

7 PM COMPILATION

July, 2021

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
- ❖ Best-in class coverage, critically acclaimed by aspirants
- ❖ Out of the box thinking for value edition
- ❖ Best cost-benefit ratio according to successful aspirants

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ForumIAS

Economic reforms in 1991 – Explained, pointwise

Source: [The Hindu](#) and [The Business Standard](#)

Syllabus: GS 3 – Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth.

Relevance: Economic reforms of 1991 revolutionized the Indian economy. It is important to analyze their success and failures.

Introduction

Three decades after India embarked upon the path of economic liberalisation it is time to **analyze the impact of economic reforms in 1991. Reforms of 1991 did change the course of economic policymaking in India. The broad contours of the evolving reforms have remained the same. But their trajectory** and direction have been largely influenced by the political leadership and their understanding of how the economy needs to be managed.

Condition of Indian economy prior to economic reforms in 1991

The control system has restricted entrepreneurship. For instance, The private sector was not allowed to invest in a number of sectors thought to be critical for development. This approach was continued despite the public sector's lackluster performance. In sectors where the private sector was allowed, it could invest only after getting an industrial license, and that was especially hard to get for "large" industrial houses. Over 860 items were reserved exclusively for small-scale producers, including many that had very high export potential.

Imports were more strictly controlled than in almost any other developing country because it was felt necessary to conserve scarce foreign exchange. Consumer goods simply could not be imported so domestic producers faced no import competition. Producers could import capital goods and intermediates needed for production, but this generally required an import license. India's foreign exchange reserves had fallen to just about \$1 billion in the first week of July, barely enough to meet three weeks' imports. To complicate matters, non-resident Indians had begun withdrawing their deposits, making the foreign exchange reserves situation even more precarious. Finally, the import of technology was controlled and Foreign Direct Investment (FDI) was discouraged.

Major changes brought by Economic reforms in 1991

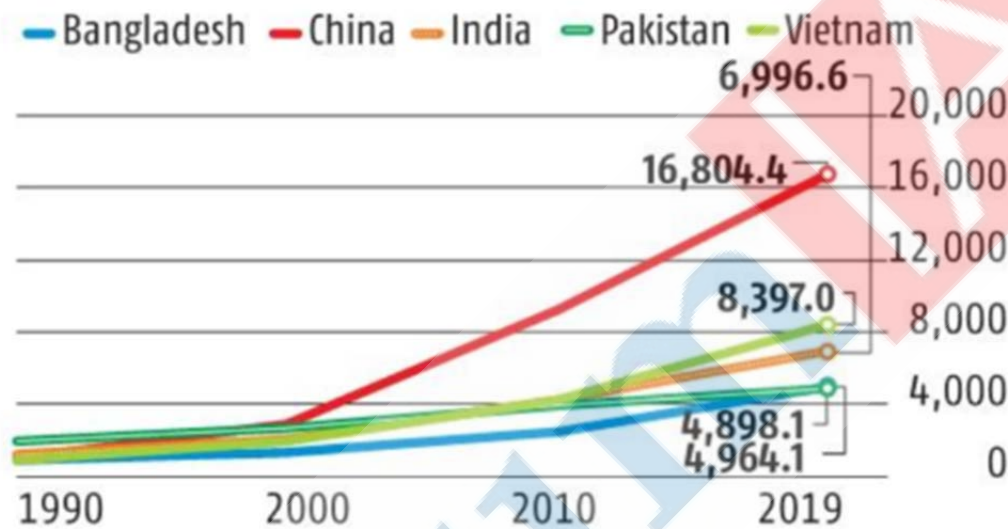
- The government abolished export subsidies like the system of providing cash compensatory support to exporters; removed supplementary licenses, which used to help exporters with import facilities;
- The government also divested the state trading corporations of their monopoly over the import of a host of goods (also described as decanalisation).
- By March 1993, the government introduced a unified exchange rate, linked to the markets. Exporters could convert their entire dollar earnings at the market-linked exchange rate.
- Industrial licensing was abolished for all sectors except 18 specified groups. The asset limit for companies governed by the Monopolies and Restrictive Trade Practices Act was abolished in one stroke.
- Automatic approval for foreign investment up to 51 percent equity was allowed in 34 industries. Private companies were freed from the requirement of obtaining the

government's permission for entering into technology agreements with foreign enterprises.

- Most importantly, a policy on gradual disinvestment of government equity in public sector units was announced.
- Based on the recommendations of the committee headed by M Narasimham, paved the way for **new private-sector banks** and the phased out of development financial institutions.

