ForumIAS

7 PM COMPILATION

15th- 21st June, 2020

Features of 7 PM compilation

- ❖ **Comprehensive coverage of a given current topic**
- ❖ **Provide you all the information you need to frame a good answer**
- ❖ **Critical analysis, comparative analysis, legal/constitutional provisions, current issues and challenges and best practices around the world**
- ❖ **Written in lucid language and point format**
- ❖ **Wide use of charts, diagrams and info graphics**
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Flattening the Climate Curve
Topics: Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.
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Lessons for a Human-Centric Development Model from Mahatma Gandhi and Lee Kuan Yew
Topics: Contributions of Moral Thinkers and Philosophers from India and World.
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TEXTILE SECTOR NEEDS A VISION AND MISSION
Topics: Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.
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The Transforming Landscape of Dispute Resolution: Online Mediation and COVID-19
Topics: Structure, Organization and Functioning of the Judiciary
Subtopics: Online Mediation

Flattening the Climate Curve
Source: The Hindu

Context:

COVID 19 pandemic has brought the world to a standstill. A paradigm shift in structure and functioning of societies is expected once the pandemic subsides. This is seen as an opportunity where a sustainable development model can be pursued with a low carbon footprint. But this requires political will from leaders of the nation's similar to how they are tackling the COVID 19 crisis.

Let us understand Climate change, its impact and impediments in global cooperation.

Understanding climate change:

Greenhouse gases are those which absorb longwave solar radiation reflected by the earth surface. Carbon dioxide (CO_2), Methane (CH_4) are examples. If their quantity in the atmosphere is under control, there are no issues. But if their concentration goes beyond limits, due to absorbed heat by these gases, they will increase the temperature of the earth. This is called climate change. CO_2 concentration is an indicator, as it the main cause climate change

CO_2 concentration had started increasing 18000 years ago when it was below 200 ppm(parts per million). At 11500 years ago, it reached 270 ppm which led to warming of earth which in turn led to the start of agriculture. Since then till the 19th century, CO_2 concentration has always remained below 300 ppm.

Since the mid-19th century, as part of the industrial revolution fossil fuels of oil and coal were burnt and emissions of CO_2 have increased. This led to unprecedented accumulation of CO_2 in the atmosphere. Despite nature absorbing half of emissions, in 2018 CO_2 concentration reached 407 ppm. Such levels of CO_2 were seen 3 million years ago. This led to many adverse consequences.

Consequences of climate change:

Temperature rise is the direct consequence. By 2015 there was a 1 degree rise in global temperature compared to 1915. Climate models predict heating by 4 degrees by the end of the 21st century. Even if commitments of nations under PARIS AGREEMENT are fulfilled, 2 degrees of warming is expected. This will have an adverse impact on global weather and ecosystems.

Consequences of temperature rise:

1. Rise in heat waves and number of extremely hot days[EHD – temperatures above 35 degrees celsius]. March 2020 was the second warmest March on record. In India, 2010 saw 5 days of EHD, whereas predictions are 15 days in 2050 and 42 days in 2100. Such high temperature will lead to events like Australian bush fires and Amazon fires of 2019

2. Extreme weather phenomena like drought, hurricanes, heatwaves will become more frequent. There is already evidence for the same.

3. Melting of glaciers which will result in rise in global sea levels and floods in riverine regions. This will lead to land degradation in coasts where marine water will come further landward. Further island nations face the threat of submergence.

4. Agriculture faces risks due to erratic rainfalls and extreme weather events. Too much increase in temperature will lead to pests and reduced yields. Locust challenge being faced by India currently is due to unseasonal rains in West Africa due to climate change

5. Temperature sensitive ecosystems like corals will be severely impacted.

Thus there will be huge adverse consequences if climate change is not addressed. There is a need for a global front to tackle the challenge.

Finances and technology transfer – Broken promises:

Intergovernmental Panel on Climate Change – IPCC report predicts $2.4 trillion per year(2.5% if global GDP) investment in energy efficient systems to limit temperature rise to 1.5 degrees. In addition low carbon technologies need to be provided to developing countries to enable a shift from fossil fuel based economy.

Developed countries are the cause of high levels of greenhouse gases. So they are responsible for providing finance and technology transfer to tackle climate change. To mobilize funds to tackle global climate change, developed countries had promised $100 billion per year in the 2009 Copenhagen summit oF UNFCCC. But this was not adhered to. Only $71 Billion was mobilized till 2017 and 80% of it towards mitigation and. In addition, money provided included loans and development funds which have to be repaid. Technology transfer is also lacking due to Intellectual property constraints.

Developed countries have ignored the principle of Differentiated responsibility leading to weakening of global fight against Climate change. US withdrawal from the PARIS agreement can be seen in this context.

Going ahead:

COVID 19 has presented an opportunity to redefine development processes in a sustainable way based on principles of equity and climate justice between nations. Mitigation measures like geo engineering and carbon sequestration are currently unable to address the challenge and are temporary measures. A complete altering of mindset with leaders displaying responsibility to cut emission is the only way we can address climate change. Only then we flatten the climate change curve of rising CO_2 concentration and temperatures.

Mains Question:

Q.1) What do you understand by climate change? Developed countries have reneged on their commitment to tackle climate change. Do you agree? Explain.   [15 marks, 250 words]

Lessons for a Human-Centric Development Model from Mahatma Gandhi and Lee Kuan Yew
Source: The Hindu

Context:

COVID 19 pandemic has resulted in economic downturn globally due to lockdown and restrictions on movement. This has triggered a crisis of unemployment. Migrant labourers are affected severely and India is experiencing a migrant exodus from cities to villages. Faced with returning migrants, respective state governments are trying to create jobs locally and provide home to their citizens.

