **to using our generics**.
- 4) Fourth, the aided project selected should be **compatible with local requirements**. They should be **cost-effective, scalable, future ready and commercially replicable**.
- 5) Fifth, for greater transparency, India should **prefer its public sector to implement the aid projects**.
- 6) Sixth, the Indian Head of Mission in the recipient African state must be an **integral part of the aid stream** including project selection, co-ordination and implementation.
  - Apart from empowering our diplomacy, this would ensure better harmonisation between our aid and economic objectives.
- 7) Finally, the aforementioned should **not distract us from our duty** to provide the **needed humanitarian assistance to Africa**: to be rendered promptly and with sensitivity, but without noise.

We must also work together to make **global governance more equitable**, and for this **stronger multilateralism** needs to be guaranteed.

#### Conclusion:

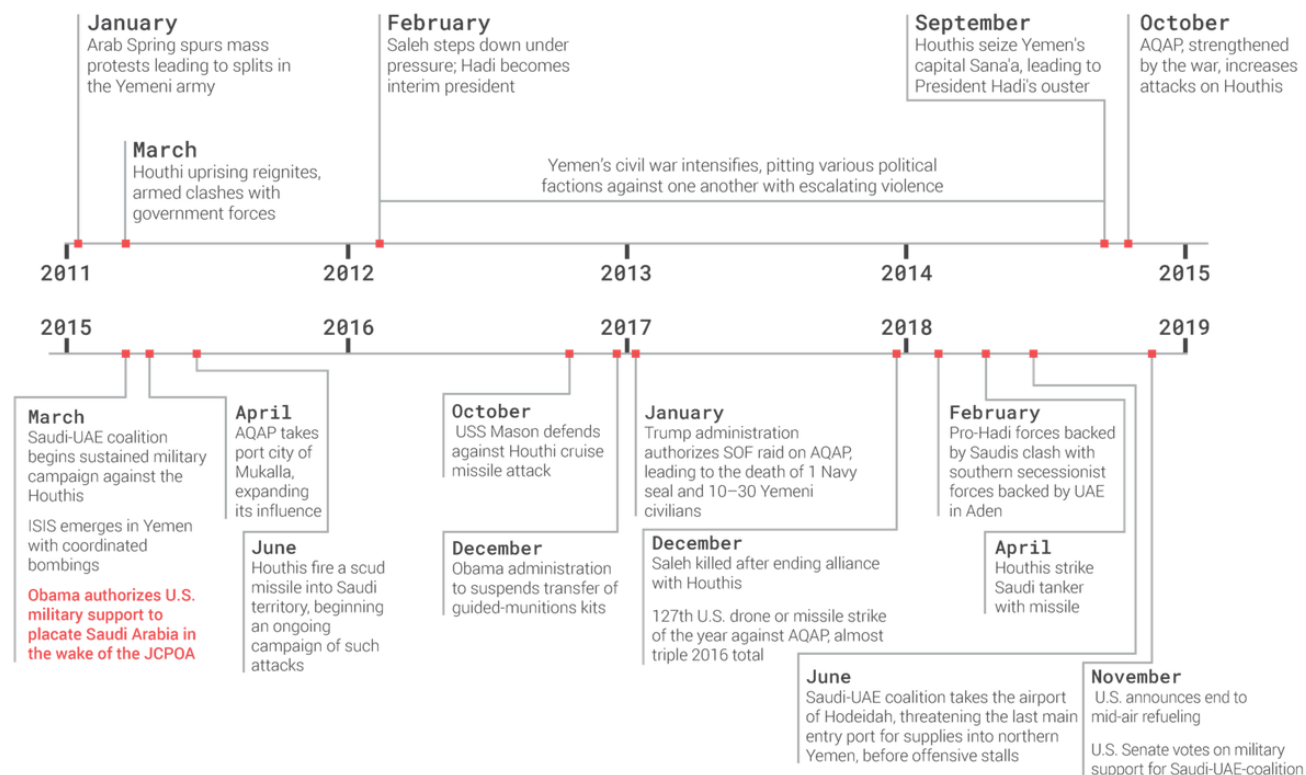
- As many African countries transitioned **from colonialism to freedom**, India's democracy was the template for them.
- Simultaneously the **African bloc is huge in UN** and India needs their votes. On top of it, there is a sense that India is rising and it needs to have a **positive influence in Africa** and have a backing for if India has to establish as a leading power.
- The continent's strongmen, Ghana's Kwame Nkrumah, Congo's Patrice Lumumba, Egypt's Gamal Abdel Nasser had **strong personal links** with India's first prime minister Jawaharlal Nehru who saw the potential benefits of **increased economic and strategic cooperation** with the continent.
- India and Africa should move forward to build a strong, prosperous and inclusive **India-Africa Union**. This mantra is not just limited to our domestic agenda, but purposefully guides our external engagement as well.

## 18. WAR WITHIN WAR: ON SAUDI'S INTERVENTION IN YEMEN

#### Yemen Crisis: In Brief:

- The conflict has its roots in **the Arab Spring of 2011**, when an uprising forced the country's **long-time authoritarian president**, Ali Abdullah Saleh, to hand over power to his deputy, Abdrabbuh Mansour Hadi.
- The **political transition** was supposed to bring stability to Yemen, one of the Middle East's poorest nations, but President Hadi struggled to deal with various problems including **militant attacks, corruption, food insecurity, and continuing loyalty of many military officers to Saleh**.
- Fighting began in 2014 when the **Houthi Shia Muslim rebel movement** took advantage of the new president's weakness and seized control of **northern Saada province and neighbouring areas**.
- The Houthis went on to take the **capital Sanaa**, forcing Mr Hadi into exile abroad.
- The conflict escalated dramatically in March 2015, when Saudi Arabia and eight other mostly Sunni Arab states – backed by the US, UK, and France – **began air strikes against the Houthis**, with the declared **aim of restoring Mr Hadi's government**.

## Timeline of the Yemen Crisis (2011–2018)



### Context:

- Forces aligned with the **UAE-backed Southern Transitional Council (STC)** – which wants an independent south – said they had **seized control of military camps and the presidential palace**.
- The opposing Saudi-led coalition said it had responded with military action. The government itself characterised the STC's seizure of Aden as a "coup".
- Coalition forces had called on the STC to withdraw from their positions in Aden or face further action. It said it launched **its strike against a "threat" to the country's government**.

### Houthi Rebels supported by Shia majority country Iran:

- The Saudi-led coalition feared that continued success of the Houthis would give their **rival regional power and Shia-majority state, Iran**, a foothold in Yemen, Saudi Arabia's southern neighbour.
- Saudi Arabia says Iran is backing the Houthis **with weapons and logistical support** – a charge Iran denies.
- Both sides have since been beset by infighting. The Houthis broke with Saleh and he was killed by Houthi fighters in December 2017.
- On the anti-Houthi side, militias include separatists seeking independence for south Yemen and factions who oppose the idea.

### Recent Happenings:

- In recent, the **Southern Transitional Council (STC)**, a militia group that was **fighting the Houthis** as part of the Saudi-led coalition, turned against their masters and **captured the presidential palace in Aden** as well as the city's main port.
- In return, **Saudi jets targeted STC fighters** before a tenuous ceasefire set in. It now looks like a **three-way conflict**.
- The **Shia Houthis**, who the Saudis claim are backed by Iran, are controlling much of the **country's north including Sana'a**.
- Yemen's internationally-backed government of Abdrabbuh Mansur Hadi, the Saudi ally, is controlling the south, though Mr. Hadi is running the purported administration from Saudi Arabia.
- The STC wants the south to be an independent entity, like it was till the Yemeni unification in 1990.
- The STC's rebellion also signals the growing friction in the **multi-national coalition Saudi Arabia** has stitched together to fight the Houthis.

- The **STC is backed by the UAE**, a crucial partner of Saudi Arabia in its foreign policy adventures.

#### Consequences of Yemen Instability and crisis:

- According to the UN, the stalemate has produced an **unrelenting humanitarian crisis**, with at least 8.4 million people at risk of starvation and 22.2 million people – 75% of the population – in **need of humanitarian assistance**.
- **Severe acute malnutrition is threatening** the lives of almost 400,000 children under the age of five.
- **Yemen's health system** has all but collapsed, while the **world's largest cholera outbreak** has killed thousands.
- In June 2018, Saudi-backed government forces began an assault on the key rebel-held port of Hudaydah, the entry point for the vast majority of aid going into Yemen and a lifeline for the starving.
- Aid agencies warned the offensive could make Yemen's humanitarian catastrophe much worse.

#### Conclusion:

- The latest conflict in Yemen, the **Arab world's poorest country**, began when the government slashed fuel subsidies in the summer of 2014, prompting angry protests and forcing thousands onto the streets of the capital, Sanaa.
- According to the UN, **more than 2 million Yemen families** left their homes since the beginning of the conflict, which has spread to various parts of the country.
- In Sanaa, international aid and assistance has **failed to sustain** those who need it, **creating a critical shortage** of food, medicine, and medical supplies, among others.
- According to the data collected by Al Jazeera and the Yemen Data Project has found that **more than 18,000 air attacks** have been carried out in Yemen, with almost **one-third of all bombing missions striking non-military sites**.
- While Yemen is left with **unimaginable human suffering**. It is time for a **nationwide ceasefire and talks** with all stakeholders under the **mediation of a willing UN** to find a political settlement to the crisis.

## 19. SOMETHING SPECIAL: ON NARENDRA MODI'S BHUTAN VISIT

#### Context:

- Prime Minister Narendra Modi's two day visit to Thimphu affirmed a long-standing tradition between India and Bhutan, where the leaders of both countries have given visiting each other a major priority early in their tenures.
- Prime Minister Narendra Modi outlined a **new blueprint for cooperation** between India and Bhutan that would add a **fresh dimension** to the ties so far dominated by the **hydel power sector**.
- PM Modi's trip was his first to Bhutan since the China-India military face-off in 2017, triggered by an **intrusion by Chinese troops** into territory claimed by Bhutan.
- It aims to **diversify India's partnership** with the kingdom from cooperation in hydropower and **enhanced trade to linkages in space, health and education**.
- It comes in the backdrop of efforts by Beijing to seek support from Thimphu, and calls within sections of the Bhutanese political establishment for stronger diplomatic ties with China, and a **shift away from its hydel power ties with India**.

#### Treaty of Punakha between India and Bhutan:

- It was the agreement signed on **8th January, 1910 at Punakha Dzong**. There was some prior working agreement between Bhutan and British India, signed in 1865.
- Under the Treaty of Punakha, Britain guaranteed **Bhutan's independence** and took control of Bhutanese foreign relations.
- It also affirmed Bhutanese independence as one of the few Asian kingdoms, never conquered by a regional or colonial power.
- Bhutan was given an option by the British to remain independent or join the Indian Union. Bhutan chose to remain independent.
- Amid growing security concern over communist China, Indo-Bhutan Treaty was signed in August, 1949.

- This is known as **Treaty of Peace and Friendship** and was signed in Darjeeling. It is continuation of Anglo-Bhutanese Treaty of 1910.
- However, in February, 2007, it was revised, which clarifies **Bhutan's status as an independent and sovereign nation**.

#### PM lists space, education as new areas of cooperation with Bhutan:

- Prime Minister Narendra Modi outlined a **new blueprint for cooperation** between India and Bhutan, identifying **space, education, and health** as areas that would add a fresh dimension to ties dominated so far by cooperation in the hydel power sector.
- The two leaders unveiled **e-plaque** of the interconnection between India's National Knowledge Network and Bhutan's Druk Research and Education Network.
- The Prime Minister invited more students to visit India **for studies in traditional areas** such as Buddhism and newer areas like **space research**, while speaking to students at the Royal University of Bhutan during a visit to the country sandwiched between India and China.

#### India, Bhutan deepen trade ties:

- India and Bhutan deepened their **energy partnership** with Prime Minister Narendra Modi inaugurating the **720 megawatts (MW) Mangdechhu hydropower project**, which underlined the government's "**neighbourhood first**" policy, as well as India's "**special relationship**" with the strategically located country.
- On increasing the **currency swap limit for Bhutan** under the SAARC currency swap framework, Modi said **India's approach is "positive"**, adding that an additional USD 100 million will be available to Bhutan under a standby swap arrangement to meet the foreign exchange requirement.
- Open borders, close alignment and consultation on foreign policy, and regular, open communications on all strategic issues are the **hallmark** of the relationship that has maintained its consistency for the past many decades.
- Bhutan's **unequivocal support** to India **on strategic issues** has meant a lot to India on the international stage and at the United Nations.



#### India and Bhutan resolve to expand bilateral cooperation:

- During the visit, Prime Minister Modi and the Bhutanese leadership resolved to take the **bilateral cooperation** beyond hydroelectric power sector.
- Prime Minister Modi also addressed the students of Royal Bhutan University in Thimphu. He said that happiness shall always prevail over mindless hate.
- He said, **Bhutan's message to humanity is happiness which springs from harmony**.
- Mr Modi appreciated that Bhutan has understood the essence of happiness as well as the **spirit of harmony, togetherness and compassion**.
- The Prime Minister said, going beyond the traditional sectors of cooperation, both countries are seeking to cooperate extensively in **new frontiers**, from schools to space, and digital payments to disaster management.

- He said that 1.3 billion Indian people are ready to partner with Bhutanese people in their future endeavours, especially in education.
- India Bhutan jointly inaugurated the **Ground Earth Station and SATCOM network**, developed with assistance from ISRO for utilization of South Asia Satellite in Bhutan.
- Committed to facilitate Bhutan's development through the use of space technology, Modi said India will enhance the **communication, public broadcasting and disaster management** coverage in Bhutan.
- Modi also launched **RuPay Card in Bhutan** by making a purchase at Simtokha Dzong. Built in 1629 by Shabdrung Namgyal, Simtokha Dzong functions as a monastic and administrative centre and is one of the oldest dzongs in Bhutan.

#### Conclusion:

- The two countries signed various MoUs to **diversify the friendship**. The sectors include, **space, education, science, technology and legal education**.
- The **fundamental area of cooperation** is the **hydro power sector** but both sides **needed to deepen** the relationship in other areas education, health care science and technology.
- As part of **India's economic diplomacy**, including efforts to **exert strategic influence** in its neighbourhood with **infrastructure development**, New Delhi is helping Bhutan build 10,000MW of hydropower with concessional finance, and an overall investment of **about \$10 billion**.
- New Delhi will have to **remain alert to strategic powers** which are courting Bhutan assiduously, as is evident from the high-level visits from China and the U.S.
- In a world of growing options, it remains in India's and Bhutan's best interests **to make each other's concerns a top priority**.

## ENVIRONMENT

### 20. INDIA'S TIGER POPULATION DOUBLES IN A DOZEN YEARS

#### Context:

- According to the latest tiger census, **India's tiger population has doubled** in the past dozen years, a significant achievement for the country's wildlife conservation efforts.
- Releasing results of the 2018 census, Prime Minister Narendra Modi said India was now "one of the **biggest and most secure habitats of the tiger**." India estimates that **over 75 percent of the world's tiger population** now resides in the country.
- India is now home to **2,967 tigers**, up from **1,411 in 2006** when it conducted its **first national survey**. The last census in 2014 had counted 2,226 tigers.
- The uptick in the tiger population is good news for India, which has grappled with **human-wildlife conflict amid rapid urbanization**.
- The highest number of tigers is in Madhya Pradesh in central India, which has 526. The tiger is **India's national animal**.

#### Why is a tiger census needed?

- The tiger sits at the **peak of the food chain**, and its conservation is important to ensure the **well-being of the forest ecosystem**.
- The tiger estimation exercise includes **habitat assessment and prey estimation**. The numbers reflect the success or failure of conservation efforts.
- This is an especially important indicator in a fast-growing economy like India where the **pressures of development** often run counter to the **demands of conservation**.
- More than 80% of the world's wild tigers are in India, and it's crucial to keep track of their numbers.

#### The Global Tiger Forum:

- The Global Tiger Forum, an international collaboration of tiger-bearing countries, in 2010 at the **St. Petersburg Tiger Summit** has set a **goal of doubling the count of wild tigers by 2022**.
- The Global Tiger Forum (GTF) is the only inter- governmental international body established with members from willing countries to embark on a **global campaign to protect the Tiger**.
- Utilizing co-operative policies, common approaches, technical expertise, scientific modules and other appropriate programmes and controls the GTF is focused on saving the remaining 5 sub-species of Tigers distributed over **13 Tiger Range countries of the world**.

# TIGERS: THE TRUTH IN NUMBERS

3,890

ESTIMATED NUMBER OF TIGERS LIVING IN THE WILD

All of them could fit on one football field with room to spare.

100,000

ESTIMATED NUMBER OF TIGERS LIVING IN THE WILD A CENTURY AGO

96

PERCENT OF WILD TIGERS THAT HAVE DISAPPEARED IN THE LAST 100 YEARS



Poaching for the illegal wildlife trade is one of their biggest threats. All tigers are classified as endangered.

13

NUMBER OF COUNTRIES WHERE TIGERS STILL LIVE

Tigers once roamed throughout Asia but are now only found in India, Bhutan, Nepal, Russia, Thailand, Indonesia, Bangladesh, Vietnam, Cambodia, Laos, Malaysia, China and Myanmar.



2  
MILLION



THE APPROXIMATE NUMBER OF YEARS TIGERS HAVE WALKED THIS PLANET

Early fossils date back to nearly 1.8 million years ago.



6

NUMBER OF TIGER SUBSPECIES STILL ALIVE TODAY

The Bali tiger became extinct in 1937 and the Javan and Caspian tigers were declared extinct in the 1970s.

690

ESTIMATED INCREASE IN WILD TIGER NUMBERS SINCE 2010

Good news! Conservation efforts are working in some countries.

1x2  
2022

THE NEXT CHINESE YEAR OF THE TIGER

Discovery's Project C.A.T., WWF and others are working to double the number of wild tigers by 2022.

1

ONE PERSON AT A TIME, NEEDED TO PROTECT TIGERS FOR FUTURE GENERATIONS

We can make a difference. Spread the word about tiger conservation!

### Reasons for Increase in Tiger Population:

- According to Nitin Desai of Wildlife Protection Society of India, **there has been no organised poaching** by traditional gangs in Central Indian landscapes since 2013.
- Due to **increased vigilance and conservation efforts** by the Forest Department. Organised poaching rackets have been all but crushed
- The rehabilitation of villages outside core areas in many parts of the country has led to the availability of **more inviolate space for tigers**.
- The increased protection has encouraged the tiger to breed.
- The estimation exercises have become increasingly more accurate over the years. Wildlife officials used **mobile application M-STRIPES** (Monitoring System For Tigers-Intensive Protection and Ecological Status) to estimate the big cat population.
- The M-STRIPES, the application used by forest guards, is **GPS-enabled** and **helps to capture data** relating to tiger sightings, deaths, wildlife crime and ecological observations while patrolling.

### Where has the tiger population increased the most?

- Since **tigers keep moving between states**, conservationists prefer to talk about tiger numbers in terms of landscapes.
- The biggest increase has been in **Madhya Pradesh** a massive 218 individuals (71%) from 308 in 2014 to 526.
- In Maharashtra, the number has gone up from 190 to 312 (64%), and in Karnataka, from 406 to 524 (118, or 29%). Uttarakhand has gained over 100 tigers (340 to 442; 30%)
- **India's five tiger landscapes** are: Shivalik Hills and Gangetic Plains, Central Indian Landscape and Eastern Ghats, Western Ghats, North-East Hills and Brahmaputra Plains, and the Sundarbans.
- India will have to put much greater emphasis on **improving the perception** of people about tigers. This can be done only through deployment of **Rapid Response Units** with a dedicated team of forest personnel in tiger-bearing ranges.
- Additionally, there will have to be a **deep-rooted awareness campaign** in forest villages so that people are able to change behaviour to reduce interactions with tigers.

### Conclusion:

- We have to create a healthy balance **between sustainability and development**.
- Pench Tiger Reserve in Madhya Pradesh and Periyar Tiger Reserve in Kerala are emerged as the best managed tiger reserves in the country, out of the total 50 tiger reserves.
- The government has taken steps for **preventing poaching activities** which includes a special strategy for monsoon patrolling etc.
- Tigers are **terminal consumers** in the ecological food pyramid, and their conservation results in the conservation of **all trophic levels** in an ecosystem.
- Therefore, saving tiger, ecologically is saving an entire forest and all other components of the forest ecosystems.

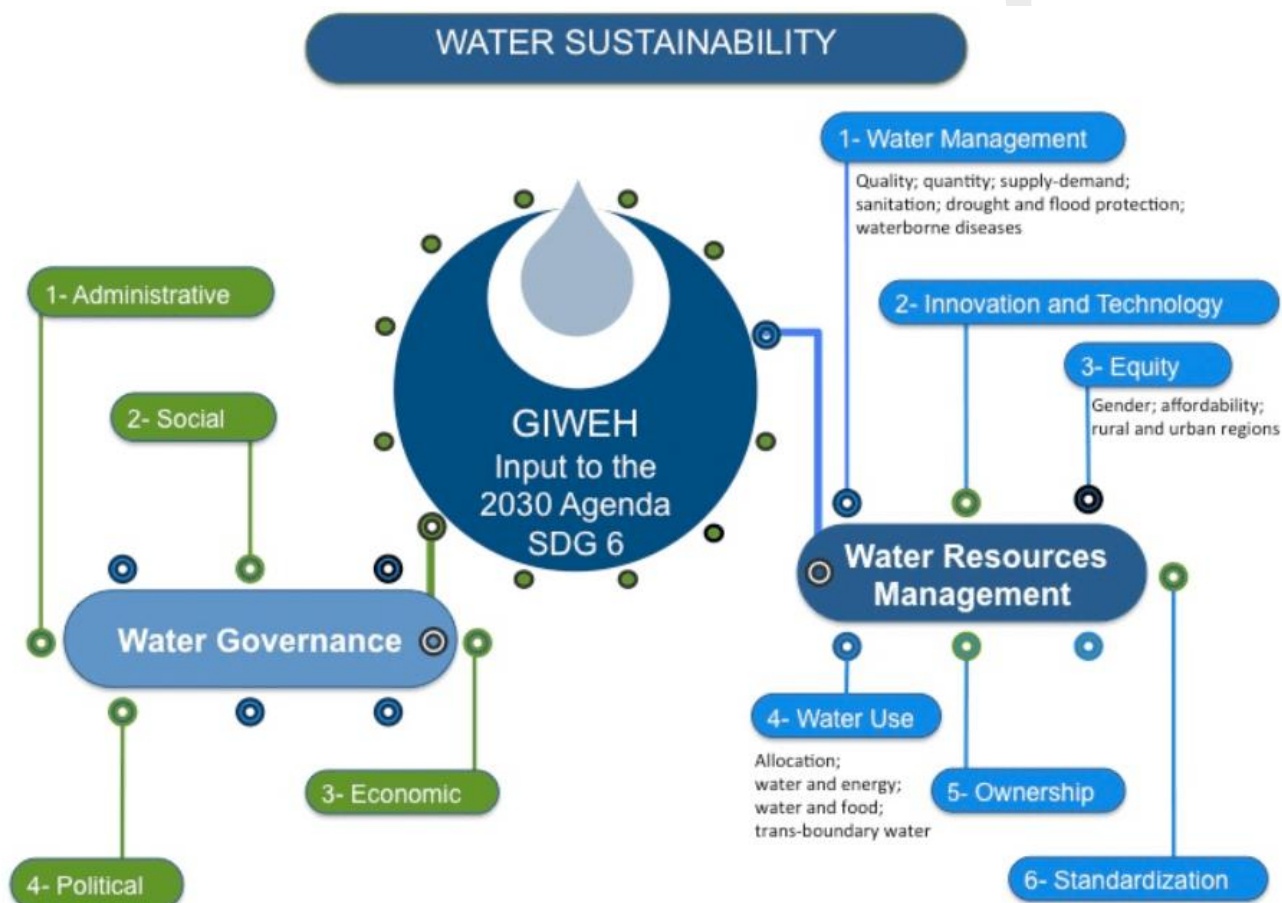
## 21. RETHINKING WATER GOVERNANCE STRATEGIES

### Context:

- **India's 'water crisis'** took over social media recently. That **India's cities are running out of water**, coupled with **Chennai's drinking water woes**, made the 'crisis' viral, raising questions about the **quality of the discourse and choice of water governance strategies in India**.
- Usually, a delayed monsoon or a drought, combined with compelling images of parched lands and queues for water in urban areas raise an alarm in the minds of the public. Similarly, episodes of inter-State river water disputes catch public attention.
- India is a country which experiences **both floods and droughts periodically and simultaneously too**. The impact of global warming further intensifies the situation resulting in uneven distribution of rainfall, melting of glaciers and water availability.

## Water Crisis became viral Information in this age of social media:

- These news items could not have gained the traction but for the fact that they relied on a **2018 report of India's own NITI Aayog**, which was titled '**Composite Water Management Index: A tool for water management.**'
- According to the **Composite Water Management Index (CWMI) report** released by the NITI Aayog in 2018, **21 major cities** (Delhi, Bengaluru, Chennai, Hyderabad and others) are racing to reach zero groundwater levels by 2020, affecting access for 100 million people.
- However, **12 per cent of India's population** is already living the '**Day Zero**' scenario, thanks to excessive groundwater pumping, an inefficient and wasteful water management system and years of deficient rains.
- The CWMI report also states that **by 2030**, the country's **water demand** is projected to be **twice the available supply**, implying severe water scarcity for hundreds of millions of people and an eventual six per cent loss in the country's GDP.



## Reasons for Water Stress and Water Scarcity:

- Water scarcity is the insufficient availability of water resources to the demands of water usage within a region or a country.
- Water Stress is a different thing than water scarcity, it is difficulty in **accessing the sources of fresh water** for use over a period of time which may result in further depletion of water in the region.
- **Inefficient water management and uneven distribution:** In India, some regions have an excess amount of water for their needs or requirements while some regions are facing droughts or have less amount of water simultaneously.
- **Improper water irrigation:** as we know India is one of the top agricultural countries in the world so they need for the water for irrigation is very high.
- Traditional techniques of the water irrigation resulted in the loss of water due to evaporation, drainage, excess use of groundwater, etc.
- Government several policies to farmers for providing **free electricity and financial support for water extraction** through tube wells and bore wells resulted in the exploitation of water.

- Rapid urbanization, industrialization, population growth, demand for domestic use increases the demand for water in India.
- **Water pollution** in the form of disposal of industrial wastes, domestic wastes into the freshwater bodies like rivers, lakes have resulted in polluting water bodies. Hence eutrophication of surface water along with coastal water will increase.
- The most common reason is that water is not valued in India.
- **Poor water storage:** During the monsoon season the **desilting operations** of the water bodies, dams, etc are not done at the time affecting the water storage capacity of India.
- Poor legislation on groundwater extraction, political reasons for not valuing water, etc. enhance water scarcity in India.

#### Measures to improve water governance:

- The new institutional structures need to be in close touch with new **interdisciplinary knowledge in water science and policy**.
- For this, **institutions of water science and policy research** need to pay attention to the much-neglected social, political, economic and ecological dimensions and the schools of water engineering need to be encouraged to be at the forefront through coordinated and sustained research programmes.
- The institutions should also work to **build wider professional linkages** with various parts of the Ministry of Water Resources and the RBOs
- With limited availability of water, water security will depend heavily on technological innovations aimed at **better efficiency of water use and better de-pollution from waste water**.
- **River Basin Organizations (RBOs)** with institutional authority for keeping the river basin and groundwater aquifers in good condition and productivity need to be established.
- They can be responsible for **allocation of river flows and ground water** to competing needs and demands in the basin
- This will help in a gradual and ecologically-continuous distribution of authority from the national level to the RBOs to the basin states, and further down to the towns and villages
- Effective functioning of RBOs will depend on the availability of recent **knowledge and quantitative scientific data** on the movement of water along all the links within the hydrological cycle, for the respective basins.
- Maintaining water security requires the support of a **comprehensive legal structure**. The urgency of the situation with respect to water needs fundamental changes in the property rights and responsibilities of the citizens supported by an effective but participatory regulatory institution.

#### Steps need to be taken to ensure a more useful and productive discourse about water governance challenges:

- First, India needs to reconsider the **institutional processes for dissemination of knowledge** about water resource management.
- There is a certain amount of danger inherent in the casual manner in which knowledge about water resources is legitimised and consumed, particularly in these days of **'viral' information**.
- Second, we need to recognise the **crisis is not as much of scarcity as of delivery**.
- The challenge is to ensure an **adequate access to quality water**, more so in urban areas where inequities over space and time are acute.
- We need to also realise that with the country's rapid urbanisation, demand cannot be met by **groundwater reserves alone**.
  - For instance, according to the Delhi Jal Board estimates, **groundwater** meets just **10% of Delhi's drinking water needs**. The rest is met by surface water sources, most of it transported from outside Delhi.
- The urban needs, which underpin much reporting on 'water crises', need to be met by **robust long-term planning and preparation** for droughts and other contingencies.
- Cities need to stop the **destruction of local water bodies and local tree cover**, treat its sewage properly, harvest rainwater, and stop straightening and concretizing the rivers and encroaching on their floodplain.
- Thus, water-based technologies should have higher support and visibility in the new structure. At the same time, **public information and participation** in related research and dissemination also needs to be ensured.

### Way Forward: Responsibility lies with States too:

- We need to **reconsider our approaches to water governance**.
- We must recognise that the **fulcrum of change and action is with the States**.
- For long, water resource departments in States have continued to follow the **conventional approaches** of supply augmentation. The challenge is that of **reorienting themselves** towards deploying strategies of **demand management, conservation and regulation**.
- The Centre has to work with States towards an **institutional change** for the necessary course-shift.
- The Finance Minister, in her budget, repeatedly stated that the government will work with States to address **India's national water security challenges**.
- Let us hope that the government intends to **strengthen federal governance of water resources towards long-term water security**.

## 22. FOR THE AMAZON FIRES, THE WORST IS YET TO COME

### Context of Amazon Fires:

- Over the last several days, the **Amazon rainforest has been burning** at a rate that has alarmed environmentalists and governments worldwide.
- Mostly caused by farmers **clearing land**, the fires have thrown the spotlight on Brazil President Jair Bolsonaro's policies and anti-environment stance.
- Thousands of fires are ravaging the Amazon rainforest in Brazil – the **most intense blazes for almost a decade**.
- Brazil declared a **state of emergency** over the rising number of fires in the region. So far this year, almost **73,000 fires** have been detected by Brazil's space research center.

### About Amazon Rainforest:

- The Amazon rainforest stretches across 5.5 million square kilometers, an area far larger than the EU.
- The Amazon rainforest home to **one in 10 species on Earth** is on fire. As of last week, **9,000 wildfires** were raging simultaneously across the vast rainforest of Brazil and spreading into Bolivia, Paraguay, and Peru.
- The Amazon rainforest is a **moist broadleaf tropical rainforest** in the Amazon biome that covers most of the Amazon basin of South America.
- The majority of the forest is contained within **Brazil, with 60%** of the rainforest, followed by **Peru with 13%, Colombia with 10%**, and with minor amounts in Venezuela, Ecuador, Bolivia, Guyana, Suriname and France (French Guiana).
- The blazes, largely set intentionally to **clear land for cattle ranching, farming, and logging**, have been exacerbated by the dry season.
- They're now burning in massive numbers, an **80 percent increase** over this time last year, according to Brazil's National Institute for Space Research (INPE). The fires can even be seen from space.

### How did the Amazon fires start?

- According to **Brazil's space research center (INPE)**, the country has seen an **80% increase in fires this year**, compared with the same period last year.
- According to INPE, more than half were in the Amazon region, spelling disaster for the local environment and ecology and 99% percent of the fires result from **human actions "either on purpose or by accident"**.
- The weekly Brasil de fato reported that Bolsonaro's anti-environment rhetoric has emboldened farmers, who organised a **"fire day" along BR-163**, a highway that runs through the heart of the rainforest.
- The weekly quoted a report by local newspaper, that local farmers had set fire to sections of the rainforest a few days ago to get the government's attention.
- While the Amazon rainforest is typically **wet and humid**, July and August are the onset of the dry season (the region's driest months).
- Fire is often used to clear out the **land for farming or ranching**. For that reason, a vast majority of the fires can be attributed to humans.

## Why are the Amazon fires a cause for concern?

- It is also home to **indigenous communities** whose lives and homelands are under **threat due to encroachment** by the Brazil government, foreign corporations and governments with economic interests in the resource-rich region, and local farmers.
- Research by scientists Carlos Nobre and Thomas E Lovejoy suggests that **further deforestation** could lead to the **Amazon's transformation** from the world's largest rainforest to a savanna, which would **reverse the region's ecology**.
- A National Geographic report said the Amazon rainforest **influences the water cycle** not only on a regional scale, but also on a global scale.

## Amazon rainforest fires surge

There have been 72,843 fires in Brazil this year, with more than half in the Amazon region – an 80% increase compared with the same period last year – according to the country's space research centre\*

\*National Space Research Institute



- The rain produced by the Amazon travels through the region and even reaches the **Andes mountain range**. Moisture from the Atlantic falls on the rainforest, and eventually evaporates back into the atmosphere.
- The report said the Amazon rainforest has the **ability to produce at least half of the rain it receives**. This cycle is a delicate balance.

### Consequences of present situation:

- Fires are set deliberately and spread easily in the dry season. The **desire for new land for cattle farming** has been the main driver of deforestation in the Brazilian Amazon since the 1970s.
- The **devastating loss of biodiversity** does not just affect Brazil.
- The loss of Amazonian vegetation directly reduces rain across South America and other regions of the world.
- The planet is **losing an important carbon sink**, and the fires are directly injecting carbon into the atmosphere.
- If we can't stop deforestation in the Amazon, and the associated fires, it raises real questions about our ability to reach the Paris Agreement to slow climate change.
- The growing numbers of fires are the result of **illegal forest clearing to create land for farming**.

### Conclusion:

- **Germany and Norway** have suspended funding for programmes that aim to stop deforestation in the Amazon and have accused Brazil of doing little to protect the forests.
- Indigenous groups and environment activists have led protests and criticised Bolsonaro for his comments and policies.

- Neighbouring **Bolivia and Paraguay** have also **struggled to contain fires** that swept through woods and fields and, in many cases, got out of control in high winds after being set by residents clearing land for farming. About 7,500 square kilometres of land has been affected in Bolivia.
- The Brazilian government has set an **ambitious target to stop illegal deforestation and restore 4.8 million hectares** of degraded Amazonian land by 2030.
- If these goals are not carefully addressed now, it may not be possible to meaningfully mitigate climate change.
- The untold number of species of **every kind of living thing**, many thousands of which have never been described by scientists are suffering. **We all need to come together to protect it.**

## 23. A BOTTOM-UP APPROACH TO CONSERVATION

### Context:

- In 2018, many people thought that the **floods and landslides in Kerala** that caused huge financial losses and manifold human tragedies marked a once-in-a-century calamity.
- But again, in 2019, a repeat of the shocking train of **intense floods, landslides, financial losses and manifold human tragedies** has not just left the same set of people stunned but also made them realise that it is unwise to continue business as usual, and that we must think afresh of the options before us.

### Western Ghats: A biological treasure trove:

- **Western Ghats** host India's richest wilderness in 13 national parks and several sanctuaries. It is the home of many **endangered plants and animals**.
- **Recognised by UNESCO** as one of the **world's eight most important biodiversity hotspots**, these forested hills are also sourcing to numerous rivers, including the Godavari, Krishna and Cauvery.
- The Western Ghats acts as a **huge water tank supplying water to six states**. Now there are many leakages and there is a water shortage as well as floods in some regions. All the rivers are running dry now. And wherever there is water, it is highly polluted.
- The Western Ghats straddle the states of **Kerala, Tamil Nadu, Karnataka, Goa, Maharashtra, and southern Gujarat**.
- Just as the Himalayas preside over the biogeography of India, the Western Ghats to a large extent presides over the **ecology and biogeography** of Peninsular India.
- The Western Ghats needs high attention in the **sustainability aspect** of whole India and especially South India.
- Ministry of Environment and Forests of India set up in March 2010 an expert panel (Gadgil commission) to find a **strategy for conserving these Ghats**.
- More like rolling hills than snow-covered mountains, the Western Ghats-stretching some 1,600km from the north of Mumbai to the southern tip of India-are a **biodiversity hotspot** that contains a large proportion of the country's plant and animal species; many of which are only found here and nowhere else in the world.

