

7 PM COMPILATION

16th to 30th December, 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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Why antitrust lawsuits are being filed repeatedly against tech giants like Facebook?

The issue of anti-competitive practices by Tech giants has come into the light again as recently, an antitrust lawsuit was filed by the Federal Trade Commission (FTC) and governments of 48 US states against the tech giant Facebook, accusing it of crushing smaller competitors by abusing its dominant market position. Specific instances of acquisitions of WhatsApp and Instagram by it have been cited.

In October 2020, an antitrust lawsuit was filed against Google for misusing its dominant position as a search engine for favouring its own content in search results and entering into agreements with other companies like Apple, to make it the default search engine on devices.

What are the anti-competitive activities of tech giants?

A report from top **Democratic congressional lawmakers** about the dominance of the four biggest tech giants—Amazon, Apple, Facebook, and Google—talks about antitrust activities by them.

Tech giants are involved in the wrong means (Like the acquisition or suppression of competition) in order to make additional profits by gaining too much power over similar businesses resulting in an unequal playing field for other business entities.

For example, Facebook recently tried to take a competitive edge over Twitter by shutting down its API access for Twitter's short video app, Vine, and restricting its ability to grow. Tech giants resort to antitrust activities like depriving access to their platform, discriminatory advertisement policies, breaching privacy, and unlawful acquisitions.

What are the impacts of anti-competitive activities by tech Giants?

Antitrust activities are in a way anti-competitive practices that have widespread negative impacts not only on competitors but also on the users:

- **For users**, antitrust activities may result in the availability of fewer options and weaker privacy controls.
- After gaining a dominant position in the market, WhatsApp and Facebook **eroded privacy protection** by changing the terms of service. It may result in the collection of all the private data and its hoarding that is becoming the biggest source of revenues and profits. Cambridge Analytica case is one such example in which Facebook data of Indian users was 'stolen' to allegedly influence the elections.
- It also results in **fewer choices left** with the consumers for services.
- Anti-competitive practices **discourage innovation in the market** as it incurs additional costs in surpassing the level of giants and competing with them.
- It **discourages ethical means** by other tech firms as those who are sidelining it are having a competitive edge over them, in absence of proper regulations.
- A dominant position in the market may create a monopoly, leading to higher prices and low-quality services **in the absence of a challenge from any other firm**.

Do Anti-competitive practices exist in India?

The antitrust lawsuits filed against Tech giants are very relevant for India as well, which is the base of 400 million users of WhatsApp and the largest single market for Facebook. Amazon has around one-third of the share of online retail in India. Most smartphones in India are Android-based, dominated by Google.

India as a country with a rising industrial base is not untouched by Anti-competitive practices which got amplified after the liberalization of the Indian economy in 1991. It resulted in the formation of the Competition Commission of India in 2003. Since its inception, till 31 March 2019, the CCI has noted 1008 instances of 'antitrust' matters. It has imposed penalties amounting to ₹13,381 crores Over the past 10 years.

Reports suggest that anti-competitive activities have resulted in unhealthy monopolies in the Indian economy. An analysis of 2035 listed companies across 298 industry groups shows that in 33% of all industry groups, there is one single company that controls over 50% of the net sales in the sector. For example;

- Bajaj Auto dominates the scooters and three-wheeler industry.
- Tata Motors has the most significant presence in light and heavy commercial vehicles.
- Oil and Natural Gas Corp. is the country's largest firm engaged in oil exploration.
- Facebook and Google together mop up 68% of India's digital ad market revenues, while Amazon and Flipkart serviced 90% of all e-commerce orders during the 2019 festive season.

Conclusion:

Thus, business activities plagued by anti-trust activities not only in developed countries like the U.S but also in developing countries like India. Ensuring fair balance, data regulation, and fair digital taxation are ways forwards for the regulating agencies to deal with these activities.

In India there is a need to give more power and capacity to the largely ineffective Competition Commission of India by enacting the Draft Competition (Amendment) Bill, 2020, to deal with such activities in Indian industries.

What are the implications of Initial NFHS-5 results?

This article on NFHS-5 results has been developed based on the Indian Express Article under the title **'Give children weight' that** appeared in the news on 17th December 2020.

Situation of Nutrition in India as per NFHS-5 survey and other measures

- As per the National Family Health Survey 2015-16 (NFHS-4), 35.7 per cent children below five years were underweight in India compared to Bangladesh (22 per cent) and Nepal (27 per cent). 38.4 per cent were stunted.
- Now as per early estimates of National Family Health Survey 2019-20 (NFHS-5), between 2015-16 and 2019-20, in 7 out of 10 major states for which data has been released, the proportion of underweight children increased.
- Present data estimates stunting in 36 per cent of children and 34 per cent of children are underweight.
- Some improvements have been seen in determinants of malnutrition such as access to sanitation, clean cooking fuels and women's status
- The Global Hunger Index 2020 report has given India the 94th rank among 107 countries, much behind Bangladesh, Pakistan, and Nepal.
- As per a UN-FAO report, 194 million people go hungry every day in India, comprising about 23% of the world's undernourished population.

What are the implications of NFHS-5 Survey estimates?