For designing policies to promote jobs, states should study the human centric model of Lee Kuan Yew which was used in making SIngapore developed nation and Gandhiji's model of 'Poorna Swaraj'.

Developing Singapore:

Lee had a clear vision of making Singapore a developed country by raising per capita incomes of its citizens to the same levels as in other advanced economies. This is a different vision from GDP based development model and globalization which privileges migrant capital over migrant labour. In Lee's vision, citizen centricity is the prime principle..

In pursuance of this vision, steps taken to boost investment are:

1. Branding Singapore as a strategic location due to proximity to shipping lanes between East and West. Also cheap labour of ASEAN is an attraction to MNC's.
2. Policy measures of low taxes, world class infrastructure, efficient administration was promised and delivered. These measures were to counter any flight of investment in response to increasing wage rates.
3. Investment companies were asked to invest in skill development of SIngapore citizens. This was to promote higher skilled employment and ensure per capita incomes rise.

Due to these, despite initial apprehension by investors, they invested in Singapore in line with this vision. This led to industrial development of Singapore.

Gandhi's vision of Poorna Swaraj:

Every Indian state is more complex than Singapore (a city state) with villages and cities with large populations. India lives in its villages and now migrant labourers are returning to these villages. These villages have to be empowered to create jobs for returning migrants.

Gandhiji's 'Poorna Swaraj' envisages a free India where Indian villages have economic and social freedoms. Political freedom from British was only the first step. Gandhiji understood the social and economic problems of Indian villages better than many economists. He saw potential Indian poor to contribute to Indian economy rather than viewing them as expendable labour. He believed the economy must serve human needs rather than human beings becoming fodder of GDP. This is similar to Lee Kuan Yew's Singapore model in privileging per capita incomes over GDP.

Pursuing a human-centric model:

Humans are not tools to produce returns for investors; rather, money is a tool to produce benefits for humans. Every citizen deserves jobs, livelihoods and dignity of life. Hence the test of public policies must be based on what is good for people rather than what is good for GDP or investors.

Principles of Gandhian economics can be pursued under this human centric model. They are:

1. Human beings and local communities are means to progress and hence progress must have purpose of human well being

2. Governance must be strengthened at local levels of villages and cities
3. Wealth is good and wealthy people are trustees of the wealth of communities and not owners of the wealth.
4. Cooperative capitalist enterprises with workers as owners to reduce alienation of workers.

Conclusion:

World has been 'degloablising' since the 2008 Global financial crisis. COVID 19 has accelerated it. In the face of disrupted supply chains and barriers on movement of people, localization has become the new norm. In such a highly disrupted world, India is at a crossroads where we can choose between GDP based development model or more humane Gandhian approach of development. Human centricity must be pursued to achieve Sabka Saath, Sabka Vikas, Sabka Vishwas.

Mains Question:

Q.1) What is Poorna Swaraj as per Gandhiji? In context of COVID 19 pandemic, how can India use this concept to pursue inclusive development?   [15 marks, 250 words]
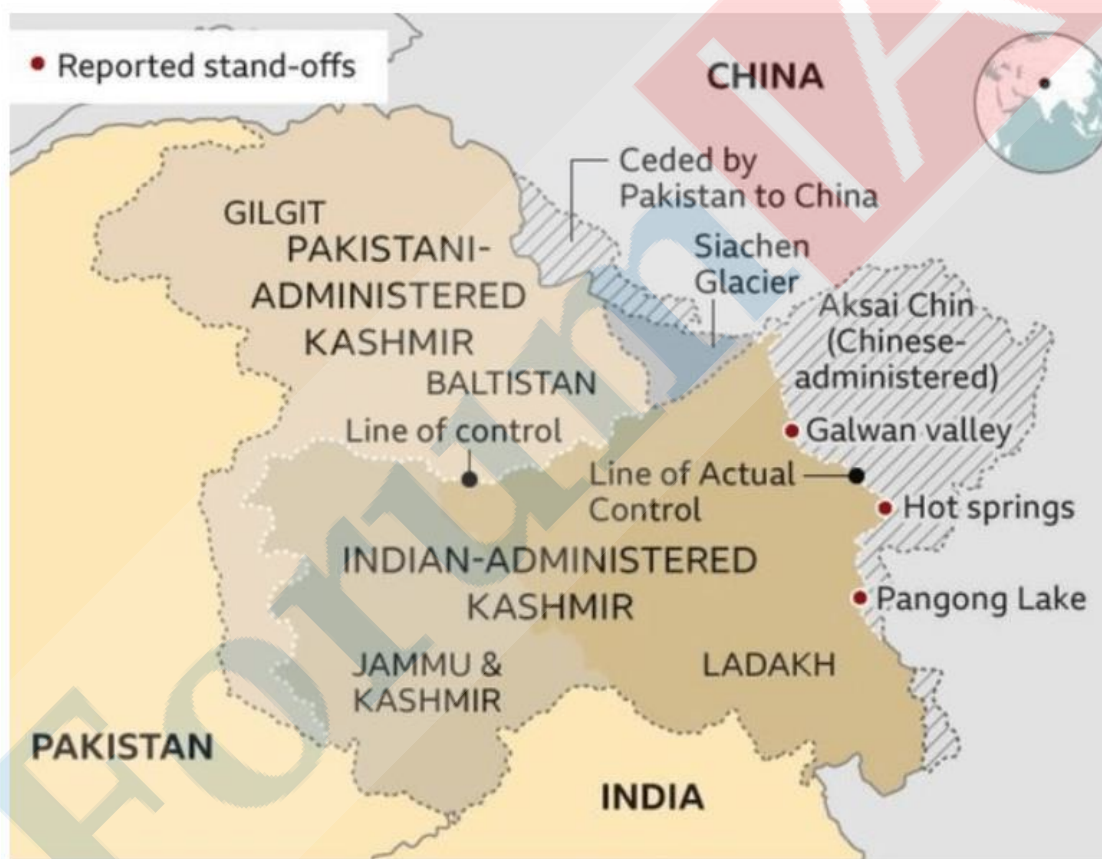
Reasons for India -China LAC standoff and why remaining Non Aligned is good advice
Source – TheHindu