The evolution of the Indian economy since economic reforms in 1991

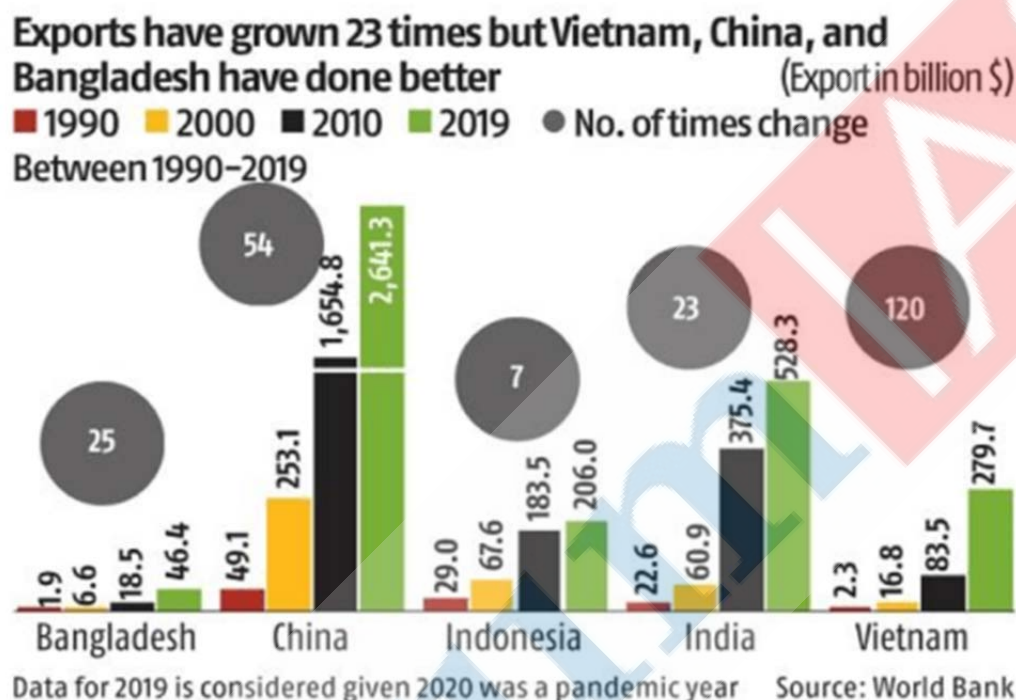
GDP per capita has grown 5.8 times in the last 30 years, matched only by three other economies (GDP per capita, PPP \$)



Data for 2019 is considered given 2020 was a pandemic year Source: World Bank

- The reforms were aimed at **unleashing the energies of the private sector to accelerate economic growth**. It is done in a manner that ensured an adequate flow of benefits to the poor. The reforms certainly succeeded in this objective.
- India followed a **gradualist approach, but the results are dramatic**.
 - The **GDP growth** averaged 7% in the 25 years from 1992 to 2017, compared with an average of 5% in the preceding ten years and 4% in the preceding 20 years.
 - As growth accelerated, **poverty declined**. Between 2004-05 and 2011-12, the last year for which official data on poverty are available, about **140 million people were pulled above the poverty line**.
 - India progressively **lowered import tariffs from an estimated 57.5% in 1992 to 8.9% in 2008**, but this trend has been reversed over the past few years.
 - India for the first time between 2004-2014 witnessed a **fall in employment in agriculture**.
- **Direct tax rates were rationalized with a three-slab structure** during the economic reforms, with the peak rate being 30 percent in 1997. That structure remains intact even today, though attempts have been made to rationalize it further.

- **Industrial policy** has broadly followed the course outlined during the economic reforms. Now it is moving towards more delicensing, easier foreign investment norms, increased role for the private sector, and more disinvestment of government equity in public sector units.
- But some reforms, begun in 1991, have yet to be completed. For instance,
 - **Health, education and environmental concerns** have not been adequately built into our development strategy.
 - Some pending **factor market reforms, in areas such as labour and land**, remain so far.



Challenges in the Indian economy at present

- Indian industry has legitimate complaints about poor infrastructure, poor logistics and time-consuming trade procedures, which reduce its competitiveness.
- The government's economic agenda of building a self-reliant India (Aatmanirbhar Bharat) has meant not only a **rise in import tariffs** for some goods but also the **return of a discretionary incentive system** to encourage investment in different sectors of the economy. For instance,
 - The [proposed policy for the e-commerce entities](#) has provisions that threaten to reintroduce an inspector raj, banished some years ago from most businesses.
- The COVID-19 pandemic has of course triggered a **collapse in employment**. A recent study by Santosh Mehrotra and Jajati K. Parida finds that the substantial **slowdown in GDP growth after 2016-17** led to employment actually falling from 474 million in 2011-12 to 469 million in 2018-19.

Suggestions to improve the Indian Economy

- **Fixing import duty:** The NITI Aayog under its first Vice-Chairman, Arvind Panagariya, had recommended that India should move to an average duty rate of about 7%,

gradually narrowing the range of variation across products and eliminating duty reversals.