- Present data suggest that child nutrition in India has not progressed in last 5 years. Particularly, **stagnation of stunting rates is alarming**, as Height, unlike weight, cannot be reversed in short period of time and **becomes permanent after a certain age**.
- Stunting in childhood is associated with **serious impairments** later in life, including lower school achievements.
- Moreover, **present data represent the picture before the advent of COVID pandemic**. There is a high possibility that child nutrition has deteriorated as several surveys have pointed out severe food insecurity across India in 2020.
- As per the latest survey by **Hunger Watch**, 2/3rd of the respondents that are adults from India's poorest households were **eating less nutritious food today** than before the lockdown.
- **Mid-day meals in schools and anganwadis were discontinued after lockdown and not resumed yet**. Some of the states tried to make arrangement like distribution of cash or "take-home rations", but were not adequate.
- Prolonged closure of anganwadis and schools might have resulted in **massive disruption of routine health services** — including immunisation.

What are government initiatives for improving nutrition in India?

- **The Integrated Child Development Services** provides cooked meals and take-home rations to 100 million children under the age of six, as well as to pregnant and lactating mothers.
- **The mid-day meal programme** in schools takes care of the nutritional requirement of school-going children.
- **POSHAN abhiyan**: It is India's flagship programme to improve nutritional outcomes for children, pregnant women, and lactating mothers.

What are the criticisms against government policies?

- **Central budget for mid-day meals** (Rs 11,000 crore) is lower than what it was in 2014-15 (Rs 13,000 crore). Central allocation for ICDS is also lower today than it was six years ago.
- **Poshan Abhiyaan**, government's flagship programme for child nutrition, has been allocated a minuscule budget of Rs 3,700 crore.
- In many states, on the one hand, **political parties opposed inclusion of eggs** in mid-day meals and take-home rations, on another hand, **maternity benefit were restricted to one child per family** and Rs 5,000 per child against Rs. 6,000 per child under the NFSA 2013.

What should be done?

The present government needs to allocate more resources for improving the nutrition level among children. The budget should have been increased or kept at the same level.

- **Revival of present structure:** The forthcoming Budget, for 2021-22 should have adequate provision for increasing nutrition level in the country and Mid-day meals in schools and **Anganwadi centers must be revived** as soon as possible.
- **Nutritious products such as eggs with a fruit option** or such for vegetarians should be included in mid-day meals and take-home rations for young children and pregnant women.
- **Maternity benefits** must be extended to all children with an increase in benefits beyond outdated Rs 6,000 per child.
- **Upgradation of anganwadis:** ICDS programme must be upgraded and the manpower of 14 lakh anganwadis should be utilised in a way to **transform anganwadis into vibrant child development centers** at the village level as been done in some southern states along with states like Himachal Pradesh and Odisha.
- **Inclusion of pulses: World Food Programme (WFP)** includes 60 grams of pulses in its typical food basket, alongside cereals, oils, and sugar, and salt and according to the **Global Pulse Confederation**, pulses are part of a healthy, balanced diet and have been shown to have an important role in preventing illnesses such as cancer, diabetes, and heart disease. Thus, Pulses should be included in the PDS of India.
- **Access to finance and innovations:** Inclusive access to finance to strengthen and expand rural supply chains is also crucial. Small landholders need access to financial resources, technology, and innovation to ensure that the produced food reaches from farm to fork.

Present children are the future of our country and a healthy mind resides in a healthy body. As shown in the NFHS-5 survey, more than 1/4th of underweight children may prove to be the biggest obstacle in becoming a \$5 trillion economy within a few years. Global economic and military superpower and require urgent attention.

Right to Protest in India

Context: Supreme Court in its recent order stated that farmers have a constitutional right to continue with their protest.

More about judgment

- **Petition:** Order was delivered on the petitions seeking removal of farmers protesting at the borders of Delhi.
- **Order and suggestions**
 - Supreme Court in its order upheld the farmer's right to continue their protest in a peaceful manner as a constitutional right subject to public order.
 - No restriction will be placed in the exercise of such rights as long as it is non-violent and does not result in damage to the life and properties of other citizens.
 - SC suggested farmers to engage in talks with the government for positive conclusion and formation of an "impartial and independent committee" of experts in agriculture to hear both farmers and the Union government on the laws.

A few examples of important peaceful protests in India

- Power of peaceful protest was taught to the country by the father of the Indian nation, Mahatma Gandhi, against the mighty British Empire.
- People not only signed writ petitions but staged dharnas, held large public meetings, peaceful protests and demonstrations and even, for instance in Gandhi's satyagraha, launched civil disobedience movements.
- After Independence, many peaceful protest took place, but one of the biggest were protests during emergency in 1970s when democracy in India was threatened due to authoritarianism of government.
- Movements such as Chipko movement (1973) in the upper Alaknanda valley took place for forest conservation.
- During movement of Anna Hazare against corruption, thousands participated in the peaceful protests.

What are the Constitutional provisions ensuring right to protest?

The [right to protest](#), to publicly challenge and force the government to answer, is a fundamental political right of the people that flows directly from a democratic reading of various provisions of Article 19.

Right to Protest are protected under **Article 19(1) (a), Article 19(1) (b) and Article 19(1) (c)** of the Indian Constitution.

1. **Article 19(1) (a)** guarantees the freedom of speech and expression;
2. **Article 19(1) (b)** assures citizens the right to assemble peaceably and without arms.
3. **Article 19(1) (c)** assures right to form associations or trade unions

Reasonable restrictions: However, like other fundamental rights, right to protest is also not absolute and also subject to reasonable restrictions mentioned under Article 19(2) and 19(3) on the following grounds;

1. In the interests of the sovereignty & integrity of India,
2. The security of the State,
3. Friendly relations with foreign States,
4. Violation of Public order,
5. Decency or morality or in relation to Contempt of court, defamation or incitement of an offense

The grounds of restrictions based on **Violation of public order** can be reasonable only when there is evidence that protesters will incite lawless or disorderly acts and that such acts are likely to occur.