### Alternatives to avoid these types of tragedies: One set of possibilities is provided by the recommendations of the Western Ghats Ecology Expert Panel (WGEEP):

- In the year 2010, **Western Ghats Ecology Expert Panel (WGEEP)** was constituted by the Central Government, under the **chairmanship of Madhav Gadgil**.
- WGEEP issued recommendations for the preservation of the fragile western peninsular region.

### Highlights of the Report:

- Recommended that the **entire stretch of the Western Ghats** should be declared as **Ecologically Sensitive Area (ESA)**.
- It recommended the division of region into **three zones – ESZ1, ESZ2, ESZ3** and gave a broad outline of certain restrictions for each zone.
- The committee recommended the **division of region into zones** at the block/taluk level.
- It recommended that **no new polluting industries** (red and orange) were to be permitted in ESZ1 and ESZ2 and gradual phasing out of such existing industries by 2016. **Complete ban on mining in ESZ1 and regulation of mining in ESZ-2.**

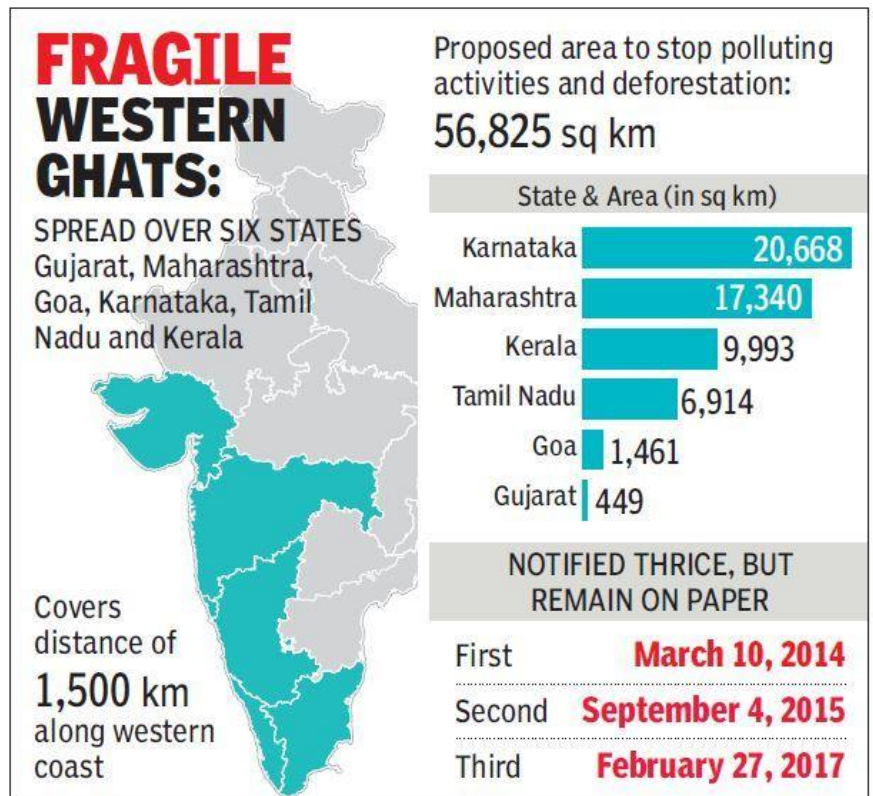
- It was recommended that **bottom to top approach** be followed for conservation of Western Ghats.
- Western Ghats Ecological Authority was proposed to be set up as a statutory body and given powers under the Environment protection Act 1986.
- **Madhav Gadgil** has said the recent havoc in Kerala is a consequence of short-sighted policymaking, and warned that Goa may also be in the line of nature's fury.

#### Kasturirangan Panel:

- Following severe resistance to the implementation of Gadgil Committee report, **Kasturirangan Panel was set up in 2012** to advise the government on Gadgil Committee Report.
- **Highlights of Kasturirangan Report:**
  - Divide the Western Ghats into Natural Landscape and Cultural Landscape
  - Of the natural landscape, it picked out 37% as "biologically rich" and with "some measure of contiguity". Restrictions were placed in this area.
  - It proposed the demarcation of ESZ be done at the village level.
  - Only red category (heavy polluting) industries were restricted.
  - Hydro power project would be given the green signal on a case to case basis, post assessment of its benefits and the possible damage it could cause.
- The Ministry had accepted the **Kasturirangan report** and issued the draft notifications on ecologically sensitive zones.

#### NGT action:

- Now, the six **Western Ghats States**, Kerala, Tamil Nadu, Karnataka, Goa, Maharashtra and Gujarat have been restrained by the NGT from **giving environmental clearance** to activities that may **adversely impact the eco-sensitive areas of the mountain ranges**.
- The panel directed that the extent of Eco-Sensitive Zones of Western Ghats, which was notified by the Central government earlier, should not be reduced, in view of the recent floods in Kerala.
- The Tribunal Bench, in its order, noted that any alteration in the draft notification of zones may seriously affect the environment.



#### Conclusion:

- India has realized the **importance of involving local communities** in forest protection and management, and has developed several policies and implemented large programmes such as **Joint Forest Management programme**.
- India has **multiple institutional approaches** to forest protection and management.
- However, in spite of its rich experience in forest management through traditional initiatives, JFM, social forestry and farm forestry, the **genuine involvement and empowerment of local communities** is limited.
- The Western Ghats is a **biological treasure trove** that is endangered, and it needs to be "**protected and regenerated**, indeed celebrated for its enormous wealth of endemic species and natural beauty".

### Way Forward:

- It is necessary to use this vast experience and existing policies **to formulate and implement appropriate policies**, including transfer of financial powers, and institutions to **promote sustainable and participatory forestry** under the emerging programmes and mechanisms.
- We should assert that **conservation prescriptions** should not be merely regulatory, but include **positive incentives** such as conservation service charges.
- We must hand over economic activities like quarrying to agencies like the **Kudumbashree groups** that are **accountable to local communities**.
- We must take full advantage of **powers and responsibilities** conferred on citizens under provisions such as the **73rd and 74th Amendments** to the Constitution, and the *Biological Diversity Act, 2002*.
- We, the sovereign people, are the real rulers of India and must engage ourselves **more actively in the governance** of the country and lead it on to a **path of people-friendly and nature-friendly development**.

## S&T

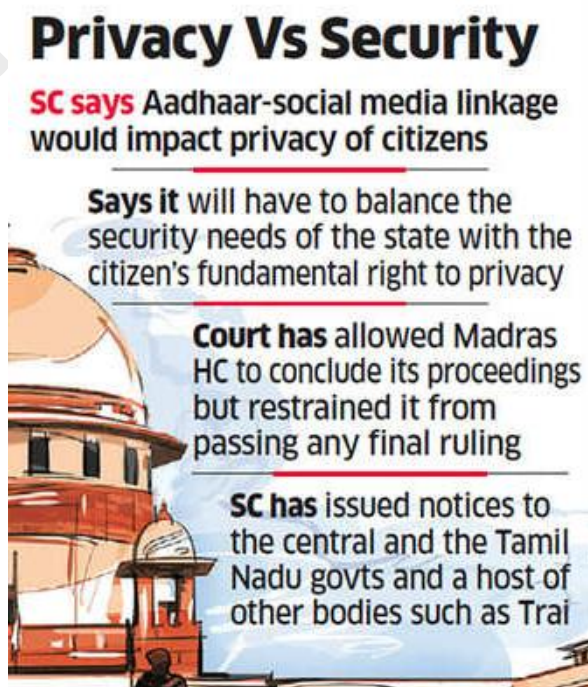
### 24. CONTENT MANAGEMENT: ON AADHAAR-SOCIAL MEDIA LINKAGE

#### Context:

- Recently, Supreme Court stressed the **need to find a balance** between the **right to online privacy and the right of the State** to detect people who use the web to spread panic and commit crimes.
- A Bench of Justices expressed concern over the **dangers of the dark web**.
- The Bench's comments were in response to submissions by Attorney General K.K. Venugopal, appearing for the Tamil Nadu government, about the **need to link social media profiles** of registered users **with their Aadhaar numbers**, and if required, have platforms such as Facebook and WhatsApp share the **12-digit unique identity with law enforcement agencies to help detect crimes**.

#### Availability Unique Aadhar ID Number of every Individual:

- It is a **12 digit individual identification number** issued by UIDAI (Unique identification authority of India) on behalf of Government of India
- It will serve as **identity and address proof anywhere in India**. It is available in 2 forms, physical and electronic form i.e. (e-Aadhaar).
- Aadhaar is meant to help **benefits reach the marginalised sections** of the society and takes into account the dignity of people not only from personal but also from community point of view.
- Any resident (a person who has resided in India for 182 days, in the one year preceding the date of application for enrolment for Aadhaar) of India irrespective of age, sex, class can avail it.
- The **UID authority will authenticate the Aadhaar number** of an individual, if an entity makes such a request.
- A requesting entity (an agency or person that wants to authenticate information of a person) has to obtain the consent of an individual before collecting his information.
- The panel ruled the programme had merits, but struck down provisions in the act that made its use mandatory in applications for services ranging from bank accounts to mobile telephone connections and school admissions.
- The court also ruled unconstitutional the **use of Aadhaar by companies to establish an individual's identity**.



### Aadhaar Linking mandatory for the below:

- An individual has to furnish their Aadhaar number or the enrolment ID **while filing Income Tax returns.**
- It has made **Aadhaar-PAN card linking mandatory** as well as the requirement of Aadhaar when applying for PAN card.
- **Section 7** which states Aadhaar is mandatory for any government scheme that **draws out of the consolidated fund of India.**
- This means that if you want to avail benefits such as ration, LPG subsidy, MGNREGA, you have to furnish your Aadhaar number or your Aadhaar enrolment ID.
- This is an **indirect link to banks**, where PAN card number is mandatory. It is this part that, in a way, makes it mandatory for you to obtain an Aadhaar number.

### Challenges apparent in the linking of Aadhaar number with social media profiles:

- The private use of Aadhaar itself has been controversial since the **striking down of Section 57 of the Aadhaar Act.**
- The limited eKYC provisions, which has been allowed only for banks and other regulated entities are indicative of this.
- The use of Aadhaar, further, has mainly been **restricted to receiving government benefits** such as the **Section 7 benefits.**
- It is thus difficult, legally, to find a way to **permit Aadhaar-social media linking** within the ambit of the Supreme Court's verdict on Aadhaar.
- Even if a method is found, how such linking will be implemented is not without issues.
  - For instance, will people be required to disclose their actual Aadhaar numbers to the social media companies, **given that even for KYC, Aadhaar numbers are to be redacted?**
  - Given the many privacy concerns with the data in the hands of these companies, this sensitive information in their hands is just one more thing to worry about.
  - Second, how are the social media companies to verify the linking done? For instance, will they be required to undergo an actual KYC procedure, requiring offline verification of Aadhaar?
  - Given the restrictions on carrying out Aadhaar authentication at present for Section 7 benefits and by banks, it can be assumed that **access to the Central Identities Data Repository (CIDR)** to carry out biometric authentication will not be permitted for social media companies.
  - Carrying out a KYC procedure will certainly have a **major impact on the companies**, much like the similar struggles faced by mobile wallet companies.
  - In addition, a question arises as to how accounts that are not linked are to be dealt with. The consequences for these are unclear at present.
- The closest parallel that can be drawn is with the Supreme Court's striking down of the provision in relation to withholding banks accounts that were not linked.
- However, there, the act in relation to bank accounts was seen as a deprivation of property, and it is unclear **what the stance the Court will take in relation to the same in relation to social media accounts.**
- The Supreme Court also called for Parliament to draft and pass a **data protection law immediately.**
- Supreme Court also impressed upon the respondents to bring out a **robust data protection regime** in the form of an enactment on the **basis of Justice BN Srikrishna (Retd.) Committee Report** with necessary modifications thereto as may be deemed appropriate.

### Conclusion:

- The Madras High Court reiterated its stand that **Aadhaar cannot be used to authenticate social media accounts.**
- It has dismissed the plea made by the PIL petitioners, but given that the Supreme Court is hearing Facebook's transfer petition, the Madras HC has adjourned the hearing on WhatsApp traceability case until September 19.
- The Supreme Court said that there is a **need to find a balance** between the **right to online privacy and the right of the state to trace the origins of hateful messages and fake news.**
- The government needs to move away from relying on Aadhaar and **linking as a one-stop solution for issues** ranging from terrorism (SIM linking), money laundering (bank account linking), electoral fraud (voter ID linking) and now cybercrime (social media account linking).

- It is without question that a solution is required, but it is increasingly worrying as the solutions move **toward deprivation of fundamental rights** and the first steps towards a possible surveillance state.

## SECURITY

### 25. GIVING SHAPE TO AN ELUSIVE STRATEGIC CONCEPT

#### Context:

- In his Independence Day address, Prime Minister Narendra Modi announced the **creation of the post of Chief of Defence Staff** to provide **“effective leadership at the top level”** to the three wings of the armed forces, and to help improve coordination among them.
- Appointing a Chief of Defence Staff (CDS), is one that could have a far-reaching impact on the management of defence in India.

#### About office of the Chief of Defence Staff (CDS):

- In most democracies, the CDS is seen as being **above inter-Service rivalries** and the immediate operational preoccupations of the individual military chiefs. The role of the CDS becomes critical in times of conflict.

### ANOTHER GENERAL IN THE MAKING

TIMELINE		WHY IS THE CDS POST REQUIRED?
<b>1999:</b> Kargil conflict sees Army & IAF commanders bitterly disagreeing over conduct of operations	Intelligence Agency etc) come up. But CDS post kept in cold storage	<ul style="list-style-type: none"> <li>➤ Provide single-point military advice to government</li> <li>➤ Bring synergy among 3 Services in doctrinal, planning, procurement &amp; operational matters</li> <li>➤ Prioritise inter-Service procurements to build long-term military capabilities</li> <li>➤ Manage country's strategic resources &amp; nuclear arsenal</li> <li>➤ Integrate Service HQs with defence ministry &amp; reduce civil-military divide</li> </ul>
<b>2001:</b> GoM report holds a chief of defence staff (CDS) urgently needed since existing chiefs of staff committee (CoSC) has “serious weaknesses” in giving single-point advice	<b>2012:</b> Naresh Chandra taskforce recommends permanent CoSC chairman (diluted version of CDS), a fourth 4-star General in addition to Army, Navy & IAF chiefs	
<b>2001-2003:</b> Some tri-Service organisations (integrated defence staff, Andaman & Nicobar Command, Strategic Forces Command, Defence	<b>2015:</b> NDA government begins work on appointment of a 4-star general to handle integrated planning & arms procurements as well as more tri-Service commands	

- Most countries with advanced militaries have such a post, albeit with varying degrees of power and authority. The **United States Chairman Joint Chiefs of Staff Committee (CJCS)**, for example, is extremely powerful, with a legislated mandate and sharply delineated powers.
- The CDS is a high military office that **oversees and coordinates** the working of the **three Services**, and offers seamless tri-service views and single-point advice to the Executive (in India’s case, to the Prime Minister) on **long-term defence planning and management**, including manpower, equipment and strategy, and above all, “jointness” in operations.

#### At present National Security Adviser advises India’s Prime Minister on military matters:

- This has been especially so after the **Defence Planning Committee** was created in 2018, with NSA Ajit Doval as its chairman, and the foreign, defence, and expenditure secretaries, and the three Service Chiefs as members.
- Now, Sources said the CDS will handle **all tri-service issues** and push for **“greater jointness”** among the Army, Navy and IAF, which often pull in different directions without any inter-service prioritisation, to **systematically build the country’s military capabilities within budgetary constraints**.
- While implementing this reform, we should also focus on the **important objective of indigenisation**.
- India is still among the top arms importers. This abject dependence on other countries, for weapons systems, components and even ammunitions, does not befit an aspiring great power.
- There must be procedures and practices to ensure that every acquisition is structured in a way as to **strengthen our indigenous technological capacities**, in turn aiding defence self-reliance.

### Past reports about the post of CDS:

- The issue of **efficient management of the higher defence organisation** came into sharp focus after the **Kargil war in 1999**, when the **Subrahmanyam-headed task force** was asked to examine questions about the anticipation and detection of Pakistani intrusions in Kargil and the military response.
- The strategic expert and his team highlighted the **systemic issues bedevilling our national security structures**, which included **poor coordination and technological inadequacies**.
- On its recommendations, the Government tasked a **Group of Ministers (GoM) in the early 2000s** to undertake a **review of national security management**.
- Their recommendations covered intelligence, internal security, border management and defence.
- These resulted in an overhaul, which included the appointment of a **National Security Adviser**, a strengthening of intelligence coordination mechanisms, upgrading the technological capacity of security agencies, and sharpening institutional responses to traditional and emerging internal security challenges.
- **Defence management** was the one area in which the implementation of the **GoM's recommendations** was disappointing.
- The intense rivalry and turf wars among the Army, Navy and IAF also put paid to all such plans.
- In 2012, the **Naresh Chandra Taskforce** pitched for a permanent chairman of the chief of staff committee (PC-CoSC) a diluted version of the CDS with a fixed two-year tenure.
- The CoSC currently comprises the three service chiefs, with the most senior among them acting as its ex-officio chairman till he retires.

### Importance of CDS office post:

- The first proposal for a CDS came from the **2000 Kargil Review Committee (KRC)**, which called for a reorganisation of the **“entire gamut of national security management and apex decision-making and structure and interface between the Ministry of Defence and the Armed Forces Headquarters”**.
- Although the KRC did not directly recommend a CDS that came from the GoM it underlined the **need for more coordination among the three Services**, which was poor in the initial weeks of the Kargil conflict.
- The **Kargil Review Committee (KRC) Report** pointed out that India is the only major democracy where the Armed Forces Headquarters is outside the apex governmental structure.
- It observed that Service Chiefs devote most of their time to **their operational roles**, “often resulting in negative results”.
- **Long-term defence planning** suffers as day-to-day priorities dominate. Also, the Prime Minister and Defence Minister do not have the benefit of the views and expertise of military commanders, in order to ensure that higher level defence management decisions are more consensual and broadbased.
- The CDS is also seen as being **vital to the creation of “theatre commands”**, integrating tri-service assets and personnel like in the US military.
- India has 17 Service commands at different locations and duplicating assets.
- In 2016, China integrated its military and other police and paramilitaries **into five theatres** from the earlier seven area commands, each with **its own inclusive headquarters**, one of which has responsibility for the Indian border.
- In contrast, India's border with China is split between the Eastern, Western, and Northern Commands.

### Conclusion:

- From an operational perspective, the concept of military conflict today extends beyond land, air and sea, into **the domains of space, cyber, electronic and information**.
- In his announcement on the CDS, the Prime Minister mentioned **past reports on defence reforms**, the transforming **nature of military conflict**, the impact of **technology and the need for modernisation, coordination and jointness**.
- This leads to hope that the **GoM recommendations of 2001** will be implemented.
- If carried out objectively, undistorted by turf considerations, this long-awaited reform would **soothe frictions in civil-military relations** and bring greater **efficiency, transparency and accountability** into decision-making on defence matters.

## 26. UNCLEAR DOCTRINE: ON 'NO FIRST USE' NUCLEAR POLICY

### Context:

- India's 'No First Use' doctrine (NFU) on the use of nuclear weapons is **open for change** in the future, defence minister Rajnath Singh has indicated, reflecting thinking within the establishment that ***no policy is writ in stone and could be modified to deal with current realities.***

### What is No First Use doctrine, and how did it come into being?

- A commitment to not be the first to use a nuclear weapon in a conflict has long been **India's stated policy**.
- Pakistan, by contrast, has openly threatened India with the use of nuclear weapons on multiple occasions beginning from the time the two nations were not even acknowledged nuclear powers.
- After the **1998 nuclear test** when India declared itself a nuclear weapon state, it also enunciated a ***doctrine of 'no first use' of nuclear weapons.***
- Put simply, Indian decision-makers categorically **rejected the idea of initiating** the use of nuclear weapons in any conflict scenario. India's nuclear doctrine was purely retaliatory in nature.
- On January 4, 2003, **the Cabinet Committee on Security (CCS)** met to review the progress in **operationalizing the country's nuclear doctrine**.
- An official release issued that day summarized the decisions that were being put in the public domain.
- Among the major points in the doctrine was **"a posture of No First Use"**, which was described as follows: "Nuclear weapons will only be used in retaliation against a nuclear attack on Indian territory or on Indian forces anywhere".
- However, the doctrine made it clear that India's "nuclear retaliation to a nuclear attack strike will be ***massive and designed to inflict unacceptable damage.***"

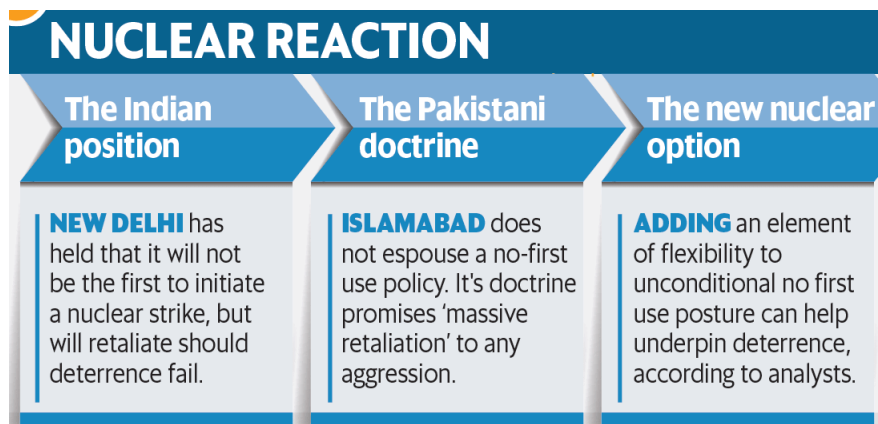
### Power of Deterrence should not be misplaced:

- The **major thrust** of any Indian nuclear strategic communications plan should be **aimed at downplaying the nuclear factor** in the political and strategic equation with China and Pakistan.
- China too has an NFU policy and the Sino-Indian nuclear dynamic is not yet a cause for concern.
- On the contrary, in Pakistan's case there is a continuous attempt **to increase the salience of nuclear threats** so as to contain India's reaction to terrorism and concurrently invite international attention.
- The statement seems to be specifically aimed at Pakistan and is problematic at several levels.
- A first-use approach against Pakistan or even China **lacks credibility**, as it would involve **nuclear weapon application for substantial destruction** of the adversary's nuclear and economic capabilities.
- Even if we succeed, the long term after effects of the nuclear fallout and climate change could pose existential threats not only to India and its neighbours, but depending on the **magnitude of nuclear explosions**, it could result in an **existential threat to humanity itself**. Scientific studies indicate this possibility.
- It could be argued that an Indian second strike on which NFU is anchored could also bring about a similar existential consequence. True, except that second strike and NFU have relatively greater credibility, because they are premised on retaliation.
- The notion that first use strengthens the **power of deterrence is misplaced**; it amounts to suicide for the fear of death.

### Risks for India in Initial usage of Nuclear Weapons :

- First use of nuclear weapons would require a **massive increase** in India's nuclear delivery capabilities.
- There is yet no evidence suggesting that **India's missile production** has increased dramatically in recent times.
- Moreover, India is yet to induct the **Multiple Re-entry Vehicle (MRV) technology in its missiles**, which is fundamental to eliminating hardened nuclear targets.
- Finally, **India's intelligence, surveillance and reconnaissance (ISR) infrastructure capabilities** would have to be augmented to such a level where India is confident of taking out most of its adversary's arsenal.
- India would have to alter significantly its **nuclear alerting routine**. India's operational plans for its nuclear forces involve a four-stage process.

- Nuclear alerting would start at the first hints of a crisis where decision-makers foresee possible military escalation. This would entail assembly of nuclear warheads and trigger mechanisms into nuclear weapons.
- The second stage involves dispersal of weapons and delivery systems to pre-determined launch positions. The third stage would involve mating of weapons with delivery platforms.
- The last and final stage devolves the **control of nuclear weapons from the scientific enclave to the military** for their eventual use.



**Pokhran witnessed Atalji's firm resolve to make India a nuclear power and yet remain committed to the doctrine of 'no first use'. India has adhered to this. What happens in future depends on the circumstances.**

**RAJNATH SINGH**, Defence minister

- **Canisterization of missiles** has combined the dispersal and mating of weapons into a single step, cutting down the effort required for achieving operational readiness.
- Even then, this model does not support first use of nuclear weapons as it gives ample warning to the adversary of India's intentions. There is certainly a **need for a reappraisal of India's nuclear doctrine**.

#### Arguments for Favouring of the 'No First Use' doctrine:

- The **main advantage of NFU** is that it **minimises the probability of nuclear use**. This is so because it enhances the possibility of containing the crisis before the point of no return when miscommunications, misjudgement, misperception or the fog of war may force either power to go first.
- Instead, if both are NFU powers, there is greater probability of political leaders **stepping back from the brink** for they know that a nuclear war cannot be won.
- NFU for India also presents an **opportunity for cooperation with China** to work jointly towards a **Global No First Use (GNFU) order**.
- Notably, there is considerable convergence regarding the belief of nuclear weapons being restricted to the political realm.
- India, therefore, should take the lead on **seeking a GNFU policy** instead of creating doubts about its own adherence to it.
- The defence minister's statement does not provide any benefits for national security. Instead, it taints India's image as a responsible nuclear power. An official clarification could recover lost ground.

#### Conclusion:

- All doctrines **need periodic reviews** and India's case is no exception.
- Given how rapidly **India's strategic environment** is evolving, it is imperative to think clearly about **all matters strategic**.
- But if Indian policymakers do indeed feel the need to review the nation's nuclear doctrine, they should be **cognizant of the costs involved in so doing**.
- A **sound policy debate** can only ensue if the costs and benefits of a purported policy shift are discussed and debated widely.

### 27. THE MONK WHO SHAPED INDIA'S SECULARISM

#### Introduction:

- The **practice of Indian secularism**, despite its pitfalls, has distinguished the country from many of its neighbours.
- India is the nation with the **third-highest number of Muslims** in the world. Its ability to **consolidate democracy** and surrounded by **unprecedented diversity** could teach a lesson or two even to advanced industrial economies that have operated along the **lines of a classic monocultural nation**.
- The country's secular ideals have their **roots in its Constitution**, promulgated by its people, a majority of whom are Hindus.

#### Indian mode of Secularism:

- Indian secularism has always attempted, however imperfectly, to respect the **credo of sarva dharma sama bhava (all religions lead to the same goal)**, which translates to an **equal respect for all religions**.
- However, the early-day Hindu nationalists were clearly at odds with the idea. This was the reason Nathuram Godse assassinated one of its strongest proponents, Mahatma Gandhi.



"My faith is in the younger generation, the modern generation out of them will come my workers. They will work out the whole problem, like lions.

I have formulated the idea and have given my life to it. If I do not achieve success, some better one will come after me to work it out, and I shall be content to struggle"

#### Indian Secularism having its roots from Swami Vivekananda Ideology:

- It is necessary to understand what Vivekananda's life and world view said about **Indian nationalism**.
- His **Chicago lectures (1893)** marked the beginning of a mission that would interpret **India's millennial tradition** in order to reform it and he later spent about two years in New York, establishing the **first Vedanta Society in 1894**.
- He travelled widely across Europe and **engaged Indologists** such as Max Mueller and Paul Deussen.
- He even **debated with eminent scientists** such as Nicola Tesla before embarking on his reformist mission in India.

#### Tolerance and Universal acceptance had propounded by Swami Vivekananda:

- Vice President M. Venkaiah Naidu has said that **tolerance and universal acceptance** have been two of the most noteworthy aspects of the Indian culture.
- Naidu's remarks came while addressing the **concluding ceremony of the 2nd World Hindu Congress**, which was organized on the eve of **125th Anniversary of Swami Vivekananda's Historic Speech** at the Parliament of the World's Religions in 1893 at Chicago.
- As Swami Vivekananda said in his inaugural speech at Chicago on September 11, 1893, ours is a country that has "taught the world both tolerance and universal acceptance." **India believes "not only in universal toleration but we accept all religions as true."**
- Asserting that India is a treasure house of ideas, values, and attitudes, Naidu said that the country could provide honey of wisdom in this bitter world.

#### All religions lead to the same goal: Swami Vivekananda:

- One of the key elements of his message, based on the experiments of his **spiritual mentor Sri Ramakrishna Paramahansa**, was that **all religions lead to the same goal**.

- Paramahansa is unique in the annals of mysticism as one whose spiritual practices reflect the belief that the ideas of personal god and that of an impersonal god as well as spiritual practices in Christianity and in Islam **all lead to the same realisation.**

#### **Important Facets of Hindu Life:**

- While in Chicago, Vivekananda stressed **three important and novel facets of Hindu life.**
- First, he said that Indian tradition believed “not only in toleration” but in **acceptance of “all religions as true”.**
- Second, he stressed in no uncertain terms that **Hinduism was incomplete without Buddhism, and vice versa.**
- Finally, in the words of swami Vivekananda, at the last meeting he proclaimed: “If anybody dreams of the exclusive survival of his own religion and the destruction of others, I pity him from the bottom of my heart, and point out to him that upon the banner of every religion will soon be written, in spite of resistance: **‘Help and not fight’; ‘Assimilation and not destruction’, and ‘Harmony and peace and not dissension’.**

#### **Religion and rationality go hand in hand appreciated by Vivekananda:**

- Vivekananda’s interpretation of **India’s past was radical** and, when he returned from the West, he had with him a large number of American and European followers.
- These women and men stood behind his project of **establishing the Ramakrishna Mission in 1897.**
- Vivekananda emphasised that **India needed to trade Indian spirituality** for the West’s material and modern culture and was firmly behind India’s scientific modernisation.
- He supported Jagadish Chandra Bose’s scientific projects.
- In fact, Vivekananda’s American disciple Sara Bull helped patent Bose’s discoveries in the U.S.
- He also invited Irish teacher Margaret Noble, whom he rechristened **‘Sister Nivedita’,** to help **uplift the condition of Indian women.**
- When she inaugurated a girls’ school in Calcutta, Vivekananda even requested his friends to send their girls to this school.
- Vivekananda also **inspired Jamsetji Tata** to establish the Indian Institute of Science and the Tata Iron and Steel Company.

#### **Vivekananda’s Influence on Gandhi, Nehru:**

- Vivekananda made a **remarkable impact** on the **makers of modern India,** who later challenged the two-nation theory, including Mahatma Gandhi, Jawaharlal Nehru and Subhas Chandra Bose.
- He used the term **‘Daridra Narayan’** to imply that **‘service to the poor is service to god’,** many years before Gandhiji addressed the **socially oppressed as ‘Harijan’ (children of god).**
- The Mahatma in fact opined that his love for India grew thousand-fold after reading Vivekananda.
- It is for these reasons that the Vivekananda’s birthday was declared as the **National Youth Day.**

#### **Conclusion:**

- **True nationalism** is the preservation of this **invaluable heritage.**
- We should **live the values** we espouse and present the **bouquet of ideas** in the correct perspective so that the world has the most authentic perspective.
- This will prevent some distortions and erroneous perceptions from gaining ground. In fact, this is what Swami ji had achieved through his lectures in Chicago and in other parts of the world.
- We have also to guard **against the aberrations** that have tended to creep into Hindu society.
- India needed a secular monastery from where **scientific and technological development would uplift India’s material conditions,** for which his ideals provided a source of inspiration.
- Paying rich tributes to Swami Vivekananda, Naidu said that it was the former’s speech that helped the world

# RSTV/LSTV/AIR SYNOPSIS

## POLITY & GOVT. POLICY

### 1. POSCO AND EXCLUSIVE COURTS

#### Introduction:

- The Supreme Court on Thursday directed the Centre to set up a dedicated special court in every district which has over 100 cases under Protection of Children from Sexual Offences (POCSO) pending. The apex court gave this mandate with a deadline of 60 days, as it was concerned about the slow pace at which child sexual abuse cases are being dealt with.
- A bench of Chief Justice of India Ranjan Gogoi, Justice Deepak Gupta and Justice Aniruddha Bose made these statements when they learnt that 1.5 lakh POCSO cases were pending in 670 designated courts. Quoting available data, the court pointed out that only 3% victims in POCSO cases received compensation in 2015, and the number increased to only 4% and 5% in 2016 and 2017 respectively. Per this data, a judge on an average has to go decide on 224 cases. To address this, the apex court asked for the Centre to set up special courts, which should be funded by the Centre as well.

#### Amendments in the Protection of Children from Sexual Offences (POCSO) Act, 2012:

##### Key changes proposed:

- It will make punishment more stringent for committing sexual crimes against children including death penalty.
- It includes provision of death penalty in cases of sexual offences against children.
- The amendments also provide for levy of fines and imprisonment to curb child pornography.
- Amendments are also proposed to protect children from sexual offences in times of natural calamities and in other situations where children are administered, in any way, any hormone or any chemical substance, to attain early sexual maturity for the purpose of penetrative sexual assault.

##### Impact:

- The amendment is expected to discourage the trend of child sexual abuse by acting as a deterrent due to strong penal provisions incorporated in the Act.
- It intends to protect the interest of vulnerable children in times of distress and ensures their safety and dignity.
- The amendment is aimed to establish clarity regarding the aspects of child abuse and punishment thereof.

#### POCSO Act:

The Protection of Children from Sexual Offences Act (POCSO Act) 2012 was formulated in order to effectively address sexual abuse and sexual exploitation of children.

- **Role of police:** The Act casts the police in the role of child protectors during the investigative process. Thus, the police personnel receiving a report of sexual abuse of a child are given the responsibility of making urgent arrangements for the care and protection of the child, such as obtaining emergency medical treatment for the child and placing the child in a shelter home, and bringing the matter in front of the Child Welfare Committee (CWC), should the need arise.
- **Safeguards:** The Act further makes provisions for avoiding the re-victimisation of the child at the hands of the judicial system. It provides for special courts that conduct the trial in-camera and without revealing the identity of the child, in a manner that is as child-friendly as possible. Hence, the child may have a parent or other trusted person present at the time of testifying and can call for assistance from an interpreter, special educator, or other professional while giving evidence. Above all, the Act stipulates that a case of child sexual abuse must be disposed of within one year from the date the offence is reported.
- **Mandatory reporting:** The Act also provides for mandatory reporting of sexual offences. This casts a legal duty upon a person who has knowledge that a child has been sexually abused to report the offence; if he fails to do so, he may be punished with six months' imprisonment and/ or a fine.
- **Definitions:** The Act defines a child as any person below eighteen years of age. It defines different forms of sexual abuse, including penetrative and non-penetrative assault, as well as sexual harassment and pornography. It deems a sexual assault to be "aggravated" under certain circumstances, such as when the abused child is mentally ill or when the abuse is committed by a person in a position of trust or authority like a family member, police officer, teacher, or doctor.

### Guidelines by the SC for Setting up of special courts:

- Such courts will be **funded by the central government**. The fund will not only take care of the appointment of the presiding officer but also appointments of support persons, special public prosecutors, court staff and infrastructure, including creation of childfriendly environment and vulnerable witness court rooms.
- **Awareness:** WCD ministry shall facilitate screening of “short clips intended to spread awareness of the subject in general, namely, prevention of child abuse and prosecution of crimes against children, in every movie hall and could also be transmitted by various television channels at regular intervals.
- **A child helpline number** should also be displayed in such clips and at schools and other public places.

### Background:

- Kerala has **the worst judge-case ratio**, as it has set up just three designated courts for 14 districts with each required to deal with 2,211 cases.
- Chhattisgarh and Punjab have **the lowest average** of 51 cases per designated court.

### Why is it that despite having POSCO Act, there are so many cases?

- The Indian constitution has safeguarded every person before he or she is punished by the means of fair trial which has led to pendency of cases.
- 2006 survey reveals that 88% children of the total surveyed have been abused by their parents which is not revealed.
- Society is changing fast, exposure and too much interaction leads to gap in understanding each other which may inturn lead to crime by close mates.

### Challenges:

- Lack of social awareness among the masses.
- Children find it difficult to understand many advertisements and campaigns related to abuses.
- There is advancement of law but it appears that it has no impact because the number of cases is multiplying.
- Problem with implementation of the law.
- Child protection committees not in place at village level.
- Politicization of rape cases on communal grounds.
- Many of us do not know about POSCO act.
- The rate of conviction under the POSCO act is only 32% as that of past 5 years and pendency is 90%.
- Absence of proper training at village level leads to child abuse.
- Judges do not use the power to announce medical interim compensations to the victims.
- In a **2017 report, “Everyone Blames Me,”** Human Rights Watch found that survivors (of the crime), particularly among marginalized communities, still find it difficult to register police complaints.
- Every case desires media attention equally and not only Unnao and Kathua rape cases.