What has happened:

India and China are involved in standoff at Line of Actual Control (LAC) and Sikkim sectors which threatens to result in a major conflict. This main skirmish is happening in the region – Pangong Tso (Lake), the Galwan valley, the Hot Springs – Gogra area (all in Ladakh) and Naku La in Sikkim Sector. The major reason for the present standoff is India building Darbuk-Shyok-Daulat Beg Oldi road near the LAC, which has angered China. To diffuse the standoff, talks at the level of military commander has been held and they have reiterated that both sides are involved in 'partial – disengagement'. India has demanded the restoration of status quo ante which existed in Mid – April 2020.

The article explains the various reasons for the escalation of Chinese assertion in the LAC and what can India do to reduce the tension. The article argues that India must truly remained non – aligned.

Reasons for the Chinese assertion at LAC

Four reasons have been provided for China's actions:

Firstly, the geopolitical factors have contributed to it. India's perceived tilt towards USA orbit of influence which is more pronounced in the domain of US – China relations. Several instances confirm the perception that India tends to side with the U.S. and against China whenever there is a conflict of interest between the two. For example – geopolitical convergence between US and India in Indo – Pacific, India being a member of QUAD, possible expansion of G-7 to include India but exclude China. China is wary of increasing proximity between India and USA and have said that India need to maintain equidistance with USA and China.

Other countries are seeing India as an counter weight to growing China. This is also creating an impression of alignment of India with anti-China sentiments in other countries, which China clearly perceives as provocation

Secondly, Increase in bilateral tension between India and China. India' actions such as a) opposition to Belt and Road Initiative (BRI), China Pakistan Economic Corridor (CPEC) b) India's assertion in Gilgit Baltistan c) recent curbs and restriction on Chinese Foreign Direct Investment d) rising anti-China propaganda has angered China.

Thirdly, Impact of China's Internal Dynamics. China' behaviour is impacted by internal pressure that have been generates in China due to handling of COVID-19 crisis at home. It is the most serious health crisis in China since 1949.

Fourthly, Economic Pressures. Chinese economy is seeing downturn. There has been a tide of rising anti – China sentiment world over and there has been demand for relocation of Global Supply Chain outside China. It is being argued that Chinese leadership may have taken these stand to divert attention from the domestic economic pressures.

Conclusion

Both India and China must avoid any issue which may lead to wider conflagration. India must not be seen as the front end of a belligerent coalition of forces seeking to put China in its place. It is advisable that India remains truly non-aligned and not become part of any coalition that would not be in India's long-term interest.

Mains Practice Question

Q.1) Critically analyze the factors for the recent India – China LAC standoff. What options India have to diffuse the tension?   [15 marks, 250 words]

Breakdown of Police – Public Relations and How Community Policing May Be a Solution
Source: LiveLaw

What has happened:

The police killing of George Floyd, an unarmed Black man in Minneapolis, USA, has prompted one of the greatest civil uprisings of the modern day. The central narrative of the incident is racial discrimination and cruel attitude of police towards general public.

In the past few months, Indian police too have remained in news for its wrongfully handling of anti-CAA protests, riots in Delhi and the marching migrants across India during COVID-19 times.

There is a growing distrust between the public and police. However, in the times of COVID-19 pandemic, police has a role of not just law enforcing agency but also as a service provider and enabler. It is therefore necessary to improve public-police relation.

Growing distrust between police and public:

According to a study conducted by Centre for the Study of Developing Societies (CSDS) in 2019, the poor, marginalized, minorities and women tend to fear and feel alienated from the police. More than half of the respondents in the study felt that police treats rich better than the poor. This shows that the poor and marginalized have a feeling of discrimination. It was also found that there is a decrease in representation of SC/ST, OBCs and minorities in police force.

The general public has fear of police on the perception of police being discriminatory and oppressive in behavior. Often, abuse of power by police further erodes the public's trust in police.

Various Recommendations:

Since Independence, various committees and commissions have recommended the urgency of police reforms in India. Some of these are:

- **Second Administrative Reforms Commission Report (2006):** The report found that police-public relations are in an unsatisfactory statebecause people view the police as corrupt, inefficient, politically partisan and unresponsive.
- **Second report of the National Police Commission (1980):**The report recommended that the police should duly recognize, and be trained and equipped to perform the service-oriented role in providing relief to people in distress situations.
- **SC's judgement in 'Prakash Singh & Ors vs Union of India' (2006):** SCordered the centre and states to set up authorities to lay down guidelines for police functioning, evaluate police performance, decide postings and transfers, and receive complaints of police misconduct. The court also required that minimum tenure of service be guaranteed to key police officers to protect them from arbitrary transfers and postings.