- As far as unfair competition from China is concerned, the solution lies in a faster method of **imposing anti-dumping duties** on China, not raising import duties across the board.
- **Joining international platforms:**
 - India's policy of "Look East" to "Act East" remains a positive signal for the Indian economy. But opting out of RCEP ([Regional Comprehensive Economic Partnership](#)) will hamper India's progress.
 - India's fear that the Indian industry would not be able to compete against China is not acceptable. As, the reduction in tariffs required under RCEP was to be accomplished over several years, giving ample time for India to improve competitiveness.
 - Indian industry has legitimate complaints about things that make India uncompetitive that need to be addressed directly instead of opting out of RCEP.
 - Geopolitics is forcing major countries to reduce dependence on China. Further, India can reasonably expect to become a major player in non-China-dominated supply chains.
 - Major developed countries, such as the U.S., Europe, and the U.K., seem to be moving away from multilateral negotiations. Instead, they started working on agreements with important groups bilaterally. However, such FTAs will include provisions on contentious issues such as [intellectual property rights](#) and bilateral investment protection. India must be willing to accept that.
- Experience shows that India needs to get back to **7% to 8% growth** if we want to make progress on poverty reduction and provide enough jobs for our growing labour force.
- **Controlling the pandemic:** The priority now must be to get the vaccination coverage expanded as soon as possible. This will create conditions conducive to a return to normalcy.

Read more:

- [Intellectual Property Rights\(IPR\) and Universal Vaccination – Explained, Pointwise](#)
- [An appropriate way to judge the famed economic reforms of 1991](#)

Insolvency and bankruptcy code – present challenges: Explained, pointwise

Source: [The Hindu](#)

Syllabus: Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

Relevance: The Insolvency and Bankruptcy Code (IBC) is the key instrument aimed to address corporate distress.

Introduction

Recent National Company Law Tribunal (NCLT) rulings have put the spotlight on the IBC. The Insolvency and Bankruptcy Code (IBC) 2016, has been the key mechanism for addressing corporate distress and the accumulation of bad loans in the financial sector.

It has been five years since the IBC came into force. It has performed well on some parameters but needs amendments to resolve key challenges. The President recently promulgated the [Insolvency and Bankruptcy Code \(Amendment\) Ordinance 2021](#). The ordinance allowed the use of [Pre-Pack insolvency resolution](#).

About the Insolvency and Bankruptcy Code, 2016

- The code replaced all the existing laws and created a uniform procedure to resolve insolvency and bankruptcy disputes.
- It allows creditors to assess the viability of a debtor as a business decision. Further, the creditors can agree with the plan for its revival or suggest for a speedy liquidation.
- The Code creates a **new institutional framework**. This framework facilitated a formal and time-bound insolvency resolution process and liquidation. The framework includes:
 - a. **Insolvency Professionals:** They will **administer** the resolution process. They also manage the assets of the debtor and provide information for creditors to assist them in decision-making.
 - b. **Insolvency Professional Agencies:** The insolvency professionals will be registered with insolvency professional agencies. The agencies would conduct examinations to certify the insolvency professionals and enforce a code of conduct for their performance.
 - c. **Information utilities:** They will keep a record of debts given by creditors along with details of repayments/ dishonour of debt.
 - d. **Adjudicating authorities:** They will give the approval to initiate the resolution process, appoint the insolvency professional, and approve the final decision of creditors.
 - i. **National Company Law Tribunal(NCLT):** It is the adjudicating authority for companies and limited liability entities
 - ii. **Debt Recovery Tribunal:** It is the adjudicating authority for individuals and partnership firms.
 - e. **Insolvency and Bankruptcy Board:** The Board will **regulate** insolvency professionals, insolvency professional agencies and information utilities set up under the Code.
- The code aims to resolve insolvencies in a strict time-bound manner – the evaluation and viability determination must be completed within 180 days.

- Moratorium period of 180 days (extendable up to 270 days) for the Company. For startups and small companies, the resolution time period is 90 days which can be extended by 45 days.

Basic Terminologies

- **Insolvency:** It is a situation in which a debtor is unable to pay his/her debts.
- **Bankruptcy:** It is a legal proceeding involving an insolvent person or business that is unable to repay its outstanding debts.
- **Liquidation:** It is a process of bringing a business/company to an end. It involves the distribution of the company's assets among creditors and other claimants.