### Way Forward:

- Massive awareness should be created among the masses about child’s dignity and about the law in place.
- POSCO Act needs to be part of school syllabus.
- Along with fast track courts, proper infrastructure and judges capacity should be looked upon.
- Need of ground level work.
- Speedy delivery of justice.
- Proper police training and a dedicated children cell at stations as that of a women cell.
- Need of accountability at each and every level.
- Many Indians – men and women – refuse to believe that sexual violence is a serious problem eating away at India’s vitals. It is essential to recognise that the crisis lies in the precise manner in which the existing criminal justice system unfolds.
- Instant medical relief and compensations should be provided to the victim.
- Children should be given a platform and proper environment to speak against such abuse.
- Check on technology.
- Strict action must be taken against the police officer found guilty of obstructing the probe or colluding with perpetrators of such cases.

- **Providing sex education to children**, which is neglected in India. This makes them more aware of various protective laws, good touch-bad touch et

#### Conclusion:

- Society itself will have to take the responsibility of giving it the right direction. Without this, we cannot achieve all the promise that we had as a nation at the time of Independence. We must collectively rise to the occasion and create a safe India for our children.

Source: <https://www.youtube.com/watch?v=yydoyXWnENO>

## 2. NEW SURROGACY BILL

#### Introduction:

- Union Cabinet gave its nod to the Surrogacy Regulation Bill 2019, the bill that aims to prohibit commercial surrogacy was introduced in the Lok Sabha on the 15th of July. Commercial surrogacy a practice also known as rent a womb was legalized in India in the year 2002, in order to promote medical tourism and soon India became the hub of surrogacy driven by factors like low cost and the absence of a strict legislation. Commercial surrogacy became a booming business in the country. According to a 2012 study by the Confederation of Indian Industry the size of India surrogate motherhood industry was 2 billion dollars a year.
- A study backed by the United Nations also conducted in the year 2012 estimated the economic scale of the Indian surrogacy industry to be 400 million dollars a year with more than 3,000 fertility clinics across the country but the unregulated business led to concerns over the rampant exploitation of surrogate mothers as well as their children prompting the need for a legislation to regulate surrogacy in the country.

#### The Surrogacy (Regulation) Bill, 2019:

- The Bill defines surrogacy as a practice where a woman gives birth to a child for an intending couple with the intention to hand over the child after the birth to the intending couple.
- **Regulation of surrogacy:** The Bill prohibits commercial surrogacy, but **allows altruistic surrogacy. Altruistic surrogacy involves contracting a 'close relative' as a surrogate by a heterosexual married couple and no monetary compensation to the surrogate mother other than the medical expenses and insurance coverage during the pregnancy.** Commercial surrogacy includes surrogacy or its related procedures undertaken for a monetary benefit or reward (in cash or kind) exceeding the basic medical expenses and insurance coverage.

**Purposes for which surrogacy is permitted:** Surrogacy is permitted when it is:

- for intending couples who suffer from proven infertility;
- altruistic;
- not for commercial purposes;
- not for producing children for sale, prostitution or other forms of exploitation; and
- for any condition or disease specified through regulations.

**Eligibility criteria for intending couple:** The intending couple should have a **'certificate of essentiality'** and a **'certificate of eligibility'** issued by the appropriate authority.

- A **certificate of essentiality** will be issued upon fulfilment of the following conditions: (i) a certificate of proven infertility of one or both members of the intending couple from a District Medical Board; (ii) an order of parentage and custody of the surrogate child passed by a Magistrate's court; and (iii) insurance coverage for a period of 16 months covering postpartum delivery complications for the surrogate.
- The **certificate of eligibility** to the intending couple is issued upon fulfilment of the following conditions: (i) the couple being Indian citizens and married for at least five years; (ii) between 23 to 50 years old (wife) and 26 to 55 years old (husband); (iii) they do not have any surviving child (biological, adopted or surrogate); this would not include a child who is mentally or physically challenged or suffers from life threatening disorder or fatal illness; and (iv) other conditions that may be specified by regulations.

**Eligibility criteria for surrogate mother:** To obtain a certificate of eligibility from the appropriate authority, the surrogate mother has to be:

- a close relative of the intending couple;
- a married woman having a child of her own;
- 25 to 35 years old;
- a surrogate only once in her lifetime;

- possess a certificate of medical and psychological fitness for surrogacy. Further, the surrogate mother cannot provide her own gametes for surrogacy.

**Appropriate authority:** The central and state governments shall appoint one or more appropriate authorities within 90 days of the Bill becoming an Act. The functions of the appropriate authority include;

- granting, suspending or cancelling registration of surrogacy clinics;
- enforcing standards for surrogacy clinics;
- investigating and taking action against breach of the provisions of the Bill;
- recommending modifications to the rules and regulations.

**Registration of surrogacy clinics:** Surrogacy clinics cannot undertake surrogacy related procedures unless they are registered by the appropriate authority. Clinics must apply for registration within a period of 60 days from the date of appointment of the appropriate authority.

**National and State Surrogacy Boards:** The central and the state governments shall constitute the National Surrogacy Board (NSB) and the State Surrogacy Boards (SSB), respectively. Functions of the NSB include,

- advising the central government on policy matters relating to surrogacy;
- laying down the code of conduct of surrogacy clinics; and
- supervising the functioning of SSBs.

**Parentage and abortion of surrogate child:** A child born out of a surrogacy procedure will be deemed to be the biological child of the intending couple. An abortion of the surrogate child requires the written consent of the surrogate mother and the authorisation of the appropriate authority. This authorisation must be compliant with the Medical Termination of Pregnancy Act, 1971. Further, the surrogate mother will have an option to withdraw from surrogacy before the embryo is implanted in her womb.

**Offences and penalties:** The offences under the Bill include:

- undertaking or advertising commercial surrogacy;
- exploiting the surrogate mother;
- abandoning, exploiting or disowning a surrogate child;
- selling or importing human embryo or gametes for surrogacy.

The penalty for such offences is imprisonment up to 10 years and a fine up to 10 lakh rupees. The Bill specifies a range of offences and penalties for other contraventions of the provisions of the Bill.

#### View of LCI

- 228<sup>th</sup> LCI report recommended prohibiting commercial surrogacy and allowing ethical altruistic surrogacy to the needy Indian citizens by an apt legislation

#### Advantages of the Bill

- The Bill comes at a time when there is a huge need for legislation covering this subject.
- The Bill focuses on preventing commercialization of surrogacy, prohibit potential exploitation of surrogate mothers and children born through surrogacy.

#### Criticism:

- The Bill raises questions over the reproductive rights of a woman. The right to life enshrines the right of reproductive autonomy, inclusive of the right to procreation and parenthood, which is not within the domain of the state, warranting interference of a fundamental right. It is for the person and not the state to decide modes of parenthood. It is the prerogative of person(s) to have children born naturally or by surrogacy in which the state, constitutionally, cannot interfere.
- Restricting limited, conditional surrogacy to married Indian couples and disqualifying other persons on the basis of nationality, marital status, sexual orientation or age does not appear to qualify the test of equality (article 14), or of being a reasonable classification, satisfying the objective sought to be achieved.
- The bill deprives single parents, homosexuals of availing the bliss of parenthood through surrogacy
- Infertility cannot be compulsory to undertake surrogacy. This violates the Freedom of choice available to citizens
- The Indian Council for Medical Research (ICMR), working under the ministry of health and family welfare, finalised the National Guidelines for Accreditation, Supervision and Regulation of Artificial Reproductive Technology (ART) Clinics in India, 2005, after extensive public debate all over the country with all stakeholders. In that it had been stipulated that there shall be no bar to the use of ART by single women who would have all the legal rights and to whom no ART clinic may refuse to offer its services for ART. Likewise,

there was no legal bar on an unmarried woman going in for Artificial Insemination with donor semen (AID) and a child born to a single woman through AID would be deemed legitimate. By anomaly, single men too could claim this right. These guidelines have not been rescinded till date. Successive draft ART (Regulation) Bills in 2008, 2010 and 2013, had reportedly proposed that ART in India would be available to all, including single persons and foreign couples.

#### Surrogacy Laws Worldwide:

- Most countries that allow surrogacy have framed laws to regulate it, thereby also protecting the rights of the surrogate while countries like Britain, America, Australia, Netherlands and Denmark are among those where altruistic surrogacy is legal. Countries such as France, Germany, Italy, Spain, Portugal and Bulgaria prohibit all forms of surrogacy.

#### United Kingdom:

- Commercial surrogacy is not legal in the United Kingdom.
- The surrogate is the child's legal parent at birth.
- Legal parenthood can be transferred by parental order or adoption only once the child is born.

#### United States of America:

- In the United States of America surrogacy laws vary from state to state.
- Surrogacy friendly states allow both commercial and altruistic surrogacy.
- Arkansas, California, New Hampshire are some such surrogacy friendly states.
- New York does not allow commercial surrogacy.
- Michigan forbids absolutely all surrogacy agreements.

#### Canada:

- Canada's assisted Human Reproduction Act permits only altruistic surrogacy.
- Surrogate mothers may be reimbursed only for approved expenses
- however all surrogacy arrangements are illegal in Quebec in Canada
- Armenia, Georgia, Kazakhstan, Russia and Ukraine allow both altruistic and commercial surrogacy.
- Kenya, Malaysia and Nigeria don't prohibit surrogacy but have no formal law to regulate the practice.
- Czech Republic, Colombia, Chile and Hungary are among countries with unregulated surrogacy.
- Surrogacy is prohibited in Cambodia, Denmark, France, Germany, Italy and Spain and some other countries.

However a lack of internationally recognised laws creates difficulties for aspiring parents. In cases where intended parents go to surrogacy friendly countries, it can take a long time to bring a surrogate baby back to their home country. This is due to different surrogacy laws in the home country and the country where the baby is born. Many experts argue that an international agreement similar to the Hague adoption convention could provide consistency across countries thereby making the process more streamlined.

Source: <https://www.youtube.com/watch?v=yvrOSw7xPvY>

### 3. NATIONAL MEDICAL COMMISSION BILL

#### Introduction:

- Resident doctors at government hospitals, including AIIMS and Ram Manohar Lohia Hospital in Delhi, went on an "indefinite" strike to protest the National Medical Commission Bill, 2019. Among the problems raised by the medical fraternity is **Section 45 of the bill, which allows the government to override any suggestion of the National Medical Commission.**
- The Post Graduate Institute of Medical Education & Research in Chandigarh and Medical students and doctors in Kerala also joined the strike. **The bill looks to replace the existing Indian Medical Council Act, 1956 and reform the medical sector, in the wake of corruption allegations against the Medical Council of India.** It also looks to regulate admission to medical colleges. The health minister defended the bill, describing it as "historic".

#### Medical Council of India:

- The **Medical Council of India** was first established in 1934 under the **Indian Medical Council Act, 1933**. This Act was repealed and replaced with a new Act in 1956. Under the 1956 Act, the **objectives of MCI include:**

- Maintenance of standards in medical education through curriculum guidelines, inspections and permissions to start colleges, courses or increasing number of seats.
- Recognition of medical qualifications.
- Registration of doctors and maintenance of the All India Medical Register.
- Regulation of the medical profession by prescribing a code of conduct and taking action against erring doctors.

#### Why is Medical Council of India being replaced?

- The Medical Council of India has repeatedly been **found short of fulfilling its mandated responsibilities**.
- Quality of medical education is at its lowest ebb; the **current model of medical education is not producing the right type of health professionals** that meet the basic health needs of the country because medical education and curricula are **not integrated with the needs of our health system**.
- Medical graduates lack competence in performing basic health care tasks like conducting normal deliveries; instances of unethical practice continue to grow due to which respect for the profession has dwindled.
- Compromised individuals have been able to make it to the MCI, but the Ministry is not empowered to remove or sanction a Member of the Council even if he has been proved corrupt.

#### The National Medical Commission Bill, 2019:

- The Bill seeks to repeal the Indian Medical Council Act, 1956 and provide for a medical education system which ensures: **(i) availability of adequate and high quality medical professionals, (ii) adoption of the latest medical research by medical professionals, (iii) periodic assessment of medical institutions, and (iv) an effective grievance redressal mechanism.**

#### Key features of the Bill include:

- **Constitution of the National Medical Commission:** The Bill sets up the National Medical Commission (NMC). Within three years of the passage of the Bill, state governments will establish State Medical Councils at the state level. The NMC will consist of **25 members, appointed by the central government**. A Search Committee will recommend names to the central government for the post of Chairperson, and the part time members. The Search Committee will consist of seven members including the Cabinet Secretary and five experts nominated by the central government (of which three will have experience in the medical field).
- Members of the NMC will include: (i) the Chairperson (must be a medical practitioner), (ii) Presidents of the Under-Graduate and Post-Graduate Medical Education Boards, (iii) the Director General of Health Services, Directorate General of Health Services, (iv) the Director General, Indian Council of Medical Research, and (v) five members (part-time) to be elected by the registered medical practitioners from amongst themselves from states and union territories for a period of two years.
- **Functions of the National Medical Commission:** Functions of the NMC include: (i) framing policies for regulating medical institutions and medical professionals, (ii) assessing the requirements of healthcare related human resources and infrastructure, (iii) ensuring compliance by the State Medical Councils of the regulations made under the Bill, (iv) framing guidelines for determination of fees for up to 50% of the seats in private medical institutions and deemed universities which are regulated under the Bill.
- **Medical Advisory Council:** Under the Bill, the central government will constitute a Medical Advisory Council. The Council will be the primary platform through which the states/union territories can put forth their views and concerns before the NMC. Further, the Council will advise the NMC on measures to determine and maintain minimum standards of medical education.
- **Autonomous boards:** The Bill sets up autonomous boards under the supervision of the NMC. Each autonomous board will consist of a President and four members, appointed by the central government. These boards are: (i) the Under-Graduate Medical Education Board (UGMEB) and the Post-Graduate Medical Education Board (PGMEB): These Boards will be responsible for formulating standards, curriculum, guidelines, and granting recognition to medical qualifications at the undergraduate and post graduate levels respectively. (ii) The Medical Assessment and Rating Board (MARB): MARB will have the power to levy monetary penalties on medical institutions which fail to maintain the minimum standards as laid down by the UGMEB and PGMEB. The MARB will also grant permission for establishing a new medical college, starting any postgraduate course, or increasing the number of seats. (iii) The Ethics and Medical Registration Board: This Board will maintain a National Register of all licensed medical practitioners, and

regulate professional conduct. Only those included in the Register will be allowed to practice medicine. The Board will also maintain a separate National Register for community health providers.

- **Community health providers:** Under the Bill, the NMC may grant a limited license to certain mid-level practitioners connected with the modern medical profession to practice medicine. These mid-level practitioners may prescribe specified medicines in primary and preventive healthcare. In any other cases, these practitioners may only prescribe medicines under the supervision of a registered medical practitioner.
- **Entrance examinations:** There will be a uniform National Eligibility-cum-Entrance Test for admission to under-graduate and post-graduate super-speciality medical education in all medical institutions regulated under the Bill. The NMC will specify the manner of conducting common counselling for admission in all such medical institutions.
- The Bill proposes a common final year undergraduate examination called the **National Exit Test** for the students graduating from medical institutions to obtain the license for practice. This test will also serve as the basis for admission into post-graduate courses at medical institutions under this Bill.

#### Significance and the need:

- The Bill seeks to regulate medical education and practice in India.
- The Bill attempts to tackle two main things on **quality and quantity: Corruption in medical education and shortage of medical professionals.**
- The Bill aims to **overhaul the corrupt and inefficient Medical Council of India**, which regulates medical education and practice and replace with National medical commission.
- Over the years, Medical Council of India has been marred by several issues regarding its regulatory role, composition, allegations of corruption, and lack of accountability.
- In 2009, the **Yashpal Committee and the National Knowledge Commission** recommended separating the regulation of medical education and medical practice.

#### Concerns:

- A bridge course allowing **alternative-medicine practitioners to prescribe modern drugs** is mentioned in the bill. Unscientific mixing of systems and empowering of other practitioners through bridge courses will only pave the way for substandard doctors and substandard medical practice. This will seriously impact patient care and patient safety
- Indian Medical Association (IMA) opposed the bill that it will **cripple the functioning of medical professionals** by making them completely answerable to the bureaucracy and non-medical administrators. **NMC will become subservient** to the health ministry, given that the representation of the medical profession in the new regulatory framework is minimal.
- The bill **takes away the voting right of every doctor in India** to elect their medical council.
- The bill **allows private medical colleges to charge at will**, nullifying whatever solace the NEET brought. The proposed NMC Bill discreetly intends to **equate the post-graduate degrees given by MCI or proposed NMC and the National Board of Examination (NBE)**, which is unjustified too.
- **Standards have been laid down for MCI courses, but not for NBE courses** which are often run in private hospitals and nursing homes.
- It would replace an elected body (Medical Council of India, MCI) with one where representatives are "nominated"

#### Conclusion:

- India has suffered from the problem of inappropriately trained doctors of varying quality since a very long time.
- Decades back, **the Mud liar Committee Report (1959)** pointed out that doctors had neither the skills nor the knowledge to handle primary care and infectious diseases that were a high priority concern at the time.
- In recent times, the excessive reliance on a battery of diagnostic tests is reflective of commercial considerations and weak knowledge.

Source: <https://www.youtube.com/watch?v=ailNVUjy4NY>

## 4. ARTICLE 370- ABROGATION AND IMPLICATIONS

### Introduction:

- In an announcement with massive repercussions for Jammu and Kashmir, Home Minister Amit Shah announced in Rajya Sabha that **the government has repealed Article 370 of the Constitution which grants special status to J&K**. The government also decided to bifurcate the state into two Union territories – Jammu and Kashmir, which will have a legislature, and Ladakh, which will be without a legislature. Shah's announcement was immediately followed by massive uproar in the Upper House with opposition MPs protesting in the Well of the House. Back in the Valley, three of Jammu and Kashmir's most prominent politicians — Mehbooba Mufti, Omar Abdullah and Sajjad Lone are under house arrest amid a massive security-build up in the state. Internet services and mobile services have been suspended in several places and all public gatherings are banned in Srinagar district as section 144 was imposed from midnight.

### What is article 370 Guaranteed By Constitution of India?

- The **Article 370** is defined under **Part XXI** of the Indian Constitution which deals with **Temporary, Transitional and Special Provisions**.
- Though in this part (Part XXI) special provision are given to the states of Maharashtra, Gujarat, Nagaland, Assam, Manipur, Sikkim, Mizoram, Arunachal Pradesh and Goa, the special power and provision of J & K are nowhere when compared.
- **Article 370 restricts Indian parliament** to make any laws for the state and it can only preside over the subjects like **Defence, External Affairs, and communication**.
- Laws related to union and concurrent list in J & K can be passed only after **consultation with the state government**.

### Brief Background of Article 370:

- **Article 370 of the Indian constitution** is an article that gives **autonomous status** to the state of Jammu and Kashmir.
- The article is drafted in **Part XXI of the Constitution: Temporary, Transitional and Special Provisions**.
- The Constituent Assembly of Jammu and Kashmir, after its establishment, was empowered to **recommend the articles of the Indian constitution** that should be applied to the state or to abrogate the Article 370 altogether.
- After the J&K Constituent Assembly later created the state's constitution and dissolved itself without recommending the **abrogation of Article 370**, the article was deemed to have become *a permanent feature of the Indian Constitution*.
- While the article was created to give **temporary, transitional, special provisions**, it has become a **Permanent feature**.
- In the years since Independence, this article was to be removed. But due to unwell administration and wars between India and Pakistan, this article has not been touched.

### What is Article 35A?

- Article 35A is a provision incorporated in the Constitution giving the Jammu and Kashmir Legislature a *carte blanche* to decide who all are '**permanent residents**' of the State and confer on them special rights and privileges in public sector jobs, acquisition of property in the State, scholarships and other public aid and welfare.
- The provision mandates that **no act of the legislature coming under it can be challenged for violating the Constitution or any other law of the land**.

### How did it come about?

1. Article 35A was **incorporated into the Constitution in 1954 by an order of the then President Rajendra Prasad** on the advice of the Jawaharlal Nehru Cabinet.
2. The controversial **Constitution (Application to Jammu and Kashmir) Order of 1954 followed the 1952 Delhi Agreement** entered into between Nehru and the then Prime Minister of Jammu and Kashmir Sheikh Abdullah, which extended Indian citizenship to the 'State subjects' of Jammu and Kashmir.

3. The Presidential Order was **issued under Article 370 (1) (d) of the Constitution**. This provision allows the President to make certain “exceptions and modifications” to the Constitution for the benefit of ‘State subjects’ of Jammu and Kashmir.
4. So, **Article 35A was added to the Constitution as a testimony of the special consideration** the Indian government accorded to the ‘permanent residents’ of Jammu and Kashmir.

#### Critical side of Article 35A:

How Article 35A is against the “very spirit of oneness of India” as it creates a “class within a class of Indian citizens”?

1. It treats non-permanent residents of J&K as **‘second-class’ citizens**.
2. Non-permanent residents of J&K are **not eligible for employment under the State government and are also debarred from contesting elections**.
3. **Meritorious students are denied scholarships** and they cannot even seek redress in any court of law.
4. Further, the issues of refugees who migrated to J&K during Partition are still not treated as **‘State subjects’ under the J&K Constitution**.
5. **It was inserted unconstitutionally, bypassing Article 368** which empowers only Parliament to amend the Constitution.
6. The laws enacted in pursuance of Article 35A are **ultra vires of the fundamental rights conferred by Part III of the Constitution, especially, and not limited to, Articles 14 (right to equality) and 21 (protection of life)**.

Ending Jammu & Kashmir’s special status in the Indian Union, the government has extended **all provisions of the Constitution to the State in one go, downsized the State into two Union Territories and allowed all citizens to buy property and vote in the State**.

In this regard, Union Minister for Home Affairs, Shri Amit Shah, introduced two bills and two resolutions regarding Jammu & Kashmir (J&K). These are as follows:

- Constitution (Application to Jammu & Kashmir) Order, 2019 {Ref. Article 370(1) of Constitution of India} – issued by President of India to supersede the 1954 order related to Article 370.
- Resolution for Repeal of Article 370 of the Constitution of India {Ref. Article 370 (3)}.
- Jammu & Kashmir (Reorganisation) Bill, 2019 {Ref. Article 3 of Constitution of India}.
- Jammu & Kashmir Reservation (2nd Amendment) Bill, 2019.

#### Key changes:

1. **The President had used his powers under Article 370 to fundamentally alter the provision**, extending all Central laws, instruments and treaties to Kashmir. However, the drastically altered **Article 370 will remain on the statute books**.
2. While **the Union Territory of Jammu and Kashmir will have a legislature**, the one in Ladakh will not.
3. The notification by the president has effectively **allowed the entire provisions of the Constitution, with all its amendments, exceptions and modifications, to apply to the area of Jammu and Kashmir**.
4. The **Bill proposes wide powers to the Lieutenant Governor** of the proposed Union Territory of Jammu and Kashmir and makes it the “duty” of the Chief Minister of the Union Territory to “communicate” all administrative decisions and proposals of legislation with the LG.
5. **All Central laws and State laws of J&K would apply to the new Union Territories of J&K and Ladakh**.
6. **Assets and liabilities of J&K and Ladakh would be apportioned on the recommendation of a Central Committee** within a year.
7. Employees of State public sector undertakings and autonomous bodies would continue in their posts for another year until their allocations are determined.
8. The **police and public order is to be with the Centre**.
9. The notification amends the expression “**Constituent Assembly**”, contained in the proviso to clause (3) of Article 370, to mean “Legislative Assembly”.

#### Legislative powers of the Union Territory of Jammu and Kashmir:

1. The Legislative Assembly may make laws for the whole or any part of the Union Territory of Jammu and Kashmir with respect to any of the matters enumerated in the state list except on subjects “public order” and “police” which will remain in the domain of the Centre vis-a-vis the LG.
2. In case of inconsistencies between laws made by Parliament and laws made by the Legislative Assembly, earlier law shall prevail and law made by the Legislative Assembly shall be void.

3. The role of the Chief Minister will be to communicate to the L-G all decisions of the Council of Ministers relating to the administration of affairs of the Union Territory and proposals for legislation and to furnish such information relating to the administration of affairs as the L-G may call for.

#### Impact:

1. The tabling of the proposed Reorganisation Bill is also proof that the long reign of the 1954 Order has ended. The 1954 Order had introduced a proviso to Article 3, namely that **“no Bill providing for increasing or diminishing the area of the State of Jammu and Kashmir or altering the name or boundary of that State shall be introduced in Parliament without the consent of the Legislature of that State”**. That power of the State Legislature to give prior consent does not exist anymore. This has provided a free hand to the Centre to table the Reorganisation Bill.
2. With the removal of the 1954 Order, **the power of the State Legislature ceases to exist and Parliamentary laws, including that of reservation, would apply to Jammu and Kashmir as it does in other parts of the country.**
3. The government called this the end of **“positive discrimination” and the closing of the “chasm” between residents of J&K and citizens of other parts of the country.**
4. The removal of the 1954 Order further also negates a clause which was added to **Article 352**. The Order had mandated that no proclamation of Emergency on grounds “only of internal disturbance or imminent danger shall have effect” in the State unless with the concurrence of the State government.

#### Role and powers of the Lieutenant Governor:

1. The Bill specifies that the Union Territory of Jammu and Kashmir and the Union Territory of Ladakh will have a common Lieutenant Governor.
2. **Appointment of L-G in Ladakh:** The President shall appoint the L-G under article 239. The L-G will be assisted by advisors appointed by the Centre since the Union Territory will not have a Legislative Assembly.
3. In the case of Union Territory of Jammu and Kashmir, the L-G shall “act in his discretion” on issues which fall outside the purview of powers conferred on the Legislative Assembly, in which he is required to exercise any judicial functions, and/or matters related to All India services and the Anti-Corruption Bureau
4. The Chief Minister shall be appointed by the L-G who will also appoint other ministers with the aid of the CM. The L-G shall also administer the oath of office and of secrecy to ministers and the CM.
5. The L-G will have the power to promulgate ordinances which shall have the same force and effect as an act of the Legislative Assembly assented by the L-G.

#### Rationale behind this move:

1. Article 370 has prevented J&K to merge with India rather than being a basis of its merger.
2. Article 370 was seen **as discriminatory** on the basis of gender, class, caste and place of origin.
3. Post the repeal of the Article 370, doors to **private investment in J&K would be opened**, which would in turn increase the potential for development there.
4. **Increased investments would lead to increased job creation** and further betterment of socio-economic infrastructure in the state.
5. **Opening of buying of lands would bring in investments from private individuals and multinational companies and give a boost to the local economy.**

#### Criticism:

1. The reduction of the state to a union territory will give a fillip to the concept of constitution being more unitary
2. The **mechanism that the government used to railroad its rigid ideological position on Jammu and Kashmir through the Rajya Sabha** was both hasty and stealthy. This move will strain India’s social fabric not only in its impact on Jammu and Kashmir but also in the portents it holds for federalism, parliamentary democracy and diversity.
3. The **passing of legislation as far-reaching as dismembering a State without prior consultations** has set a new low.
4. The entire exercise of getting Article 370 of the Constitution effectively **abrogated has been marked by executive excess.**
5. **A purported process to change the constitutional status of a sensitive border State has been achieved without any legislative input** or representative contribution from its people.

### Challenges ahead:

1. The move will be legally challenged on grounds of procedural infirmities and, more substantively, that it undermines the basic feature of the compact between Delhi and Srinagar that was agreed upon in 1947.
2. Law and order maintenance challenge.
3. The President's power under Article 370 has been used both to create an enabling provision and to exercise it immediately to modify the Order, thereby dispensing with the role envisaged for the State Assembly.
4. While it is true that in 1961 the Supreme Court upheld the President's power to 'modify' the constitutional provisions in applying them to J&K, it is a moot question whether this can be invoked to make such a radical change: a functioning State has now been downgraded and bifurcated into two Union Territories.
5. But beyond the legality, the real test will be on the streets of Srinagar, Jammu and Delhi once the security cordon is lifted from the State.
6. What was unbecoming is the unwillingness to enter into consultation with the mainstream political leaders; in no other State would former Chief Ministers have been dealt with so cavalierly.

### Conclusion:

- The special status of J&K was meant to end, but only with the concurrence of its people. The Centre's abrupt move disenfranchised them on a matter that directly affected their life and sentiments. Moreover, that this was done after a massive military build-up and the house arrest of senior political leaders, and the communications shutdown reveals a cynical disregard of democratic norms.
- Whatever its intent in enabling the full integration of Jammu and Kashmir with India, this decision to alter the State's status could have unintended and dangerous consequences.

Source: <https://www.youtube.com/watch?v=xRVEi1GszXA>

## 5. STRENGTHENING JUDICIAL APPARATUS

### Introduction:

- Expressing concern over pendency of cases, **Chief Justice of India Ranjan Gogoi** said that **more than two lakh cases are in courts for 25 years, while over 1,000 cases have not been disposed of even after five decades**. Speaking at a public function, Gogoi said though the judiciary faces criticism for the huge number of pending cases, it is not entirely responsible for the delay as the **executive also has some responsibility in the justice delivery mechanism**. He also expressed hope that the Centre will accept his proposal to **raise the retirement age of high court judges to 65 years from the current 62**. Meanwhile **the Lok Sabha gave its nod to a bill to increase the strength of Supreme Court judges from the present 30 to 33**. As of now, the Supreme Court has a sanctioned strength of 30 judges, plus the chief justice of India which makes it 31 judges.

### Present Status of pendency in Indian Judiciary:

- As per the **National Judicial Data Grid (NJDG)**, in 2018, **93 crore cases are pending in the subordinate courts, 49 lakhs in High Courts and 57,987 (Meanwhile it is 59,331) cases in Supreme Court**.
- In the Supreme Court, more than 30% of pending cases are more than five years old while in the Allahabad High Court, 15% of the appeals have been pending since 1980s.
- A **Law Commission report in 2009** had quoted that it would require 464 years to clear the arrears with the present strength of judges.
- Eighteen months after the crime, a special court in Pathankot delivered its verdict on the Kathua case.
- Most cases in India, because of **delays at both the police and judiciary level** take far longer.
- Across India's subordinate courts — the first port-of-call for most cases — more than a third of the 31 million cases have been pending for more than three years.
- In the High Courts, the pendency is even higher: half of all the 8 million cases in the High Courts have been pending for more than three years.
- The lower courts in West Bengal, Odisha and Bihar, in particular, struggle to dispose their cases. In all three states, nearly 50% of cases in the lower courts have been pending for more than three years.
- On many occasions, the pendency at lower courts translates to pendency at the state's higher courts. In both Calcutta High Court and Odisha High Court, nearly 70% of cases have been waiting for a resolution for more than three years.

- However, some state courts, though, dispose of cases more quickly.
- In Punjab and Haryana for instance, less than 6% of all cases have been pending for more than three years.
- Overall, eastern states have much higher pendency rates compared to the western states of the country.
- The eastern half of the country is also much poorer than the western half
- **The Supreme Court (Number of Judges) Act, 1956 originally provided for a maximum of 10 judges (excluding the CJI).** This number was increased to 13 by the Supreme Court (Number of Judges) Amendment Act, 1960, and to 17 in 1977.
- In 1988, the judge strength of the SC was increased to 26, and then again after two decades in 2009, it was increased to 31, including the CJI, to expedite disposal of cases to keep pace with the rate of institution.

#### Reasons for pendency of Cases:

- **Shortage of judges:** around 5,580 or 25% of posts are lying empty in the subordinate courts. It leads to poor Judges to Population Ratio, as India has only **20 judges per million population**. Earlier, Law Commission had recommended 50 judges per million.
- **Frequent adjournments:** The laid down procedure of allowing a maximum of three adjournments per case is not followed in over 50 per cent of the matters being heard by courts, leading to rising pendency of cases.
- **Low budgetary allocation leading to poor infrastructure:** India spends only about **09% of its GDP to maintain the judicial infrastructure**. Infrastructure status of lower courts of the country is miserably grim due to which they fail to deliver quality judgements. A 2016 report published by the Supreme Court showed that existing infrastructure could accommodate only 15,540 judicial officers against the all-India sanctioned strength of 20,558.
- **Burden of government cases:** Statistics provided by LIMBS shows that the **Centre and the States were responsible for over 46% of the pending cases in Indian courts**.
- **Special leave petition:** cases in the Supreme Court, currently comprises to 40% of the court's pendency. Which eventually leads to reduced time for the cases related to constitutional issues.
- **Judges Vacation:** Supreme Court's works on average for 188 days a year, while apex court rules specify **minimum of 225 days of work**.
- **Lack of court management systems:** Courts have created dedicated posts for court managers to help improve court operations, optimise case movement and judicial time. However only few courts have filled up such posts so far.
- **Inefficient investigation:** Police are quite often handicapped in undertaking effective investigation for want of modern and scientific tools to collect evidences.
- **Increasing Literacy:** With people becoming more aware of their rights and the obligations of the State towards them, they approach the courts more frequently in case of any violation

#### Impacts of Judicial Pendency

- **Denial of 'timely justice' amounts to denial of 'justice' itself:** Timely disposal of cases is essential to maintain rule of law and provide access to justice. Speedy trial is a part of right to life and liberty guaranteed under Article 21 of the Constitution.
- **Erodes social infrastructure:** a weak judiciary has a negative effect on social development, which leads to: lower per capita income; higher poverty rates; poorer public infrastructure; and, higher crime rates.

#### Who appoints judges to the SC?

- In exercise of the powers conferred by clause (2) of **Article 124** of the Constitution of India, the **appointments are made by the President of India**.
- The names are recommended by the **Collegium**.

#### Eligibility to become a Supreme Court judge:

1. The norms relating to the eligibility has been envisaged in the **Article 124** of the Indian Constitution.
2. To become a judge of the Supreme court, an individual should be an Indian citizen.
3. In terms of age, a person should not exceed **65 years** of age.
4. The person should serve as a judge of one high court or more (**continuously**), for at least five years or the person should be an advocate in the High court for at least 10 years or a distinguished jurist.

#### Is the collegium's recommendation final and binding?

- The collegium sends its final recommendation to the President of India for approval. The President can either accept it or reject it. In the case it is rejected, the recommendation comes back to the collegium. **If the collegium reiterates its recommendation to the President, then he/she is bound by that recommendation.**

- **Affects human rights:** Overcrowding of the prisons, already infrastructure deficient, in some cases beyond 150% of the capacity, results in “violation of human rights”.
- **Affects the economy of the country** as it was estimated that judicial delays cost India around 1.5% of its Gross Domestic Product annually.
- As per the Economic Survey 2017-18 pendency hampers dispute resolution, contract enforcement, discourage investments, stall projects, hamper tax collection and escalate legal costs which leads to Increasing cost of doing business.

#### Measures needed:

- **Improving infrastructure for quality justice:** The Parliamentary Standing Committee which presented its report on Infrastructure Development and Strengthening of Subordinate Courts, suggested:
  - States should provide suitable land for construction of court buildings etc. It should undertake vertical construction in light of shortage of land.
  - Timeline set out for **computerisation** of all the courts, as a necessary step towards setting up of e- courts.
- **Addressing the Issue of Vacancies:** Ensure the appointments of the judges be done in an efficient way by arriving at an optimal judge strength to handle the cases pending in the system. The 120th Law Commission of India report for the first time, suggested a judge strength fixation formula.
- Supreme Court and High Courts should appoint efficient and experienced judges as Ad-hoc judges in accordance with the Constitution.
- **All India Judicial Service**, which would benefit the subordinate judiciary by increasing quality of judges and help reduce the pendency.
- Having a definite time frame to dispose the cases by setting annual targets and action plans for the subordinate judiciary and the High Courts. The judicial officers could be issued a strict code of conduct, to ensure that the duties are adequately performed by the officials.
- **Strict regulation of adjournments** and imposition of exemplary costs for seeking it on flimsy grounds especially at the trial stage and not permitting dilution of time frames specified in Civil Procedure Code.
- **Better Court Management System & Reliable Data Collection:** For this categorization of cases on the basis of urgency and priority along with bunching of cases should be done.
- **Use of Information technology (IT) solutions:** The use of technology for tracking and monitoring cases and in providing relevant information to make justice litigant friendly. A greater impetus should be given to
- **Process reengineering:** Involves redesigning of core business processes to achieve dramatic improvements in productivity and quality by incorporating the use of technology in court rules. It will include:
  - **Electronic filing of cases:** e-Courts are a welcome step in this direction, as they give case status and case history of all the pending cases across High courts and Subordinate courts bringing ease of access to information.
  - **Revamping of National Judicial Data Grid** by introducing a new type of search known as elastic search, which is closer to the artificial intelligence.
- **Alternate dispute resolution (ADR):** As stated in the Conference on National Initiative to Reduce Pendency and Delay in Judicial System- Legal Services Authorities should undertake pre-litigation mediation so that the inflow of cases into courts can be regulated.
  - **The Lok Adalat** should be organized regularly for settling civil and family matters.
  - **Gram Nyayalayas**, as an effective way to manage small claim disputes from rural areas which will help in decreasing the workload of the judicial institution.
  - **Village Legal Care & Support Centre** can also be established by the High Courts to work at grass root level to make the State litigation friendly.