Section 144 and right to protest in India

- Time and again, to suppress the voice of citizens or for the legitimate reasons like controlling the violent protest, government has kept on using various tools available against protests and section 144 of Cr.PC has been biggest such tool.
- Section 144 authorises executive magistrates to pass “prohibitory orders” that restrict people from assembling at particular places to prevent breaches of public order, or the triggering of violence.
- Although law has been enacted to implement the reasonable restrictions, however Section 144 is framed in such broad and vague terms that it can be imposed by the executive anywhere to prevent the expression of dissent through public demonstrations and protests.
- **Judgments**
 - **In the 2012 Ramlila Maidan case**, the court held that the “perception of threat to public peace and tranquility should be real” for Section 144 to be used. The trigger cannot be “imaginary or a mere likely possibility”.
 - **In Mazdoor Kisan Shakti Sangathan v Union of India**, the Supreme Court held although recognised the right to protest and asked the government and police to frame guidelines but also held that the order to impose section 144 was not unconstitutional.

Supreme Court Judgements on Right to Protest:

- **Ramlila Maidan Incident vs Home Secretary, Union of India (2012)**: The Supreme Court had stated that citizens have a fundamental right to assembly and peaceful protest which cannot be taken away by an arbitrary executive or legislative action.
- **Mazdoor Kisan Shakti Sangathan (MKSS) vs Union of India(2018)**: In this case SC upheld the fundamental right to assembly and peaceful protest but ordered it to be regulated in such a way that they do not cause inconvenience to residents from Jantar Mantar road or the offices located there.
- **Shaheen Bagh Judgement**:
 - The court upheld the right to peaceful protest against a law but made it clear that public ways and public spaces cannot be occupied and that too indefinitely.
 - The right to protest in a public place should be balanced with the right of the general public to move freely without hindrance.
 - Fundamental rights do not live in isolation. The right of the protester has to be balanced with the right of the commuter and has to co-exist in mutual respect.

What is the significance of right to protest?

- Firstly, Right to protest is an essential element of democracy to bring about reforms and lead to the development of the country.
- Second, Protesting against injustice is not only a constitutional right of the citizens, but also their moral duty.
- Third, Active exercise of Right to protest ensures people’s role as watchdogs that constantly monitors government’s acts and ensure fairness in them.
- Fourth, it is the biggest weapon of people when government in a democratic country becomes unresponsive and refuse to listen to them.

Peaceful protest is a fundamental right and the lifeline of democracy, without which there would be very less accountability left with the ruling government and every citizen has to wait

for the election to vent out their anger against it. But reasonable restrictions are also very important so that peaceful protests do not turn into violent and lead to loss of lives and property.

However, it should not be made an excuse to suppress every form of protest as it is the prime duty of every government to protect the ideals of constitution.

ForumIAS

Why Indian Economy is slowing down?

What are the issues facing Indian Economy?

- COVID pandemic has pulled down the global economy and India's economy is one of the worst affected among them.
- **In the first quarter of the financial year (April-June), India's economy had contracted by an unprecedented 23.9%.** Whereas in the **second quarter, after a bit improvement, economy contracted by 7.5%**, less than the anticipation.
- With the result of 2nd quarter, India has slipped into the Technical recession, which requires economy to be negative or declining for two consecutive quarters or more.
- Although some economist argue that when growth rate is measured on quarterly basis, instead of year-on-year basis, India's GDP plunged 25 per cent in 2Q20 and recovered by 21 per cent in 3Q20. Thus, India's economy is not in the technical recession.

Before we move any further in this article to understand the causes behind slowing Indian Economy, first we need to understand the components of the GDP.

How to calculate GDP using Expenditure method?

Final goods and services produced in a country during a period of time are taken into account under expenditure method of calculating National Income or Gross Domestic Product. In this method final expenditure made by each stakeholder is taken into account.

Final expenditure is that part of expenditure which is undertaken not for intermediate purposes.

Following is the formula for calculating GDP by expenditure method;

$$\text{GDP} = \text{C} + \text{I} + \text{G} + (\text{X} - \text{M})$$

1. C (Consumption) represents the consumption expenditure by the households on Final goods and services, known as Private Final Consumption Expenditure (PFCE).

PFCE is the biggest component of the GDP and constitute around 55-57% of the GDP.

2. I (Investment) represents business investment on equipment. It includes **Gross Fixed Capital Formation (GFCF) and Inventory.**

- **GFCF** includes Investment made in the long-term assets by government and private sector and investment in residential units by business or households.
- **Inventory investment** includes investment for procuring raw materials and finished or unfinished goods.

Investment constitute around 30-32% of the GDP.

GFCF Includes investments from Government, Businesses and households. 25% of I is constituted by government investment (Centre, states and PSUs) and 35-40% each is that by the corporate (India Inc.) and non-corporate (MSMEs and household investment in real estate) private sector.

3. G (Government) represents sum of government expenditures on final goods and services including salaries, weapons, investments, etc., also known as **Government Final Consumption Expenditure (GFCE).**

It doesn't include the investment in financial products.

GFCE constitute around 10-12% of India's GDP.

4. X represents gross exports and **M represents** gross imports. Balance of both is called net exports.

What are the causes behind falling GDP growth?