Key challenges faced by IBC

- Firstly, **delays in appointment** and infrastructural issues such as one judicial member sit for two benches.
- Secondly, **IBC cases are not the only mandate of the NCLT.**
 - They also consider various cases under the Companies Act such as mergers or oppression and mismanagement cases.
- Thirdly, one basic difference between India and other countries is that **Indian companies are mainly promoter-owned and owners** run the companies.
 - Since it is owned and controlled as well as managed by mostly the same people in India, it creates a problem in taking over the asset.
- Fourthly, a lot of cases are old that is **stock of NPAs [Non-Performing Assets].**
 - Once the backlog is cleared there will be fewer cases because the fear of losing the company under Section 49A will push the promoters to find a resolution.
- Fifth, delay in implementation in terms of approvals, having an application admitted itself.
 - For instance, the resolution plan that was approved for Jet Airways recently was actually approved by the Creditors' Committee in October 2020.
 - though the NCLT has a very limited role but it was only approved in June 2021.
- Sixth, there are **concerns about the extent of haircuts** that banks and financial creditors are having to take in order to achieve resolution.
 - Size of the haircut is really not a measure of the success of IBC. It depends on the company and its asset, if the asset is good, value will be good.
 - But Some businesses would have failed, like many of the EPC companies, where haircuts are very high.
 - Basically, in an EPC company there are hardly any assets, except some equipment.
- Lastly, **Section 29A** prevents all promoters from submitting resolution plans.
 - But some restrictions are not helpful and prevent almost all companies in presenting resolution plan.
 - Such as, section 29A bars promoter who has had NPAs for over a year, or who's had a personal guarantee that has been invoked from submitting resolution plans.
 - There is relaxation for MSMEs to have greater flexibility and it can be considered to lay the floor open to a larger number of resolution plans.
 - Allowing certain relaxations to Section 29A could be helpful.

Suggestions to improve the IBC

- **IBC is not the only solution for resolving stress.**
 - Pre-IBC mechanisms such as one-time settlements, restructuring packages can also help in improving the resolution process in cases where there is some consensus between the debtor and the debtor and the creditors.
- **Attract more buyers** or a more diverse range of strategic buyers to be willing to bid for assets, and submit resolution plans under the code.
- **National ARC** to improve assets resolution.
 - The national ARC ([Asset Reconstruction Company](#)), 'bad bank' is a good thing because it's a one-time clean-up exercise.
 - A lot of cases don't have a great resolution plan or they don't have great value left and the other point is that there are not many strategic investors.
 - In such cases, a national ARC would be of great help.

Above all on average IBC has promoted **faster recoveries and resolutions** as compared to the earlier timeline of five years, six years or more. However, there are some challenges that need to be addressed to resolve corporate distress.

Urban heat island – causes, impact and solutions: Explained, Pointwise

Source: [TOI](#)

Syllabus: GS1 – Geophysical Phenomenon, GS3 – Environment,

Relevance: Important geographical phenomenon impacting temperature and climate of a region, the impact of urbanization on the environment

Introduction

Recently, the Centre for Atmospheric Sciences, IIT Delhi, analyzed changes in the land use and land cover pattern over the last five decades based on Delhi's maps between 1972 and 2014. The aim was to determine **how urbanization had impacted the urban heat island effect** in the Central National Capital Region.

Key findings

- The urban heat island effect **makes localities hotter** than others due to factors like concretization, population density, and the density of the land-use area.
- On average, Delhi's near-surface temperature has **increased by 1.02°C** due to an increase in urban-land use from 1970 to 2010s.



What is an urban heat island?

An urban heat island (abbreviated as UHI) is where the **temperature** in a densely populated city is as much as **2 degrees higher than suburban or rural areas**.

Heat islands can occur **year-round during the day or night**. Urban-rural temperature differences are often largest during calm, clear evenings. This is because rural areas cool off faster at night than cities, which retain much of the heat stored in roads, buildings, and other structures. As a result, **the largest urban-rural temperature difference, or maximum heat island effect, is often three to five hours after sunset**.

The major cause behind UHI

- This happens **because of the materials** used for pavements, roads, and roofs, such as concrete, asphalt (tar), and bricks. Materials are opaque, do not transmit light, but have a **higher heat capacity** and **thermal conductivity** than rural areas, which have more open space, trees, and grass.
- The **lack of evapotranspiration** in the city leads to the city experiencing higher temperatures than its surroundings.
 - **Evapotranspiration:** Evaporation involves the movement of water to the surrounding air, and transpiration refers to the movement of water within a plant and a subsequent lot of water through the stomata (pores found on the leaf surface) in its leaves. Grass, plants, and trees in the suburbs and rural areas do this.

Other factors behind UHI

- **Close construction:** When houses, shops, and industrial buildings are constructed close together, it can create an Urban Heat Island. Building materials are usually very good at insulating, or holding in heat. This insulation makes the areas around buildings warmer.
- **Waste heat** from vehicles, factories, and air conditioners may add warmth to their surroundings, further exacerbating the heat island effect
- **Building of skyscrapers:** When there is no more room for an urban area to expand, engineers build upward, creating skyscrapers. All this construction means waste heat—and heat that escapes insulation has nowhere to go. It lingers in and between buildings in the UHI.
- **Urban haze**—The haze of air pollution that hangs over many cities can act as a miniature greenhouse layer, preventing outgoing thermal radiation (heat) from escaping from urban areas.