#### Conclusion:

- The fundamental requirement of a good judicial administration is accessibility, affordability and speedy justice, which will not be realized until and unless the justice delivery system is made within the reach of the individual in a time bound manner and within a reasonable cost. Therefore, continuous formative assessment is the key to strengthen and reinforce the justice delivery system in India.

Source: <https://www.youtube.com/watch?v=yhLAo4UCiSM>

## 6. 10<sup>TH</sup> SCHEDULE

### Introduction:

- Vice President M Venkaiah Naidu said the time has come to revisit the Tenth Schedule of the Constitution. The Vice President, underlining the need to revisit the Tenth Schedule of the Constitution, also known as the anti-defection law, said, **“We should discuss this and come to a conclusion. Legislatures are for debate, discussion without disruption. Further, credibility, capability and capacity should be the yardstick for anyone to enter the legislature and not caste, cash and criminality.”** A comprehensive relook on the statute is required, he emphasised. The Vice President made his observation at the release of his book, chronicling his two years in office by Union Home Minister Amit Shah. Tenth Schedule of the Constitution is better known as the anti-defection law. Allegations of legislators defecting in violation of the law have been made in several states including Karnataka, Andhra Pradesh, Arunachal Pradesh, Goa, Manipur, Nagaland, Telangana and Uttarakhand in recent years.
- **Aaya Ram Gaya Ram** was a phrase that became popular in Indian politics after a Haryana MLA Gaya Lal changed his party thrice within the same day in 1967. The anti-defection law sought to prevent such political defections which may be due to reward of office or other similar considerations
- The main intent of the law was to combat **“the evil of political defections”**. However over the years there have been criticisms over the disqualifications and several issues in relation to the working of this law which need to be discussed.

### What is the anti-defection law?

- The **Tenth Schedule** was inserted in the Constitution in 1985 by the **52<sup>nd</sup> Amendment Act**.
- It lays down the process by which **legislators may be disqualified on grounds of defection by the Presiding Officer of a legislature** based on a petition by any other member of the House.
- The decision on question as to disqualification on ground of defection is **referred to the Chairman or the Speaker of such House, and his decision is final**.
- The law **applies to both Parliament and state assemblies**.

### Features of anti defection law :

- **Disqualification**
  - If a member of a house belonging to a political party:
    - Voluntarily gives up the membership of his political party, or
    - Votes, or does not vote in the legislature, contrary to the directions of his political party. However, if the member has taken prior permission, or is condoned by the party within 15 days from such voting or abstention, the member shall not be disqualified.
    - If an independent candidate joins a political party after the election.
    - If a nominated member joins a party six months after he becomes a member of the legislature.
  - **Power to Disqualify**
    - The Chairman or the Speaker of the House takes the decision to disqualify a member.
    - If a complaint is received with respect to the defection of the Chairman or Speaker, a member of the House elected by that House shall take the decision.
  - **Exception**
    - A person shall not be disqualified if his original political party merges with another, and:
      - He and other members of the old political party become members of the new political party, or
      - He and other members do not accept the merger and opt to function as a separate group.
    - This exception shall operate only if not less than two-thirds of the members of party in the House have agreed to the merger.

### Court interpretations on anti defection law:-

- *The phrase ‘Voluntarily gives up his membership’ has a wider connotation than resignation.*

- The Tenth Schedule says the Speaker's/Chairperson's decision on questions of disqualification on ground of defection shall be final and can't be questioned in courts. In **Kihoto Hollohan vs Zachillhu and Others (1991)**, an SC Constitution Bench declared that the Speaker's decision was subject to **judicial review**.
- In **1996** – Once a member is expelled, he is treated as an 'unattached' member in the house. However, he continues to be a member of the old party as per the Tenth Schedule. So if he joins a new party after being expelled, he can be said to have voluntarily given up membership of his old party.
- **The Speaker of a House does not have the power to review his own decisions to disqualify a candidate. Such power is not provided for under the Schedule, and is not implicit in the provisions either**
- If the Speaker fails to act on a complaint, or accepts claims of splits or mergers without making a finding, he fails to act as per the Tenth Schedule. The Court said that ignoring a petition for disqualification is not merely an irregularity but a violation of constitutional duties

#### Committee interpretations on anti defection law:-

- Following demands that disqualification not be decided by speakers as they failed to be impartial, the Dinesh Goswami Committee and the Constitution Review Commission headed by Justice MN Venkatachaliah (2002) had recommended such a **decision be made by the President or the Governor on the Election Commission's advice, as in the case of disqualification on grounds of office of profit.**
- **Dinesh Goswami Committee on electoral reforms (1990)**
  - Disqualification should be limited to cases where (a) a member voluntarily gives up the membership of his political party, (b) a member abstains from voting, or votes contrary to the party whip in a motion of vote of confidence or motion of no-confidence. .
- **Law Commission (170th Report, 1999)**
  - Pre-poll electoral fronts should be treated as political parties under anti-defection law.
  - Political parties should limit issuance of whips to instances only when the government is in danger.

#### Advantages of anti-defection law:

- Provides stability to the government by preventing shifts of party allegiance.
- Ensures that candidates remain loyal to the party as well the citizens voting for him.
- Promotes party discipline.
- Facilitates merger of political parties without attracting the provisions of Anti-defection
- Expected to reduce corruption at the political level.
- More concentration on governance is possible.
- Provides for punitive measures against a member who defects from one party to another.

#### Challenges posed by anti defection law:

- The law doesn't touch on the time period for the speaker to decide on disqualification.
- The anti-defection law raises a number of questions, several of which have been addressed by the courts and the presiding officers.
- **Resignation v/s Disqualification** as seen in Karnataka politics.
- **The law impinge on the right of free speech of the legislators:**
  - This issue was addressed by the **five-judge Constitution Bench of the Supreme Court in 1992 (Kihoto Hollohan vs Zachilhu and others)**. The court said that "the anti-defection law seeks to recognise the practical need to place the proprieties of political and personal conduct...above certain theoretical assumptions." It held that the law does not violate any rights or freedoms, or the basic structure of parliamentary democracy.
- **Doubts regarding "voluntarily" resigning from a party:**
  - According to a Supreme Court judgment, "voluntarily giving up the membership of the party" is not synonymous with "resignation".
  - It has interpreted that in the absence of a formal resignation by the member, the giving up of membership can be inferred by his conduct.
  - In other judgments, members who have publicly expressed opposition to their party or support for another party were deemed to have resigned
- **Regarding Whips:**
  - Political parties issue a direction to MPs on how to vote on most issues, irrespective of the nature of the issue.

- It restricts a legislator from voting in line with his conscience, judgement and interests of his electorate.
- Such a situation impedes the oversight function of the legislature over the government, by ensuring that members vote based on the decisions taken by the party leadership, and not what their constituents would like them to vote for.
- **Challenging the decision of the presiding officer in the courts:**
  - The law states that the decision is final and not subject to judicial review. There are several instances that presiding officers take politically partisan view.
  - The Supreme Court struck down part of this condition. It held that there may not be any judicial intervention until the presiding officer gives his order. However, the final decision is subject to appeal in the High Courts and Supreme Court.

**Speaker should not be the final decider because:-**

- The Speaker has been assigned the role of an impartial arbiter. **But the conduct of speakers has left much to be desired.**
- A lawmaker elected as Speaker/Chairman is allowed to resign from his/her party, and rejoin it if he/she demits office. But **speakers have invariably allowed themselves to be used for gain of their party or leader.**
- **There have been many instances which show there is a need for more clarity:-**
  - The Uttarakhand Assembly Speaker disqualified nine MLAs from the ruling party in 2016, despite the MLAs not leaving the Congress or voting against it in the Assembly. Furthermore, while the MLAs had voiced dissenting notes against the Budget, the Budget itself was declared passed without voting by the Speaker.
  - Such instances highlight the need for greater clarity in the interpretations associated with the Anti-Defection Law. **Perhaps, it might be better for such critical decisions, associated with representative disqualification, to be determined by the President instead, with inputs from the Election Commission.**

**Does the anti-defection law affect the ability of legislators to make decisions?**

- The anti-defection law seeks to provide a stable government by ensuring the legislators do not switch sides. However, this law also restricts a legislator from voting in line with his conscience, judgement and interests of his electorate. Such a situation impedes the oversight function of the legislature over the government, by ensuring that members vote based on the decisions taken by the party leadership, and not what their constituents would like them to vote for.
- Political parties issue a direction to MPs on how to vote on most issues, irrespective of the nature of the issue. Several experts have suggested that the law should be valid only for those votes that determine the stability of the government.

**Way Forward:**

- Need to have time limit to the speaker to dispose of the anti defection violations.
- Final decision on disqualification should be taken by President or Governor because too much importance has been given to speaker as per anti defection law is concerned.
- Special courts to speed up the cases of corruption.
- More stringent and effective law is a need of hour and everyone should be bound by them and rules should be open for comments from all section concerned.
- Tribunal needs to be created for dealing with cases like this.
- Proper division of power should be put in place between Legislature, executive and judiciary.
- Disqualification procedure should continue even after resignation.

**Conclusion:-**

- The anti-defection law seeks to provide a stable government by ensuring the legislators do not switch sides. The true objective to enhance the credibility of the country's polity by addressing rampant party-hopping by elected representatives should be pursued rather than using it as a political tool to pursue narrow interests of party.

Source: <https://www.youtube.com/watch?v=fCZBZmnEJVA>

## 7. CITIZENSHIP (AMENDMENT) BILL, 2016

### Introduction:

- A report by the Joint Parliamentary Committee on the contentious Citizenship (Amendment) Bill 2016, which seeks to provide Indian citizenship to non-Muslims from Bangladesh, Pakistan and Afghanistan, was tabled in Lok Sabha on 7th January and was passed by the previous Lok Sabha on 8<sup>th</sup> January (lapsed now) . The report was prepared by the Joint Parliamentary Committee by a majority vote as opposition members in the panel had objected to the provisions saying Indian citizenship cannot be granted on the basis of religion and it is against the Constitution. Some of the opposition members have also given dissent notes over this. BJP allies, the Shiv Sena and the JD(U), have already said that they will also oppose the bill. The bill seeks to amend Citizenship Act 1955 to grant Indian nationality to people from minority communities — Hindus, Sikhs, Buddhists, Jains, Parsis and Christians — from Afghanistan, Bangladesh and Pakistan after six years of residence in India instead of 12 even if they don't possess any proper document.
- The Citizenship Amendment Bill 2016 seeks to allow illegal migrants from certain minority communities in Afghanistan, Bangladesh and Pakistan eligible for Indian citizenship. In other words, it amends the Citizenship Act of 1955. Nagaland, along with other north-eastern States, had witnessed several protests following the passage of the Bill in the previous Lok Sabha.

### Key Features

- **Definition of illegal migrants**
  - The Citizenship Act, 1955 prohibits illegal migrants from acquiring Indian citizenship. The Bill amends the Act to provide that the following minority groups will not be treated as illegal migrants: Hindus, Sikhs, Buddhists, Jains, Parsis and Christians from Afghanistan, Bangladesh and Pakistan. However, to get this benefit, they must have also been exempted from the Foreigners Act, 1946 and the Passport (Entry into India) Act, 1920 by the central government.
- **Citizenship by naturalization**
  - The 1955 Act allows a person to apply for citizenship by naturalisation if he meets certain qualifications. One of these is that the person must have resided in India or served the central government for a certain period of time: (i) for the 12 months immediately preceding the application for citizenship, and (ii) for 11 of the 14 years preceding the 12-month period. For people belonging to the same six religions and three countries, the Bill relaxes the 11-year requirement to six years.
- **Cancellation of registration of Overseas Citizen of India cardholder**
  - The 1955 Act provides that the central government may cancel registration of OCIs on certain grounds, including: (i) if the OCI had registered through fraud, or (ii) if within five years of registration, the OCI was sentenced to imprisonment for two years or more. The Bill adds one more ground for cancelling registration, that is, if the OCI has violated any **law** in the country.

### Need for Citizenship (Amendment) Bill, 2016:

- There are thousands of Hindus, Sikhs, Jains, Buddhists, Christians and Parsis who have entered India after facing religious persecution in countries like Pakistan, Bangladesh and Afghanistan without any valid document.
- These refugees have been facing difficulty in getting Long Term Visa (LTV) or Citizenship
- The existing Citizenship law does not allow anyone granting Indian nationality if he or she can not show proof of documents on country of birth and therefore they have to stay at least 12 years in India.
- Those Hindus who are persecuted due to religion has no other place to go except India

### Issues surrounding the Citizenship (Amendment) Bill, 2016:

- The proposed amendment is, however, unprecedented, in the sense that never before has religion been specifically identified in the citizenship law as the ground for distinguishing between citizens and non-citizens.
- Civil society groups are opposing the Citizenship (Amendment) Bill, 2016, terming it “communally motivated humanitarianism.”
- Since Article 14 of the Constitution guarantees equality to all persons, citizens and foreigners, differentiating between people on the grounds of religion would be in violation of the constitution.

- The Bill will stamp these countries as institutions of religious oppression and worsen bilateral ties.
- The proposed law not only provides citizenship rights to such refugees, but greatly relaxes the procedure to avail of them.
- Assam has a major problem regarding infiltration of Bangladeshi illegal immigrants. this bill does not consider Bangladeshi Hindus as illegal immigrants.
- The implicit consequence of such a law is that people only from the Muslim community in Afghanistan, Pakistan and Bangladesh will be treated as illegal immigrants.
- Provides wide discretion to the government to cancel OCI registrations for both major offences like murder, as well as minor offences like parking in a no-parking zone or jumping a red light.

#### Legal fallacies of the proposed law:

- The Citizenship (Amendment) Bill also fails on the tenets of international refugee law.
- Although India is not a signatory to the 1951 UN Refugee Convention, granting refuge based on humanitarian considerations is arguably a norm of customary international law.
- Shelter to individuals of a select religion defeats not only the intention but also the rationality of refugee policy.
- Muslims are considerably discriminated against and exploited in the neighbouring countries of China, Sri Lanka and M The 36,000 Rohingyas Muslims from Myanmar who fled to India in the wake of 2015 insurgency is just one such example.
- Rohingya Muslims fleeing persecution in Myanmar are not offered such hospitality. The only way for them to live in India is by obtaining a valid visa and refugee status.

#### Consequences of these changes:

- Introduced religion as a new principle into the citizenship law.
- By marking out Muslims as a residual category, it reiterates the narrative of partition, without incorporating the principles of inclusion which were present in both the constitution of India and the Citizenship Act of 1955 at its inception.
- While religious persecution is a reasonable principle for differentiation, it cannot be articulated in a manner that dilutes the republican and secular foundations of citizenship in India, and goes against constitutional morality.

#### Citizenship bill and indigenous people's interests:

The proposed legislation has polarised the Northeast and triggered a process of social and political realignment. Most disquietingly, it threatens to expose the faultlines that had led to the **rise of sub-nationalist politics** in the region in the 1980s. The bill is leading to following issues in North east:

- The Citizenship Amendment Bill has not been sitting well with the Assamese as it **contradicts the Assam Accord of 1985**, which clearly states that illegal migrants heading in from Bangladesh after March 25, 1971, would be deported.
- There are an estimated **20 million illegal Bangladeshi migrants in Assam** and they have inalienably **altered the demography** of the state, besides putting a severe strain on the state's resources and economy.
- Mizoram fears **Buddhist Chakmas and Hindu Hajongs from Bangladesh** may take advantage of the Act.
- Meghalaya and Nagaland are **apprehensive of migrants of Bengali stock**.
- Groups in Arunachal Pradesh fear the new rules may benefit **Chakmas and Tibetans**.
- Manipur wants the **Inner-line Permit System** to stop outsiders from entering the state.

#### Conclusion:

- India's citizenship provisions are derived from the perception of the country as a secular republic. In fact, it is a refutation of the two-nation theory that proposed a Hindu India and a Muslim Pakistan.
- Independent India adopted a Constitution that rejected discrimination on the basis of religion and the birth of Bangladesh undermined the idea that religion could be the basis of a national community. So citizenship bill amendments need to be on this line.

Source: <https://www.youtube.com/watch?v=VW7DoUcpxP0>

## 8. RESERVATION: WHO WILL BENEFIT ?

### Introduction:

- The BJP-led government tabled a constitutional amendment bill to provide 10 percent reservation in jobs and higher education to economically backward sections among the upper castes. The Union Cabinet, headed by Prime Minister Narendra Modi, had approved the Constitution (One Hundred and Twenty Fourth Amendment) Bill.
- President Ram Nath Kovind has given his assent to the bill. The legislation will be known as The Constitution (103 Amendment) Act, 2019 . It will also have to face legal challenges if any.

### The Constitution (One Hundred and Twenty-Fourth Amendment) Bill, 2019:

- The Bill seeks to provide for the advancement of “economically weaker sections” of citizens.
- **Article 15** of the Constitution prohibits discrimination against any citizen on the grounds of race, religion, caste, sex, or place of birth. However, the government may make special provisions for the advancement of socially and educationally backward classes, or for Scheduled Castes and Scheduled Tribes. The **Bill seeks to amend Article 15** to additionally permit the government to provide for the advancement of “economically weaker sections”. Further, up to 10% of seats may be reserved for such sections for admission in educational institutions. Such reservation will not apply to minority educational institutions.
- **Article 16** of the Constitution prohibits discrimination in employment in any government office. However, the government can allow reservation for any “backward class of citizens”, if they are not adequately represented in the services under the state. The **Bill seeks to amend Article 16** to permit the government to reserve up to 10% of all posts for the “economically weaker sections” of citizens.
- The reservation of up to 10% for “economically weaker sections” in educational institutions and public employment will be in **addition to the existing reservation**.
- The central government will notify the “economically weaker sections” of citizens on the basis of family income and other indicators of economic disadvantage.

### It provides reservation for:

- People who have an **annual income of less than Rs.8 lakhs**.
- People who own **less than five acres of farm land**.
- People who have a **house lesser than 1,000 sq feet in a town (or 100 sq yard in a notified municipal area)**.

### Amendments Added through Constitutional 124<sup>th</sup> amendment:

- The **Act amends Articles 15 and 16** of the Constitution, by **adding a clause** which allows states to make **“special provision for the advancement of any economically weaker sections of citizens”**.
- These **“special provisions”** would relate to “their admission to educational institutions, including private educational institutions, whether aided or unaided by the state, other than the minority educational institutions”.
- It also makes it clear that reservation would be “in **addition to the existing reservations** and subject to a **maximum of 10 per cent** of the total seats in each category”.

### Clause 6 to Article 15:

- It allows the Government to give **reservation** for the **economically weaker sections** of society in **higher educational institutions** including private ones, whether they are aided or not by the State. Minority educational institutions are exempted.

### Clause 6 to Article 16:

- It provides **quota for economically deprived sections** in the initial **appointment** in **Government services**.
- It is **amendment to fundamental right** coming under Part III of the Constitution and it **does not require ratification** accordingly.
- **DPDP of Article 46: About Reservation in Education and Economic Interests:**
- According to the objects of the bill, “The **directive principles of state policy** contained in **Article 46** of the Constitution enjoins that the State shall promote with **special care the educational and economic**

interests of the weaker sections of the people, and, in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them **from social injustice and all forms of exploitation.**"

- Economically weaker sections of citizens were not eligible for the benefit of reservation.
- With a view **to fulfil the mandate of Article 46**, and to ensure that economically weaker sections of citizens get a **fair chance of receiving higher education and participation in employment** in the services of the State, it has been decided to amend the Constitution of India.

#### Redesigning Reservations is the Need of the Hour:

- The greatest cost of this amendment lies in the **foregone opportunity** to develop an **enhanced and more effective reservation policy** so that we can genuinely see an end to the **entrenched inequalities in Indian society** in the medium term.
- We have gotten so used to business as usual that we make **no effort to sharpen our focus** and look for **more effective solutions**, solutions that would make reservations redundant in 50 years.
- If the goal is to help as many people as possible, we are **facing a serious challenge**.
- On the one hand, **50% reservation** looks very large; in the grand scheme of India's population it is a blunt and at times **ineffective instrument**.
- The Statistics from UPSC tell us that in spite of reservations, a **vast proportion of reserved category applicants** do not find a place via the UPSC examination.
- Statistics from other fields may tell a similar story. This implies that **if we expect reservations to cure the ills of Indian society, we may have a long wait**.

#### Does it violate fundamental rights?

- From the Poona Pact (1932) between M K Gandhi and Dr B R Ambedkar to the Constituent Assembly debates, **reservation was talked about in the context of social backwardness of classes**.
- The 124th Amendment makes a departure by extending reservation to the economically disadvantaged. **Article 15(4), inserted by the First Amendment in 1951, enables the state to make special provisions for socially and educationally backward classes**.
- **Article 16(4) permits reservation for any backward class if it is not adequately represented in services under the state**.
- Thus, **reservation is not a right but, if granted, it will not be considered a violation of the right to equality**.

#### Conclusion:

- At present, the **economically weaker sections** of citizens have largely remained **excluded** from attending the higher educational institutions and public employment on account of **their financial incapacity** to compete with the persons who are economically more privileged.
- The challenge we face is that **our mindset** is so driven by the reservation system that was developed in a different era that we have not had the time or the inclination **to think about its success or to examine possible modifications**.
- The tragedy of the EWC quota is that it **detracts from this out-of-the-box thinking**.

Source: <https://www.youtube.com/watch?v=vv13-Yh-Uq8>

#### Supreme Court in Indira Sawhney case:

- The proposed law would face roadblocks if challenged in the Supreme Court.
- A nine-judge Constitution Bench of the Supreme Court in the **Indira Sawhney case of 1992** specifically answered the question "whether backward classes can be identified only and exclusively with reference to the economic criterion."
- The constitution bench had categorically ruled that **a backward class cannot be determined only and exclusively with reference to economic criterion**. The bench had held that economic criterion may be a consideration or basis along with, and in addition to, social backwardness, but it can never be the sole criterion.
- The bench in its judgement declared **50% quota as the rule unless extraordinary situations "inherent in the great diversity of this country and the people" happen**. Even then, the court stated that extreme caution is to be exercised and a special case should be made out.



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## 9. DGP SELECTION

### Introduction:

- The Supreme Court on 16 December dismissed the pleas of five states seeking modification of its order issued last year on the selection and appointment of director generals of police. The apex court was hearing applications of various state governments, including Punjab, Kerala, West Bengal, Haryana and Bihar, seeking implementation of their local laws regarding the selection and appointment of DGPs. A bench headed by Chief Justice Ranjan Gogoi said the earlier **directions of the court on selection and appointment of DGPs were issued in larger public interest and to protect the police officials from political interference**. The top court, on July 3 last year, passed a slew of directions on police reforms in the country and chronicled the steps for appointment of regular DGPs. It said the states will have to send a list of senior police officers to the UPSC at least three months prior to the retirement of the incumbent. The commission will then prepare a panel and intimate the states, which in turn will immediately appoint one of the persons from that list.
- Police is a subject governed by states. The centre is also allowed to maintain its own police forces to assist the states with ensuring law and order. Therefore, it maintains seven central police forces and some other police organisations for specialised tasks such as intelligence gathering, investigation, research and recordkeeping, and training.
- The **primary role of police forces is to uphold and enforce laws, investigate crimes and ensure security for people in the country**. In a large and populous country like India, police forces need to be well-equipped, in terms of personnel, weaponry, forensic, communication and transport support, to perform their role well.
- Further, they need to have the operational freedom to carry out their responsibilities professionally, and satisfactory working conditions while being held accountable for poor performance or misuse of power.

### Directions of the Supreme Court in Prakash Singh vs Union of India

- In 1996, a petition was filed before the Supreme which stated that the police abuse and misuse their powers. It alleged non-enforcement and discriminatory application of laws in favour of persons with power, and also raised instances of unauthorised detentions, torture, harassment, etc. against ordinary citizens. The petition asked the court to issue directions for implementation of recommendations of expert committees.
- **In September 2006, the court issued various directions to the centre and states including:**
- **Constitute a State Security Commission** in every state that will lay down policy for police functioning, evaluate police performance, and ensure that state governments do not exercise unwarranted influence on the police.
- **Constitute a Police Establishment Board** in every state that will decide postings, transfers and promotions for officers below the rank of Deputy Superintendent of Police, and make recommendations to the state government for officers of higher ranks.
- **Constitute Police Complaints Authorities** at the state and district levels to inquire into allegations of serious misconduct and abuse of power by police personnel.
- Provide a **minimum tenure of at least two years for the DGP** and other key police officers within the state forces
- Ensure that the DGP of state police is appointed from amongst three senior-most officers who have been empanelled for the promotion by the Union Public Service Commission on the basis of length of service, good record and experience.
- Separate the investigating police from the law and order police to ensure speedier investigation, better expertise and improved rapport with the people.
- **Constitute a National Security Commission** to shortlist the candidates for appointment as Chiefs of the central armed police forces.

### Significance of this judgment:

- The 22 September, 2006 verdict of the Supreme Court in the Prakash Singh vs Union of India case was the landmark in the fight for police reforms in India. In its directions, the court had pulled together recommendations generated since 1979. They make up a scheme, which, if implemented holistically, will cure common problems that perpetuate poor police performance and unaccountable law enforcement.

The design requires states and the Centre to put in place mechanisms to ensure that:

- The police have functional responsibility while remaining under the supervision of the executive.
- Political control over the police is kept within legitimate bounds.
- Internal management systems are fair and transparent.
- Policing is increased in terms of its core functions.
- Public complaints are addressed through an independent mechanism.

#### What's the problem now?

- Unfortunately, the directions of SC have not been implemented by the states. None of the states have taken it seriously. While few states actively resisted the court's order, few states did nothing. While few did something but did it wrong and finally, got out from under the Supreme Court's orders by passing laws which not only do not conform to the court's orders but actually give statutory sanction to bad practices.
- Since the 2006 SC order, almost none follow the SC order either in letter or in spirit. In fact, concerted efforts have been made by all to somehow circumvent the SC directions and retain political control over the police.
- **For instance, in the majority of the 17 Police Acts passed since 2006, state governments have given themselves the sole discretion to appoint police chiefs instead of choosing from a panel recommended by the UPSC.**
- In many of the nine operational Police Complaints Authorities currently in place, their design has been subverted by appointing serving police officers as judges in their own cause. Elsewhere, their functioning has been hobbled by the lack of independent investigators.

#### Why police reform is necessary?

- Police is an exclusive subject under the State List of the Indian Constitution. States can enact any law on the subject of police. **But most of the states are following the archaic Indian Police Act 1861 with a few modifications.** Also, police have become the 'subjects' of Parliamentarians and legislators – with a high degree of politicization and allegiance towards ruling party.
- **India still follows the Police Act, 1861**, framed by the British, largely with an aim to crush dissent. The Act was a reaction to the sepoy uprising of 1857.

#### What has the centre done in this regard?

- The Central government had **formed committees to create a Model Police law in line with the Court's directions.** It also came up with the Model Bill in 2006. However, the **Model Bill of 2006** drafted under Soli Sorabjee's chairpersonship has been adopted in breach by 17 states and entirely ignored by the Centre.
- Another Police Act drafting committee was also formed in 2013 to make revisions to the 2006 model. Dutifully, it has given its recommendations, which now lie mouldering in bureaucratic caverns measureless to man.

#### Directions issued by the Supreme Court in appointing DGPs:

- States and Union Territories shall **send names of senior police officers to the Union Public Service Commission (UPSC)** for being considered as probable candidates for the post of DGPs or police commissioners.
- The **UPSC would then prepare a list of three most suitable candidates** out of the list of names sent by states and Union Territories.
- **The states are free to appoint any one of them** as the police chief.
- **It is mandatory for the states to send the list of senior police officers to the UPSC at least three months prior to the retirement** of the incumbent. **The UPSC would then form a committee** and intimate the state concerned, which in turn will immediately appoint one of the persons from among that list.
- **DGP's moral and authority reflects the mood of the people** who are working under his administrative charge, so if the post is not independent from the influence of the political class it will be difficult for the police force to discharge his duties properly. They should be insulated from political encroachment into their system.

Source: [https://www.youtube.com/watch?v=WN\\_y8jxwWDk](https://www.youtube.com/watch?v=WN_y8jxwWDk)

## ECONOMY

### 10. JOBS-LOCALS FIRST POLICY

#### Introduction:

- Fulfilling one of its biggest election promises, the Jagan Mohan Reddy government passed a bill in the Assembly which reserves 75 per cent jobs factories for Andhra Pradesh youths, making it the **first state** in the country to introduce such a provision in the private sector. **The Andhra Pradesh Employment of Local Candidates in Industries/Factories Act, 2019** was approved by the Assembly. The Bill states that if an industrial unit fails to find enough skilled local workers, then it will have to **train them in association with the state government**. The company is also required to act in accordance with the new law and submit a quarterly compliance report. **Similar demands have come up in different states like Karnataka, Madhya Pradesh, Maharashtra, and Gujarat**. The Congress party government led by Chief Minister Kamal Nath in Madhya Pradesh has vowed 70 percent reservation for native candidates.

#### Features of Andhra Pradesh Employment of Local Candidates in Industries/Factories Act, 2019:

- It reserves 75% private jobs across all categories in industrial units, factories, joint ventures and projects in public-private partnership mode.
- If locals with necessary skills are not available, then companies must train them in association with the state government and hire them.
- Only those units that are listed in the first schedule of the Factories Act will be exempted from the Act, after the government approval. These are mostly hazardous industries like petroleum, pharmaceuticals, coal, fertilisers and cement, among others.
- Companies will have to comply with these provisions within three years of the commencement of the Act.

#### Rationale behind this move:

- With growth in industries, the demand for land has been increasing.
- Since most of the land requirement is **met by acquiring local private agricultural lands, the land owners are being displaced and deprived of their occupation and thereby loss of income**.
- Local people have complained that **industrialisation in their areas have deprived them of means of livelihood**.
- To address this gap, the government has brought this legislation.

#### Will it help? And Negatives of the move:

- The Andhra Pradesh government's proposed law to enforce 75 percent reservation for local candidates in private sector jobs **may be right in intent, but conceptually flawed and may have little practical value beyond political jingoism**.
- This would mean **irrespective of the availability, all private sector enterprises will have to ensure a minimum of 75 percent employment for local candidates**.
- In the absence of local candidates of a particular skill level, the law would force the employers to recruit them anyway and train them. The government has promised help to upskill the staff, but this could be **time-consuming**. Businesses that have to remain nimble to adapt their business strategies to changing market situations may find it tough to meet this requirement.
- Against the concept of "One Nation".
- A provision of such sweeping import could in fact **hinder the state's economic growth by affecting the ease of doing business**. Ease of recruiting talent is a major aspect that influences the index.
- Dangerous to the unity of our country.
- Social tensions.
- If job creation is the intention, the move **may become counterproductive**.
- **The private sector could suffer a setback as it would hinder choosing the best candidates, irrespective of the linguistic background or domicile of the person, to comply with the rule**.
- Localised protectionism will affect growth.

- Also, once it is enforced, **there is no stopping other states from coming up with similar populist policies**, even for white-collar jobs where merit is paramount for productivity. This could mean greater informalisation of labour, which in turn means greater insecurity for the same workers whose interests the government is purportedly protecting with the move.
- It will affect the migration of laborers from other states with surplus working force which keeps the wages low.
- This will increase the cost of production, and India's advantage of being able to create products at lower cost will disappear.
- The act threatens the constitutional fabric of the country.
- The end result of industry **loss of confidence and business moving elsewhere** would, of course, be a decline in the economic well-being of the blue-collar workers the policy is supposed to protect.
- People with transferable jobs will be affected.

#### Challenges:

- The act contradicts fundamental rights i.e **Article 16** of the constitution which specifically says that no citizen shall, on grounds only of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for, or discriminated against in respect of, any employment or office under the State.
- The act **threatens the constitutional fabric** of the country as it will create social disharmony in the country.
- It would also violate the landmark **Indra Sawhney judgment** of the Supreme Court which caps reservation "of any manner" at 50%.
- In 1984, the supreme court allowed the **domicile reservation** in the educational institutions. However, the supreme court in the same case said that policy promotion that violates fundamental right is not allowed as it may lead to fragmentation of the society.
- It would be difficult to attract more investment which is the need for newly formed state.
- Lack of skilled workforce already exists.
- The demand in long turn may end up asking for reservations in private firms too which would be difficult and be a challenge to handle.

#### Way Forward:

- Incentivizing the industry may be a better approach.
- Incentives like lower electricity charges or land use charges can be offered and in turn ask them to invest in training the locals.
- Skill development policies.
- Maharashtra model can be adopted which encourages Dalit entrepreneurs to set up industries.

Source: <https://www.youtube.com/watch?v=0bKEmQfgr7Y>

## 11. INSOLVENCY AND BANKRUPTCY CODE BILL

#### Introduction:

- The government introduced the Insolvency and Bankruptcy Code (Amendment) Bill, 2019, which was passed by both the houses, seeking **to restrict the duration of the resolution process and ensure the primacy of financial creditors in case of recoveries**. The resolution process is proposed to be **limited to 330 days, including time for litigation**. The bill seeks to remove ambiguities that had arisen due to an order by the National Company Law Appellate Tribunal on Essar Steel's insolvency resolution. It is set to **help classes of creditors such as homebuyers** who are represented on committees of creditors by a single authorised representative. Key clarifications in the bill will put the committee of creditors in control of the distribution of proceeds from a successful resolution plan under the IBC. The amendments clarify that unsecured financial creditors and operational creditors need not be treated on par with secured financial creditors for a resolution to be considered fair and equitable.
- The Government of India implemented the Insolvency and Bankruptcy Code (IBC) to **consolidate all laws related to insolvency and bankruptcy and to tackle Non-Performing Assets (NPA)**, a problem that has been pulling the Indian economy down for years. The Union cabinet's approval of amendments to the Insolvency and Bankruptcy Code (IBC) to enhance its efficacy could bring relief to banks, foreign investors and others

worried about the impact that quasi-judicial interpretations of the code's grey areas might have on the country's credit systems.

#### About the IBC:

- **The code applies to companies and individuals.** It provides for a time-bound process to resolve insolvency. When a default in repayment occurs, creditors gain control over debtor's assets and must take decisions to resolve insolvency.
- The Code also consolidates provisions of the current legislative framework to form a **common forum for debtors and creditors of all classes to resolve insolvency.**

#### The Code creates various institutions to facilitate resolution of insolvency. These are as follows:

- **Insolvency Professionals:** A specialised cadre of licensed professionals is proposed to be created. These professionals will administer the resolution process, manage the assets of the debtor, and provide information for creditors to assist them in decision making.
- **Insolvency Professional Agencies:** The insolvency professionals will be registered with insolvency professional agencies. The agencies conduct examinations to certify the insolvency professionals and enforce a code of conduct for their performance.
- **Information Utilities:** Creditors will report financial information of the debt owed to them by the debtor. Such information will include records of debt, liabilities and defaults.
- **Adjudicating authorities:** The proceedings of the resolution process will be adjudicated by the National Companies Law Tribunal (NCLT), for companies; and the Debt Recovery Tribunal (DRT), for individuals. The duties of the authorities will include approval to initiate the resolution process, appoint the insolvency professional, and approve the final decision of creditors.
- **Insolvency and Bankruptcy Board:** The Board will regulate insolvency professionals, insolvency professional agencies and information utilities set up under the Code. The Board will consist of representatives of Reserve Bank of India, and the Ministries of Finance, Corporate Affairs and Law.