Demand related issues (PFCE)

- Consumer demand is falling in urban India. **Sales of domestic cars and commercial vehicles are on decline even before COVID pandemic.** More than 2.1 crore individuals have lost salaried jobs due to the pandemic since April, and economists estimate the number to increase in future as companies struggle to run smoothly.
- While many of those didn't lose their jobs, saw their **salaries drastically reduced.**
- **Wage growth rate in rural area has declined to a new low.** 10 million more rural households are seeking MGNREGA employment per month since August compared to a year ago.

Effect on the GDP

- Fall in income of households is leading to drastic fall in aggregate demand for goods and services i.e. Private Final Consumption Expenditure (PFCE). **PFCE remains in the negative territory, at -11.3% in Q2. Private consumption demand, is the mainstay of the economy as it contributes around 55-60% of GDP.**
- Loans for households are although easily available after government stimulus package, but due to uncertainty of the future income and savings, people are apprehensive of taking loans at present.

Investment and supply related issues (GFCF)

- Growth rate in eight core sectors is sluggish. That means even if the demand is improving industries will not be in the position to meet those demands.
- As per All India Manufacturers Organization's June survey, about one-third of small and medium-sized enterprises indicated that their businesses were beyond saving.
- Unorganised sector, which is specifically dependent upon daily cash flows and lacking organised fund sources like loans and finance from the institutions, has been badly affected. This sector was already badly affected by demonetisation and GST, COVID pandemic has reduced the possibility of revival of many firms working in this sector.

Impact on the GDP

- Gross Fixed Capital Formation (as % of GDP) had been on a constant decline (except in 2018) between 2014 and 2019, falling from 30.1% to 27.4%. **In Financial year of 2020-21, GFCF was contracted by 7.3% in Q2, compared to 47.1% in Q1.**

Government expenditure related issues (GFCE)

- The central government's total expenditure (both revenue and capital) has been declining sharply since 2010-11. From a high of 15.4% of the GDP in 2010-11, the total expenditure has hit a low of 12.2% of the GDP in 2018-19.
- The capital expenditure component has dropped from 2% of the GDP in 2010-11 to 1.6% in 2018-19 and that of the revenue expenditure from 13.4% in 2010-11 to 10.6% in 2018-19.
- This decline in expenditure is driven by the government's priority to contain fiscal deficit.

Impact on the GDP

- Most worrying part for economy is a fall in government spending. Although government has announced stimulus package for revival of economy, but actual fiscal support has not been commensurate as expected. **Government-Fixed Capital Expenditure (GFCE) growth has declined by 22.2% in 2nd quarter after improvement of 16% in the first Quarter.**

Why government is not able to provide direct fiscal support?

- **Centre's net revenue (tax and non-tax) collection** for the first half of this fiscal is merely 27.3 per cent of the budget for the full fiscal year.
- **Center's capital expenditure** has registered a decline of 11.6 per cent. Capital expenditure is defined as the money spent on the acquisition of assets as well as fresh investments
- Market borrowings of both the Centre's as well as the states' have increased by 50 per cent year-on-year basis. Due to that India's public debt/GDP will likely reach around 85 per cent. High debt-servicing costs will further crowd out productive public expenditure.
- Central government fiscal deficit is also inflating.

Why there is a need of direct income support from the government?

Although government has announced stimulus package for revival of the economy that includes benefits for industries, poor people and MSMEs etc., however all these benefits may not be able to provide economy with the immediate boost required at this point of time;

- At times of slowdown in industrialised economies, there is idle productive capacity on the one hand and unemployed manpower on the other.
- Unemployment reduces the purchasing power capacity of the households, resulting in low aggregate demand.
- **Increase in Government expenditure or investment on infrastructure** lead to expansion of productive capacity and **generate long-term economic growth.**
- **While the infrastructure spending and reforms are critical to sustain medium and long term growth**, neither can boost near-term demand. A stimulus package focused on giving direct benefits to the middle-class could help alleviate the situation.
- **Increase in direct benefit transfers to people lead to immediate increase in aggregate** demand of household for goods and services. Increase in aggregate demand leads to fuller utilization of the existing productive capacity and employment generation.
- Thus, Fiscal spending (government expenditure), as against fiscal conservatism, is favoured because this can be mobilised quickly to deliver results in a shorter timespan while others need longer timeframes to get activated and deliver.
- Bank recapitalisation for increasing credit flow in the economy is another way to boost demand in the economy.

Way forward

Present time demands government to **discontinue its fiscal conservatism** approach centred on reducing its fiscal deficit. It is the time to boost the domestic demand by transferring direct benefits, as was done during the 2008 economic recession. Indian economy at that time proved to be resilient and performed far better compared to many developed countries at that time.

Private sector in India is not lacking funds as is the popular perception. It is the lack of confidence in the Indian economy and industries at present that investment in India are reducing. There are sufficient funds available for the government borrowings in the market.

WTO rules on domestic support and food security

This article on WTO Rules on domestic support has been developed based on the Indian Express Editorial “The food security bargain”.

Context: Present World Trade Organization WTO rules are not in to support food security and rural livelihoods in India and around the world.

With the initial results of National Family Health Survey (NFHS-5) between 2015 and 2019, it has become apparent that nutrition level in India is deteriorating. In these circumstances it has become a necessity for India to further strengthen its food delivery mechanism for the poor and vulnerable sections of the society.

Read more about NFHS survey – [Implications of NFHS-5 survey results](#)

But WTO rules and their discussion are creating hurdles in furthering food security programs in India and other developing nations. Farm subsidy notification

There is widespread consensus that the World Trade Organisation (WTO) rules should provide a necessary support for food security and rural livelihoods.