Impact of UHI

- **Energy costs:** Urban Heat Island effect increases energy costs (e.g., for air conditioning), air pollution levels, and **heat-related illness** and mortality. Increased consumption of air-conditioning for cooling can also contribute to global warming, which further contributes to climate change.
- **Poor air quality:** UHIs often have lower air quality because there are more pollutants (waste products from vehicles, industry, and people) being pumped into the air. These pollutants are blocked from scattering and becoming less toxic by the urban landscape: buildings, roads, sidewalks, and parking lots.
- **Poor water quality:** Water quality also suffers. When warm water from the UHI ends up flowing into local streams, it stresses the native species that have adapted to life in a cooler aquatic environment.
- **Colonization by heat-loving species:** Due to higher temperatures in urban areas, the UHI increases the colonization of species that like warm temperatures, such as lizards and geckos. Insects such as ants are more abundant here than in rural areas; these are referred to as **ectotherms**.
- **Heatwaves:** Cities tend to experience heat waves that affect human and animal health, leading to heat cramps, sleep deprivation, and increased mortality rates.

Possible solutions to Urban Heat island effect

- **Green roofs:** Using green roofs, which are roofs of buildings covered in plants, helps cool things down. Using light-colored concrete (using limestone aggregates along with asphalt (or tar) making the road surface greyish or even pinkish (like some places in the US have done); these are 50% better than black since they absorb less heat and reflect more sunlight. Likewise, we should paint rooftops green, and install solar panels there amidst a green background.
- **Planting trees:** We should plant as many plants and trees as possible. They combat climate change; clean the surrounding air by absorbing pollutant gases (NXOy, O₃, NH₃, SO₂, and others) and trapping particulates on their leaves and bark; cool the city and the streets; conserve energy (cutting air-conditioning costs by 50%); save water and help prevent water pollution; help prevent soil erosion; protect people and children from UV light, etc.

UPSC Mains 2013 – GS1: Bring out the causes for the formation of heat islands in the urban habitat of the world (5 marks, 100 words)

Rural Power sector – Way ahead: Explained, pointwise

Syllabus: GS 3 – Infrastructure: Energy

Relevance: India's power sector and the problems with Discoms need radical solutions to achieve Energy Security.

Introduction

Recently, Rajasthan Electricity Regulatory Commission (RERC) ordered that energy access must go beyond powering rural homes. In other words, the order mentioned the need to electrify essential and productive human activities, such as public schools and primary health centres. This presents an opportunity to decentralize solar power generation and makes solar infrastructure more climate-resilient.

About the Electrification problem

- Over the past decade, India has made great strides in expanding energy access in rural areas. World Bank data shows a near doubling of electrified rural households, from 55% in 2010 to 96% in 2020.
- While this is a significant measure, it discounts large areas of essential and productive human activities, such as public schools and primary health centres. Further, despite greater electrification, the **power supply is often unreliable** in rural areas.
- A recent ruling by Rajasthan's power regulator points to this gap and suggests solutions that other States could emulate.

Rajasthan Electricity Regulatory Commission's order

- It has ordered the State's three power distribution companies (discoms) to **solarise unelectrified public schools**. This includes the Jaipur, Ajmer and Jodhpur Vidyut Vitran Nigam Limited.
- It has also suggested **the installation of batteries** to ensure storage of power.
- It also directs Rajasthan's cash-strapped discoms to seek **corporate social responsibility (CSR) funds** for the solarising drive. Further, it allows the school's ownership of the power systems in a phased manner.

Challenges faced by the Power Sector at present

1. **Fuel Security Concerns:** Thermal capacity addition is plagued by the growing fuel availability concerns faced by the Industry. A significant natural gas-based capacity of more than 20,000 MW is idle due to the non-availability of natural gas. Coal supply is restricted, leading to increased dependence on imported coal with the cascading result of high power generation costs.
2. **Transmission & Distribution Losses:** High distribution-line losses are among the most vexing problems in the Indian power sector. India's aggregate technical and commercial losses average about 32% of electricity, which is very high as compared to those of the developed countries (6-11%).
3. **Financial Health of State Discoms:** Years of populist tariff schemes, mounting losses and operational inefficiencies have adversely affected the financial health of State Discoms which are currently plagued with humongous out-standing debts.
 - a. **Ujwal DISCOM Assurance Yojana (UDAY)** scheme was introduced by the centre to bring financial Turnaround, Operational improvement of Discoms. Further, it

aims to reduce the cost of generation of power, to facilitate the development of Renewable Energy and Energy efficiency & conservation.