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

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 (e.g., officers in charge of a police station and district) within the state forces, and the Chiefs of the central forces to protect them against arbitrary transfers and postings.
- 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.

Community policing as a solution:

Practically, Police cannot operate effectively without wiling co-operation and support of the very public, whom it is entrusted to serve, defend and protect. Police often require citizen involvement, public participation and community relations for effective discharge of their duties. Thus, improving relations between public and police is pivotal for effective policing.

One of the ways of addressing the challenge of public-police distrust is through the **community policing model**. It is policing in active consultation, cooperation and partnership with community at large. Community policing requires the police to work with the community for prevention and detection of crime, maintenance of public order, and resolving local conflicts, with the objective of providing a better quality of life and sense of security. It may include patrolling by the police for non-emergency interactions with the public, actively soliciting requests for service not involving criminal matters, community based crime prevention and creating mechanisms for grassroots feedback from the community.

Some of the examples of community policing in India are:

- **Janamaithri Suraksha in Kerala** was introduced in 2008 to facilitate greater accessibility and closer interaction between police and local community. In Covid times, through this project, the policemen were able to reach out to large parts of community for monitoring, contact tracing, reaching out to senior citizens and creating health and hygiene awareness.
- **Meira Paibi (Torch-bearers) in Assam**: The women of the Manipuri Basti in Guwahati help with improving the law and order problem in their area, by tackling drug abuse among the youth. They light their torches and go around the basti guarding the entry and exit points, to prevent the youth of the area from going out after sunset.

- ▪ **In Delhi, the Special Police Officers (SPOs)**have acted as a bridge between the police and community since the 1980s.

Various other community policing models such as Rajasthan through 'Joint Patrolling Committees', Tamil Nadu through 'Friends of Police', West Bengal through the 'Community Policing Project', Andhra Pradesh through 'Maithri and Maharashtra through 'Mohalla Committees'.

Community Policing becomes more important during the current COVID-19 pandemic, where active involvement of community can help the police in better discharge of their duties.

Caution about expanding community policing efforts:

Community Policing should not lead to vigilantism and mob justice. For example, the experiment of 'Salwa Judum', which involved arming of local tribal youth to fight Naxals in Chhattisgarh should be kept in mind. In 'Nalini Sundar & Ors vs State of Chhattisgarh' (2011), the Supreme Court rightly ordered ceasing of the programme and held it to be violative of Article 14 and 21 of the Constitution.

Conclusion:

Police-public relations are an important concern in effective policing. At present when the police at the frontline fight with COVID-19 pandemic, they need support and cooperation of public. From law and order and crime centric approach, there is need to shift towards service oriented, public themed approach that facilitates community policing and greater trust.

Mains Practice Question:

Q.1) What is Community-Policing? How does the Community-Policing helps in bridging the gap between Public-Police relations?   [15 marks, 250 words]

CAN INDIA DE-COUPLE ITSELF FROM CHINESE MANUFACTURING?
Source: TheHindu

CONTEXT

The overdependence of medical equipment during COVID-19 Pandemic on China and the recent border clashes with it in the Galwan valley in Eastern Ladakh has reignited questions about India's dependence on Chinese manufacturing. India's imports from China in 2019-2020 reached $65 billion, out of $81 billion two-way trade.

Is this Pandemic a 'blessing in disguise' for Indian manufacturing? How well is India equipped to attract the companies that are relocating itself from China? Can Indian manufacturers free themselves from the deeply integrated supply chains with the manufacturing juggernaut China?

How far has the 'Make in India' initiative reduced India's dependence on China?

Make in India initiative aimed at strengthening the manufacturing ecosystem of India. It's a quest for a self-reliant India, which strongly relies on a thriving domestic industry which is local but acts globally, and is an integral part of global supply chains. Despite this initiative, our dependency on China has actually gone up in the last five years. India exports a lot of raw materials and intermediate products, and imports finished products from China.
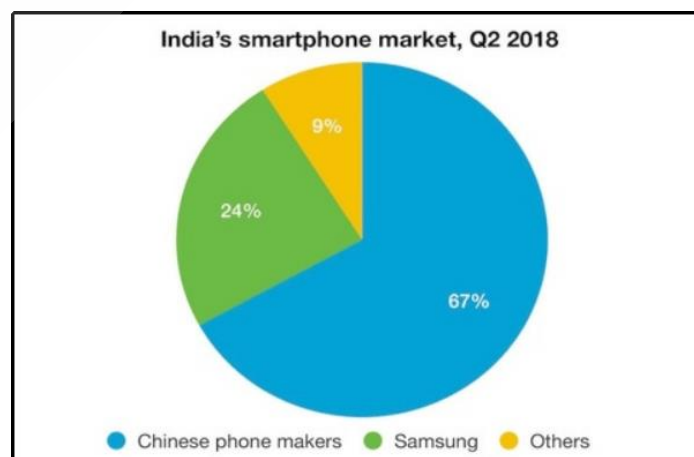
Our dependence on China is huge mainly because:

- China is by and large widespread across different concentrations Example: China is one of the top sources of critical medical supplies for frontline healthcare workers in the COVID-19 battle.
- There is not a wide diversification of countries from which India sources its imports because there isn't a very widely diversified source of countries from which India can actually import.