Read – [WTO Agreement on Agriculture](#)

What are the issues in WTO’s rules?

WTO rules on domestic support to agriculture, at present looks tilted in favour of developed countries. In 2018, during global trade war escalation US claimed India’s market price support (MPS) was above the permitted 10 per cent limit as per ‘de minimis provision’. US Economist Franck Galtier also pointed out 3 biases in the WTO rules;

1. **Firstly, using “external reference price” (ERP) instead of present data.** WTOs External Reference Price or ERP, for calculation of market price support (MPS) limit is set at 1986-88 level, even after global price hikes of 2007-08 and 2010-11.
2. **Secondly, using procurement (administered) price,** instead of domestic market price for calculation of support received by farmers.

Market price support for a product = (administered price at the farm gate – fixed external reference price) x eligible production

3. **Third, using total production instead** of actual procurement. There is no clarity on whether to country’s food grain production or the amount that has been procured by government. While India uses just the amount of grains procured by the government, US using total production of rice and wheat to raise its objections.

Other than above biases, there are other concerns of India as well.

4. **Fourth, US computes the MPS using the rupee as the currency** while India calculates the value in dollar terms.
5. **Fifth, Majority of the agri. Subsidies by developed countries** have been listed in the green box, as non-distorting. For Ex, 88% of farm subsidies by US has been listed in green box, resulting into increase in its farm subsidies from around \$61 billion in 1995 to \$139 billion in 2015.

Biswajit Dhar, professor at JNU, has rightly pointed out, “US has been subsidising its corporate agriculture to capture global markets while it targets the subsidies India gives to an overwhelmingly large share of small and marginal farmers.”

If domestic market prices are compared with international market prices using the Producer Support Estimate methodology applied by the Organisation for Economic Cooperation and Development (OECD), India’s support, turns out to be negative for the years since 2000-01.

Thus, there is a need for updating the rules so that it becomes more relevant considering the present global realities and requirements by incorporating following suggestions.

1. Firstly, the reference period for price calculation should be updated to an average of 2014-16 or 2016-18 price levels.
2. Secondly, support consumed by subsistence farmers themselves, instead of selling in the market MSP, should be excluded from the calculations.
3. Third, India has recently pitched for a new criterion based on the “**support per farmer**”, instead of **Aggregate Measurement of Support (AMS)**.
4. Fourth, a differential criterion should be developed for the countries having deteriorated social and health conditions so that they do not have to choose between the health of their people and export ban on them.

With the regime change in US, there are possibilities of increasing US involvement in WTO. Thus, to make it more meaningful, its rules should be updated so that it becomes more appealing and inclusive for the countries participating in it.

India – Nepal relations- Present challenges and solutions

India – Nepal relations– Present challenges and solutions

Sources: Pax Indica, [The Diplomat](#), [RSTV Big Picture](#)

This article on India Nepal relations – present challenges and solutions has been developed based on The Hindu editorial “Nepal in turmoil”.

India and Nepal share a unique relationship, both of them share friendship and cooperation underpinned by linguistic, cultural and civilizational links, along with a wide range of commercial and economic ties, and above they are linked with extensive people-to-people contacts.

Historical relationship between India – Nepal:

Firstly, the bedrock of the India-Nepal relationship was the **India-Nepal treaty of Peace and Friendship of 1950**. Under this treaty, Nepal became the only country whose nationals required no passports to cross into India.

Few important information of India-Nepal treaty of Peace and Friendship 1950:

- India-Nepal Treaty was signed after Nepal feared the Chinese threat as the Chinese occupied Tibet. The treaty has an explicit reference to threats from third countries, which both countries would tackle by cooperation.
- The treaty extended rights to residence, employment and purchase of property to each other's citizens reciprocally – in other words, it extended **‘national treatment’ by each country to the other's citizens**.

Secondly, Buddha's birthplace is in Nepal and also Nepal is the only other Hindu majority country in the world. So cultural and religious visits between India-Nepal is so strong.

Thirdly, the Ministry of External Affairs termed India-Nepal relations as **Roti-Beti ka Rishta (Relationship of food and marriage)** as the open border enabled kinship, familial ties in the terai region. There are **six million to eight million Nepalis who live and work in India**, according to Indian home ministry estimates.

Fourthly, the **1996 trade treaty** resulted in the phenomenal growth of bilateral trade, which witnessed a sevenfold increase in a decade (Nepal's exports to India increased eleven times and Indian exports to Nepal increased six times).

Fifthly, the **2009 revised trade treaty** has retained the positive features of the 1996 treaty and further enhanced bilateral trade between India-Nepal.

Sixthly, Defence and Humanitarian relations were provided greatly by India, as Nepal is landlocked and geographically prone to disasters being situated in the Himalayan region.

Read also: [Current Affairs 2020-2021](#)

What are the challenges in India-Nepal relations?

India-Nepal relations often swung between two extremes much quickly. There are a few underlying reasons for it.

Firstly, the Constitutional question on Madhesi's: In general, Madhesi's section of People lives throughout the southern part of the Terai region and has much closer ties with India. The challenges in this regard are,

- The political rights of Madhesi's section of people were diluted in their new Constitution promulgated in 2015 which led to wider protests and blockade in Nepal led to the blocking of oil and other essential supplies.
- Nepal government accused India of supporting Madhesi's and stated India is interfering in the internal matters of Nepal. Nepal raised the issue in a **“trade blockade” at the UN in October 2015**. But Madhesi's protest was a spontaneous movement and it had nothing to do with India.