- b. Though some states witnessed an improvement in their financial and operational indicators, it wasn't sustained. There has been a sharp [deterioration in several parameters after the UDAY scheme](#).
4. **Ageing Power Plants and Transmission network:** Since most of the power plants and transmission lines have been installed immediately after independence, they have become old and inefficient. This is the main reason for the low growth and transmission rate in electricity generation and transmission during recent years. About half of the power plants need to be upgraded or shut down as quickly as possible.
 5. **Under-procurement of Power by States:** Increasing power generation costs due to limited fuel availability, the [poor financial health of State Discoms](#), have contributed to suppressed demand projections by State Discoms.
 6. **Interstate Disputes:** India is a federal democracy, and because rivers cross state boundaries, constructing efficient and equitable mechanisms for allocating river flows has long been an important legal and constitutional issue. Due to this, there is non-availability of water all the time to operate hydro plants. Inter-state disputes also restrict the excess power exchange between the states. For example, the Mahanadi water dispute, the recent Krishna-Godavari Dispute.
 7. **Policy Paralysis:** The micro-level policies governing the fuel cost pass-through, mega power policy, competitive bidding guidelines are not in consonance with the macro framework like The Electricity Act 2003 and the National Electricity Policy.
 8. **Coordination Issues:** Multiple ministries and agencies are currently involved in managing energy-related issues, presenting challenges of coordination and optimal resource utilisation, hence undermining efforts to increase energy security, as reported by the Kelkar Committee in 2013.

Significance of the RERC Order to power sector

- **First**, it has the potential to electrify about 1,500 government-run schools in the remote parts of the State with roof-top solar panels and generate about 15 megawatts (MW) of power.
 - This would help Rajasthan in **achieving its ambitious target of producing 30 GW of solar energy by 2025**.
- **Second**, battery storage of power ensures that they cater to **children's after-school activities**.
 - Schools could also extend power supply to mid-day meal kitchens, toilets, and motorised water pumps and not limit it to powering school infrastructure.
- **Third**, it would **benefit several other crucial aspects of rural life** as schools serve multiple purposes.
 - Government schools serve as public spaces in rural areas. They doubled up as COVID-19 care centres in the past year and have housed villagers from extreme weather such as storms and floods.
 - Further, they also turn into polling centres during the election season.
- **Fourth**, the use of **CSR funds removes the burden of infrastructure development expenses on discoms** and also ensures clean energy for the schools.

- The power that is generated could also be counted towards the discoms' Renewable Purchase Obligations (RPO). RPO is the proportion of power that distribution companies must procure from renewable sources.
- **Fifth**, it encourages a **decentralised model of power generation**, which is **more climate-resilient**.
 - A greater number of public buildings could use this model used to install roof-top solar panels. Buildings such as primary health centres, panchayat offices, railway stations and bus stops could easily be transitioned to utilising clean energy.
 - With battery storage, the susceptibility of grid infrastructure to extreme weather events could be mitigated. This is called climate proofing.
 - Earlier this year, the American State of Texas witnessed a power blackout after an extreme weather event. This was due to inadequately climate-proofed natural gas equipment, which supplied domestic electricity.

Suggestions

- The discoms could work with the State's Education Department to determine the schools that require electrification, and their expected demand and infrastructure expenses.
- They could then cooperate with the CSR arms of companies to generate funding, and with industry to produce cost-effective solar photovoltaic panels and batteries.

Cryptocurrencies and Indian regulations – Explained, pointwise

Source: [Business Standard](#)

Syllabus: GS Paper 3: Indian Economy and issues relating to Planning, Mobilization of Resources

Relevance: Cryptocurrencies have the potential to alter the Indian economy and challenge sovereign backing in India

Introduction

Cryptocurrencies are registering a spectacular rise globally. In India also, despite RBI's strong reservations, investment in [cryptocurrencies](#) by Indians has been growing. Blockchain data platform Chainalysis says crypto investments in India have grown some 200-fold in the past year, from about \$200 million to nearly \$40 billion. There are more than 15 million cryptocurrency traders in India — about two-third of the number in the US and more than six times that in the UK.

What is Blockchain?

[Blockchain](#) is a system of recording information in a way that makes it difficult or impossible to change, hack or cheat the system. It is a digital ledger of transactions. Blockchain technology is the underlying technology for cryptocurrencies.

Cryptocurrency regulations in India by RBI

- The RBI in its 2018 circular **banned banks from dealing with virtual currencies and Bitcoins** in any form. But the Supreme Court of India had set that circular aside.
- On May 31st, the RBI issued a release saying its April 2018 circular was no longer valid and that no bank should quote it to reject cryptos.
 - The May 31st release also said that the **banks must carry out customer due diligence in line with regulations governing standards**. Such as, know your customer (KYC), anti-money, combating of financing of terrorism and obligations of regulated entities under the Prevention of Money Laundering Act as well as the Foreign Exchange Management Act.
 - These make it **impossible for banks to deal with cryptocurrencies** because of their very nature. (The persons who engage in cryptocurrency transactions are not known).
- The RBI has issued at least three releases, including one in April 2018 cautioning both the regulated entities and the public against the “risks” associated with cryptocurrency.

Government response to Cryptocurrencies

- A **high-level inter-ministerial committee(SC Garg Committee)** constituted under the chairmanship of the secretary (economic affairs) **to study the issues related to virtual currencies** and propose specific actions to be taken.
- *Recommendations of the SC Garg Committee:*
 - The committee recommended that **all private cryptocurrencies have to be prohibited in India**, except any virtual currencies issued by the state. Further, the panel recommend a jail term of one to 10 years for exchange or trading in digital currency.