Therefore, it's going to be a difficult choice for India to get out of this dependence and search for alternative partners.
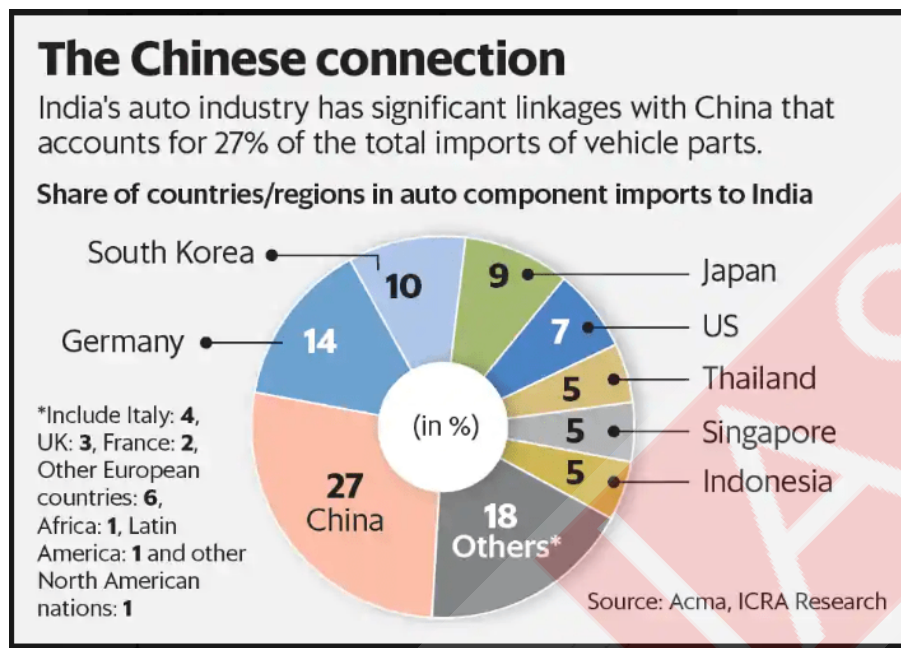
Concentrations and key sectors where dependency is acute on China:

- Capital Goods: India imports a wide variety of machineries, including electrical machinery, semiconductor driven machinery, etc.
- Fertilizers, organic chemicals and active pharmaceutical ingredients (APIs): India imports 70% of its API's from China.
- Medical Equipments: Personal protective equipment (PPEs), testing kits, humidifiers, medical masks, liquid soap, etc.
- Electrical and electronics industry:

India's smartphone market, Q2 2018

- Chinese phone makers 67%
- Samsung 24%
- Others 9%

- Automobile industry: About 27% of the roughly $17.5 billion worth of component imports into India comes from China, according to rating agency ICRA Ltd.

The Chinese connection
India's auto industry has significant linkages with China that accounts for 27% of the total imports of vehicle parts.
Share of countries/regions in auto component imports to India

South Korea ● 10
Germany ● 14
*Include Italy: 4, UK: 3, France: 2, Other European countries: 6, Africa: 1, Latin America: 1 and other North American nations: 1
27 China
18 Others*
(in %)
Japan 9
US 7
Thailand 5
Singapore 5
Indonesia 5
Source: Acma, ICRA Research

Can India replicate what China did in the 1990s?

China followed a global market-driven industrialisation strategy and an export-driven strategy in the 1990s to restructure its manufacturing ecosystem. But after the Global Financial Crisis in 2008, global value chains have in fact become more local. Countries are depending more on their own economies rather than on global markets. Thus, the strategy that China followed, when a large part of the demand came from global markets is difficult to replicate in the present era of protectionism and de-globalization.

Will industries on a large scale relocate itself from China to India?

China is central to a very large number of global and regional supply chains. It is because:
- China offers the capacity to businesses to develop the supply chains by considerable lengths within itself because of its geography and broad-basing of different sectors.
- China's biggest value comes as a final stage assembler.
- China continues to remain a major source of the final demand market.

Post COVID-19 situation, the emphasis on the part of businesses is to make these chains shorter, more resilient, more durable, and locate them closer to the final demand markets. As a result of which, shifting physically supply chains out of the Chinese geography and it's connected arms i.e. Hong Kong and Taiwan — is going to be pretty difficult because the geography offers agglomeration advantages, moving back and forth across borders and offering integrated facilities.

Therefore, it's doubtful that India will actually see substantive supply chain relocations out of China.

Policy priorities to attract industries to India

Despite being an open economy and offering attractive terms to foreign investors, there is a huge gulf between the FDI inflows between China and India. Priorities are as follows:
- Skill Sets: Major FDI inflows are in service sectors because of acknowledged skills. Manufacturing lacks similar skill sets.

- Infrastructure: To overcome locational advantage of China, India needs to provide 24*7 electricity supply, ports with state of the art technology, etc.
- Productivity of workers: Wage rates are lower in India than China but it's actually productivity-linked wages that matter, and productivity in India is pretty awful.
- Land Acquisition: Government has a huge land bank acquired under special economic zones policy and thus needs to be streamlined.
- Red-Tapism: To further move up the ladder in the World Bank's Ease of Doing Business Index, red-tapism needs to be eliminated.
- Rationalization of Labour laws: Government of India must strike a balance between the right of labours and flexibility in labour laws for industries

Why are South-East Asian economies attracting industries in huge numbers?

Economies like Vietnam, Malaysia, Thailand, Cambodia or Bangladesh are competing for a slice of the pie of the relocated supply chains. There is a cultural commonness in business practices across regions that we can find in China, Japan, Korea, and large parts of South-East Asia, the emphasis on settling disputes through dialogues, the emphasis on informal consultations, as opposed to what we see in India.