- One of the foremost scholars, Professor S.D. Muni points out major challenges with the Nepal government as,
 - India's fears that a Constitution drafted under assertive Maoist leadership may not be compatible with the democratic profile of Nepal.
 - India's also fears that the Maoists were inclined to and capable of changing Nepal's domestic power equations.

The recent decision of Nepal Prime Minister dissolving the lower house has created a new political crisis altogether.

Secondly, China's closeness with Nepal and the Influence of China in India-Nepal relations is a cause of concern.

- Nepal is a landlocked state that has relied much on India for major supplies, transit and transport. India-Nepal Blockade changed the perception completely.
- The Nepal earthquake in 2015 was the perfect time for China to make massive investments in infrastructure like **Tibet Railway, many highway projects, access to Chinese ports etc.** By the end of 2016, China became the major assistance provider of Nepal.
- **Hydel co-operation, Fuel and Humanitarian assistance** from China has increased many folds. For example, China pledged to provide **1.4 million liters of fuel and planned to construct 750 MW West-Seti Dam project.**
- Nepal also supports China's Belt and Road Initiative and the China-Nepal relations so far is stable to some extent.

Thirdly, the boundary dispute between India-Nepal: About 1850 km boundary line between India-Nepal faces two major boundary disputes.

1. Kalapani dispute: Kalapani is the disputed territory in the Uttarakhand state of India. The British government has set the origin of River Kali as the western border of Nepal. But the origin of the river Kali is disputed between India-Nepal. While India uses the newer British survey, Nepal wants the area to be demarcated based on the older British survey. **New map of Nepal was notified in June 2020** with Kalapani in Nepal ([Source](#))
2. Susta Dispute: Susta is another disputed territory located in the Terai regions of India. ([Source](#))

Fourthly, the challenges relating to the open border. The border is notoriously porous. Being provided special status to Nepal, India's internal security faced many challenges such as

- The **Pakistani militants using Nepalese territory** as a hideout and base for infiltration into India. The Ministry of Home Affairs in its Annual Report 1999–2000 highlighted this Pakistani involvement in Nepal and its security implications in India.
- The Nepalese Maoists have extended support and cooperation to the Indian Maoists and carving out a **Compact Revolutionary Zone**, a 'Revolutionary Corridor' spreading from Nepal through Bihar and up to Andhra Pradesh.
- Apart from these the open borders have also created challenges such as **pumping fake Indian currency notes, human trafficking** especially young girls and women, **cattle smuggling**, etc.

Thus, India's external and internal challenges converge, and make ties with Nepal of extreme importance and swung between extremes.

What are the solutions to improve India-Nepal relations?

Firstly, focus based approach is necessary not only in India-Nepal relations but also for other countries in the region by giving more focus towards **Neighbourhood first policy**.

- India should **leverage the strategic influence, faster and effective implementation of infrastructure and development projects** in Nepal. For Ex. Finalising the projects such as Pancheshwar multipurpose project and faster completion of cross-border rail projects such as Jayanagar-Bijalpur-Bardibas, Jogbani-Biratnagar.
- In 2018 Indian PM asked to shift focus on 5T's (Tradition, Trade, Tourism, Technology and Transport) to boost the relations.

Secondly, India can focus on **"aid diplomacy"** to reduce the trust deficit and also has to continue with post-earthquake reconstruction assistance. Later deepening co-operation in areas like trade, water resources, energy co-operation, etc.

Thirdly, regarding China's influence, Experts believe that **Nepal's nearest ports will always be in India and the Gangetic plain will remain its largest market**. This is because,

- The economic feasibility of Chinese trans-Himalayan trade and the infrastructure projects are low, especially when the Himalayan state Bhutan supports India and Nepal is the only other Himalayan state.
- Though China provides access to Nepal for its seaports, they are situated more than 3,000 km away.

All this can sum up by the words of geostrategist, Brahma Chellany. He said, "China can replace India as Nepal's main provider of essential supplies **only by moving the Himalayas southward**". But the ability of the Chinese in project implementation and financial assistance cannot be underestimated.

Fourthly, establishing a permeant mechanism to reduce the disasters caused by floods in the regions of India-Nepal.

Fifthly, Mutual respect is the key: The Nepal government has to move away from narrow terms and shift focus towards broadening and inclusion of demands from all sections of society in the Constitution. Nepal also has to stop the rhetoric on territorial nationalism and pulling out China card whenever they negotiate with India.

Way forward:

India-Nepal relations have all the potential to move ahead and become mutually reliable commercial and economic ties, and extensive people-to-people ties only when India and Nepal forget the avoid past mistakes and move ahead to become sustainable.

Why violence happened at Wistron-Apple Facility?

Wistron Violence and issue of contract workers

Synopsis: The recent case of violence at Wistron's iPhone manufacturing plant also highlights the challenges faced by contract workers in India.

Why Wistron Violence happened?

- Recently, Wistron's iPhone manufacturing plant was attacked by thousands of contract workers over alleged non-payment of wages, resulting in theft and loss of goods worth hundreds of crores.
- Whereas, Wistron stated that it had deposited the money in the account of the contractor (staffing firms) and the action will be taken against that firm.
- In response, Apple has put Wistron Corp. on probation by not giving new orders after an audit of the serious lapses in labour practices.

As per the initial findings, some serious lapses have been found out in labour practices.