#### Salient features of the Insolvency and Bankruptcy Code:

- The Insolvency and Bankruptcy Code 2016 is a comprehensive law and covers all individuals, companies, Limited Liability Partnerships (LLPs) and partnership firms.
- The adjudicating authority is **National Company Law Tribunal (NCLT)** for companies and LLPs and **Debt Recovery Tribunal (DRT)** for individuals and partnership firms.
- The insolvency resolution process can be initiated by any of the stakeholders of the firm: firm/ debtors/ creditors/ employees.
- If the adjudicating authority accepts, an Insolvency resolution professional or IP is appointed.
- The power of the management and the board of the firm is transferred to the committee of creditors (CoC). They act through the IP.
- The IP has to decide whether to revive the company (insolvency resolution) or liquidate it (liquidation).
- If they decide to revive, they have to find someone willing to buy the firm.
- The creditors also have to accept a significant reduction in debt. The reduction is known as a haircut.
- They invite open bids from the interested parties to buy the firm.
- They choose the party with the best resolution plan, that is acceptable to the majority of the creditors (75 % in CoC), to take over the management of the firm.

#### IBC Amendment Bill, 2019:

- The Bill amends the Insolvency and Bankruptcy Code, 2016.
- The Code provides a **time-bound process for resolving insolvency** in companies and among individuals. Insolvency is a situation where individuals or companies are unable to repay their outstanding debt.
- Under the Code, a financial creditor may file an application before the National Company Law Tribunal (NCLT) for initiating the insolvency resolution process. The NCLT must find the existence of default within 14 days. Thereafter, a Committee of Creditors (CoC) consisting of financial creditors will be constituted for taking decisions regarding insolvency resolution. The CoC may either decide to restructure the debtor's debt by preparing a resolution plan or liquidate the debtor's assets.

- The CoC will appoint a resolution professional who will present a resolution plan to the CoC. The CoC must approve a resolution plan, and the resolution process **must be completed within 180 days**. This may be extended by a period of up to 90 days if the extension is approved by NCLT.
- **If the resolution plan is rejected by the CoC, the debtor will go into liquidation.** The Code provides an order of priority for the distribution of assets in case of liquidation of the debtor. This order places financial creditors ahead of operational creditors (e.g., suppliers). In a 2018 Amendment, home-buyers who paid advances to a developer were to be considered as financial creditors. They would be represented by an insolvency professional appointed by NCLT.
- **The Bill addresses three issues. First, it strengthens provisions related to time-limits. Second, it specifies the minimum payouts to operational creditors in any resolution plan. Third, it specifies the manner in which the representative of a group of financial creditors (such as home-buyers) should vote.**
- **Resolution plan:** The Code provides that the resolution plan must ensure that the operational creditors receive an amount which should not be lesser than the amount they would receive in case of liquidation. The Bill amends this to provide that the amounts to be paid to the operational creditor should be the higher of: (i) amounts receivable under liquidation, and (ii) the amount receivable under a resolution plan, if such amounts were distributed under the same order of priority (as for liquidation). For example, if the default were for Rs 1,000 crore and the resolution professional recovered Rs 800 crore, the operational creditor must at least get an amount which they would have received if Rs 800 crore have been obtained through liquidation proceeds.
- Further, the Bill states that this provision would also apply to insolvency processes: (i) that have not been approved or rejected by the National Company Law Tribunal (NCLT), (ii) that have been appealed to the National Company Appellate Tribunal or Supreme Court, and (iii) where legal proceedings have been initiated in any court against the decision of the NCLT.
- **Initiation of resolution process:** As per the Code, the NCLT must determine the existence of default within 14 days of receiving a resolution application. Based on its finding, NCLT may accept or reject the application. The Bill states that in case the NCLT does not find the existence of default and has not passed an order within 14 days, it must record its reasons in writing.
- **Time-limit for resolution process:** The Code states that the insolvency resolution process must be completed within 180 days, extendable by a period of up to 90 days. **The Bill adds that the resolution process must be completed within 330 days.** This includes time for any extension granted and the time taken in legal proceedings in relation to the process. On the enactment of the Bill, if any case is pending for over 330 days, the Bill states it must be resolved within 90 days.
- **Representative of financial creditors:** The Code specifies that, in certain cases, such as when the debt is owed to a class of creditors beyond a specified number, the financial creditors will be represented on the committee of creditors by an authorised representative. These representatives will vote on behalf of the financial creditors as per instructions received from them. The Bill states that such representative will vote on the basis of the decision taken by a majority of the voting share of the creditors that they represent.

#### Success of IBC so far:

- Due to the institution of IBC, we have seen that many business entities are paying up front before being declared insolvent. The success of the act lies in the fact that many cases have been resolved even before it was referred to NCLT.
- 4452 cases were dismissed at the pre-admission stage. Hence, it shows the effectiveness of IBC.
- Presently, there are 1332 cases before NCLT.
- Realization by creditors around Rs 80,000cr in resolution cases.
- Banks recovered Rs 5.28 lakh crore in 2017-18, compared to just Rs 38500 cr in 2016-17.
- The maximum amount recovered was Rs 4, 92,500 cr from 21 companies.
- 12 big cases are likely to be resolved this year, and the realization in these cases is expected to be around Rs 70000 Cr

#### Way forward:

- There is need for setting up more tribunals in different parts of the country to handle the greater-than-expected volume of cases.
- IBC must consider that there are distinct advantages if the existing management is allowed to keep running the company such as knowledge, information and expertise.

- India is more concerned with the recovery of NPA, not with the running of units, thus the first priority is to save the banking system.
- Thus the banks also must push policy makers towards this move because they're unlikely to get more if the case comes before the NCLT.
- Proactive training/onboarding of judges, lawyers, and other intermediaries will be necessary for effective implementation of the code.
- Technological infrastructure needs to be strengthened to avoid any kind of data loss and to maintain confidentiality. There is a requirement of enhanced IU infrastructure.

#### Conclusion:

- The Supreme Court's ruling in January, is ***a welcome one that should circumvent efforts by vested interests to try and stymie the revival of debt-laden companies***, and will go a long way in enhancing India's stature as a good place to do business in.
- IBC as a structural reform has demonstrable impact, which is reflected in behavioural change among debtors, creditors and other stakeholders, it is the IBC or the insolvency law which has trumped even the GST.

Source: <https://www.youtube.com/watch?v=a7-uhtt35rc>

## 12. CONSUMER PROTECTION BILL, 2019

#### Introduction:

- A new consumer protection bill provides for **strict monitoring and punishment for misleading advertisements**. It aims to empower consumer courts at the state and district level to disperse greater **financial compensation** to the consumers. The bill also has a provision for setting up an executive agency called **central consumer protection authority** with a mandate to carry out investigations into violations of consumer rights, recall of unsafe goods and services and discontinue unfair trade practices. The bill will replace the Consumer Protection Act of 1986.

#### Highlights of the bill:

- **Definition of consumer:** A consumer is defined as a person who buys any good or avails a service for a consideration. It does not include a person who obtains a good for resale or a good or service for commercial purpose. It covers transactions through all modes including offline, and online through electronic means, teleshopping, multi-level marketing or direct selling.
- **Rights of consumers: Six consumer rights** have been defined in the Bill, including the right to: (i) be protected against marketing of goods and services which are hazardous to life and property; (ii) be informed of the quality, quantity, potency, purity, standard and price of goods or services; (iii) be assured of access to a variety of goods or services at competitive prices; and (iv) seek redressal against unfair or restrictive trade practices.
- **Central Consumer Protection Authority:** The central government will set up a **Central Consumer Protection Authority (CCPA) to promote, protect and enforce the rights of consumers**. It will regulate matters related to violation of consumer rights, unfair trade practices, and misleading advertisements. The CCPA will have an investigation wing, headed by a Director-General, which may conduct inquiry or investigation into such violations.
- CCPA will carry out the following functions, including: (i) inquiring into violations of consumer rights, investigating and launching prosecution at the appropriate forum; (ii) passing orders to recall goods or withdraw services that are hazardous, reimbursement of the price paid, and discontinuation of the unfair trade practices, as defined in the Bill; (iii) issuing directions to the concerned trader/ manufacturer/ endorser/ advertiser/ publisher to either discontinue a false or misleading advertisement, or modify it; (iv) imposing penalties, and; (v) issuing safety notices to consumers against unsafe goods and services.
- **Penalties for misleading advertisement:** The CCPA may impose a penalty on a manufacturer or an endorser of up to Rs 10 lakh and imprisonment for up to two years for a false or misleading advertisement. In case of a subsequent offence, the fine may extend to Rs 50 lakh and imprisonment of up to five years.
- CCPA can also prohibit the endorser of a misleading advertisement from endorsing that particular product or service for a period of up to one year. For every subsequent offence, the period of prohibition may extend

to three years. However, there are certain exceptions when an endorser will not be held liable for such a penalty.

- **Consumer Disputes Redressal Commission:** Consumer Disputes Redressal Commissions (CDRCs) will be set up at the district, state, and national levels. A consumer can file a complaint with CDRCs in relation to: (i) unfair or restrictive trade practices; (ii) defective goods or services; (iii) overcharging or deceptive charging; and (iv) the offering of goods or services for sale which may be hazardous to life and safety. Complaints against an unfair contract can be filed with only the State and National. Appeals from a District CDRC will be heard by the State CDRC. Appeals from the State CDRC will be heard by the National CDRC. Final appeal will lie before the Supreme Court.
- **Jurisdiction of CDRCs:** The District CDRC will entertain complaints where value of goods and services does not exceed Rs one crore. The State CDRC will entertain complaints when the value is more than Rs one crore but does not exceed Rs 10 crore. Complaints with value of goods and services over Rs 10 crore will be entertained by the National CDRC.
- **Product liability:** Product liability means the liability of a product manufacturer, service provider or seller to compensate a consumer for any harm or injury caused by a defective good or deficient service. To claim compensation, a consumer has to prove any one of the conditions for defect or deficiency, as given in the Bill.

#### Significance:

- Presently Consumer only have a single point of access to justice, which is time consuming. Additional swift executive remedies are proposed in the bill through **Central Consumer Protection Authority (CCPA)**.
- **Deterrent punishment** to check misleading advertisements and adulteration of products.
- **Product liability** provision to deter manufacturers and service providers from delivering defective products or deficient services.
- **Ease of approaching** Consumer Commission and Simplification of Adjudication process.
- **Scope for early disposal of cases** through mediation.

#### Issues with the Bill:

- The Bill does not address the **fundamental problem of protracted and complicated litigation, the bane of consumer forums constituted under the Consumer Protection Act of 1986**. Instead, it provides an alternative to the consumer forums, in the form of mediation.
- The Bill does provide for a regulator, but **there is no proper focus on the duties of the regulator**.
- Even **the definition of 'consumer rights' in the Bill is not simple and straight forward**, so that consumers at least know what their entitlements are.

#### Measures needed:

- Cases should be resolved in 90 days.
- Consumer education and proper awareness building measures.
- **Lessons to be learnt:-**
  - Several countries like Canada, Estonia have devised advertisement regulations for unhealthy foods targeted at children
  - Countries such as the UK, Ireland and Belgium have specifically banned celebrity endorsement of unhealthy foods. The impact of such restrictions has been reported to be significant.

#### Conclusion:-

- The emergence of global supply chain, rise in global trade and rapid development of e-commerce have led to a new delivery system for goods and services and also provided new options and opportunities for consumers.
- Misleading ads, tele-marketing, multi-level marketing, direct selling and e-commerce pose new challenges to consumer protection and will require appropriate and swift executive intervention to prevent consumer detriment. This bill is the step in the right direction in addressing these issues.

Source: <https://www.youtube.com/watch?v=g11Ts5R0-Hc>

## 13. BANNING UNREGULATED DEPOSIT SCHEMES

### Introduction:

- The Banning of Unregulated Deposit Schemes Bill 2019 was passed unanimously by both the houses of the parliament. **This bill aims to protect the investors from Ponzi schemes and tackle the menace of illicit deposit taking activities** which so far exploited regulatory gaps and lack of strict administrative measures to dupe poor and gullible people.
- The bill provides for **severe punishment ranging from 1 year to 10 years and fines ranging from 2 lakh to 50 crore rupees to act as a deterrent**. It also has adequate provisions for disgorgement or repayment of deposits in cases where deposits have been raised illegally. The bill also says that the **first claim on the recovered money will be that of depositors**.

### The Banning of Unregulated Deposit Schemes Bill, 2019

- The Banning of Unregulated Deposit Schemes Bill, 2019 was introduced in Lok Sabha by the Minister of Finance, Ms. Nirmala Sitharaman, on July 19, 2019. **The Bill provides for a mechanism to ban unregulated deposit schemes and protect the interests of depositors**. It also seeks to amend three laws, i.e., the Reserve Bank of India Act, 1934, the Securities and Exchange Board of India Act, 1992 and the Multi-State Co-operative Societies Act, 2002.
- **Deposit:** The Bill defines a deposit as an amount of money received through an advance, a loan, or in any other form, with a promise to be returned with or without interest. Such deposit may be returned either in cash or as a service, and the time of return may or may not be specified. Further, the Bill defines certain amounts which shall not be included in the definition of deposits such as amounts received in the form of loans from relatives and contributions towards capital by partners in any partnership firm.
- Currently, **nine regulators** oversee and regulate various deposit-taking schemes. These include: (i) the Reserve Bank of India (RBI), (ii) the Securities and Exchange Board of India (SEBI), (iii) the Ministry of Corporate Affairs, and (iv) state and union territory governments. For example, RBI regulates deposits accepted by non-banking financial companies, SEBI regulates mutual funds, state and union territory governments regulate chit funds, among others. All deposit-taking schemes are required to be registered with the relevant regulator.
- **Unregulated deposit scheme:** The Bill bans unregulated deposit schemes. A deposit-taking scheme is defined as unregulated if it is taken for a business purpose and is not registered with the regulators listed in the Bill.
- **Deposit taker:** The Bill defines deposit takers as an individual, a group of individuals, or a company who asks for (solicits), or receives deposits. Banks and entities incorporated under any other law are not included as deposit takers.
- **Competent Authority:** The Bill provides for the appointment of one or more government officers, not below the rank of Secretary to the state or central government, as the Competent Authority. Police officers receiving information about offences committed under the Bill will report it to the Competent Authority. Further, **police officers (not below the rank of an officer-in-charge of a police station) may enter, search and seize any property believed to be connected with an offence under the Bill, with or without a warrant**. The Competent Authority may: (i) provisionally attach the property of the deposit taker, as well as all deposits received, (ii) summon and examine any person it considers necessary for the purpose of obtaining evidence, and (iii) order the production of records and evidence. The Competent Authority will have powers similar to those vested in a civil court.
- **Designated Courts:** The Bill provides for the constitution of one or more Designated Courts in specified areas. This Court will be headed by a judge not below the rank of a district and sessions judge, or additional district and sessions judge.
- After provisional attachment of the deposit taker's assets, the Competent Authority will approach the Designated Court to: (i) make the provisional attachment absolute, and (ii) ask for permission to sell the assets. The Competent Authority will have to approach the Court within 30 days (extendable to 60 days). It will also open a bank account to realise and disburse money to depositors under the instructions of the Designated Court.
- The Designated Court will have the power to: (i) make the provisional attachment absolute, (ii) vary or cancel the provisional attachment, (iii) finalise the list of depositors and their respective dues, and (iv) direct the

Competent Authority to sell the property and equitably distribute the money realised among the depositors. The Court will seek to complete the process within 180 days of being approached by the Competent Authority.

- **Central database:** The Bill provides for the central government to designate an authority to create an online central database for information on deposit takers. All deposit takers will be required to inform the database authority about their business. The Competent Authority will be required to share all information on unregulated deposits with the authority.
- **Offences and penalties:** The Bill defines three types of offences, and penalties related to them. These offences are: (i) running (advertising, promoting, operating or accepting money for) unregulated deposit schemes, (ii) fraudulently defaulting on regulated deposit schemes, and (iii) wrongfully inducing depositors to invest in unregulated deposit schemes by willingly falsifying facts. For example, accepting unregulated deposits will be punishable with imprisonment between two and seven years, along with a fine ranging from three to 10 lakh rupees. Defaulting in repayment of unregulated deposits will be punishable with imprisonment between three and 10 years, and a fine ranging from five lakh rupees to twice the amount collected from depositors. Further, repeated offenders under the Bill will be punishable with imprisonment between five to 10 years, along with a fine ranging from Rs 10 lakh to five crore rupees.

#### **Ponzi Scheme:**

- A **Ponzi scheme** is a form of fraud that lures investors and pays profits to earlier investors with funds from more recent investors.
- The scheme leads victims to believe that profits are coming from product sales or other means, and they remain unaware that other investors are the source of funds.
- A Ponzi scheme can maintain the illusion of a sustainable business as long as new investors contribute new funds, and as long as most of the investors do not demand full repayment and still believe in the non-existent assets they are purported to own.
- The scheme is named after Charles Ponzi, who became notorious for using the technique in the 1920s

#### **Rationale behind the bill:**

- **To deal with the menace of illicit deposit taking schemes**, as in the recent past, there have been rising instances of people in various parts of the country being defrauded by illicit deposit taking schemes.
- The worst victims of these schemes are the **poor and the financially illiterate**, and the operations of such schemes are often spread over many States.
- **Increasing scams:**
  - The CBI had lodged about 166 cases in the past four years related to chit funds and multi-crore scams, with the highest numbers in West Bengal and Odisha.
  - As per information provided by the Reserve Bank of India, between July 2014 and May 2018, 978 cases of unauthorised schemes were discussed in state-level coordination committee (SLCC) meetings in various states and union territories, and were forwarded to the respective regulators or law enforcement agencies in the states.

#### **Impact of the bill:**

- Popular deposit schemes such as chit funds and gold schemes, which as part of **the huge shadow banking system** usually do not come under the purview of government regulators, have served as important instruments of **saving for people in the unorganised sector**.
- The bill will immediately tackle the menace of illicit deposit-taking activities in the country launched by rapacious operators, which at present are exploiting regulatory gaps and lack of strict administrative measures to dupe poor and gullible people of their hard-earned savings.
- It will altogether **ban unregulated deposit taking schemes**, and the law has adequate provisions for punishment and disgorgement or repayment of deposits in cases where such schemes nonetheless manage to raise deposits illegally
- The **Saradha chit fund scam** in West Bengal is just one example of such a heinous financial crime against depositors.
- The bill reflects a timely recognition of the need for greater legal protection to be offered for those depositors with inadequate financial literacy.

### Limitations:

- Unregulated Deposit Ordinance bans **only Ponzi schemes** not regulated deposits.
- Reconciliation between the provisions of Insolvency and Bankruptcy code and Unregulated deposit scheme is difficult.
- It does not stop any entity from seeking funds for its business or an individual raising a quick loan from relatives to tide over a crisis.
- Unclear wrt to digital payments and online wallets.
- Charitable institutions will find it difficult to fund students or those seeking medical assistance.

### Way forward:

- Policymakers will have to make sure that the bureaucrats responsible for the on-ground implementation of the bill are keen on protecting the savings of low-income households.
- Database for the end use of deposits.
- There must also be checks against persons in power misusing the new rules to derecognise genuine deposit schemes that offer useful financial services to customers in the unorganised sector.
- In the past there have been several cases of politicians acting in cahoots with the operators of fraudulent deposit schemes to fleece depositors of their hard-earned money.

### Conclusion:

- While the intent of the bill, which is to protect small depositors, is indeed commendable, the benefits that depositors will eventually derive from the new legislation will depend largely on its proper implementation.

Source: <https://www.youtube.com/watch?v=nUHGDzoDO4>

## 14. 59 MINUTE LOAN PORTAL

### Introduction:

- One of the biggest announcements for the MSME sector was **the 59 minute loan scheme which promises loan upto 5 crores rupees from banks to an online market lending place called psbloanin59minutes**. This portal approves loan in 59 minutes and connects the borrower to the bank for sanction and disbursal. The government has asked banks to include auto and housing loans under the 59 minute scheme. The new retail loan regime was deliberated upon at the meeting between PSBs and Finance Minister Nirmala Sitharaman.
- *PSBloansin59minutes.com* has emerged as the *largest online lending platform*, according to a report by global financial firm Credit Suisse.

### About:

- PSBloansin59minutes.com is an online marketplace, which **will enable In-principle Approval for MSME Business Loans** (Term Loan /Working Capital Loan) from INR 1 Lacs to INR 5 Crore in less than 59 minutes from Public & Private Sector Banks and NBFCs.
- This Platform has set a new benchmark by reducing the in-principle loan processing turnaround time from days to 59 minutes. Post receiving in-principle approval letter, the loan is expected to be sanctioned/ disbursed in around 7-8 working days.
- PSBloansin59minutes.com is one of a kind platform that ensures fast in-principle loan approval. It is a micro-services driven auto scalable platform that not only provides own niche excellence but also integrates multiple service providers into a single powerful engine having hundreds of APIs and thousands of data points. The Platform leverages growing digital data footprints and integrates advanced technologies to automate and digitize the lending processes for Borrowers and Bankers.
- The user-friendly portal offers contactless journey where a borrower is not required to visit bank branch for in-principle approval. The Platform uses advanced algorithms to analyze data points from various sources such as IT returns, GST data, Bank Statements etc.
- PSBloansin59minutes.com is a comprehensive & unique platform integrated seamlessly with existing infrastructure of banks. This is the only platform having Banker Interface covering Branch level integrations. The Platform along with offering ease of finance to borrowers also offers quality information to the banks by using multiple technology interventions so to provide faster solutions for internal decision-making processes of Bankers.

### How it works?

- The Portal sets a new benchmark in loan processing and reduces the turnaround time from 20-25 days to 59 minutes. Subsequent to this in principle approval, the loan will be disbursed in 7-8 working days.
- The solution uses sophisticated algorithms to read and analyse data points from various sources such as IT returns, GST data, bank statements, MCA21 etc. in less than an hour while capturing the applicant's basic details.
- The system simplifies the decision making process for a loan officer as the final output provides a summary of credit, valuation and verification on a user-friendly dashboard in real time.

### Experience of MSME with this portal:

- Sanction letter is not actually sanctioning of funds, it is just in-principle approval after that the entrepreneur have to go through the whole process of banks.
- The process of paper work is still cumbersome.
- While fund flows from NBFCs to micro, small and medium enterprises (MSME) have dried up in recent times, official data shows **state-run banks too are cautious in lending with total credit outstanding to the sector** growing at just 7.38 per cent to Rs 8.81 lakh crore in the three-year period ending March 2019.
- As the sector is considered a **key growth engine accounting for about 90 per cent of businesses and more than 50 per cent of employment**, the credit growth pattern is a matter of concern.
- Even as the government has come out with measures to promote the MSME sector, nudging banks to lend more, it is yet to reflect in actual numbers.
- One of the key steps announced is providing loans to smaller firms with this portal but industry leaders point to sluggish disbursal under the scheme.
- Even after the introduction of the 59-minute loan scheme, the disbursal rate is very poor. If we see the data of 59-minute approvals, it is not matching with the disbursal. **Banks are still putting a lot of conditions and requiring a lot of paperwork for disbursing the loan.**
- The credit growth and disbursal are extremely poor.
- Banks remain concerned with their rising non-performing assets (NPAs or bad loans) and scrutiny of their managements and as a result, paper verification and due diligence is very slow.
- These concerns have to be addressed to make the portal serve its intended purpose.

Source: <https://www.youtube.com/watch?v=8XKqSzkTKDY>

## 15. SPEED BUMP FOR AUTO SECTOR

### Introduction:

- **Automobile sales in India witnessed its sharpest decline in nearly 19 years in July, dropping 18.71 per cent, rendering almost 15,000 workers jobless over the past quarter.** As per data released by the Society of Indian Automobile Manufacturers vehicle sales across categories, including passenger vehicles and two-wheelers, stood at 18.2 lakh units last month as against 22.4 lakh units in July 2018, down by nearly 19 per cent. The previous biggest decline across overall domestic automobile sales was recorded in December 2000 when it fell 21.81 per cent. Similarly, domestic PV sales also saw the biggest fall in nearly 19 years, slumping by 30.98 per cent from July 2018 to 2019. Previously, the worst decline was registered in December 2000, when wholesales had fallen 35.22 per cent. The fall in PV sales in July was also the ninth consecutive month of decline. SIAM said passenger car sales in July were also worst since December 2000 when the segment had declined by 39.86 per cent. Last month, domestic car sales were down 35.95 per cent at as against July 2018.
- The Indian automobile industry, the world's fourth-largest, has finally embraced a slowdown after a near decade of high growth.

### Causes of slowdown:

- **Environmental factors:**
  - Bharat Stage 6, more commonly referred to as BS6, is a standard of emission norms set by the government of India. These norms apply to both fuel and the engine.
  - Currently, BS4 emission norms are in effect and all car models sold today are compliant with it. The BS6 compliant engines would be less polluting in terms of the gases and particulate matter emitted from them.

- By April 2020, the BS6 emission norms will come into effect and all car manufacturers will have to upgrade their engine offerings accordingly.
- As a result, certain buyers are delaying their new car purchase until there are more details available regarding BS6-compliant model choices.
- Availability of BS6 fuel across the country is another uncertainty of the public.
- Whether carmakers upgrade existing engines to meet the upcoming BS6 emission norms or make new ones, it is a big investment. The extra cost will undoubtedly be borne by the customers as well in the prices of the final product – the car.
- **Financial liquidity**
  - In the current economic environment, banks have become more strict about giving out loans, favouring only those individuals with high CIBIL scores.
  - Banks are also being stringent in lending money to dealers to capitalise their inventory. Often, the production numbers for car manufacturers are helped by their dealerships placing orders to stock up for potential customers. So, if dealers cannot get loans as easily, then they too will order fewer units
- **Global Phenomenon**
  - Slowdown has been seen all around the world.
- **Big Cities Are too Crowded**
  - Speaking of the hassles of owning a car, the first one to mind is that of being stuck in traffic. A large volume of car sales is driven by young, upcoming professionals with growing incomes and fewer liabilities. But even if you have the money to buy a car, you will likely spend a lot of your time driving it in congested traffic and/ or looking for a suitable parking space
- There is too much going on in terms of **changes and uncertainties regarding regulations and government policy**, it is almost common sense to sit back and not act until things have settled down. The car industry today is in a similar state.
- Even the government's rhetoric surrounding electric mobility and electric vehicles leaves many uncertainties for both carmaker and buyers about what to invest in and more critically, when to invest.
- Fall in incomes in the rural economy which led to a collapse in the demand and increased vulnerability.
- Severe floods in many parts of the country have also been the reason.
- The proposed deadline to convert vehicles to electric vehicles has created the confusion.
- Higher and non-standard road taxes which have been too frequent and inconsistent.
- Ever rising GST on automotive parts and vehicles.

#### Consequences:

- More jobs being at risk.
- Broader economy is experiencing a serious slowdown.
- It has impact of steel and rubber industry too.

#### Way Forward:

- Need to reduce GST atleast for entry level vehicles.
- Liquidity has to be improved and measures should be taken so that the impact is seen in the market and reaches the end customers.
- Limit has to be imposed on state government to levy road tax.
- Saving rate has to be improved as long term measure which raises the purchasing power.
- Nudge to improve exports.

#### Conclusion:

- As per the panelists the slowdown is temporary and is expected to pick up. The automobile sector is one of the few success stories that India has and perhaps the only one in manufacturing. If **half the manufacturing GDP** of the country is in **doldrums** and declining sales of cars, two wheelers and trucks will result in lower GST collections, the government's already precarious fiscal math could worsen further in 2019-20.
- There's a **combination of frequent changes** that led to this slump. Higher and non-standard road taxes, which have been **too frequent and inconsistent** have led to auto-makers having to increase prices of vehicles. Apart from this, the **ever-rising GST on automotive parts and vehicles** has also added to the woes of the industry. This has eventually led to customers shying away from buying these vehicles and a downturn in sales. **Reviving the automobile sector** should, therefore, become one of the top priorities of the government.

## 16. POWER TARIFF POLICY

### Introduction:

- The Government in the **proposed draft amendments to the National tariff policy, 2016** has included the **provision for imposition of penalties** on the Distribution companies for power cuts other than force majeure conditions or technical faults by Appropriate Commission. In the draft amendments to the tariff policy, it has been proposed to stipulate that the State Electricity Regulatory Commissions and Joint Electricity Regulatory Commissions shall **not consider AT&C losses exceeding 15% for determination of tariff**. The proposed Amendments in Tariff Policy include amendments in provisions related to Generation, Transmission and Distribution of electricity. Power Minister RK Singh said that the amendments would be unveiled soon.

### National Tariff Policy, 2016

- For the first time a holistic view of the power sector was taken and comprehensive amendments had been made in the Tariff policy. The amendments were also aimed at achieving the objectives of Ujwal DISCOM Assurance Yojana (UDAY) with the focus on 4 Es: Electricity for all, Efficiency to ensure affordable tariffs, Environment for a sustainable future, Ease of doing business to attract investments and ensure financial viability.

### Highlights:

- **Electricity:**
  - 24X7 supply will be ensured to all consumers and State Governments and regulators will devise a power supply trajectory to achieve this.
  - Power to be provided to remote unconnected villages through micro grids with provision for purchase of power into the grid as and when the grid reaches there.
  - Affordable power for people near coal mines by enabling procurement of power from coal washery reject based plants.
- **Efficiency:**
  - Reduce power cost to consumers through expansion of existing power plants.
  - Benefit from sale of un-requisitioned power to be shared allowing for reduction in overall power cost.
  - Transmission projects to be developed through competitive bidding process to ensure faster completion at lower cost.
  - Faster installation of Smart meters to enable "Time of Day" metering, reduce theft and allow net-metering.
  - Lower power cost by creating transmission capacity for accessing power from across India.
- **Environment:**
  - Renewable Power Obligation (RPO): In order to promote renewable energy and energy security, 8% of electricity consumption excluding hydro power, shall be from solar energy by March 2022.
  - Renewable Generation Obligation (RGO): New coal/lignite based thermal plants after specified date to also establish/procure/purchase renewable capacity
  - Affordable renewable power through bundling of renewable power with power from plants whose PPAs have expired or completed their useful life.
  - No inter-State transmission charges and losses to be levied for solar and wind power.
  - Swachh Bharat Mission to get a big boost with procurement of 100% power produced from Waste-to-Energy plants.
  - To release clean drinking water for cities and reduce pollution of rivers like Ganga, thermal plants within 50 km of sewage treatment facilities to use treated sewage water.
  - Promotion of Hydro projects through long term PPAs and exemption from competitive bidding till August 2022.
  - Ancillary services to support grid operation for expansion of renewable energy.

- **Ease of Doing Business:**

- Generate employment in coal rich Eastern states like Odisha, West Bengal, Jharkhand, Chhattisgarh etc. by encouraging investments. States allowed to setup plants, with up to 35% of power procured by DISCOMs on regulated tariff.
- Remove market uncertainty by allowing pass through for impact of any change in domestic duties, levies, cess and taxes in competitive bid projects.
- Clarity on tariff setting authority for multi-State sales. Central Regulator to determine tariff for composite schemes where more than 10% power sold outside State.

**Highlight of certain new proposed amendments:**

- Consumer should not be asked to pay the price of inefficiencies of the Discom, therefore AT&C Losses in excess of 15% shall not be passed on to the consumers but shall be borne by Discom.
- 24 hours supply of adequate and uninterrupted power may be ensured to all categories of consumers by March, 2019 or earlier. In case of power cuts other than in force majeure conditions or technical faults an appropriate penalty, as determined by the SERC shall be levied on the Distribution Company and credited to the account of the respective consumers.
- Standards of performance for Distribution Licensee to include continuity and reliability of supply, quality of supply, timeframe for disposing application for connection/ disconnection/enhancement or reduction of connected load and complaints of disruption in supply.
- Subsidy to any category of consumers would be required to be given through Direct Benefit Transfer i.e. directly in the bank account of such consumers.
- Appropriate Commission would ensure that cross-subsidies are reduced and the tariff for all consumer categories are brought within  $\pm 20\%$  of the average cost of supply effective from 1st April 2019 or earlier.
- Simplification of tariff categories and rationalization of retail tariff.
- Suitable provisions for promotion of Electric Mobility- No license would be required for setting up any charging stations for Electric Vehicles.

**Suggestion and Discussion:**

- Regulatory commission should put in system whereby they can establish objectively whether the power cut has happened due to unavoidable technical reasons or due to willful default.
- Discom do not have enough electricity to supply during peak summers.
- Unscheduled power cuts is done by Discom in order to reduce their purchasing of electricity generation.
- The proposal is already in place in Delhi, we need to consider it and implement elsewhere.
- There should be partnership between government and Discom.
- Investment should be done in technology and manpower to realize the target.
- Losses should be targeted at transformer level.
- Difference between lowest tariff and highest tariff is too high in India.
- In China and USA, lowest tariff is for industry but in India it is the highest and it is lowest for domestic consumers.
- These proposed amendments will benefit power consumers in multiple ways. While reducing the cost of power through efficiency, they will spur renewable power for a cleaner environment and protect India's energy security.
- These will ensure availability of electricity to consumers at reasonable and competitive rates, improve ease of doing business to ensure financial viability of the sector and attract investments, promote transparency, consistency and predictability in regulatory approaches across jurisdictions. It will further facilitate competition, efficiency in operations and improvement in quality of supply of electricity.

Source: <https://www.youtube.com/watch?v=OlazR3kxGIQ>

## 17. UNIVERSAL BASIC INCOME

**Introduction:**

- Sikkim Democratic Front (SDF) had included Universal Basic Income (UBI) in its manifesto for the assembly and Lok Sabha elections, according to a report by The Indian Express. The state had already begun the process

of introducing the unconditional direct cash transfer scheme and planning to implement the same by 2022. It could have become the first state in India to implement UBI. **The 2017 Economic Survey had advocated implementation of UBI as an alternative to the various social welfare schemes in an effort to reduce poverty.** The Survey said, "UBI is a powerful idea whose time even if not ripe for implementation, is ripe for serious discussion." However, Late Finance Minister Arun Jaitley in June 2017 said the scheme as proposed in the Economic Survey will not be politically feasible in today's India.

### What is Universal Basic Income?

- Universal Basic Income (UBI) is a programme for providing all citizens of a country or other geographic area/state with a given sum of money, regardless of their income, resources or employment status.
- The main idea behind UBI is **to prevent or reduce poverty and increase equality among citizens.** The essential principle behind Universal basic income is the idea that all citizens are entitled to a livable income, irrespective of the circumstances they're born in.
- The **idea of a universal basic income** has gained currency in the West because of the **threat of automation-induced job losses.**
- In India, the idea first gained currency as a solution to **chronic poverty** and government's failure to **effectively target subsidies** towards the poor
- The **five broad features** of such schemes are:
  - Payments at periodic regular intervals (not one-off grants),
  - Payments in cash (not food vouchers or service coupons),
  - Payments to individuals,
  - Universality

### Rationale behind UBI:

- The average Indian family's monthly income in 1938 was Rs 25.
- Today, the average Indian family's monthly income is roughly Rs 50,000, a 2,000 times increase since 1938.
- The poorest 10% of Indian families earn a mere Rs 5,000 a month.
- 25 million Indian families earn just a tenth of what the average Indian family earns.
- And, 50 million households earn just a fifth of the average Indian family.
- While the Indian economy continues to grow, the much touted **trickle down impact** of economic development seems elusive to the poorer sections of our society.
- There is a real risk of the bottom quarter of Indian families being left behind completely.
- The plan to ensure a basic minimum standard of living for every Indian family that was envisaged by Nehru and Bose in 1938 is applicable even today.

### Economic Survey 2016-17:

- Universal Basic Income should replace the welfare scheme. The Economic survey wants UBI to replace and NOT supplement the existing social welfare, anti-poverty schemes like MGNREGA, PMJSY etc
- Economic Survey has suggested **replacing all current cash transfers** with universal basic income.
- Survey in a bold step ensured that **universal basic income will not be distributive** in nature. The burden to distribute the income will not be shared by the rich.
- The Survey points out that the two prerequisites for a successful UBI are: **functional JAM** (Jan Dhan, Aadhar and Mobile) system as it ensures that the cash transfer goes directly into the account of a beneficiary and **Centre-State negotiations** on cost sharing for the programme.

### The pros of UBI:

- **Fights Poverty and vulnerability:** Poverty and vulnerability will be reduced in one fell swoop. It increases equality among citizens as envisaged in our DPSP.
- **New social contract:** A social contract that will empower citizens with the freedom of choice. UBI treats beneficiaries as agents and entrusts citizens with the responsibility of using welfare spending as they see best; this may not be the case with in-kind transfers. Nobel laureate **Amartya Sen** had also propounded that **choice** should be given to people, which will lead to development.
- **Better targeting of poor:** As all individuals are targeted, **exclusion error** (poor being left out) is **zero** though inclusion error (rich gaining access to the scheme) is 60 percent.