Despite having small markets, they have the ability to provide access to other markets in a far more effective fashion. Example: Vietnam concluded a free trade agreement with European Union, which will offer two advantages: relocated firms can take advantage of the European market and they can also export back to China. Along with that, they have the advantage of the greater ASEAN and Asia-Pacific region.

Role of trading agreements for India to become lynchin in global supply chains

WTO is the best set of rules for global trade as well as regional trade. Unfortunately, due to the issues in functioning of WTO, member countries have moved on to pursue regional agreements and bilateral agreements. RCEP got concluded without India.

India is aiming to work towards relocation of supply chains with like minded partners, countries like Japan, Korea, Vietnam, which are all members of RCEP. These partners have a completely different sub-regional trade understanding and they will follow the rules of origin as per the RCEP agreement. This leaves little space for India to become the lynchpin.

Conclusion

India must understand the difference between reducing dependency on China, and reducing dependency on the rest of the world. Reducing dependency on the rest of the world is an approach that will drive India up the road of economic nationalism. Following the path of import substitution will lead to the path of autarky, which surely India is not talking about.

India must strike a balance between trade agreements and indigenization of products. Policymakers must not send conflicting signals to the investors. The policies have to be transparent, predictable and consistent.

Mains Practice Question

Q.1) Account for dependence of India on imports from China in key strategic sectors. Suggest measures to improve self-reliance/ lowering dependency on China in these sectors.

[15 marks, 250 words]

TEXTILE SECTOR NEEDS A VISION AND MISSION
Source: TheHinduBusinessline

The Idea of Self-Reliance

The Government of India has embraced 'atma nirbhar' or 'self-reliance' as a development strategy to reboot the Indian economy. It is about tapping India's inherent strengths to emerge stronger as a nation, economically and otherwise. The larger vision of a 'Atmanirbhar Bharat', thus, is not just import substitution but to build capacity for manufacturers in India to dominate the global market.
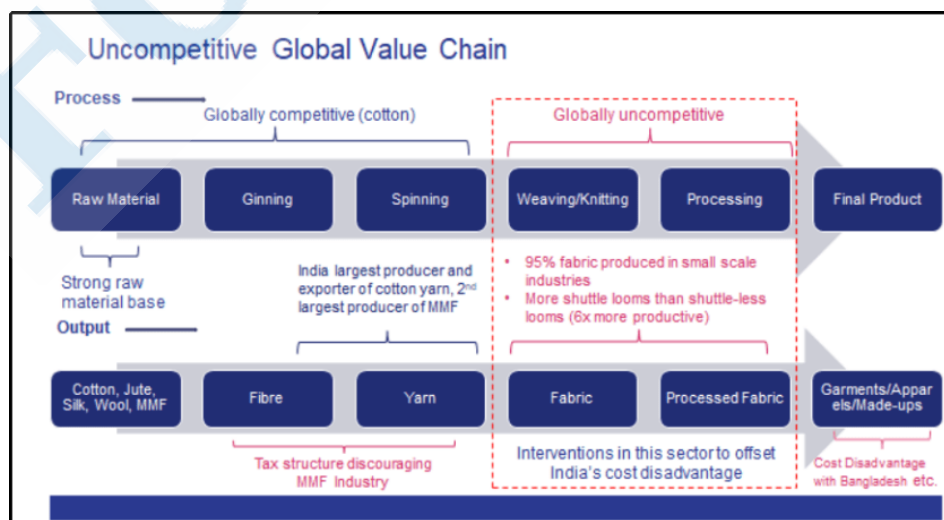
The idea of 'Atma Nirbharta' i.e. Self-Reliant can succeed only when requisite focus and attention is given on those sectors that are already self-reliant and are on a take-off stage to dominate the global market. The Textile Sector is a case in point.

Why is the Textile Sector important?

- **Abundance of Raw Materials:** It is the largest producer of cotton, accounting for 25 per cent of the global output. It is also the second largest producer of man-made fibres — polyester and viscose.
- **Agglomeration advantage of the entire value chain:** Its inherent and unique strength is its incomparable employment potential owing to the presence of the entire value chain from fibre to apparel manufacturing within the country.
- **Employment generation:** It is the biggest employer after agriculture and provides direct employment to 4.5 crore people and another 6 crores in allied sectors.
- **Labour Availability and Market:** Labour availability is plenty and, most importantly, a strong domestic market exists.
- **Potential for Social Transformation:** India needs to generate jobs that pay well, provide social protection to workers, support efficient production for export markets, and hold the potential for social transformation.
- **Foreign Exchange Earnings:** India is the second-largest manufacturer of textiles and clothing in the world. India is also the second-largest exporter of textiles and apparel with a share of 5% of global trade. This sector accounts for seven per cent of India's manufacturing output, two percent of GDP and 12 percent of exports worth $40 billions.