- However, the committee is not against blockchain, the underlying technology for such currencies. The committee is in favour of **exploring the enormous possibilities** of blockchain for various purposes, **including keeping land records**.
- The committee has recommended **a central bank's digital currency**.
- Apart from the committee, **The Cryptocurrency and Regulation of Official Digital Currency Bill 2021** was to be introduced in Parliament's Budget session. But the government is still discussing it with the stakeholders. It is supposed to ban all private cryptocurrencies and prepare the ground for a CBDC in India.

What is the central bank's digital currency?

It is a wallet or an electronic purse issued by the RBI. A [Central Bank Digital Currency](#) (CBDC), or **national digital currency**, is simply the digital form of a country's fiat currency. Instead of printing paper currency or minting coins, the central bank issues electronic tokens. This token value is backed by the full faith and credit of the government.

Federal Reserve, Bank of England and even the European Central Bank are moving towards the so-called central bank digital currencies (CBDCs). On the other hand, China has already claimed success of its first pilot project of [digital yuan currency](#).

Why is India is against cryptocurrency?

- **Cryptocurrency can't be slotted:** They are neither a commodity, nor a currency, nor part of the payments system. Simply put, cryptocurrencies such as [Bitcoins](#), [Dogecoin](#), Ethereum, Litecoin, Cardano, Polkadot, Steller and many others, defy classification.
 - According to the RBI, a cryptocurrency cannot be classified as an asset since there is no future cash flow
- The regulator doesn't consider this as a currency as it is not issued by the central bank and **doesn't have sovereign backing**. They also could **jeopardise financial sector stability** since there is no central monetary authority.
- Further, its **value fluctuates because of speculation**. It has poor storage value, and it's not widely accepted.
- It's also **not part of the payments' system**, like a credit or a debit card or internet banking.
- **Transactions are anonymous** and **transactions cannot be tracked**. So, they are outside the ambit of public scrutiny. This has serious implications for KYC norms and is fraught with risks of money laundering and terror financing.
- Besides, there is **no consumer protection**. Once one misplaces the password, there cannot be any transaction as there is no central issuing authority for such currencies.

Problem of menstrual waste disposal in India – Explained, pointwise

Source: [DowntoEarth1](#), [DowntoEarth2](#)

Syllabus: GS1 – Women issues, GS2 – Health

Relevance: How menstrual waste contributes to India's solid waste problem? and steps that can be taken to solve this issue.

Introduction

Sanitary waste disposal has become an increasing problem in India. As per the Menstrual Hygiene Alliance of India (MHAI), India has **12.3 billion disposable sanitary napkins to take care of every year**, the majority of which are not biodegradable/compostable. The impact of sanitary waste disposal is more pronounced due to the unorganised ways of municipal solid waste management and poor community collection, disposal and transportation networks in the cities and villages of India.

Reasons

Menstrual waste has become a big problem due to the following reasons:

- **Usage of non-biodegradable napkins:** Menstrual waste disposal has become an increasing problem in India. Because the plastic used in disposable sanitary napkins is **not bio-degradable** and leads to health and environmental hazards.
 - Not only do these products take **hundreds of years to decompose**, but because of the SAP (Super Absorbent Polymers) present in commercial sanitary napkins, they **absorb and retain 30 or more times their weight in fluid**. This often leads to clogging of toilets, sewerage systems, and drains, and when burned, release toxic fumes like dioxins and furans that are harmful to users and the environment.
- **Unorganized ways of municipal solid waste management:** The impact is more pronounced because of the unorganized ways of municipal solid waste management and poor community collection, disposal, and transportation networks in the cities and villages.
- **Lack of discussion & debate:** Due to **persistent social and cultural taboos**, the topic of menstrual waste management doesn't get the attention that it merits.
 - Many girls and women lack access to those waste management options that exist due to their limited ability to negotiate for solutions because of a continued culture of silence associated with menstruation.
- **Lack of appropriate disposal and treatment options** leads to unsafe management of the waste.
- **Lack of access to disposal options** may lead girls and women to use otherwise hygienic products in an unhygienic manner (e.g., use a pad for longer than it should be).
- Lastly, the lack of awareness and an increased dependency on inorganic products makes the switch difficult

Rules concerning disposal

The Solid Waste Management (SWM) Rules consider menstrual waste as **solid waste** and defines it as **sanitary waste** within the same. The Rules go on to explain the responsibilities of the waste generator, local authorities and gram panchayats, and producers of sanitary products.

- SWM Rules acknowledge that according to the **Bio-Medical Waste Management Rules, 2016**, items contaminated with blood and body fluids, including cotton, dressings, soiled plaster casts, lines, and bedding, are bio-medical waste and should be **incinerated, autoclaved, or microwaved** to destroy pathogens.
- Sanitary waste needs to be **wrapped securely** in the pouches provided by the manufacturer or brand owners and handed over separately to the **waste collector** to avoid manual handling of such waste, according to SWM, 2016.