- **Example:** The India Human Development Survey found that in 2011-12 about half of the officially poor did not have the BPL card, while about one-third of the non-poor had it.
- **Fighting technological unemployment:** With IR4.0 on the rise, there is an increase in the automation leading to loss of many white and blue collared jobs. UBI can act as a sort of security net for the millions of people who will be left jobless by the tech revolution.
- **Supporting unpaid care workers:** Those with ill or differently abled relatives are often forced to quit their jobs and look after them full-time. UBI would allow care-workers to support themselves, encouraging care work and taking pressure off public services that provide care to the sick and elderly.
- **Expanding the middle class:** The economic growth of high-income countries is making the rich richer, but having very little effect on the working classes. The research of economists **Emmanuel Saez and Thomas Piketty** showed that “the bottom half of earners went from making 20 percent of overall income in 1979 to just 13 percent in 2014. The top 1 percent, on the other hand, have gone from making 11 percent to 20 percent. The pie has gotten vastly bigger, and the richest families have reaped bigger and bigger pieces from it.” UBI would help balance this inequality and expand the ever-shrinking middle class.
- **Insurance against shocks:** This income floor will provide a safety net against health, income and other shocks.
- **Improvement in financial inclusion Payment:** transfers will encourage greater usage of bank accounts, leading to higher profits for banking correspondents (BC) and an endogenous improvement in financial inclusion. Credit – increased income will release the constraints on access to credit for those with low income levels.
- **Psychological benefits:** A guaranteed income will reduce the pressures of finding a basic living on a daily basis.
- **Ending abuse:** Those who suffer domestic abuse, mainly women, become trapped in violent situations because they don't have the means to leave them. UBI would make leaving an abusive partner easy, and would unleash the potential of countless people trapped by domestic violence.
- **Administrative efficiency:** A UBI in place of a plethora of separate government schemes will reduce the administrative burden on the state.

#### Problems with UBI:

- **Conspicuous spending:** Households, especially male members, may spend this additional income on wasteful activities.
- **Disincentive to work:** A minimum guaranteed income might make people lazy and opt out of the labour market.
- **Gender disparity** induced by cash Gender norms may regulate the sharing of UBI within a household – men are likely to exercise control over spending of the UBI. This may not always be the case with other in-kind transfer
- **Implementation:** Given the current status of financial access among the poor, a UBI may put too much stress on the banking system.
- **Poor fiscal capacity:** India doesn't have the fiscal capacity to implement Universal Basic Income. Economic Survey calculations showed that a **75% universality rate with an annual Universal Basic Income of Rs 7,620 per year at 2016-17 prices will cost about 5% of the GDP.** Economist Pranab Bardhan showed that inflation-indexed Universal Basic Income of Rs 10,000 at 2014-15 prices—about three-quarters of that year's poverty line—will cost about 10% of the GDP.
- **Distort labour Market:** Universal Basic Income can create distortions in the labour market. A steady, permanent and guaranteed income without any work is likely to affect labour mobility and participation. It can cause a rise in the wages too.
- **Political economy of universality:** ideas for self-exclusion Opposition may arise from the provision of the transfer to rich individuals as it might seem to trump the idea of equity and state welfare for the poor.
- **Exposure to market risks (cash vs. food):** Unlike food subsidies that are not subject to fluctuating market prices, a cash transfer's purchasing power may severely be curtailed by market fluctuations.

#### Conclusion:

- If people are able to look after themselves better than the state then this concept can be tried out. UBI holds a **lot of potential as a welfare scheme**, however in its present form needs to be re-evaluated. There is a need for a **10-fold increase in resource mobilisation combined with increasing the tax base for funding.**

- However, the alternatives to UBI can be explored like direct benefits transfers, conditional cash transfers and other income support schemes which also hold the potential to yield the above mentioned benefits.

Source: <https://www.youtube.com/watch?v=hVKpjy6BE>

## 18. ERADICATING POVERTY

### Introduction:

- India may have reduced extreme poverty far more effectively than most of us are aware of. The last official data is eight years old. In 2011, 268 million people were surviving on less than \$1.90 a day, the World Bank measure for extreme poverty. According to the World Data Lab — which monitors global poverty using advanced statistical models — less than 50 million Indians may be living on less than \$1.90 a day now. **Economists said rapid economic growth and the use of technology for social sector programs have helped make a significant dent in extreme poverty in the country.** The BJP cited global think tank reports to say that India is moving fast towards a poverty-free situation and gave credit to policies of the Narendra Modi-led government for it.
- **Poverty** is the **general scarcity** of a certain amount of material possessions or money (< \$1.25/day) and includes social, economic, and political concepts. **Absolute poverty** (as defined by UN) is “a condition **characterized by severe deprivation of basic human needs**, including food, safe drinking water, sanitation facilities, health, shelter, education and information.”
- Every successive government, since 1947, has **tried to reduce poverty** by making **various policies**. But, it is still far from satisfactory, for about half of the labor force working in **agricultural sector** and a majority of the population still living in **rural areas**.

### Poverty alleviation programs in India since Independence:

- **Integrated Rural Development Programme (IRDP):** It was introduced in 1978-79 and universalized from 2nd October, 1980, aimed at providing assistance to the rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods.
- **Jawahar Rozgar Yojana/Jawahar Gram Samridhi Yojana:** The JRY was meant to generate meaningful employment opportunities for the unemployed and underemployed in rural areas through the creation of economic infrastructure and community and social assets.
- **Rural Housing – Indira Awaas Yojana:** The Indira Awaas Yojana (LAY) programme aims at providing free housing to Below Poverty Line (BPL) families in rural areas and main targets would be the households of SC/STs.
- **Food for Work Programme:** It aims at enhancing food security through wage employment. Food grains are supplied to states free of cost, however, the supply of food grains from the Food Corporation of India (FCI) godowns has been slow.
- **National Old Age Pension Scheme (NOAPS):** This pension is given by the central government. The job of implementation of this scheme in states and union territories is given to panchayats and municipalities. The states contribution may vary depending on the state. The amount of old age pension is ₹200 per month for applicants aged 60–79. For applicants aged above 80 years, the amount has been revised to ₹500 a month according to the 2011–2012 Budget. It is a successful venture.
- **Annapurna:** This scheme was started by the government in 1999–2000 to provide food to senior citizens who cannot take care of themselves and are not under the National Old Age Pension Scheme (NOAPS), and who have no one to take care of them in their village. This scheme would provide 10 kg of free food grains a month for the eligible senior citizens. They mostly target groups of ‘poorest of the poor’ and ‘indigent senior citizens’.
- **Sampoorna Gramin Rozgar Yojana (SGRY):** The main objective of the scheme continues to be the generation of wage employment, creation of durable economic infrastructure in rural areas and provision of food and nutrition security for the poor.
- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005:** The Act provides 100 days assured employment every year to every rural household. One-third of the proposed jobs would be reserved for women. The central government will also establish National Employment Guarantee Funds. Similarly, state governments will establish State Employment Guarantee Funds for implementation of the scheme.

Under the programme, if an applicant is not provided employment within 15 days s/he will be entitled to a daily unemployment allowance.

- **National Rural Livelihood Mission: Ajeevika (2011):** It evolves out the need to diversify the needs of the rural poor and provide them jobs with regular income on monthly basis. Self Help groups are formed at the village level to help the needy.
- **National Urban Livelihood Mission:** The NULM focuses on organizing urban poor in Self Help Groups, creating opportunities for skill development leading to market-based employment and helping them to set up self-employment ventures by ensuring easy access to credit.
- **Pradhan Mantri Kaushal Vikas Yojana:** It will focus on fresh entrant to the labour market, especially labour market and class X and XII dropouts.
- **Pradhan Mantri Jan Dhan Yojana:** It aimed at direct benefit transfer of subsidy, pension, insurance etc. and attained the target of opening 1.5 crore bank accounts. The scheme particularly targets the unbanked poor.

#### Challenges:

- India is still far from achieving SDG 1.
- Incidence of extreme poverty continues to be much higher in rural areas than in urban areas.
- Despite rapid growth and development, **an unacceptably high proportion of our population continues to suffer from severe and multidimensional deprivation.**
- While a large number of poverty alleviation programmes have been initiated, they function in silos. There is **no systematic attempt to identify people who are in poverty**, determine their needs, address them and enable them to move above the poverty line.
- The **resources allocated to anti-poverty programmes are inadequate** and there is a tacit understanding that targets will be curtailed according to fund availability. For instance, Mahatma Gandhi National Rural Employment Guarantee Act (mgnrega) does not provide the guaranteed 100 days of work in many states.
- There is **no method to ensure that programmes reach everybody they are meant for.**
- **Lack of proper implementation and right targeting**
- There has been a **lot of overlapping of schemes.**
- Every year a huge number is added to the population pool of the country. **This renders the scheme ineffective.**

#### Way Forward:

- **Accelerating rural poverty reduction:**
  - It's **not just about agricultural growth**, which has long been considered the key driver of poverty reduction. In fact, rural India is not predominantly agricultural and shares many of the economic conditions of smaller urban areas.
  - **Capitalizing on growing connectivity between rural and urban areas**, and between the agriculture, industry and services sectors, has been effective in the past two decades and holds promise for the future.
- **Creating more and better jobs:**
  - The road out of poverty in India has been built on the performance of the labor market, but also benefited from rising transfers and remittances, and favorable demographics among other factors.
  - Future efforts will need to address job creation in more productive sectors, which has until now been lukewarm and has yielded few salaried jobs that offer stability and security.
- **Focusing on women and Scheduled Tribes:-**
  - The most worrying trends are the **low participation of women in the labor market** and the **slow progress among scheduled tribes.**
  - **India's women** have been **withdrawing from the labor force since 2005** and less than one-third of working age women are now in the labor force. As a result, India today ranks last among BRICS countries, and close to the bottom in South Asia in female labor force participation.
  - **Scheduled Tribes** started with the highest poverty rates of all of India's social groups, and have progressed more slowly than the rest.
  - **Women and Scheduled Tribes** are at risk of being locked out of India's growth and prosperity.

- **Creating more good locations:-**
  - Where people live largely shapes their prospects in life. India's states continue to see large and growing differences in poverty levels and basic opportunities.
  - More and more of India's poor are concentrated in the poorest states, and even within relatively prosperous states, certain pockets of deprivation persist where people are unable to share in the state's successes.
- **Improving human development outcomes for the poor:**
  - This is central to improving their quality of life and income earning opportunities.
  - The recent past shows that some problems, such as **undernutrition and open defecation**, are endemic and not only confined to the poor but others too, and have not improved with economic growth.
  - **Better health, sanitation and education** will not only help raise the productivity of millions, they will also empower the people to meet their aspirations, and provide the country with new drivers of economic growth.
- Banking and credit sector reforms.
- We need to **start taxing wealth** and not only income.

#### Would a Universal Basic Income (UBI) have been better?

- It would probably have been easier to implement, but would have come with a **bigger financial tab** even if the top two income deciles are excluded.
- Remember, however, that developed economies have experimented with UBI, but have **not been persuaded of its efficacy**.
- Even Arvind Subramanian, who commended the UBI when he was Chief Economic Adviser and wrote a whole chapter on it in Economy Survey 2016-17, appears to have retraced his steps, and is now pitching for a '**Quasi-Universal Basic Rural Income**' (QUBRI).
- It is difficult to begrudge a welfare measure targeted at the poorest people in a country that even to this day.
- Government offers **subsidies to the middle-class and the rich** on everything from cooking gas to power to gold to aviation turbine fuel to the tax breaks on small savings instruments (which are a form of implicit subsidy) — **to the tune of ₹1 lakh crore a year**.
- For Instance, in Agricultural sector, As per a report published by the State Bank of India, the central government's most recent **budgetary allocation to subsidy and farmer support schemes** totalled **around ₹981 billion** – which is roughly **2.9% of India's GDP**.

#### Conclusion:

- **Poverty eradication should not be the goal of the government but goal of the government policies should be to create prosperity.**
- The indicator is based on the **health and education status** of a population apart from per capita income, bringing us back to the **relevance of income generation** to poverty.
- As the Central government is common across regions, differences in the **human development index must arise from policies implemented at the State level**.
- This further implies that a **nationwide income support scheme** that channels funds from a common pool to households in the poorer States would be tantamount to rewarding lower effort by their governments.
- There is a **crucial role for services**, of both producer and consumer variety, in eliminating the capability deprivation that is poverty.
- At a minimum these services would involve the **supply of water, sanitation and housing** apart from health and education.
- It has been estimated that if the absence of such services is accounted for, poverty in India would be found to be far higher than recorded at present.
- The budgetary implication of the scale at which public services would have to be provided if we are to **eliminate multi-dimensional poverty** may now be imagined.
- This allows us to appraise the challenge of **ending effective poverty** and to assess the **potential of the income-support schemes** proposed by the main political parties.

Source: <https://www.youtube.com/watch?v=vZwR1tjeo-A>

## 19. BLUE REVOLUTION

### Introduction:

- Vice-President Venkaiah Naidu on Friday inaugurated the **fifth edition of the Aqua Aquaria India** in Hyderabad. It's an event that's held every year. This time, the **theme was 'Taking Blue Revolution to India's Hinterland'**. The Blue Revolution is part of the **Government's efforts to promote fishing as an allied activity for farmers in order to double their incomes**. The Blue Revolution in fact refers to an explosive growth in the aquaculture industry and much like the Green Revolution. It is a huge focus area for the NDA government.
- As part of its **efforts to raise seafood output and exports and promote sustainable aquaculture**, the Government has even constituted an **independent Ministry for Fisheries**. The Union Budget presented by Finance Minister Nirmala Sitharaman this year also mentions the Blue Revolution.

### Blue Revolution:

- **The rapid increase in the production of fish and marine product through a package program is known as the blue revolution.**
- It was launched in India during the seventh five-year plan that went from 1985 to 1990.
- It has brought improvement in aquaculture by adopting new techniques of fish breeding, fish rearing, fish marketing and fish export.
- Fishing is the primary source of livelihood for several communities in the India.
- **India is the world's second largest fish producer** with exports worth more than 47,000 crore rupees.
- Fisheries are in fact **India's single largest agriculture export** with a growth rate of 6 to 10 percent in the last five years in comparison the growth rate of the farm sector in the same period is around 2.5 percent.

### Objectives of Blue Revolution:

- **Fully tapping the total fish potential** of the country both in the inland and the marine sector and triple production by 2020.
- **Transforming the fisheries sector as a modern industry** with focus on new technologies and processes.
- **Doubling the income of fishers and fish farmers** with special focus on increasing productivity and better post harvest marketing infrastructure including ecommerce and other technologies and global best innovations.
- Ensuring inclusive participation of fishers and fish farmers in the income enhancement.
- **Tripling export earnings by 2020** with focus on benefits flow to fishers and fish farmers and enhancing food and nutritional security of the country.

### India's Potential:

- India has large natural resources, and water bodies such as ponds & tanks, wetlands, brackish water, cold water, lakes & reservoirs, rivers and canals.
- In addition to it India has **8,118 km-long coastline**. So it is well positioned to have a Blue Revolution.
- Largest species of fish are found in India, and there is also a tremendous scope for breeding of colourful ornamental fish.

### Fisheries and Aquaculture:

- Fisheries and aquaculture production contribute around **1% to India's GDP and over 5% to the agricultural GDP**.
- India has a marine Fisher population of 3.5 million with over 10.5 million people engaged in inland fishery and fish farming.

### Pradhan Mantri Matsya Sampada Yojana:

- The scheme is aimed to **turn India into a hotspot for fish and aquatic products through appropriate policy** marketing and infrastructure support.
- The government intends to **bring all fishermen under the ambit of farmer welfare programs** and social security schemes.
- The new scheme has been **introduced under the newly established department of fisheries** announced by the government in its interim budget this year.
- The government has allocated 804.75 crore rupees for the fisheries sector in the current fiscal.
- Its aim is to augment fish production to achieve its **target of 15 million tonnes by 2020** under the blue revolution and raise it thereafter to about **20 million tonnes by 2020 to 2023**.

- At 4.7 million tonnes per annum, India is the world's second largest fish producer with exports worth more than 47,000 crore rupees
- In aquaculture production, India is only behind China which has an annual production of 60 million tones.
- Fisheries are the **country's single largest agriculture export with a growth rate of 6 to 10 percent in the last five years.**
- It's significance is underscored by the fact that the growth rate of the farm sector in the same period is around 2.5 percent.

#### India's blue revolution:

- India's first blue revolution was launched during the seventh five-year plan from **1985 to 1990** during which the **government sponsored the fish farmers development agency.**
- The FFDA brought improvement in aquaculture by adopting new techniques of fish breeding, rearing, marketing and export.
- During the eight five-year plan from **1992 to 1997**, the **intensive Marine Fisheries programme** was launched in which collaboration with multinational companies was encouraged over a period of time.
- Fishing harbors in Vishakhapatnam, Kochi and Port Blair were established.
- A number of research centers have also been set up to increase the production and improvement in species.
- The initiative once again picked up pace after the Modi government took over in **2014** to transform the sector with increased investment better training and infrastructure.

#### India's Robust Fisheries Sector:

- India recorded **an average annual growth of 14.8 percent in production of fish and fish products** in the last decade as compared to the **global average of 7.5% in the same period.**
- The 232 billion dollar fish and fish related products global industry is expanding at a rate of 6 percent annually and India has huge potential to meet this ever-increasing demand.
- India exported fish worth 45,000 crore rupees in 2017-18 and has the potential to scale of this figure to 4 lakh 50 thousand crore rupees .

#### Success Stories in Various States:

- Gujarat shifted from an insistence on cooperatives as lessees of ponds and tanks to a public auction and changed the tenure of lease from a single year to several years.
- This created a huge incentive to the entrepreneurs.
- This increased the production manifold.
- Private entrepreneurs strengthened the ponds, replenished water when it started drying up, and spent money for protection against poachers.
- Cage fisheries in large reservoirs seem to be yielding good results in Jharkhand and Andhra Pradesh.
- Cage aquaculture involves the growing of fishes in existing water resources while being enclosed in a net cage which allows free flow of water.

#### Aquaculture Worldwide:

- Asian countries contribute over 90% to aquaculture worldwide.
- China itself contributes more than 70%.
- Currently the USA is the largest market for Indian seafood products with a share of 26.46 percent in terms of India's exports of marine products.
- It is followed by Southeast Asian countries, 25.71 percent and European Union nations, 20.08 percent.

#### Challenges:

- Concern over stagnation of production of marine fisheries.
- Resource quality issues
  - It pertains to the length of time for which adequate water would be standing in a waterbody.
  - Alternate demands on the same waterbody
  - Water quality problems resulting from these alternate demands.
- Socio-economic issues around the resources
  - Limited rights over the waterbodies
  - Security and length of tenancy when these are leased

- Poaching of fish
- Techno-managerial issues
  - Availability of spawn, seedlings and fingerlings on time
  - Availability of necessary feed and medicines
  - Access to markets and working capital.
- There is a major issue with ponds and tanks in most parts of the mainland in India —these are typically multiple-use waterbodies.
- These multiple-use waterbodies, therefore, are unreliable for fish production unless managed well.
- Absence of formal working capital arrangements for funding smooth and efficient fisheries.
- Challenges such as environmental threats, disease risks and trade barriers.

### Way Forward

- Deep sea fishing would require large investments and we have to explore possibilities of publicprivate par
- The must design intelligent lease agreements and enable working capital supply.
- Marine capture fisheries should be exploited more in the country.
- These resources could be used for ensuring food security and poverty alleviation.

Source: <https://www.youtube.com/watch?v=TaHFT9lyg2k>

## S & T

## 20. DATA AND PRIVACY: HOW SAFE ARE APPS?

### Introduction:

- Faceapp, an image-editing app has caught the imagination of everyone from New York to Sydney; from Brussels to Chennai and beyond. There are millions of people, including several in India, who are transforming their current photo, using the apps age filter to see what they will look like when they are old. And these people are also sharing these photos on social media. The problem, however, is that just with any other app that uses personal data such as a photo, there are privacy concerns around FaceApp. A number of people have raised concerns, including a US senator who wants the app investigated by the FBI for possible data misuse. The primary issue seems to be a clause in the terms and conditions of FaceApp. This clause says users give FaceApp “a perpetual, irrevocable, nonexclusive, royalty-free, worldwide, fully-paid, transferable sub-licensable license” to use photos they upload. Similar fears were raised when the trend of #10yearchallenge went viral on Facebook in January this year. In this people uploaded their photos from 10 years earlier to show how they changed.

### What is FaceApp?

- It’s an iPhone and Android app that takes your photos and performs some digitally wizardry to manipulate your face through a number of clever filters.

### How does FaceApp work?

- The app works by using the power of machine learning. This is a new technique that is increasingly ubiquitous in computing.
- Essentially, rather than try to explain to a computer what it means to age – and describe using code what a wrinkle, grey hair or Werther’s Originals are – the computer will figure them out for itself by being “trained” with thousands of other photos of old people.

### What do the FaceApp terms and conditions say?

- One of the factors that has been amplifying the concerns has been the terms and conditions.
- “You grant FaceApp a perpetual, irrevocable, nonexclusive, royalty-free, worldwide, fully-paid, transferable sub-licensable license to use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, publicly perform and display your User Content and any name, username or likeness provided in connection with your User Content in all media formats and channels.

### Concerns:

- We end up taking up extensions and we add them to our browsers, these extensions are leaking data to companies whose entire business model resides from the fact that they know which sites you visited what have you been.
- It is a Russian-made app the data resides in Russia.
- The process can be sublicensed and it is stored for perpetuity so even if the app is deleted there is perpetuity.
- All this information could be sold the point is that if there is a click-wrap agreement
- The app gets access to information such face, name, email which is stored with them.

### What is the kind of information these apps extract?

- geolocation of the user
- name of the person
- The email ID
- Access to photo gallery
- Information about our close friends
- lifestyle

### Criticism:

- It has been noticed that any apps take away information which is not needed for their usage
- We add our extensions and these extensions are leaking data to companies.

### Challenges:

- India has not signed any international convention on cybersecurity.
- More people and organization are online, leaving digital footprints everywhere.
- Data leaked can prove out to be destructive too.
- People do not view such issues with security point of view.
- Information leaked can be the basis of blackmail and demanding money.
- Companies can use this data to target on ads.

### Way forward:

- We need to educate the children especially school students because the young generation is using these apps time and day.
- Important for the experts to be a part of the PPP discussions.
- Right stakeholder engagement needs to be represented by having experts from various industries come and talk about it.
- Both laws and Technology need attention.
- Strong privacy laws.
- Personal data protection bill as well as Draft intermediary guidelines need to move on soon.
- Explanation of basic technology to the vulnerable sections is very crucial
- Outreach program to educate people.
- Internet governance is required.
- Strict government actions whenever required,
- Funding mechanism whether through CSR or through the common machinery or public sector undertaking, the corporates have to get involved and work together.
- Creating more avenues and opportunities where stakeholders, civil society, media private sector academia to engage with the government on an everyday basis.

### Conclusion:

- India has a **stronger bargaining chip** than most nations in pushing for data localisation — access to its **billion-strong consumer market**.
- There will be ample of information for **intelligence agencies**, they may not waste their **more time and energy** and also there will be **no fear to those officers** to get information illegally if this law comes into existence.

- **Data is a two sided coin**, in heads its showing a global flow of **\$2.8 trillion in 2014** and expected to reach **\$11 trillion in 2025** and in tails side breach of fundamental rights like privacy – **Article 21 ( puttaswami vs union of India)** and right to profess and practice once desired profession also indirectly impacting along with national security problems.
- In this complex situation Government should **frame a strong data policy** which can **utilise economic benefits** and which can **uphold its citizens rights** and **national security interests**.

Source: <https://www.youtube.com/watch?v=NASwxRZLfHY>

## 21. GI TAG

### Introduction:

- Odisha has bagged the much-awaited Geographical Indication tag for the popular dessert – the Rasagola. On 29th July, the **Registrar of Geographical Indications** issued a certificate registering the confectionary as 'Odisha Rasagola', officially recognising the product as distinctive to the state.
- The move comes a year after West Bengal got the GI tag for its popular Banglar Rasagola. For several years, both states waged a bitter battle over the origin of the delicacy. West Bengal claimed the rasogolla came from the state's Nadia district. It was appreciated as being a treasure of Bengal by Rakhaldas Adhikari in his poem Rasikata in 1896. While Odisha asserted that the reference of rasagola was found in the late 15th century, Odia Ramayana written by Balaram Das. Now, both states have been given the GI tag for their respective variants of the sweet, recognising two distinct varieties in taste and texture.
- This GI tag, numbered 612, is the second for Odisha. **It got its first GI tag for Kandhamal Haldi.**

### What is GI status?

- GI status is an indication that identifies goods as **produced from a particular area**, which has special quality or reputation attributable to its geographical origin.
- GI-branded goods possess a recall value amongst consumers who essentially attribute these characteristics, qualities or reputation to such geographical origin.

### Importance of GI Tag:

- GI tag helps the **producers to differentiate their products** from competing products in the mark.
- It enables the **producers to build a reputation and goodwill around their products**, which often fetch a premium price.
- The products help in export earning, promotion of tourism, cultural heritage and national identity.
- For example Kanjeevaram silk sarees and Pochampally Ikat contribute to exports and popularity.
- GIs have great potential to play a major role in trade between countries.
- Legal protection to GIs protect **livelihoods** and encourage **employment**
- Owing to the premium prices that many GIs command today, there is a possibility of **preserving many traditional skills**.
- Benefit to the **rural economy by improving the incomes of farmers or nonfarmers**.
- GI allows genuine producers to capture the market and creates entry barriers for fakes.

### Key Facts:

- Under Paris Convention for the Protection of Industrial Property, **GIs are covered as an element of IPRs**.
- GI is governed by WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- In India, GI tag is governed by Geographical Indications of Goods (Registration and Protection Act), 1999.
- This Act is administered by Controller General of Patents, Designs and Trade Marks, who is also Registrar of Geographical Indications.

### GI Tags products (2019):

14 products that got a GI tag this year:

- Odisha – Kandhamal Haldi
- Himachal Pradesh – Kala Zeera
- Chhattisgarh – Jeeraphool Rice
- Karnataka – Coorg Arabica Coffee

- Andhra Pradesh – Araku Valley Arabica
- Kerala – Wayanad Robusta Coffee
- Karnataka- Sirsi Supari

#### Challenges:

- The special treatment to wines and spirits in TRIPS Agreement appears to be developed country centric.
- Developing countries, including India, seek the same higher level of protection for all GIs as was given under TRIPS for wines and spirits.
- The battle for GI tag between states.
- False use of geographical indications by unauthorized parties is detrimental to consumers and legitimate producers.
- Cheap Power loom saris are sold as reputed Banarsi handloom saris, harming both the producers and consumers.
- Such unfair business practices result in loss of revenue for the genuine right-holders of the GI and also misleads consumers.
- Protection of GI has, over the years, emerged as one of the most contentious IPR issues.

#### Way Forward:

- The benefits of GI tag is realised only when these products are effectively marketed and protected against illegal copying.
- Effective marketing and protection requires quality assurance, brand creation, post-sale consumer feedback and support, prosecuting unauthorised copiers, etc.
- For internationally recognised products like Darjeeling tea, international protection is of crucial importance
- Legal protection to GIs also extends to protection of traditional knowledge and traditional cultural expression contained in the products.
- Hence Intellectual Property is a power tool for economic development and wealth creation particularly in the developing world.
- GIs have the potential to be our growth engine. Policy-makers must pay a heed to this and give Indian GI products their true reward.

Source: <https://www.youtube.com/watch?v=-1x14aSQKng>

## IR

## 22. KASHMIR- NO THIRD PARTY

#### Introduction:

- An influential Democratic Congressman on Tuesday apologised to India’s US envoy for President Donald Trump’s “embarrassing” remarks on Kashmir, while several others came out in support of New Delhi’s stand against any third-party role on the issue. “I just apologised to Indian Ambassador Harsh Shringla for Trump’s amateurish and embarrassing mistake,” Congressman Brad Sherman tweeted hours after Donald Trump’s stunning claim that Prime Minister Narendra Modi sought his mediation or arbitration efforts to resolve the Kashmir issue. India was quick to reject Donald Trump’s claims. For the past 70 years, India has consistently resisted any third-party mediation proposal, and for over a decade now, the US has been reiterating that Kashmir is a bilateral issue. In a joint statement, Congressman George Holding and Congressman Brad Sherman, who are Co-Chairs of Congressional Caucus on India and Indian Americans, asserted that Kashmir is a bilateral issue between India and Pakistan

**Timeline:** (topic has been covered holistically as per the needs)

- **1947 (15 Aug):** The partition of India: The British Indian Empire is dissolved and the Muslim-majority areas in the East and West are partitioned to form the separate state of Pakistan.
- **1947:** Kashmir signs the Standstill Agreement with Pakistan. The Maharaja delays his decision to accede into either India or Pakistan.

- **1947 (Oct):** Indo-Pakistani War of 1947: Thousands of Pashtuns from Pakistan's North West Frontier Province attack Kashmir and the Maharaja's forces. The Maharaja asks India for help, who abides under the conditions that he relinquish control over defense, communication and foreign affairs to India. The Maharaja agrees and signs the Instrument of Accession.
- The Indian Army enters the state to repel the invaders. Sheikh Abdullah endorses the accession as ad-hoc which would be ultimately decided by a plebiscite and is appointed head of the emergency administration.
- **1948:** India takes the Kashmir problem to the UN Security Council. The resolution orders the cessation of hostilities and a formulation of a truce agreement, and that a plebiscite should determine the future of Jammu and Kashmir. However, both countries cannot agree on the terms of demilitarisation.
- **1949:** On 1 January, the ceasefire between Indian and Pakistani forces leaves India in control of most of the valley, as well as Jammu and Ladakh, while Pakistan gains control of part of Kashmir including, what Pakistan calls, Azad Kashmir and Northern territories.
- **1950 (Jan):** India gains independence and becomes a republic.
- **1957:** India's Home Minister declares that the State of Jammu and Kashmir is a fundamental part of India and there can be no question of a plebiscite. Kashmiri activists continue to insist on self-determination.
- **1963 (Dec):** Mass uprisings occur in the Kashmir Valley and protests occur against Articles 356 and 357 of the Indian Constitution, by which the Indian government can exercise legislative powers. The Indian army attacks the protesters.
- **1965:** Indo-Pakistan War of 1965. Pakistan backs rebel groups in Kashmir and sends armed Pakistani infiltrators to join them across the ceasefire line, which leads to more violence across the whole of the Kashmir Valley.
- **1966:** Kashmiri nationalists form another Plebiscite Front with an armed wing called the Jammu and Kashmir National Liberation Front (NLF) in Azad Kashmir, with the objective of freeing Kashmir from Indian occupation.
- **1971:** The Indo-Pakistan War of 1971: Pakistan descends into civil war after East Pakistan demands autonomy and later independence of what will become Bangladesh.
- **1972:** India and Pakistan agree to a ceasefire, and sign the Simla Agreement, which states that they will respect the Line of Control, the border between the two countries and China. However, fighting continues along this line, making it one of the most violent and dangerous border lines in the world.
- **1987-1990:** Kashmir Insurgency: After the 1987 elections the Muslim United Front (MUF) declares the elections as rigged, and the insurgency in the valley increases. The MUF candidate later breaks away to become head of the militant group Hizb-ul-Mujahedin. Further protests and anti-India demonstrations in the Kashmir Valley followed by police retaliation, arrests and curfew orders by the Indian police and army.
- **1989:** At the end of the Soviet occupation of Afghanistan a great deal of weapons are released into Kashmir and Pakistan provides further training to Kashmiri and foreign militant groups in Kashmir. The Kashmiri independence movement becomes more Islamist in its ideology.
- **1990 (1 Mar):** An estimated one million people take to the streets in protest of the Indian occupation and more than 40 people are killed by the police. This is seen by many as the beginning of a massive Kashmiri uprising, but India claims that it is orchestrated by Pakistani trained operatives. Many of the 162,500 Hindu community in Kashmir flee the area to refugee camps in Jammu.

#### Opposing Views:

- The main opinions of India, Pakistan, and Kashmiris can be summarised as follows:

#### Indian view

- India claims that as the Maharaja Hari Singh signed the Instrument of Accession in October 1947, handing control of the Kingdom of Jammu and Kashmir over to India, the region is theirs, having been validated by the Indian Independence Act and the departing British Empire.
- India claims that the UN Resolution 1172 in 1948 accepted India's stand regarding all outstanding issues between India and Pakistan.
- India claims that Pakistan has not removed its military forces, which India views as one of the first steps in implementing a resolution.
- India accused Pakistan of funding military groups in the region to create instability, and accuses Pakistan of waging a proxy war.

- India accuses Pakistan of spreading anti-India sentiment among the people of Kashmir, through the media, to alter Kashmiri opinion.
- According to India, most regions of Pakistani Kashmir, especially northern areas, continue to suffer from lack of political recognition, economic development and basic fundamental rights.

#### Pakistani view

- Pakistan claims that according to the two-nation theory Kashmir should have been with Pakistan, because it has a Muslim majority.
- Pakistan argues that India has shown disregard to the resolutions of the UN Security Council, and the United Nations Commission in India and Pakistan, by failing to hold a plebiscite.
- Pakistan rejects Indian claims to Kashmir, centring around the Instrument of Accession. Pakistan insists that the Maharaja did not have the support of most Kashmiris. Pakistan also claims that the Maharaja handed over control of Jammu and Kashmir under duress, thus invalidating the legitimacy of the claims.
- Pakistan claims that India violated the Standstill Agreement and that Indian troops were already in Kashmir before the Instrument of Accession was signed.
- Pakistan claims that between 1990-1999 the Indian Armed Forces, its paramilitary groups, and counter-insurgent militias have been responsible for the deaths of 4,501 Kashmiri civilians. Also from 1990 to 1999, there are records of 4,242 women between the ages of 7-70 that have been raped. Similar allegations were also made by some human rights organisations.
- Pakistan claims that the Kashmiri uprising demonstrates that the people of Kashmir no longer wish to remain part of India. Pakistan suggests that this means that either Kashmir wants to be with Pakistan or independent.

#### Kashmiri view

- It is difficult to assess Kashmiri public opinion, and the region contains supporters of various different solutions to the conflict. Alongside those who align more closely to either the Pakistani or Indian government views, there are also those who favour independence for Kashmir. According to one survey of Kashmiri public opinion:
- 43% of the total adult population want complete independence for Kashmir.
- 1% of Azad Kashmir (in Pakistan-administered Kashmir) want to join India compared to 28% in Jammu and Kashmir (in Indian-administered Kashmir).
- 50% of Azad Kashmir want to join Pakistan compared to 2% in Jammu and Kashmir.
- 14% of the total population want to make the Line of Control a permanent border.
- The All Parties Hurriyat Conference represent the main separatist movement in Kashmir. However, it has multiple branches, each holding differing views on how Kashmir should proceed independently, which is indicative of the vast array of opinions that exist across the territory.
- Whether it be due to religion or region, Kashmir is not a unified voice on the matter of its future. Apart from the unending call for democracy and human rights standards, Kashmiris differ in their opinions all over the territory, and this must be taken into account when discussing solutions.
- **Donald Trump's offer to help India and Pakistan resolve the Kashmir issue has snowballed into a major controversy after India refuted the US President's claim that Prime Minister Narendra Modi had made a request in this regard.**

#### India's response:

- India has reiterated its longstanding position that **there is no room for mediation in Kashmir or on any other India-Pakistan issue** and that all outstanding matters between the two countries would be resolved through bilateral dialogue — but only when Pakistan ends cross-border terrorism in India.

#### What is Simla Agreement and why was it signed?

- The Simla Agreement was signed by Prime Minister Indira Gandhi and Pakistani President Zulfikar Ali Bhutto on 2 July **1972**, following a full-blown war between India and Pakistan in 1971.
- The Simla Agreement was “much more than a peace treaty seeking **to reverse the consequences of the 1971 war (i.e. to bring about withdrawals of troops and an exchange of PoWs).**” It was a comprehensive blue print for good neighbourly relations between India and Pakistan.

- Under the Simla Agreement both countries undertook to **abjure conflict and confrontation** which had marred relations in the past, and to work towards the establishment of durable peace, friendship and cooperation.
- The two countries not only agreed to put an end to **“conflict and confrontation”** but also work for the **“promotion of a friendly and harmonious relationship and the establishment of durable peace in the sub-continent**, so that both countries may henceforth devote their resources and energies to the pressing task of advancing the welfare of their peoples.”