- Wistron became **fully operational in August 2020**, with around 5,000 employees and **rapidly scaled up its contractual employee strength** from around 3,000 to nearly 8,500, due to rising demand.
- It was followed by **increase in shift timing from eight-hour to 12-hour shifts**. On the other hand, contractors were **not paying the workers their full wages** as per their contract. Wages were being paid very late and in some cases slashed from Rs 22,000 to Rs 8,000 in some cases.
- There was **no employee grievance redressal system** in place. Final argument which triggered violence was broke out over the attendance system not capturing the exact work hours of workers.

Who are contract workers?

- Contract workers are **hired by the contractors'** company and paid by them only, they **are not on the payrolls of the company** on whose shop floors they work.
- Company transfers payments to contractor companies as per the agreements and contractor companies make payment to the contract workers. Principal employers/companies are responsible for the welfare facilities of the workers.
- As per the data of the Annual Survey of Industries (2017-18), 36.4 percent of total production workers in the registered factory sector, are contract workers.

What are the issues faced by the contract workers?

- **Firstly**, Contract workers are often tasked with the same jobs as regularly employed workers but have limited social security benefits, receive lower wages, and operate under poor working conditions.
- **Secondly**, Sub-contracting itself has become multi-layered. In many cases, Subcontractors themselves are Hiring labor from multiple subcontractors/third party work supply firms. Setting accountability in this case becomes very difficult.
- **Third**, Despite providing the provision of Fixed-term employees in the **Code on Industrial Relations**, firms continue to rely on contract workers, because
 - The cost of hiring contract workers continues to remain lower compared to cost of hiring fixed-term employees, who are required to be paid pro-rata wages and social security including gratuity.
 - In the case of contract workers monitoring, legal compliance and litigation costs are shifted onto the contractors.

Code on Industrial Relations (2020)

- Under the code, government introduced the option of fixed-term employment, in a bid to discourage the use of contract workers.
- Such employees can be employed without mediation of contractors. These employees are though assured of benefits same as permanent workers in the establishment, but are not entitled to any advance termination notice or any payment in lieu of termination.
- **Fourth, Code on Industrial Relations is itself vague regarding major aspects of contract workers**
 - The basic issue is that the **provisions of fixed-term employment in India are open-ended** i.e. does not specify a minimum or maximum tenure for hiring fixed-term employees or the number of times the contract can be renewed.
 - Workers may find themselves moving from one fixed-term contract to another, **without any assurance of being absorbed as permanent workers** by their employer.
- **Fifth, Labour Code on Occupational Safety and Health** provides exceptions by allowing the use of contract workers in core activities under certain conditions such as a sudden increase of volume of work in the core activity which needs to be accomplished in a specified time.

What should be done?

- Firstly, the **use of contract labour in core activities** excluding services such as security, catering and sanitation, should be **completely prohibited** by government.
- Second, **Conflict between** the Code on Occupational Safety and Health and Code on Industrial Relations regarding contractual **labours should be resolved immediately**. Former allows contract labor in some exceptions.
- Third, it is notable that Wistron increased the no. of contractual workers after the launch of **Production Linked Incentive (PLI) Scheme**, which is limited for 5 years and on the incremental sales. Such employment generating schemes should have a provision that the **jobs generated should be on the firms' payroll and not the contractors'**.
- Fourth, As Atmanirbhar Bharat Rozgar Yojana, is offering provident fund subsidies to employers for hiring new formal workers. **This together with PLI scheme should be leveraged to generate formal employment.**
- Fifth, as an immediate step, a **compulsory grievance redressal mechanism** for contractual workers should be established.

Judgment on the eligibility of Horizontal reservation candidates

Synopsis: Supreme Court in its recent judgement Saurav Yadav versus State of Uttar Pradesh, has cleared the Issue of eligibility of candidates belong to Horizontal reservation to compete for the open category seats.

The issues arise due to the difference in the implementation of horizontal reservation among different states in the open category states.

There are 2 types of reservations: 1) Vertical reservation, 2) Horizontal reservation

Vertical reservation: It is a class of reservation which provide reservation in terms of caste i.e. SC, ST, OBC and General Category.

Horizontal reservation: It is a class of reservations under Article 15(3) and 16(1), which cuts across all the caste-based categories including reservation for women, differently abled persons, freedom fighters, army veterans and other categories.

What are the Horizontal Reservation issues?

Basic issue is the assumption of critics of reservation that reservations per se are opposed to merit and compromise efficiency in public service. Therefore, open category seats must be available only to the candidates belong to non-reserved categories.

- Upholding the assumption above, few state governments excluded reserved category women from consideration in the general category.
- This policy in effect declare the open category as a reserved category for upper castes.
- Further, matter was worsened by the contrary judgments of High Courts:
 - Rajasthan, Bombay, Uttarakhand and Gujarat high courts approved the eligibility of horizontal reservation against 'open or general category'.
 - Allahabad and Madhya Pradesh High Courts held that candidates from reserved categories can be adjusted only against their own categories and not against the 'open or general category'.
- Reservation is an instrument for identifying merit in individuals from historically marginalised communities. By excluding OBC women against general category seats, government is excluding a meritorious candidates.

Indra sawhney case

- In Indra Sawhney case 1992, Supreme Court held that in case a reservation has been made under Article 16 (4) for the backward class and the candidate belonging to such back ward caste can compete for non-reserved post.
- As such candidates are appointed on the basis of their own merit, their number will not be adjusted against the quota to their backward category i.e. the entire reservation quota will be intact and available in addition to those selected under open competition category.