Overview of the Textile Value Chain

Textile sector includes cotton, jute, silk and woolen textiles. While India has the advantage of the entire value chain in the industry, currently the value chain is uncompetitive. The figure below from NITI Aayog indicates the current status of textile value chain (GVC) in India:

Challenges in the Textile Sector

- **Lack of Scale:** While India's spinning capacity is of a global scale, the same cannot be said about weaving and apparel making. In fact, apparel units in the country have an average size of 100 machines. Compare this with Bangladesh which has on an average of at least 500 machines per factory.
- **Fluctuation in Availability of Raw Materials:** Vagaries of monsoon affects the productivity in rainfed cultivation areas. Severe competition from other crops due to MSP further deters the farmer from growing jute.
- **Skewed Policies:** GST on cotton is uniformly 5 per cent for fibre, yarn and fabric. But not so for man-made fibres (MMF), which are taxed at 18 per cent for fibre, 12 per cent for yarn and 5 per cent for fabric. This inverted tax structure makes MMF textiles costly. This explains why it accounts for just $6 billion of the $39-billion textile exports. But 72 per cent of the global textile fibre consumption is MMF.
- **Problem of Contamination**: High contamination level and poor quality of fibre, both in fineness and length, are major concerns that need focused attention. Pests attack like bollworm attack on cottons further decreases the quality.
- **Obsolete Technology:** Approximately 95% of the weaving sector in India is unorganized in nature.
    - It has challenges such as inadequate know-how, low focus on research, innovation in new product development and low technology upgradation.
    - Further, low productivity and automation levels also remain one of the biggest woes for the weaving industry.
    - In terms of technology adoption in the weaving sector, India has only 2% share in global shuttleless looms (i.e. modern looms) installed capacity.
- **Stagnating Exports:** The share of textiles in India's overall exports has declined from 15 per cent in FY16 to 12 per cent in FY 19. Relatively newer entrants like Bangladesh, Vietnam and Cambodia have gained substantially during this period. On the other hand, India's apparel exports declined from $18 billion in FY17 to $17 billion in FY19.
- **Lack of Trade Agreements:** Preferential Trade Agreements, including FTAs, help gain duty-free access to large textile markets such as the EU, Australia and the UK which, otherwise, levy 12-14 per cent import duty. They will help Indian players counter Bangladesh, Vietnam, etc. India's FTA negotiation with the EU, Comprehensive Economic Cooperation Agreement with Australia and FTA with the USA have been in limbo for years. FTA with the UK after Brexit will face much more difficulties.

Competition from Other Economies

- **China:** China has a substantial share of 51% in cotton fabrics when compared to India's 5%–6%.
- **Bangladesh:** Bangladesh imports are highly competitive because it gets duty free access due to its 'least developed country' status. Recently, China through its economic diplomacy have waived off tariffs on 8256 products of Bangladesh. Bangladesh's apparel exports have risen from $26.60 billion in 2015 to $33 billion in 2019.
- **Vietnam:** Vietnam has increased its global export share of cotton yarn from 5% in 2012 to 15% in 2016 and has grown to become the third largest apparel exporter in the world. Vietnam has signed an FTA with the EU and its apparel exports will also suffer no duty from September.

Government Initiatives in the Textile Sector

- **National Handloom Development Programme:** Scheme will follow need based approach for integrated and holistic development of handlooms and welfare of handloom weavers.

- **Amended Technology Upgradation Fund Scheme (ATUFS):**The objective of the scheme is to facilitate augmenting of investment, productivity, quality, employment, exports along with import substitution in the textile industry and also to indirectly promote investment in textile machinery manufacturing.
- **Scheme of Fund for Regeneration of Traditional Industries' (SFURTI):**Financial support is being provided for setting up of traditional industries clusters viz. Khadi, Coir & Village industries clusters.
- **Scheme for Capacity Building in Textile Sector (SAMARTH):**It aims to skill the youth for gainful and sustainable employment in the textiles sector covering the entire value chain of textiles, excluding spinning and weaving.
- **PowerTex India:**To avoid fluctuation in yarn price, government has launched a Yarn Bank Scheme as one of the component of PowerTex India
- **Scheme for Growth and Development of Technical Textiles:**It aims to set up centers of excellence for infrastructural support.
- **Solar Charkha Mission:**It is an enterprise driven scheme and envisages setting up of 'Solar Charkha Clusters' which will have 200 to 2042 beneficiaries (Spinners, Weavers, Stitchers and other skilled artisans).

Recommendations

- **Promotion of Exports through FTA's:**The government should look through the prism of 'atma nirbhar' to adopt an appropriate 'give and take' policy and sign the FTAs. Job creation can be an important metric. Every $1 billion increase in textile exports adds 1.5 lakh jobs.
- **Expanding Weaving Capacity:** The weaving sector is the backbone of the textile industry. On the one hand, promoting the weaving industry gives impetus to the domestic spinning industry and on the other, it makes our garment' sector globally more competitive.
- **Investing in Technology Upgradation:**To ensure rapid transformation of the weaving sector in India, under Amended Technology Upgradation Funds Scheme (ATUFS) of the Government of India, the weaving sector may be considered to get capital subsidy at par with garmenting and technical textiles.
- **Promotion of Cooperatives:**Cooperative societies must be promoted and strengthened in rural and semi-urban areas where there is large concentration of handloom weavers.
- **Diversification of Textile Products:**During COVID-19, the textile firms produced personal protective equipment worth 10,000 crore from zero. Technical textiles further needs to be promoted.

Conclusion

India needs a fresh blueprint for the textile sector. Once that is drawn up, the country needs to move into mission mode to achieve it. 'Atmanirbharta' will not be possible if the government fails those sectors that are already self-sufficient and capable of dominating the global market.

With focused interventions in this sector, we might enhance its performance in terms of more investment, employment generation and export earnings.