#### How was this to be achieved?

- In order to achieve this objective, both the governments agreed that that the **principles and purposes of the Charter of the United Nations would govern bilateral relations and differences would be resolved by “peaceful means** through bilateral negotiations or by any other peaceful means mutually agreed upon between them.”
- Regarding Jammu and Kashmir, the two sides had agreed that the line of control **“resulting from the cease-fire of December 17, 1971 shall be respected by both sides without prejudice to the recognized position of either side**. Neither side shall seek to alter it unilaterally, irrespective of mutual differences and legal interpretations. Both sides further undertake to **refrain from the threat or the use of force in violation of this Line.**”
- Both governments had also agreed that their respective Heads would **meet again at a “mutually convenient time in the future the representatives of the two sides will meet to discuss further the modalities and arrangements for the establishment of durable peace and normalization of relations**, including the questions of repatriation of prisoners of war and civilian internees, a final settlement of Jammu and Kashmir and the resumption of diplomatic relations.”

#### India had three primary objectives at Shimla:

- First, a lasting solution to the Kashmir issue or, failing that, an agreement that would constrain Pakistan from involving third parties in discussions about the future of Kashmir.
- Second, it was hoped that the Agreement would allow for a new beginning in relations with Pakistan based upon Pakistan’s acceptance of the new balance of power.
- Third, it left open the possibility of achieving both these objectives without pushing Pakistan to the wall and creating a revanchist anti-India regime.

#### What prompted Trump to make such a statement?

- Trump wants to project himself as a perfect mediator.
- He has a sort of offering himself as a solution.
- Desire to win noble peace prize.
- Project himself as a great peace maker.

#### How can the issue be resolved?

- Political will is needed.
- All stateholder wrt to the issue need to come together.
- India should come up with clear cut objective.

#### Concerns:

- UN refuses to formally declare Pakistan a ‘terrorist state’
- Pakistan’s military, identified as anti-India elemental force in Pakistan, remains opposed to any understanding with India
- Rising influence of radical extremist ideas and ideologies inside Pakistan.
- Terrorism emanating from Pakistan remains a major concern for India as the many efforts made to normalise ties with Pakistan have not yielded any results.
- The two biggest challenges facing India today are Pakistan and China.
- Other geo-political challenges to India include the uncertainty around the incoming Donald Trump’s US administration’s policies vis-a-vis China, Pakistan and India.
- The present crisis has the potential to stall the relations in Trade, Commerce, media, films, people to people contact, etc. in future.

### Way Forward:

- **It is time to define the nature and scope of our conflict with Pakistan with the government having a huge mandate.**
- As the dominant power in South Asia and one of the world's leading democracies, India must find a proper answer to what could otherwise become a serious existential crisis.
- **Imposing economic and political sanctions** on Pakistan and asking the world to follow suit.
- Creating International pressure on Pakistan to curb state sponsored terror.
- India need to establish a **national security doctrine** in order to deal with all security issues.
- There is a strong need for India to change its approach from **Responsive to Proactive**

Source: <https://www.youtube.com/watch?v=c2ZVkdRNO-U>

## 23. DEFIANT TAIWAN, ADAMANT CHINA

### Introduction:

- Taiwan's President Tsai Ing-wen rejected the Chinese President Xi Jinping's call for unification under a **"one country, two systems"** approach. Tsai said her island of **23 million people would never accept the approach proposed by Beijing**. One country, two systems refers to a framework similar to Hong Kong in which the territory became part of China but retained a degree of autonomy. Taiwan and China split in a civil war that brought the Communist Party to power in China in 1949. The rival nationalists set up their own government on Taiwan, an island 160km off the Chinese mainland.

In a speech marking 40 years since the start of improving ties, he reiterated Beijing's call for peaceful unification on a one-country-two-systems basis. However, he also warned that China reserved the right to use force.

- While **Taiwan is self-governed and de facto independent**, it has never formally declared independence from the mainland.
- Beijing considers the island to be a breakaway province and Mr Xi's comments are in line with China's long-standing policy towards reunification.
- But, Taiwan's President Tsai Ing-wen said the island would never accept reunification with China under the terms offered by Beijing.
- Under the "one country, two systems" formula, Taiwan would have the right to run its own affairs; a similar arrangement is used in Hong Kong.
- Hong Kong has its own legal system, and rights including freedom of assembly and free speech are protected – however, there are widespread concerns in the territory that those freedoms are gradually being eroded.

### One-China policy:

- The One China policy is the recognition in the US of the long-held position in Beijing that there is only one China, and Taiwan is part of that.
- **Any country wishing to establish diplomatic relations with Beijing must acknowledge there is only "One China" and sever all formal ties with Taiwan.**
- As a part of the policy, Washington maintains a robust, non-official relationship with Taiwan, including continued arms sales to the island.
- The One China policy is also different from the "One China principle", which is the principle that insists both Taiwan and mainland China are inalienable parts of a single "China"

### What's behind the China-Taiwan divide?

- In his speech, Mr Xi said both sides were part of the same Chinese family and that Taiwanese independence was "an adverse current from history and a dead end".
- Taiwanese people "must understand that independence will only bring hardship," Mr Xi said, adding Beijing would never tolerate any form of activity promoting Taiwanese independence.
- Instead, unification was "an inevitable requirement for the great rejuvenation of the Chinese people", he argued. He also stressed that relations with Taiwan were "part of China's domestic politics" and that "foreign interference is intolerable". Beijing "reserves the option of taking all necessary measures" against outside forces that interfere with peaceful reunification and Taiwanese separatist activities.

### Background:

- The policy can be traced back to **1949 and the end of the Chinese civil war**.

- The defeated Nationalists, also known as the Kuomintang, retreated to Taiwan and made it their seat of government while the victorious Communists declared the People's Republic of China.
- Both sides said they represented all of China.
- Initially, many governments including the US recognised Taiwan as they shied away from Communist China.
- But the diplomatic winds shifted as China and the United States saw a mutual need to develop relations beginning in the 1970s, with countries cutting ties with Taipei in favour of Beijing.
- Many however still maintain informal relations with Taiwan through trade offices or cultural institutes, and the US remains Taiwan's most important security ally.

#### **Winners and losers?**

- **Beijing** has obviously benefited the most from the policy, which has cast Taiwan out into the diplomatic wilderness.
- **Taiwan** is not recognised as an independent country by much of the world nor even the United Nations.
- It undergoes extraordinary naming contortions just to participate in events and institutions like the Olympic Games and the World Trade Organization.
- The fact that most of the international community follows the US in recognising Beijing means that Taiwan has been left isolated on the global stage.
- Washington maintains unofficial relations with Taiwan through the American Institute in Taiwan (AIT) which serves to assist and protect US interests in Taiwan and the US remains Taiwan's most important security ally.

#### **Opposition to One-China Policy:**

- The One-China principle faces opposition from supporters of the Taiwan independence movement, which pushes to establish the "Republic of Taiwan" and cultivate a separate identity apart from China called "**Taiwanization**".
- It has resulted in Taiwan's diplomatic isolation from the international community.
- But even in its isolation Taiwan has not entirely lost out.
- It maintains vibrant economic and cultural ties with neighbours, and leverages on its emotional relationship with the US to extract concessions.

#### **Trump's views on 'One China' policy:**

- Trump has questioned the validity of the 'One China' policy.
- Trump's phone call with President Tsai Ing-wen was the first such contact with Taiwan by a U.S. president since President Jimmy Carter switched diplomatic recognition from Taiwan to China in 1979, acknowledging Taiwan as part of "one"
- This testy exchange has sparked off inevitable speculation about the future of the US-China relationship, undoubtedly the most important relationship of the early 21st century.
- He said it was not up to Beijing to decide whether he should take a call from Taiwan's leader.
- Trump appears to believe that China has risen in recent times by taking undue advantage of the existing international world order.
- Therefore, to "Make America Great Again" he seeks to renegotiate US ties with China, primarily on the economic front.
- Some U.S. analysts warned that Trump could provoke a military confrontation if he presses the Taiwan issue too far.
- China is more likely to let the whole relationship with the United States deteriorate in order to show its resolve on the Taiwan issue

#### **How should India respond?**

- India has refused to endorse the "one-China" policy since 2010.
- As long as negotiations between the US and China do not see the emergence of a G2, India should probably cautiously welcome it.
- It should simultaneously strengthen its ties with all the major global powers, including the US, Russia, China, and Japan.
- For India to agree to a one-China policy, China should reaffirm a one-India policy.

### Conclusion:

- This has remained a contentious issue, both for China and Taiwan. However, India's stand was made clear by **Late Sushma Swaraj in 2014**, she told Chinese foreign minister that they must accept **one-India** then only India will recognise one-China.

Source: <https://www.youtube.com/watch?v=G87dpyU0bSM>

## 24. INDIA'S ROLE IN AFGHANISTAN

### Introduction:

- **Developmental assistance can play a major role in transforming Afghanistan**, official sources said, rejecting US President Donald Trump's jibe at Prime Minister Narendra Modi over funding of a "library" in the war-ravaged country. Trump took a jibe at PM Modi for funding a "library" in Afghanistan, saying it is of no use in the war-torn country as he criticised India and others for not doing enough for the nation's security.
- **Trump asked India, Russia, Pakistan and other neighbouring countries to take responsibility for Afghanistan's security** as he defended his push for the US to invest less overseas. India may be building small libraries as part of the community development initiative, but most of its investments in Afghanistan were on mega infrastructure projects including the 218 km road from Zaranj to Delaram, the Salma Dam and the new Afghan Parliament building. India has also been supplying military equipment to Afghanistan besides providing training to hundreds of Afghan security personnel.
  - India and Afghanistan have a strong relationship based on historical and cultural links.
  - In the recent years, the pace of Indo-Afghan bilateral cooperation in the political, security, development, and cultural areas has continued to accelerate, on the basis of the Afghanistan-India strategic partnership agreement (SPA).

### Why Afghanistan is important for India?

- Afghanistan serves India's security and economic interests.
- Afghanistan is tied to India's vision of being a regional leader and a great power, coupled with its competition with China over resources and its need to counter Pakistani influence.
- India's ability to mentor a nascent democracy will go a long way to demonstrate to the world that India is indeed a major power, especially a responsible one.
- The pipeline project TAPI (Turkmenistan-Afghanistan-Pakistan-India), which seeks to connect an energy-rich Central to South Asia, will only see the light of the day if stability is established in Afghanistan.
- India's interest in Afghanistan relates to its need to reduce Pakistani influence in the region.
- New Delhi needs Kabul to get a better view of Islamabad and hence it is pertinent that it fosters positive relations.
- For access to the landlocked Central Asian countries that border Afghanistan.
- The country is home to resource deposits worth one trillion dollars, according to the US Geological Survey.

### Pakistan card in Afghanistan:

- For Pakistan, Afghanistan is a zero-sum game with India.
- Ghani's misguided attempt to forge a workable relationship with Pakistan cost India and Afghanistan a "lost year" that could have otherwise seen real strategic progress.
- India should contain and balance Pakistan's influence, which may otherwise hamper Indian interests.
- Afghanistan has been the battleground for an India-Pakistan proxy war since 2001.
- Ghani is turning to India because his relationship with Pakistan is breaking down.
- It is breaking down because Pakistan has neither reined in the insurgency nor compelled the Taliban to negotiate.

### India's growing arms footprint in Afghanistan:

- India's growing arms footprint in Afghanistan points to an important future aspect of its regional power projection.
- Arms generate revenue but can also transform the balance of power, and as India has discovered to its cost, provide leverage during crises and wars.
- India had gifted four MI-25 attack helicopters to Afghanistan.

- Pakistan has raised “concerns” about India’s security assistance to Afghanistan

#### **Positive impact**

- Increasing Capacity of Afghan forces resulting in better combat of militants.
- Further strengthening of bilateral relations. It will be helpful in aligning Afghanistan towards India, away from Pakistan.
- Thrust to manufacturing of defence equipment to India.
- Status of regional power requires active involvement in efforts to maintain peace and stability. India also need to make its presence and influence felt in the peace talks
- Afghanistan’s stability is essential for India as it provides a gateway to central Asia
- A number of India backed project are running there. And Stability can be brought only when Afghan Army is equipped with modern weapons
- Both India and Afghanistan are suffering from cross border terrorism. Military assistance to Afghanistan will help it eliminating the cross border terrorism, which will in turn be beneficial for regional peace and stability.

#### **Negative impact**

- Leadership crisis is a fundamental problem in Afghanistan which arms cannot compensate for.
- Conflict with Taliban and other state actors may increase.
- India should first attain self-sufficiency before exporting the weapons to other nations.

#### **India’s policy towards peaceful Afghanistan :-**

- India’s development assistance has been the source of its considerable influence and goodwill among Afghan citizens.
- Major projects, such as the Salma Dam and Parliament building in Kabul, that began in 2008-09, have now been completed.
- **Last year India and Afghanistan agreed to initiate an ambitious and forward-looking ‘New Development Partnership’**, according to which India agreed to take up 116 high-impact community development projects to be implemented in 31 provinces of Afghanistan, including in the fields of education, health, agriculture, irrigation, drinking water, renewable energy, flood control, micro-hydropower, sports infrastructure and administrative infrastructure.
- India has been giving a lot of non-lethal military assistance. In 2016 four MI 25 attack helicopters were given to Afghanistan.
- India is the biggest regional donor to Afghanistan and fifth largest donor globally with over \$3 billion in assistance.
- India has built over 200 public and private schools, sponsors scholarships and hosts Afghan students.
- India has shied away from involving itself in full scale war in Afghanistan.

#### **India needs to reassess the policy due to the complexity in the situation of Afghanistan due to the following reasons:**

- **Continuous attacks :-**
  - Recently there has been a spike in violence, with the Taliban carrying out a set of coordinated assaults around Afghanistan, rejecting an offer of a three-month ceasefire by President of Afghanistan and laying siege to Ghazni city.
  - The violence this year has also put 2018 on course to be the deadliest year for Afghan civilians, with an average of nine people killed every day, according to UN data.
- **Pakistan factor :-**
  - The major challenge is the cooperation of regional players. Peace in Afghanistan and the wider region can only be achieved through a multilateral mechanism involving the US as well as major regional players, including Pakistan, Russia, Iran, China, India and Saudi Arabia.
  - Despite six months of concerted American punitive actions on Islamabad, the Pakistan establishment is not shutting down support for Taliban fighters.
- The role of Pakistan is going to expand significantly, with the US depending upon it to implement the interim deal. This will be a diplomatic victory for Pakistan.

- **US role:-**
  - A period of adjustment has become essential following US President unilateral announcement that US is pulling its troops out of the conflict-ridden country.
  - Another development is the “framework” deal between the US and Afghan Taliban after six days of discussions at Doha.
  - The Afghan war has already become the longest war in US history. With the passage of time, the conflict has not only become more intense – it has also become more complicated
- **Iran factor :-**
  - US administration’s collision course with Iran is another hurdle to realising its South Asia policy. Iran is a neighbour to both Afghanistan and Pakistan, and any action against Tehran will have consequences on the region.
  - US is also against Iran which is important to give access to the sea to landlocked Afghanistan through Chabahar port- which is in India’s interests etc.
- **Islamic state:-**
  - After losing occupied territories in and around Mosul, IS is now slowly enlarging its presence in neighbouring countries, particularly Afghanistan. It is now targeting mainly the Shias and the Hazara minority, joining forces with the Taliban thereby changing the dynamics of the war in Afghanistan.
- **Russia:-**
  - Russia proposed an international conference on Afghanistan with the participation of all neighbours of Afghanistan including Iran, Pakistan, and India, but the US did not attend citing possible growing Russian military association with the Taliban.
- **Control of Afghan government:-**
  - The Afghan government controls barely half the country, with one-sixth under Taliban control and the rest contested.
  - Most significant is the ongoing depletion in the Afghan security forces because of casualties, desertions and a growing reluctance to join
  - Afghanistan launched the Kabul Process for Peace and Security Cooperation and also made an unconditional dialogue offer to the Taliban. The Taliban rejected his overture, declaring that they were ready to engage in direct talks only with the Americans.

#### Concerns:

- Many believe that with Taliban gaining ground, India must be much more careful and choose smaller projects with care.
- The quantum of assistance should not go down, but projects must be selected with the ground situation in mind.
- India’s growing friendship with Afghanistan has always been a major worry for Pakistan.
- Besides the embassy in Kabul, India had consulates in Kandhar, Herat, Jalalabad and Mazr-e-Sharif irked Pakistan.

#### Need of the Hour:

- It is imperative for Indian to assist Afghanistan in building sound political structures, a strong military and economy, along with human resources.
- India’s push for Afghanistan to be included in the South Asian Association for Regional Cooperation (SAARC), in 2005, was a smart move.
- India needs to enhance its current assistance to Afghanistan given the growing security challenges and economic difficulties.
- In response to Kabul’s military and economic demands India needs to take a tough decision – to address the burgeoning threat in Afghanistan while keeping in mind its own strategic interests

#### Conclusion:

- Echoing the Afghan stand, India has been asserting that the peace process must be “**Afghan-led, Afghan-owned and Afghan-controlled.**”

Source: <https://www.youtube.com/watch?v=GaPzO2HcMyw>

## 25. POK & AKSAI CHIN: INDIA'S OPTIONS

### Introduction:

- Union home minister Amit Shah asserted in Lok Sabha that **Pakistan occupied Kashmir (PoK) and Aksai Chin are part of Jammu and Kashmir and that Kashmir Valley is an integral part of the country.** Moving a resolution for abrogating some provisions of Article 370 and the Jammu and Kashmir Reorganisation Bill 2019, the home minister said there has been a **long-standing demand for giving Union Territory status to Ladakh which was fulfilled** by the Narendra Modi government. Dismissing opposition's charge that introduction of the bill and the resolution were a violation of the rights of the people, Shah said nobody can stop him from introducing a resolution on Kashmir in Parliament. The government revoked some provisions of the Article 370 to take away Jammu and Kashmir's special status, and proposed bifurcation of the state into two union territories, Jammu and Kashmir, and Ladakh, a bold and far-reaching decision that seeks to redraw the map and future of a region at the centre of a protracted militancy movement.
- **India shares border with Bangladesh, China, Pakistan, Nepal, Bhutan and Bangladesh.** All over world, most conflict-free borders are those which are geographical and have been there from the times immemorial. Here Civilizations settled on either side of geographical barriers like river or mountain ranges and limited exchange takes place from very beginning. Amur River flows between Russia and China, in same way Tigris River between Iran and Turkey and these both marks political boundaries between these countries. Other boundaries are political ones and they bear historical burden as is the case of (sections of boundaries) India with neighbors like Pakistan, Bangladesh, Myanmar, Nepal etc .
- **In this case there has been a common historical cultural flow on either side of the border and as a result there are claims or counter claims.** This doesn't imply that natural boundaries are always undisputed, river often changes their course in long term and this river (if international boundary) can result into fluctuation of political boundaries. Further, in case of Mountain ranges, a state with expansionist designs (as China is) can exert its claim unilaterally, resulting into tense situations. It is pertinent to note that these areas between china and India were once inaccessible, but technological advancements have not only made them accessible, but also strategically important. To guard borders efficiently, it is pre required that borders are agreed/delineated between the neighbors. Also, a state with malicious intent can willfully dispute border to trouble its neighbor country to hamper its progress and to derail its growth.
- **In Indian case borders are quite complex and almost every type of extreme geography is present at different borders viz. deserts, fertile lands, swampy marshes or tropical evergreen jungles.** It has 14818 kilometers of land borders and a coast line of 7516.6 kilometers. All states except Madhya Pradesh, Chhattisgarh, Jharkhand, Telangana, Delhi and Haryana have an international border or a coast line. 92 of India's 593 districts are border districts in 17 states. India's boundary with Pakistan (3323 km), China (3488 km), Nepal (1751 km), Bhutan (699 km), Myanmar (1643 km), and Bangladesh (4096.7 km).

### India Pakistan Border

- This is spread across extreme climatic conditions given that the boundary runs from the hot Thar Desert in Rajasthan to the cold Himalayas in Jammu and Kashmir. India shares 3323 km long and complicated boundary with Pakistan. The India-Pakistan boundary is categorized under three different heads. The first is the **international boundary also known as the 'Radcliff line'**. It is 2308 km long and stretches from Gujarat to parts of Jammu district in Jammu and Kashmir. The second is the **line of control (LoC)**, or the Cease Fire Line, which came into existence after the 1948 and 1971 wars between India and Pakistan. This line is 776 km long, and runs along the districts of Jammu (some parts), Rajouri, Poonch, Baramula, Kupwara, Kargil and some portions of Leh. And the third is the **actual ground position line (AGPL)**, which is 110 km long and extends from NJ 9842 to Indira Col in the North (Siachin Glacier).
- In the 1990s, India began to fence this massive, border, of which 550 kms in J&K were completed in 2004. By 2011, almost all of the border fencing – along J&K, Punjab, Rajasthan and Gujarat – was completed.
- Despite of fencing smuggling, mainly of Heroine is rampant at border of Punjab. It happens because villagers at both sides of border are accomplice to such activities. Further, Involvement of Local politicians is also there in these cases.
- Apart from this, anti-India Jihadist Groups are in collusion with Pakistan Armed forces who constantly tries to push terrorists to Indian Side of LOC. For this there has been occasional indiscriminate firing from Pakistani

side in which Soldiers and citizens get killed. Few years back there was news that a 10 meter wall of earth excavations is being erected at border near Jammu.

- Integrated Check Post at Attari remains pretty busy for trade and this is only venue for cross border trade with Pakistan.
- **The IISS survey conducted in Gilgit Baltistan voted to join India.**

### India China Border

- India and China share a 3,488 km long boundary. Unfortunately, the entire boundary is disputed. The line, which delineates the boundary between the two countries, is popularly called the **McMahon line, after its author Sir Henry McMahon**. In 1913, the British-India government had called a tripartite conference, in which the boundary between India and Tibet was formalized after a discussion between the Indian and the Tibetans. A Convention was adopted, which resulted in the delimitation of the Indo-Tibetan boundary. This boundary is, however, disputed by China which terms it as illegal. It is interesting that in same agreement, boundary upto Myanmar was settled, and China accepts Mac Mohan line with Myanmar.
- India and China had never shared a common boundary till; China “liberated” or occupied Tibet in 1950. It was then that the hitherto India Tibet boundary was transformed into an India-China boundary. Since 1954, China started claiming large tracts of territory along the entire border such as Aksai Chin in Jammu and Kashmir, some areas in Uttrakhand and the entire Arunachal Pradesh. In 1957, China occupied Aksai Chin and built a road through it. This episode was followed by intermittent clashes along the border, which finally culminated in the border war of 1962. The boundary, which came into existence after the war, came to be known as **Line of Actual Control (LAC)**. It is a military held line.
- The rapprochement between the two countries in 1976 enabled India and China to initiate High Level border talks in 1981 to find a solution to the vexed problem. After eight rounds, the talks broke down in 1987. In 1988, following Prime Minister Rajiv Gandhi’s visit to China, the Joint Working Group (JWG) was set up to look into the border problem. In 1993, the **Agreement on the Maintenance of Peace and Tranquility** along the Line of Actual Control (LAC) was signed and **the India-China Expert Group of Diplomatic and Military Officers** was set up to assist the JWG.
- In 1996, the Agreement on Confidence Building Measures (CBMs) in the Military Field along the LAC was signed. In 2003, two special representatives (one each from India and China) were appointed to find a political solution to the border dispute. Till 2009, these two special representatives had held 17 rounds of talks, but it seems they have not made much headway. Recently, NSA Ajit Doval was appointed as Special Envoy for talks.

### **There have been no fires shot along Aksai chin border over last 40 years.**

There are three stages of negotiation:

1. Agreeing to **guiding principles** to be followed – this is done
  2. Recognizing Boundary and area – evolving consensus – this is toughest one and process is struck here
  3. Demarcation of boundaries
- China’s People Liberation Army has time and again intruded Indian borders. The measures include regular interaction between the Army Headquarters and Field Commands of the two sides, additional border personnel meeting points and more telecommunication linkages between their forward posts at mutually agreed locations.
  - As regards border management, the India-China border throws up only a few challenges. There is hardly any circulation of people or goods between the two countries through the border. Few intermittent interactions, nonetheless did take place though the gaps in the mountain ranges. These gaps were the trade and migration routes through which people and goods flowed. Some tribes like Monpas, Sherdukpens, Membas, Khambas and Bhutias had social and cultural ties with people across the border. Many other tribes also frequented the markets of Tibet to buy and sell products, but all these stopped after the 1962 war.

### **Rationale behind abolition of Article 370:**

1. Article 370 has prevented J&K to merge with India rather than being a basis of its merger.
2. Article 370 was seen as **discriminatory** on the basis of gender, class, caste and place of origin.
3. Post the repeal of the Article 370, doors to **private investment in J&K would be opened**, which would in turn increase the potential for development there.
4. **Increased investments would lead to increased job creation** and further betterment of socio-economic infrastructure in the state.
5. **Opening of buying of lands would bring in investments from private individuals and multinational companies and give a boost to the local economy.**

- Presently, there are only three designated areas along the India-China border through which border trade takes place; these are Lipu Lekh, Shipki La and Nathu La. The volume of trade in these trading points is not large. However, large scale smuggling of Chinese electronic and other consumer goods take place through these border points.

#### Conclusion:

- The special status of J&K was meant to end, but only with the concurrence of its people. The Centre's abrupt move disenfranchised them on a matter that directly affected their life and sentiments. The Jammu and Ladakh are celebrating, it is important to make people of Kashmir realise that it is a win-win situation.

Source: <https://www.youtube.com/watch?v=4Lzrwp8R8Ow>

## 26. UNSC AND PERMANENT SEAT FOR INDIA

#### Introduction:

- **Vice President M. Venkaiah Naidu said that India, which represents one sixth of the global population, has a rightful claim to the permanent membership of the United Nation's Security Council.** One of the key historic reasons for **India's quest for a permanent seat at the UNSC was to ensure protection of national interest in crucial diplomatic moments when the organ takes up issues such as Kashmir.** Delivering a joint G4 statement on behalf of Brazil, Germany, India and Japan, India's Permanent Representative Syed Akbaruddin in 2016 stated that the grouping was eager for a forward discussion on UNSC permanent membership and reforms. Diplomats have blamed China for having quietly carried out a campaign to stop India's efforts at the UNSC. Veteran diplomats have said that the latest UNSC meeting on Kashmir which was convened following an initiative from China showed that India will have to show more stamina to stop China from using the organ against India's interest. The issue of expanding the UNSC and the Text Based Negotiation is expected to come up in the next UN General Assembly session in September.
- The UNSC is one of the organs of the United Nations and is charged with the **maintenance of international peace and security.** Its powers include the establishment of peacekeeping operations, the establishment of international sanctions, and the authorization of military action through Security Council resolutions; it is the only UN body with the authority to issue **binding resolutions** to member states.

#### Members:

- **The Security Council consists of fifteen members.** Russia, the United Kingdom, France, China, and the United States—serve as the body's **five permanent members.** These permanent members can veto any substantive Security Council resolution, including those on the admission of new member states or candidates for Secretary-General.
- **The Security Council also has 10 non-permanent members,** elected on a regional basis to serve two-year terms. The body's presidency rotates monthly among its members.

#### Need for reforms in UNSC:

- **Regional representation**
  - Supporters of UNSC reform claim that there is a huge European bias in P-5 due to the presence of the United Kingdom and France including Russia.
  - While regions like Latin America, Caribbean group, Arabs and Africa do not have a single permanent member. Similarly, there is a western bias in UNSC. As China is the only Asian country among the five permanent members of UNSC.
  - Thus a large chunk of the population and many different regions of the world remain unrepresented in the permanent membership of UNSC.
  - It seems highly unfair that the whole continent of Africa does not have a single member in P-5 despite the fact that most of the affairs of the body concern this part of the globe only.
  - So regions like Africa and Latin America and others will have to be accommodated in the reformed UNSC.

#### G-4:

- The G-4 nations comprise Brazil, Germany, India and Japan.
- These 4 countries support each other's bid for permanent seats on the United Nations security council.

#### The Coffee Club or Uniting for Consensus:

- Group of countries opposed to the G4. They favoured the expansion of the non-permanent category of seats with members to be elected on a regional basis.
- Italy, Spain, Argentina, Canada, Mexico, South Korea and Pakistan

- **Changing geopolitics:**
  - The victors of World War II shaped the United Nations Charter in their national interests, dividing the permanent seats, and associated veto power, among themselves.
  - It has been 72 years since the foundation of UNSC.
  - During this period, the geopolitical realities have changed drastically, but the Council has changed very little.
- **Question of Veto:**
  - All five permanent members of UNSC enjoy a veto power .
  - Veto is a kind of negative vote by a permanent member that prevents the adoption of a proposal, even if it has received the required overall votes by the members.
  - Sadly, veto power is grossly misused by the permanent members in their own national interest.
  - Out of 24 vetoes over the last 20 years, 15 have been used by the United States to protect Israel.
  - This also badly affects the conduct of the business of UNSC as many important proposals involving substantive issues get blocked due to use of veto by any of the five permanent members.
- **G-4 and India's quest for a permanent seat:**
  - In recent decades, India has been very vocal in demanding for a permanent seat in UNSC. It is also part of G-4, a group of 4 nations (India, Brazil, Germany and Japan) to lobby for permanent positions on the UNSC or at least to make the council more representative.
  - Many member-states have been pledging support for our aspiration for permanent membership. Several P-5 countries have also announced their support. At present, China is the only P-5 member opposing India's bid.
  - G-4 wants to expand the permanent seats in the UNSC to 10 to include 6 new members G-4 nations apart from one seat to Africa and one seat to Arabs
- **Transparency and Working Methods:**
  - While the expansion of the Security Council has been hotly debated across the world, debate on the working methods of the Council, an equally important aspect of reform to many member states, has attracted less attention.
  - It is true that UNSC has been functioning in the most non-transparent and non-consultative way.
  - The undemocratic nature of UNSC within the supposedly democratic UN has compromised the overall credibility of the United Nations.

#### Reasons:

- India was among the **founding members** of United Nations.
- India has been a leader and **largest constant contributor of troops to United Nations Peacekeeping missions.**
- **India always has been upholding UN principles.**
- It is a major **big economic emergent power.**
- India's picture in the UN as well as in the world has increased whether it is the **election of ICJ.**
- 177 countries including Islamic countries celebrated **International Yoga Day.**
- India enjoys the **backing of major powers** including four permanent members other than China and those of African Union, Latin America, Middle Eastern countries and other LDCs from different parts of the globe.
- India has been a responsible power and it has contributed significantly in **global peace efforts.**
- India rescued not only Indians but also many persons from other countries including Pakistan and USA from war ravaged Yemen and South Sudan under its operation Rahat and Sankat Mochan respectively.

#### Current Scenario:

- China opposes Japan's entry.
- Italy and Spain opposes Germany's entry.
- Argentina and Mexico opposes Brazil's bid.
- African countries have not come up with their candidates.
- **India has emerged as the strongest candidate.**
- UNSC is balance of power reflectivity of 1945 and not today.
- Out of the 122 members who have given their comments on negotiations, 113 support the reforms.
- All the **permanent members have their angularities when it comes to expanding** the UNSC with France supporting openly.

- **India follows an independent foreign policy** which is very often not seen as those in power sitting in sync with them.

**India should continue to make its efforts and we should grow at 10+ growth rate to achieve our target which will inturn help our bid.** The **credibility of UNSC has suffered a severe blow** as it has been ineffective and inefficient in tackling the conflicts in different parts of the world such as Syria, Ukraine etc. In most of these situations UNSC has remained mere a mute spectator. Therefore the demand for reforms in the council has become a necessity to restore its credibility and effectiveness in maintaining international peace and security.

Source: <https://www.youtube.com/watch?v=yMVu44WwoJ0>

## 27. INDIA - FRANCE TIES

### Introduction:

- **France backed India getting a permanent seat in the UN Security Council** as the two countries expressed their resolve towards freedom of navigation in the Indo-Pacific and said they were committed towards multilateralism. In a joint statement issued after talks between Prime Minister Narendra Modi and French President Emmanuel Macron, the two countries **supported an inclusive peace and reconciliation process in Afghanistan which is Afghan-led, Afghan-owned and Afghan controlled, leading to a lasting political solution.** On Iran, they agreed that full compliance with the **Joint Comprehensive Plan of Action (JCPOA) on the Iranian Nuclear Programme and the UN Security Council Resolution 2231** was needed to ensure regional and international peace and security and that current issues need to be resolved peacefully through dialogue. The two nations also vowed to fight against violent and hateful content online as they affirmed their commitment to an open and reliable cyberspace.

### Indo-France Relationship: Background

- France has always been sympathetic to similar Indian claims based on its ancient civilisation.
- Defence cooperation with France began in the 1950s when India acquired the Ouragan aircraft and continued with the Mystères, Jaguar (Anglo-French), Mirage 2000.
- Both countries started joint naval exercises 'Varuna' in 1983.
- France has historically shown more understanding of our strategic programmes than others. It was the first western country with which we established a Strategic Partnership.
- France is the first country with which we initiated a Strategic Dialogue after our 1998 nuclear tests when France refused to impose bilateral any sanctions on us and displayed a far greater understanding of India's security compulsions compared to other countries.
- France helped India set up the Sriharikota launch site assisted in engine development and hosting of payloads.
- After the Cold War, France decided that its preferred partner in the Indian Ocean Region would be India.
- It was the first P-5 country to support India's claim for a permanent seat in an expanded and reformed UN Security Council.

### Key Highlights of the visit PM Modi's visit:

- **Bilateral Trade**
  - Indian PM Narendra Modi and French President Emmanuel Macron noted that there has been positive progress in the development of bilateral trade and economic relations between the two countries. The nations also reaffirmed that the India-France Administrative Economic and Trade Committee (AETC) provides an appropriate framework to assess and find ways to further promote the bilateral trade and investment as well as to speed up the resolution of market access issues to the benefit of economic operators.
  - The two leaders decided to further jointly strengthen work on solving trade and investment issues of concern for both French and Indian companies, including by additional ways and mechanisms.
  - The two leaders jointly agreed that the high-level France-India economic and financial dialogue should be reactivated as quickly as possible.
- **Space Cooperation**
  - India and France expressed their desire to deepen their space cooperation to meet new challenges in space exploration together, whether it concerns planetary exploration or human spaceflight.

- Both PM Modi and Emmanuel Macron welcomed the decision to train medical support personnel for Indian astronauts, who will be part of India's manned space mission by 2022. The training will be carried out both in France and in India.
- The leaders further welcomed the signing of an Implementing Arrangement for the establishment of a framework for the realization of joint maritime domain awareness mission. They also welcomed the launch of a Space Climate Observatory that further enhances Indo-French cooperation on combating climate change, besides TRISHNA joint mission and accommodating Argos in Oceansat 3.
- The two nations also resolved to act together at the international level to promote norms and best practices necessary for guaranteeing the safety of space missions.
- **Digital Space**
  - The two leaders adopted cybersecurity and digital technology road map aimed at expanding Indo-French bilateral cooperation, particularly in the strategic sectors of high-performance computing and Artificial Intelligence, with the target of bringing the start-up ecosystems in both the nations closer to each other.
  - They further welcomed the signing of the Cooperation Agreement between the Centre for Development of Advanced Computing and Atos aiming at developing the cooperation in the fields of quantum computing, Artificial Intelligence and exascale supercomputing.
- **Energy**
  - PM Modi and Emmanuel Macron expressed satisfaction at the progress in negotiations between NPCIL and EDF since the conclusion of the Industrial Way Forward Agreement between the two parties in 2018 for the construction of six nuclear power reactors in India in Jaitapur, Maharashtra.
  - The leaders also noted that discussions are underway on the Techno-Commercial Offer and the financing of the project as well as on how to increase localization through manufacturing in India and enhance common understanding on the CLND Act between the two sides.
- **Defence Cooperation**
  - India and France determined to further strengthen the cooperation between their armed forces and in this connection are working towards increased interoperability as well as pursuing deliberations to develop joint forces cooperation. They welcomed the signing of an agreement regarding the Provision of Reciprocal Logistics Support.
  - Defence industrial cooperation has been one of the mainstays of the strategic partnership between India and France. Both PM Modi and the French President commended the progress made in the implementation of agreements signed previously, particularly the delivery of the first Rafale fighter jet earlier this year.
  - The two leaders reaffirmed their commitment to further strengthen cooperation in defence industry field and extended their support to existing and upcoming partnerships between the defence companies of the two countries in the spirit of "Make in India" and for the mutual benefit of both countries.
- **Cultural Ties**
  - PM Modi and France's Emmanuel Macron agreed to significantly enhance people-to-people contacts and cultural exchanges. The two leaders agreed to set up a regular dialogue on consular matters, which will facilitate exchange and mobility. Overall, around 700 000 Indian tourists visited France in 2018, which 17 percent more than in 2017 and more than 250,000 French tourists visited India in the same year.
  - The two leaders decided that India will be the Country of Honour for the 2020 edition of Livre Paris, the Paris international book fair and the National Gallery of Modern Art in Delhi will hold the first exhibition in India of French artist Gérard Garouste in January 2020, while the Musée national d'art moderne (Centre Georges Pompidou) will hold a dedicated exhibition of the works of Indian artist Sayed Haider Raza in 2021.
  - Further, India will organise **Namasté France**, in 2021-2022 and the two countries will adopt a Plan of Action by the end of 2019 aimed at enhancing co-produced projects, distribution, and training in the fields of cinema, video games and virtual reality. France and India agreed to cooperate shooting of films in both countries.