Saurav Yadav versus State of Uttar Pradesh

- In this case, there were 3,295 constable posts in UP in the General Category (GC) of which 188 went to women.
- 21 applicants in the OBC female category scored more than the last female candidate selected in General Category. But in filling up of 188 GC women seats, OBC women (who scored higher) were not considered.
- **Judgment:** In this case three judge bench led by Justice Uday U Lalit, ruled against the government order that candidates belonging to reserved categories like SCs, STs, and OBCs can be appointed under open or general category, if they qualified on their own merit.

Justice Ravindra Bhat's judgment

- Justice Bhat also made a concurring judgment, in a similar case.
- Justice Bhat in his judgment held that there is no rule, or direction which prohibits the adjustment of socially reserved categories of women in the general category or "open category". Therefore, the open category is not a 'quota', but rather available to all women and men alike.

Anil Kumar Gupta v/s State of Uttar Pradesh

- In its judgment, the Court had made it clear that horizontal reservation ought to be generally understood in compartmentalised terms, as a nod to recognition of inequalities within each vertical category.

Vertical and horizontal reservations are methods of ensuring representation in public services. It should not be used as a tool to close the doors to open general category, even for the meritorious candidates, for which she would have been eligible without reservation.

Dry Run and Challenges of Vaccines distribution in India

Synopsis: *Indian is one of the world's leading vaccine manufacturer, thus will have better access to vaccines, but the distribution of manufactured vaccine will prove to be a formidable task*

Dry run to test preparedness for the nationwide roll-out of a COVID-19 vaccine kicked off in four States — Assam, Andhra Pradesh, Gujarat and Punjab.

What is dry run of Vaccines?

- A dry run is aimed at **testing the planned operations** and the laid out mechanisms for Covid-19 vaccination in the state. It will provide insights into **any gaps or bottlenecks** so that those could be addressed before the commencement of the actual drive.
- Intended beneficiaries of each State, **registered on Co-WIN' app**, have been sent text messages, containing info about the time and place of their "COVID-19 vaccination".

Read – [About Co-Win app and platform](#)

- All the beneficiaries will have to register themselves compulsorily on Co-Win platform and provide a photo ID proof upon asking.
- Authorities will prepare a report for the STF, after conducting this dry run. STF will review the report and provide feedback and guidance to the authorities on further actions.
- The report will also be submitted to the Union Ministry of health and Family Welfare.

India's vaccine distribution infrastructure

India has created a network of Cold Chain Infrastructure for vaccines at various levels. Presently, Vaccine distribution takes place through following process and infrastructures;

1. Vaccines are produced by Manufacturers or procured by suppliers through agreements and arrangements.
2. These vaccines are then delivered to 4 Government Medical Store Depots (GMSDs) in Karnal, Mumbai, Chennai and Kolkata.
3. From these GMSDs vaccines are delivered to state, divisional and regional vaccine stores.
4. They further distribute these vaccines to District Vaccine stores (DVCs). DVCs then deliver vaccines to PHCs, CHCs and Private facilities.
5. From these centers beneficiaries can get themselves vaccinated.

All these distributions take place through insulated Vans and Vaccine carriers.

Some of the important facts and figures

- In Phase-1, Government is aiming at vaccinating 300 million most vulnerable people by August 2021 i.e. 600 million doses till August.
- At present India is having About 27000 cold chain points across the country.
- India's present distribution capacity is 360 million doses in 8 months for both government and private facilities. It includes the Capacity of Private Cold Chain infrastructure at 200 million and government capacity at 160 million.
- The above capacity includes the infrastructure of the current immunization program, if leveraged for the covid vaccination.
- Due to the electronic vaccine intelligence network (eVIN) system, a real-time supply chain management system, India's vaccine management has improved

What are the challenges in vaccine distribution in India?

1. **Firstly**, to complete the aims of the first phase of the covid vaccination drive, the public sector distribution capacity will need to be expanded 2-3 times.
2. **Secondly**, there are gaps in the vaccine distribution system. As per the Audit of health ministry in 2017-18, 26% of eVIN cold chain points reported instances of stock out during the period of assessment. More than a fifth of facilities reported wastage of vaccines.
3. **Third**, Interstate disparity in the distribution of cold chain infrastructure across the country. For instance, roughly 4 cold chain points serve 100,000 population in Gujarat, whereas there is just one cold chain for the same number of people in Jharkhand.
4. **Fourth, unique requirements of the COVID-19 Pandemic** such as Identifying beneficiaries, ensuring they show up on the day of vaccination, and administering a second dose after a month, provide vaccine across age groups instead of current programmes focus on particularly vulnerable sections, etc. All these require micro-level planning with a proper collaboration from the top.
5. **Fifth, Post-vaccination challenges** such as documentation of vaccination and the tracking and investigation of vaccine safety events, all are equally important to create positive public opinion about vaccination.
6. **Sixth**, India has performed poorly on the analysis by WHO-UNICEF in 2018, it ranked among 89 countries in 51-75 percentile range on effective vaccine management.
7. **Seventh**, If the present infrastructure of universal immunization programme is used as planned, what will happen to the regular immunization drive, is also a big challenge in front of government.

India is one of the biggest producers of vaccines in the world. Serum Institute of India (SII) alone is a producer of more than 1.5 billion vaccine doses every year and is expected to produce 1 billion doses of the Novavax vaccine by 2021.

As now, the vaccine is being authorized by Emergency Use Authorisation method, Need is to augment the capacity of vaccine distribution on an urgent basis.