Mains Practice Question

Q.1) Analyse the issues being faced by the textile sector in India. Suggest measures to address them.   [15 Marks, 250 words]

The Transforming Landscape of Dispute Resolution: Online Mediation and COVID-19
Source: [LiveLaw](#)

Introduction
COVID-19 Pandemic has brought unimaginable challenges and suffering in the society. To cope with it, businesses have embraced digital technologies and work from home culture.

This has brought unique set of challenges such as businesses/people might find themselves unable to fulfil their obligations which were consented to without the contemplation of the existence of a pandemic. This will inevitably lead to dispute and thus arises the importance of online mediation.

What is Online Mediation?
Mediation is a procedure in which the parties discuss their disputes with the assistance of a trained impartial third person(s) who assists them in reaching a settlement.

The dispute may either be pending in a court or potentially a dispute which may be filed in court. Cases suitable for mediation are disputes in commercial transactions, personal injury, construction, worker's compensation, labour or community relations, divorce, domestic relations, employment or any other matters which do not involve complex procedural or evidentiary issues.

Online mediation refers to a non-adjudicative method of mediation where parties to a dispute do not have to be present at the same location.

Why is the need for Online Mediation in the times of COVID-19?
- Courts have started hearing matters through Video Conferencing but it is limited to small number of important and urgent cases. Given the nature of backlogs, it would be impossible for courts to speedily dispose cases through Video Conferencing. Thus, online mediation amongst other forms of Non-Adjudicative Online Dispute Resolution (ODR) services assumes prominence for speedy dispute resolution.
- It is cost-effective.
- Almost 40% of India's population have access to internet and 'Digital India Campaign' further aims to increase the internet outreach. Everyone with access to a device with an internet connection can have access to ODR services.
- Online dispute resolution (ODR) has the potential to ensure that justice is truly available for all and does not exclude people on the basis of their geographical location, literacy and economic status.

Benefits of Online Mediation
1. **Time Efficiency:**The most apparent benefit of online mediation is the fast pace with which it can offer solutions to complex disputes.
   - It not only beats litigation in terms of speed but also traditional physical mediation, due to no requirement for travel to a common destination.
   - Different people can present their part of the stories at different points of time and not have to be present at the same place at the same time for the process.
2. **Cost Efficiency:**It eliminates the cost associated with travelling and decreases the cost of litigation owing to a lesser time consumption to resolve the dispute. There is also no loss of income or livelihood due to vast amounts of time investment in the trial.
3. **Easy Storage of Data in Digital Form:**Paper-format involves huge amount of space for storage, difficulty in navigation through files, fear of destruction during environmental hazards and lack of data back-up in case of any unforeseen circumstances. Online mediation provides a much more efficient alternative by storing data in a digital format and thus eliminates all these grave issues.

4. **Choice of Language:** Due to globalization and vast cultural differences around the world, disputes have arisen between people speaking different languages. The recent technological advancements of translation software provide online mediation an opportunity to conduct its proceedings in any number of languages that parties are comfortable with.

Challenges faced by Online Mediation

1. **Lack of Personal Touch:** Alternative dispute resolutions such as mediation, arbitration, reconciliation, etc. were created to facilitate personal interaction instead of lengthy litigation process that involves numerous players. ODR mechanisms involve interaction through digital medium and poses following problems:
   - It lacks face to face interaction and does not allow parties to know the various characteristics of the opponent, which is critical to crack the best possible deal.
   - Lack of direct communication often makes the parties uncertain about the legitimacy of such dispute resolution mechanisms.
   - It creates psychological barriers in reposing trust in the mediator as mediator merely becomes a superficial presence.
2. **Issue of Confidentiality:** The major issue of solving disputes online is that it creates digital footprint. Cyber security concerns may hinder the development of open and honest exchanges in online mediation especially in matters that involve business secrets and personal family issues.

Need for Dedicated Online Platforms for Online Mediation

In ODR, there is a need for customised online platforms which can implement the entire process seamlessly. Processes such as:
   - Sending invitation to mediate.
   - Signing the agreement to mediate.
   - Conducting and Scheduling sessions.
   - Exchanging communication and signing of settlement agreement.

Since, there is no physical interaction in ODR, technology is deemed to function as the 'fourth party' and acts as a 'Digital Administrator'. Customised platforms include the mechanism for Assisted Negotiations, Automated Negotiations and Online Mediation.

Issues with Dedicated Online Platforms

   - **Right to Privacy:** Digital footprints getting stored may leak out leading to violation of Right to Privacy. In recent times, safety regarding the Zoom Video Conferencing have surfaced as a major hurdle in confidentially conducting online mediation.
   - **Right to be Forgotten:** After successfully conducting online mediation, the parties must have the rights to get their digital footprint deleted from the servers.

Therefore, in order to avoid such safety concerns, parties must use customised and dedicated online platforms of certified and trusted mediation institutes where after the completion of the session, the association takes the responsibility of erasing the relevant data.

For instance, the Indian Institute of Arbitration and Mediation has established the 'Peacegate' App which follows all the required to ensure safety and confidentiality.

Conclusion

It is unclear as to how long the pandemic will last and therefore it is important that a safe, cost effective and convenient method of online dispute resolution is defined.

Therefore, it's high time for professionals from IT industry and dispute resolution professionals come together to innovate and invent some of the most effective dispute

resolution tools that can be an answer to the current problems of dispute resolution. The mediators must recognise the importance of the use of technology and should make the most out of it.

Question

Q.1) Critically analyse the role of technology in alternative dispute resolution methods like mediation and suggest measures to overcome the challenges faced in online mediation?

[15 marks, 250 words]