- **Education**
  - The two nations expressed satisfaction on the status of student mobility between the two countries, which has been aided by the teaching of French in India and the creation of the network of schools for Excellence in French.
  - The two leaders further welcomed the holding of the Second Knowledge Summit in Lyon, France, in October 2019. This summit is expected to help structure academic and scientific partnerships with corporate entities on crucial issues, such as aerospace, renewable energy, green chemistry, smart cities, agriculture, marine sciences, and Artificial Intelligence.
  - India and France signed a Memorandum of Understanding to enhance cooperation on Skill Development
- **Climate Change**
  - The two nations reaffirmed their shared commitment to effectively combat climate change and loss of biodiversity.
  - Further, acknowledging the need for multi-level action – local, national, regional and global – France and India urged all stakeholders to contribute to the success of the Climate Action Summit convened by the United Nations Secretary-General on 23rd September 2019 and to encourage the global efforts towards combating climate change.
- **Renewable energy**
  - India and France reaffirmed their joint commitment to accelerate the development and deployment of renewable energy. They also welcomed the progress made by the International Solar Alliance in capacity building and sharing of best practices to harness solar energy among the member nations.
- **Terrorism**
  - The two leaders reiterated their strong condemnation of terrorism in all its forms and manifestations including cross-border terrorism and terror-related incidents in France and India. Both leaders reaffirmed that terrorism cannot be justified on any grounds whatsoever and it should not be associated with any religion, creed, nationality and ethnicity.
  - The leaders also reaffirmed their strong determination to eliminate terrorism wherever it is to be found and urged the international community to strengthen the efforts to counter and prevent terrorist financing.
- **Indian Ocean Region**
  - India and France welcomed the swift implementation of the conclusions of the Joint Strategic Vision of India-France Cooperation in the Indian Ocean Region, adopted during the State Visit to India of President Macron in March 2018.
  - For the implementation of the White Shipping agreement, India and France welcome the appointment of a French liaison officer at the Information Fusion Centre – Indian Ocean Region (IFC-IOR) in Gurugram. The two nations further intend to coordinate their action at the Indian Ocean Rim Association (IORA) and undertake, along with interested states, a joint project for reinforcing assets for combatting piracy and all kinds of maritime trafficking in the Southern Indian Ocean.
  - France also intends to work concertedly with India at the Indian Ocean Naval Symposium (IONS), over which it will preside from 2020 to 2022.
- **UNSC reforms: France supports India's permanent membership**
  - India and France jointly call for reform of the United Nations Security Council that would enable India to gain a permanent seat on it.
  - They also reaffirmed their commitment to working expeditiously and constructively, together and with others towards the modernisation of the World Trade Organization, including in the lead-up to the 12th Ministerial Conference in June 2020.
  - Further, the two nations reaffirmed their determination to deepen the relations between the EU and India on strategic and multilateral issues as well as in trade, investment and innovation.

#### **Mutual benefits:**

- Indo-French naval cooperation is aimed at **securing the critical sea lanes**, the need to effectively combat security threats **piracy, trans-national crime and terrorism** and also to build security capacities in the Indian Ocean.
- The more substantive pay-off of a nautical pact with France for India is **a potential expansion of the Indian Navy's operational footprint across the Indo-Pacific region.**

- **Future discussions might result in the signing of a reciprocal agreement granting French naval vessels access to Indian ports for repair and resupply, and Indian vessels the right to routinely use France's Indian Ocean military bases** like Djibouti where china has a base.
- **French facilities are likely to add to India's network of nautical outposts in the IOR**, including in the Andaman and Nicobar Islands, and Seychelles, where India plans to build and operate a military base.
- French companies, such as Dassault Aviation etc are extremely competitive and the country's **defence industry has a reliable record of production and supply** with firms having particular expertise in navigating India's defence market for instance the contracts for the Rafale aircraft and Scorpene submarines (Project-75).
- A nautical pact with France sends a strong message to India's geopolitical antagonists in maritime Asia. **India will be hoping for a closer engagement in the Western Indian Ocean, where France has one of the most forward-deployed armed forces in the world.**
- India's naval leadership would be keen to expand the scope and complexity of the Indo-French bilateral naval exercise VARUNA
- A partnership with the French navy in littoral South-East Asia would allow the Indian Navy to **influence the security-dynamic of the Pacific, even extending operations to the Southern Pacific Islands.**

#### Concerns:

- While the governments share a robust relationship, the **business relationships are weak**. Bilateral trade is **less than half of India's trade with Germany**. The target of €12 billion set in 2008 remains elusive.
- French FDI has picked up in recent years, but hardly does justice to the fact that there are more than 800 French enterprises in India.

#### Conclusion:

- French social security laws, long-term student visas, and the facility to work for two-three years to pay off student loans are some of the areas that need to be worked out so that more effective cooperation can take place between the two countries.

Source: [https://www.youtube.com/watch?v=UOmKHYA\\_468](https://www.youtube.com/watch?v=UOmKHYA_468)

## ENVIRONMENT

### 28. DAM SAFETY BILL, 2019

#### Introduction:

- A bill seeking to **set up an institutional mechanism for surveillance, inspection, operation and maintenance of specified dams across the country** was passed by Lok Sabha with the centre asserting it has no intention of taking over power of the states. **The provisions of the bill are proposed to be applied to all specified dams in the country which have height of more than 15 metres, or between 10 metres to 15 metres.**
- Among other things, the bill also seeks to **resolve the inter-state issues concerning maintenance and safety of dams**. Around 92 per cent of dams in the country are on inter-state river basins. There are 5,745 reservoirs in the country of which 293 are more than 100 years old. The age of 25 per cent of dams is between 50 to 100 years and 80 per cent are over 25 years old. 40 dams have collapsed in India since Independence and the worst such disaster occurred in Gujarat in 1979 leading to loss of thousands of lives of people.

#### Dam Safety Bill, 2019:

**Applicability of the Bill:** The Bill applies to all specified dams in the country. These are dams with:

- height more than 15 metres
- height between 10 metres to 15 metres and subject to certain additional design and structural conditions.

**National Committee on Dam Safety:** The National Committee on Dam Safety will be constituted and will be chaired by the Chairperson, Central Water Commission. All other members will be nominated by the central government, and include:

- Up to 10 representatives of the central government,
- up to seven representatives of the state governments (by rotation)
- up to three dam safety experts.

Functions of the Committee include:

- formulating policies and regulations regarding dam safety standards and prevention of dam failures
- analysing causes of major dam failures and suggesting changes in dam safety practices.

**National Dam Safety Authority:** The National Dam Safety Authority will be headed by an officer, not below the rank of an Additional Secretary, who will be appointed by the central government. Functions of the Authority include:

- implementing the policies formulated by the National Committee on Dam Safety,
- resolving issues between State Dam Safety Organisations (SDSOs), or between a SDSO and any dam owner in that state,
- specifying regulations for inspection and investigation of dams,
- providing accreditation to agencies working on construction, design, and alteration of dams.

**State Dam Safety Organisation:** State governments will establish State Dam Safety Organisations (SDSOs). All specified dams situated in a state will fall under the jurisdiction of that state's SDSO. However, in certain cases the National Dam Safety Authority will act as the SDSO. These include cases where a dam:

- is owned by one state but situated in another state,
- extends over multiple states,
- is owned by a central public sector undertaking.

Functions of the SDSOs include:

- keeping perpetual surveillance, inspecting, and monitoring the operation and maintenance of dams,
- keeping a database of all dams,
- recommending safety measures to owners of dams.

**State Committee on Dam Safety:** The Bill provides for the constitution of State Committees on Dam Safety by state governments. Functions of the Committee include:

- reviewing the work of the SDSO,
- ordering dam safety investigations,
- recommending dam safety measures and reviewing the progress on such measures,
- assessing the potential impact on upstream and downstream states. These states will also have their representatives on the State Committee.

**Change in functions of the bodies:** Functions of:

- the National Committee on Dam Safety,
- the National Dam Safety Authority,
- the State Committees on Dam Safety have been provided in Schedules to the Bill. The Bill specifies that the central government can amend these Schedules through a notification, if deemed necessary.

**Obligations of dam owners:** Owners of specified dams are required to provide a dam safety unit in each dam. This unit will inspect the dams:

- before and after the monsoon session
- during and after every earthquake, flood, or any other calamity or sign of distress.

Dam owners will be required to prepare an emergency action plan, and carry out risk assessment studies for each dam at specified regular intervals. Dam owners will also be required to prepare a comprehensive dam safety evaluation of each dam, at regular intervals, through a panel of experts. The evaluation will be mandatory in certain cases such as major modification of the original structure, or an extreme hydrological or seismic event.

**Offences and penalties:** The Bill provides for two types of offences. These are:

- obstructing a person in the discharge of his functions under the Bill,
- refusing to comply with directions issued under the Bill.

Offenders will be punishable with imprisonment of up to one year, or a fine, or both. If the offence leads to loss of lives, the term of imprisonment may be extended up to two years. Offences will be cognizable only when the complaint is made by the government, or any authority constituted under the Bill.

**Significance:**

- Water being the state subject, the bill provides broad guidelines.

- The Bill will help all the States and Union Territories of India to adopt **uniform dam safety procedures** which shall ensure safety of dams and safeguard benefits from such dams. This shall also help in safeguarding human life, livestock and property.
- It addresses all issues concerning dam safety including regular inspection of dams, Emergency Action Plan, comprehensive dam safety review, adequate repair and maintenance funds for dam safety, Instrumentation and Safety Manuals. It lays onus of dam safety on the dam owner and provides for penal provisions for commission and omission of certain acts.

#### Need:

- Till now, dams are controlled by state governments and private players are also showing interest.
- Over the last fifty years, India has invested substantially in dams and related infrastructures, and ranks third after USA and China in the number of large dams. 5256 large dams are in operation in the country currently and another 448 are under construction. In addition to this, there are thousands of medium and small dams.
- While dams have played a key role in fostering rapid and sustained agricultural growth and development in India, there has been a long felt need for a uniform law and administrative structure for ensuring dam safety.
- The Central Water Commission, through the National Committee on Dam Safety (NCDS), Central Dam Safety Organization (CDSO) and State Dam Safety Organizations (SDSO) has been making constant endeavours in this direction, but these organizations do not have any statutory powers and are only advisory in nature.
- This can be a matter of concern, especially since about 75 percent of the large dams in India are more than 25 years old and about 164 dams are more than 100 years old. A badly maintained, unsafe dam can be a hazard to human life, flora and fauna, public and private assets and the environment.
- India has had 36 dam failures in the past.

#### Concerns:

- Age of the dam is the major issue which should have been taken up.
- The bill is too focused on structural safety and not on operational safety.
- There is inadequate compensation to the people affected by dams.
- There is need for an independent regulator as well as for a precise definition of stakeholders.
- Many states say it encroaches upon the sovereignty of States to manage their dams, and violates the principles of federalism enshrined in the Constitution. They see it as an attempt by the Centre to consolidate power in the guise of safety concerns.

Source: <https://www.youtube.com/watch?v=c5VXWJtjWGQ>

## 29. SAY NO TO PLASTIC

#### Introduction:

- Prime Minister Narendra Modi urged people to **shun single-use plastic and encouraged the usage of jute and cloth bags to protect the environment**. The PM urged startups and experts to find ways to recycle plastic, like using it in building highways, and appealed to shopkeepers to have boards in front of their shops saying, "Please don't expect plastic bags here. Bring cloth bags from home or take them from us at a price". **On World Environment Day last year, the government had announced its intention to phase out single-use plastic like straws and cups by 2022**. According to the Environment Ministry, about **20,000 tonnes of plastic waste is generated every day in the country, out of which only 13,000-14000 tonnes are collected**. Experts have maintained that the problem lies in the inadequate collection and recycling systems.
- **Plastic pollution** has become **an epidemic**. Every year, we throw away enough plastic to circle the Earth four times. Plastics are detrimental to human health because of the chemicals used in their production. These chemicals are used to change the properties of plastics. Humans are exposed to such toxins through air and water, through food such as fish, or direct contact with plastic products. Much of that waste doesn't make it into a landfill, but instead ends up in our oceans, where it's **responsible for killing** one million seabirds and 100,000 marine mammals every year. For the good of the planet, **it's time to rethink how we use plastic**.
- **Every piece of plastic** ever disposed of (this includes the toothbrush your great-grandfather used) is **damaging the earth**. It's lying somewhere in the earth, floating in the ocean, or been broken down into microparticles and in the food chain. Although a fraction of the plastic disposed of is recycled, most of it eventually **ends up in the ocean or in dump sites outside city limits**.

- **Plastic is a polymer that was considered as one of the biggest breakthroughs** made by man. It gained with it many **advantages** –
  - Easy availability
  - Low cost
- Minimal weight
  - Could be moulded into any shape
  - Didn't break easily and didn't degrade easily
- But, the **advantage of not breaking and degrading easily** has become one of the biggest cause of concern today. There is no way to dispose it off. It may take **thousands of years in degrading** even if it is burnt. It is thus, **very dangerous for the ecology.**
- In 1950, global plastic production = 1.5 million Tonnes
- **In 2016, global plastic production = 335 million Tonnes**
- **Types of plastic (based on size):**
  - Macro-plastic: 25mm or more
  - Meso-plastic: 5mm to 25mm
- Micro-plastic: 1 micron (0.001mm) to 5mm
- **Plastic flows into the sea in the form of:**
  - Fragments as common microplastics
  - Plastic thread from synthetic fibres
- Food items in the form of foam
  - Microbeads from soaps, cosmetics
  - Building and construction activities
  - Fishing and coastal tourism, etc.
- Plastics are present in huge quantities in the Pacific, Atlantic and Indian Ocean. Plastics in the form of polythene and polypropylene are present. Their consumption then **kills the marine animals and human beings also acquire various diseases** on their consumption of sea food.

#### What are single use plastics?

- There is **no central and comprehensive definition** for single-use plastic, crucial for any ban to be successful.
- Governments currently use various definitions.
- The problems caused by them were recognized in 2007.
- It has been found everywhere ie **right from depth of the oceans to the peaks of Himalayas.**
- Single used plastics are **used once and thrown away.**
- They accumulate in the water bodies and choke the drains which lead to floods.

#### Plastic Waste Management Rules, 2016:

- **Increase minimum thickness of plastic carry bags from 40 to 50 microns and stipulate minimum thickness of 50 micron for plastic sheets** also to facilitate collection and recycle of plastic waste,

**Expand the jurisdiction of applicability** from the municipal area to rural areas, because plastic has reached rural areas also:

- To bring in the responsibilities of producers and generators, to introduce collect back system of plastic waste by the producers/brand owners;
- To introduce collection of plastic waste management fee;
- To promote use of plastic waste for road construction for gainful utilization of waste and also address the waste disposal issue

#### Common sources of Plastic pollution:

- Merchant ships expel cargo, sewage, used medical equipment, and other types of waste that contain plastic into the ocean.
- The largest ocean-based source of plastic pollution is discarded fishing gear (including traps and nets).
- **Continental plastic litter** such as Food Wrappers & Containers, Bottles and container caps, Plastic bags, Straws and stirrers etc. enters the ocean largely through storm-water runoff.

### India's efforts to beat plastic pollution:

- So far, 22 States and Union Territories have joined the fight **to beat the plastic pollution, announcing a ban on single-use plastics** such as carry bags, cups, plates, cutlery, straws and thermocol products.
- India has also won global acclaim for its **"Beat Plastic Pollution" resolve declared on World Environment Day last year**, under which it pledged **to eliminate single-use plastic by 2022**.
- **All such efforts have yielded positive results:** Voluntary initiatives are having an impact in many States, as citizens reduce, reuse and sort their waste. A Bengaluru waste collective estimates that **the volume of plastic waste that they collect dropped from about two tonnes a day to less than 100 kg**.

### Efforts at International level to curb Plastic waste?

- Local policies and actions such as bans on micro beads and single-use plastic bags are spreading across the globe, but there are only a handful of international documents focused on plastic pollution.
- International Convention for the Prevention of Pollution from Ships, later modified as **MARPOL**, is an international agreement that addresses plastic pollution. **MARPOL, which bans ships from dumping plastic at sea**, was a great first step.
- But even after MARPOL came into force, dumping of plastic waste into sea has not reduced. Steps to prevent plastic waste lack defined reduction targets, methods to monitor progress.
- In 2011, the National Oceanic and Atmospheric Administration (NOAA) in the United States and UNEP created **the Honolulu Strategy**—a planning tool to reduce plastic pollution and its impacts.
- In 2012, a voluntary commitment of a significant reduction of marine debris was introduced at Rio+20 with a deadline of 2025.
- In February 2017, **UNEP announced the Clean Seas campaign**, asking for individuals, industries, and member states to voluntarily commit to an action of their choice to reduce plastic pollution.
- **United Nations Environment Assembly in Nairobi**, more than 193 nations passed a resolution to eliminate plastic pollution in our seas. However, it's not a legally binding treaty.

### Solution:

- Various **alternatives should be looked for**. Great civilizations have flourished without use of plastic but today with modern technology we are not able to find out a solution.
- Proper **ground level awareness** should be done.
- **Local actions are required** for mitigating plastic pollution, using mechanisms such as bans on plastic bags, maximum daily limits for emissions into watersheds, and incentives for fishing gear retrieval.
- **Behavioral changes** are required and government needs to work on it.
- **Countries should come together** to establish measurable reduction targets for plastic waste. A **meaningful international agreement**—one with clearly defined waste reduction targets is the need of the hour.
- **Effective policies** must take into account all stages of the lifecycle of plastic—connecting producers to users and ultimately to waste managers.
- **Fossil fuel subsidies incentivise** the plastic market. Hence, Countries should end fossil fuel subsidies. Annually, **4–8% of oil is used to produce raw plastic**.
- India has a major problem dealing with plastics, particularly **single-use shopping bags** that reach dumping sites, rivers and wetlands along with other waste.
- The most efficient way to deal with the pollution is **to control the production and distribution of plastics**.
- **Banning single-use bags** and making consumers pay a significant amount for the more durable ones is a feasible solution.
- Enforcing the Solid Waste Management Rules, 2016, which require **segregation of waste will retrieve materials** and greatly reduce the burden on the environment.
- Waste separation can be achieved in **partnership with the community**, and presents a **major employment opportunity**

### Way Forward:

- **Cost benefit analysis** has to be done for each type of plastic and we need to start **replacing them at industry level**.
- Need to **destroy plastic by use of technology** which cause no pollution.

- Success will require **collaboration and coordinated efforts across many sectors** – some that create near-term progress and others that require major investments with longer timelines.
- Addressing plastic waste in the environment and developing a circular economy of plastics requires the **participation of everyone across the entire value chain and the long term commitment** of businesses, governments, and communities.
- **Saudi Arabia** is investing in India to produce **more petrochemicals and plastic**, by which India will become biggest producer and consumer of plastic. It is time we **rethink, reduce, segregate and recycle** every time we encounter a piece of plastic so that it stops damaging our environment and our lives.

Source: <https://www.youtube.com/watch?v=ElPujs1EsSM>

## 30. AMAZON ON FIRE

### Introduction:

- **The Amazon Rainforest is the world's largest tropical forest.** Sprawling over nine countries, it is about half the size of the United States of America...But for several weeks now, the forest also described as the lungs of the earth has been on fire. **More than 9,500 new forest fires have been spotted by Brazil's National Institute for Space Research in just the last two weeks...**prompting international alarm and calling for urgent action. According to forest experts, Amazon almost never burns on its own and the increase in fires this year has been quite dramatic. The region is usually too wet to ignite, so the vast majority of fires are largely believed to be caused by humans.
- The world's largest forest, the Amazon is on fire triggering global concerns over the forest also known as the "lungs of the planet". Brazil has declared a state of emergency in the region while catastrophic fires spread to neighbouring Bolivia.

### About Amazon Rainforest:

- The **Amazon rainforest**, also known in English as **Amazonia** or the **Amazon Jungle**, is a moist broadleaf tropical rainforest in the Amazon biome that covers most of the Amazon basin of South America.
- This basin encompasses 7,000,000 km<sup>2</sup> (2,700,000 sq mi), of which 5,500,000 km<sup>2</sup> (2,100,000 sq mi) are covered by the rainforest.
- This region includes territory belonging to nine nations.
- The majority of the forest is contained within **Brazil, with 60% of the rainforest, followed by Peru with 13%, Colombia with 10%, and with minor amounts in Venezuela, Ecuador, Bolivia, Guyana, Suriname and French Guiana.**
- The Amazon represents over half of the planet's remaining rainforests, and comprises the largest and most biodiverse tract of tropical rainforest in the world.
  - Home to 10% of known species in the world.
  - More than 1500 birds species are found here.
  - 5M insect species.
  - 80% of food comes from Amazon.
  - 25% of all pharmaceuticals ingredients.
  - Less than 1% of trees and plants tested.
  - Estimated 2,50,000 Amazon natives.
  - Approximately 170 languages spoken.
  - 50 Amazon native tribes still uncontacted.
  - Nearly 20% of amazon forest has disappeared.
  - It is disappearing at 1.5 acres per second.
  - 137 species getting extinct everyday.
  - Releases approximately 20 billion tons of moisture.
  - Responsible for creating 50-75% of precipitation.
  - Helps generate 70% of South America's GDP.
  - Stores upto 100 years worth of carbon emission.
- Fires are the regular and natural occurrence in the Amazon during the dry seasons but environmentalists have attributed the record numbers of fires this year to human activities like deforestation. **Brazil's National Institute Space Research**, recorded more than 74,000 fires in Brazil between January and August, highest

since 2013. The country has seen an **84% increase in fires this year**, compared with the same period last year.

- This year's fires also fit perfectly into the established seasonal agricultural pattern. This time is the most suitable to burn because the vegetation is dry. Farmers generally wait for the dry season to start burning and clearing areas so that their cattle can graze. However, peak of the dry season is yet to come in September.

#### **Environmentalists blame Brazilian President Jair Bolsonaro**

- The environmentalists are blaming Brazilian President Jair Bolsonaro for the forest fires. When Bolsonaro was running for president, he had promised to restore Brazil's economy by exploring the economic potential of the Amazon rainforest. As per environmentalists, Bolsonaro has encouraged the farmers and ranchers to exploit and burn the rainforest like never before.

#### **Effect of forest fires on biodiversity:**

- Amazon rainforest holds at least 10% of the world's biodiversity. As per latest reports more than 9000 forest fires have been raging simultaneously.
  - 50% of global water and this helps in cooling the Earth.
  - Significant source of emitted carbon.
  - Contribute to global warming that leads to biodiversity changes.
  - At regional and local level will lead to change in biomass stocks, alter hydrological cycle.
  - Subsequent effects for marine systems like coral reefs.
  - Impact functioning of plant and animal species.
  - Smokes from fires reduces photosynthetic activity and can be detrimental to the health of human and animals.
  - Increased probability of further burning in subsequent years.
  - As dead trees topple to the ground, open up forest to drying by sunlight.
  - Consequences of repeated burns is detrimental as it is the key factor in the impoverishment of biodiversity in rainforest ecosystem.
  - Replacement of vast areas of forest with grasslands is another negative ecological impact of fires in tropical rain forest.

#### **Impact of Amazon Fires:**

The impact can be short and long term.

- Fires taking massive toll on wildlife.
- Flames, heat, smoke in habitation having devastating impacts on vertebrates, invertebrates not only killing them directly but also leading to longer term indirect effects like stress, loss of habitat, territories, shelter and food.
- Loss of key organisms in forest ecosystem such as invertebrates, pollinators and decomposers can slow forest recovery rate.
- Vulnerable species may become more threatened and face extinction.
- Experts also say the entire ecosystem of rainforest will be altered.
- Surviving in transformed ecosystem difficult for many species.
- Displacements of territorial birds and mammals.
- Forest fires have multiple implications on biodiversity. It is a loss for global community. The untold number of species of **every kind of living thing**, many thousands of which have never been described by scientists are suffering. **We all need to come together to protect it.** The United Nations and international community needs to take serious measures to protect this unique and irreplaceable units.

Source: <https://www.youtube.com/watch?v=6jui0yG1WrY>

## SECURITY

### 31. UNLAWFUL ACTIVITIES (PREVENTION) AMENDMENT BILL, 2019

#### Introduction:

- The Parliament on Friday approved an amendment to the anti-terror law to give **powers to the central government to designate an individual as terrorist and seize his properties**. While Lok Sabha had passed the Unlawful Activities (Prevention) Amendment Bill, 2019 that seeks to amend the Unlawful Activities (Prevention) Act, 1967 on July 24, Rajya Sabha approved it by voice vote after rejecting an opposition-sponsored motion to send it to select committee.
- Rajya Sabha rejected the opposition-sponsored motion to send the amendment to select committee with 104 votes against it as compared to 85 in favour. The House passed the amendment to the law with 147 votes in favour and 42 against it. Replying to a debate on the amendment, Home Minister Amit Shah said a four-level scrutiny has been provided in the amendment and no human rights will be violated.

#### Unlawful Activities (Prevention) Act (UAPA):

- This law is aimed at effective prevention of unlawful activities associations in India.
- Its main objective is **to make powers available for dealing with activities directed against the integrity and sovereignty of India**.
- The Act makes **it a crime to support any secessionist movement or to support claims by a foreign power to what India claims as its territory**.
- The UAPA, framed in 1967, has been already **amended twice since: first in 2008 and then in 2012 and now again**.

#### The law is contested for few draconian provisions:

- The Act introduces a **vague definition of terrorism** to encompass a wide range of non-violent political activity, including political protest.
- It empowers **the government to declare an organisation as 'terrorist' and ban it**. Mere membership of such a proscribed organisation itself becomes a criminal offence.
- It **allows detention without a chargesheet for up to 180 days** and police custody can be up to 30 days.
- It creates a **strong presumption against bail** and anticipatory bail is out of the question. It creates a presumption of guilt for terrorism offences merely based on the evidence allegedly seized.
- It **authorises the creation of special courts**, with wide discretion to hold in-camera proceedings (closed-door hearings) and use secret witnesses but contains no sunset clause and provisions for mandatory periodic review.

#### Unlawful Activities (Prevention) Amendment Bill, 2019

- The Bill **amends the Unlawful Activities (Prevention) Act, 1967**.
- **Who may commit terrorism:** Under the Act, the central government may designate an organisation as a terrorist organisation if it: (i) commits or participates in acts of terrorism, (ii) prepares for terrorism, (iii) promotes terrorism, or (iv) is otherwise involved in terrorism. The Bill additionally empowers the government to designate individuals as terrorists on the same grounds.
- **Approval for seizure of property by NIA:** If the investigation is conducted by an officer of the National Investigation Agency (NIA), the approval of the Director General of NIA would be required for seizure of properties that may be connected with terrorism.
- **Investigation by NIA:** Under the Act, investigation of cases may be conducted by officers of the rank of Deputy Superintendent or Assistant Commissioner of Police or above. The Bill additionally empowers the officers of the NIA, of the rank of Inspector or above, to investigate cases.
- **Insertion to schedule of treaties:** The Act defines terrorist acts to include acts committed within the scope of any of the treaties listed in a schedule to the Act. The Schedule lists nine treaties, including the Convention for the Suppression of Terrorist Bombings (1997), and the Convention against Taking of Hostages (1979). The Bill adds another treaty to the list. This is the **International Convention for Suppression of Acts of Nuclear Terrorism (2005)**.

### Why is it being opposed?

- This is a potentially dangerous amendment which will **empower officials of Union Ministry to brand any person 'a terrorist'**, without following due process. The name of such a person will be included in the 'Fourth Schedule' proposed to be added in the parent Act. **The only statutory remedy available to such a person is to make an application before the Central Government for de-notification**, which will be considered by a Review Committee constituted by the Government itself.
- The **amendment does not provide any legal consequence in case an individual is designated a terrorist**. The inclusion of one's name in the Fourth Schedule as a terrorist per se will not lead to any conviction, imprisonment, fine, disqualifications or any sort of civil penalties. **So this is simply a power for the government to brand any one as a terrorist.**
- **An official designation as a terrorist will be akin to 'civil death' for a person**, with social boycott, expulsion from job, hounding by media, and perhaps attack from self-proclaimed vigilante groups following.

Source: [https://www.youtube.com/watch?v=Xr\\_Q\\_bBPZg0](https://www.youtube.com/watch?v=Xr_Q_bBPZg0)

## 32. NEED TO MODERNISE INDIAN AIR FORCE

### Introduction:

- Amid escalating tension between India and Pakistan over the abrogation of the special status of Jammu and Kashmir, Air Chief Marshal BS Dhanoa on Tuesday said the Indian Air Force (IAF) is still flying 44-year-old MiG-21 Russian fighter jets. MiG-21s have been the most accident-prone of all IAF fighter jets, thus earning the names "flying coffin". Speaking at an IAF seminar in New Delhi, Dhanoa said the basic version of the Russian fighter jet would be phased out this year. He also said the IAF is replacing high-end obsolete weapons with indigenously developed ones that will boost in-house defence manufacturing, however, "to win a war, we also need high-end, high-tech items, which we need to import". From 1963-2015, the MiG-21 has had a total of 210 accidents. Of these, a maximum of 16 accidents took place in 1999. India is currently the largest operator of MiG-21 Bison, with an estimated 100+ aircrafts on duty.
  - The **Air Force Day** was officially started celebrating on 8<sup>th</sup> of October in the year 1932 as an auxiliary of the **British Air Force** and in 1945 became part of the **British Royal Air Force**. After India getting Independence it became **Indian Air Force (IAF)**. 2016 marks the 84<sup>th</sup> anniversary of IAF.
  - From 1932 IAF has come a long way. Slowly the expansion of IAF has taken place. From a few squadrons during British time, the IAF has developed into an effective balance force. **Balance force** not only believes in platforms like fighter air craft, transport air craft and helicopters, but also equipments like Radar, UAV, surface to air missiles, weaponry, information technology, cyber warfare, electronic warfare systems and many others.
  - Today we have got Balance force which can take on most threats, which can do what the **National Security Environment** There are certain flaws and deficiencies. Over a period of time these also will be overcome.

### History of Indian Air Force

- IAF was effective right from the first campaign which was in 1948 where Pakistan intruded into J&K. The IAF played a very critical role.
- In **1962 Indo-China war** air power was not used. So the loss was ours.
- In **1965 Indo-Pakistan war** air power was used with little less coordination, but they played an effective role.
- In 1971 India had complete air superiority because we have 12 to 14 **F 86 Sabre's** which made a difference. In East Pakistan (now Bangladesh) there are many tributaries of small rivers. Crossing these rivers was a problematic area. This was overcome by the IAF, providing a huge amount of helicopter support.
- In **1999 Kargil war**, there was effective use of air power. This was first time in the history of air power that weaponry was delivered from high altitudes and with accuracy. No other air force in the world had done before which was a tremendous achievement for IAF.

### The importance of Air Force

- Air power today is the most lethal component of the 3 services. The flexibility and mobility, the precision of striking the targets which are 1000s of miles away very accurately.
- From 1999 to 2016, new technologies have emerged, evolved and changed. It is not air force but the air space we are looking at.

- We always discuss about the number of squadrons saying we must have 42 or 44 squadrons. The fact is we have 33 at present. We are going to retire about 11 squadrons of MIG-21 and MIG-27 by 2022. These air craft have to be replaced. The 36 Rafale air craft takes 70 months to come in. Engineers, pilots, and technicians have to be trained for it. Considering all these we need to think of a balance force.

#### Need to modernize:

- To derivate from threat perception in future days.
- Doctrine which has now become two front war policy.
- Net centric warfare.
- Aerospace kind of IAF to handle space assets in a required manner.
- Force multipliers that is air to air refuelers.
- To protect the airspace in a high manner.

#### Concerns:

- The induction rate in the airforce has been slow.
- MIG 21 is accident prone as mentioned.
- Cost of making aircrafts indigenously has proved to be costly.
- The concern for the military in general, for the country and for the political leadership is to how to manage the two fronts. The immediate threat is from the western front i.e., Pakistan. The medium or the long term would be china. It is very important to make the **threat assessment** and based on that is to counter the threat.
- There is lack of collaboration between PSU's and private sector wrt airforce.
- For Pakistan it will have to be complete air superiority which means the IAF must be prepared to carry counter air operations and effective air defence operations.
- The expenditure diverted is not enough and is a concern.
- For the Chinese threat is concerned, it should be the missiles. It will not be platform based like fighter air craft, because do they have the technology. For this the force levels have to be different. We need an **integrated air and missile defence system, ballistic missile defence system**. It will be a different formulation of the threat assessment for the two neighbours.
- Today technology is power. We should have a smaller number but high technology which is very effective for its objectives rather than having quantities. Certainly we need quantities, but the overwhelming factor should be technology.
- Order outflow is a concern.
- **C&AG's Audit Report of 2019 on 'Capital Acquisition in Indian Air Force'** revealed the following findings:
  - Volume I consisting of seven chapters discusses the systematic issues in the acquisition process. It includes details of ten acquisition contracts.
  - Volume-II consists of audit findings relating to the acquisition of Medium Multi Role Combat Aircraft through an Inter Government Agreement (IGA) with the Government of France. This includes examination of the pricing.
  - To acquire the right product at the right price, it is essential that the **qualitative requirements** (Air Staff Qualitative Requirements in the IAF-**ASQRs**) truly reflect the users functional need. This helps in generation of maximum possible competition and technical and price evaluation is done objectively.
  - Audit noted that IAF did not define the ASQRs properly. As a result none of the vendors could fully meet the ASQRs. ASQRs were changed repeatedly during the procurement process.
  - Audit noted that the vendor response to solicitation of offers was low, which restricted competition. Number of vendors who responded to the Request For Proposal (RFP) was far less than the number of vendors who were invited to bid.
  - Defence Ministry faced difficulties in realistically estimating the Benchmark price, making it difficult to establish the reasonability of price. This also caused delay in price evaluation and contract negotiations.
  - There were severe delays at various stages of the acquisition process. Against three years envisaged in Defence Procurement Process, four cases took more than three years and seven cases took more than five years to reach the contract conclusion stage.

- Delays in acquisition were essentially due to a complex and multi-level approval process, where objections could be raised at any stage.

#### Way Forward:

- We need to broadbase our industry, need to spread our industry to private sector.
- Collaborative approach where industry is allowed to take such facilities which are existing on lease
- We need to have a **National Military Strategy** in the public domain. It should specify the intentions, objectives in terms of geo-politics, cost effectiveness, and involvement. Based on this we should have a **National Security Strategy**. Based on the National Security Strategy we should have a **Doctrine**. Based on the Doctrine we should have the **concept of operations** and on the concept of operations we should have the force levels.
- National Aeronautics Commission.
- HAL should tie-up with foreign manufacture units.
- Today in the Defence budget division, Army gets 53%, IAF gets 23%, Navy gets 17%, and DRDO gets 6-7%. This does not make any sense. Each service should have a different balancing financial structure year on year.
- The funds are not always available. There is need to spend **3% of GDP**. At present we are spending around 1.5% of GDP.
- Multiplicity of several engines.
- Proper mechanism to allow foreign companies to invest.
- The most important deterrence would be having an **overwhelming conventional superiority**. To stop the Pakistan army, the ISI and jihadi's the only way to do this is to have our own defence, and having an overwhelming superiority so that our deterrence on the both sides (Pakistan and China) is complete.

Source: <https://www.youtube.com/watch?v=fGwOwFY9KCg>