But the implementation of these rules on the ground is negligible.

Impact

- **Unhygienic working conditions for waste workers:** The majority of waste workers do not use any personal protective equipment while collecting / handling waste. They are exposed to **harmful microorganisms** like **staphylococcus, e. coli, and salmonella typhus**, which can cause diseases like **tetanus and hepatitis**.
- **Overfilling of landfills:** The long-term impact of lack of segregation can cause overfilling of landfills with chemicals and plastic-laden sanitary pads. These plastic products may even convert into smaller particles called **microplastics**, which are an emerging threat to our environment.
- **Huge carbon footprint:** A year worth of menstrual waste products generates a carbon footprint equivalent to 5.3 kilograms of carbon dioxide emissions per person per year in the United Kingdom, according to a study.
- Menstrual waste that is flushed down the toilets or discarded in water bodies comes in direct contact with water, which then serves as **breeding grounds for bacteria** that contaminate the drinking water.
- **Non-biodegradable:** The plastic components of the waste require 400 years to degrade in the landfill, but only when the waste is decomposed in an organic open-air environment. Waste discarded in polyethylene bags devoid of air may take almost double the time. Or may never biodegrade at all.
 - The single usage plastic components in these products mostly find their way to the landfill where it stays there for the next 500 years at least.
- **Health concerns:** Inorganic sanitary products contain **bisphenol A** and **bisphenol S**, industrial chemicals used to make certain plastics, which can cause **hindrance in embryonic development**.
 - In order to absorb more wetness, most commercially available menstrual products have a synthetic fiber called **rayon**. During the process of rayon bleaching, dioxin — a well-known **carcinogen** — is released that can cause **liver dysfunction**.
 - **Hormone disruptors:** Several manufacturers add deodorising agents to sanitary napkins to keep them 'fresh'. But this may involve usage of chemicals that can be potential hormone disruptors, cancer-causing chemicals
- **Toxic fumes:** Small-scale incinerators have emerged as the preferred technology for disposing of used sanitary pads and have been adopted by educational institutions and

hostels in the villages. These low-cost methods generate toxic fumes, adding to the harm caused to the environment and our health.

Suggestions/measures

- **Segregation** and immediate disposal should be done by the **user**. This should be followed by collection and transportation, and **secondary segregation** by the waste collector and **storage treatment**, and finally **disposal** or **recycling**.
- For compostable products, there should be clear labelling on product packages providing instructions on disposal.
- **Classification as biomedical waste:** It is important that “menstrual waste is classified as biomedical waste so that its proper disposal using correct technologies can be carried out
- **Tax rebates, subsidies** must be issued if a tested organic product releases in the market in order to obtain a significant customer shift.
- Tampons and organic pads, however, can also contain plastic but in lower proportions. Hence, **menstrual cups are the only non-plastic alternatives**.
- Systems are set up to facilitate proper waste handling
- Raising **awareness on menstrual hygiene management** and breaking the silence and stigma around menstruation on the issue of safe disposal, other ministries need to move cohesively together – and quickly.

Conclusion

The only way to get menstrual waste disposed of safely and efficiently requires collective attention to this massive environmental health issue.

Issue of Bail under UAPA (Unlawful Activities Prevention Act) – Explained, Pointwise

Source: [The Hindu](#)

Syllabus: GS 2 – Structure, Organization, and Functioning of the Executive and the Judiciary

Relevance – Watali judgment set the conditions for the bail of an accused, arrested under the UAPA act.

Introduction

The unfortunate death of Father Swamy and the continued imprisonment of so many others like him bring the spotlight again on the [Unlawful Activities \(Prevention\) Act \(UAPA\)](#), 1967. The Watali decision must be urgently reversed or diluted, otherwise, India might run the risk of compromising personal liberties very easily. Therefore, it is imperative to do a comprehensive review and expand the provisions of bail under UAPA.

The UAPA was formulated to strengthen the security framework of the country and preserve the unity and integrity of the nation. Nonetheless, it has currently become a [tool to curb free speech](#) and political dissent in our country. The [cases filed under the law have been rising](#) for a few years, while the conviction rate is going down. It was merely 2.2% between 2016-19.

Background

- Father Stan Swamy passed away at a private hospital in Mumbai on July 5. He was a Jesuit priest who worked for uplifting the marginalized communities in Jharkhand
- His death is much more than the death of an activist accused of terrorist activities. It is the result of systemic abuse of majoritarian authority and disregard for the rule of law.
- On October 8, 2020, Fr. Swamy was arrested by the National Investigation Agency (NIA), under the Unlawful Activities (Prevention) Act (UAPA). He was the 16th to join a roster of professors, activists, writers, and public intellectuals, as a suspect in the Bhima-Koregaon case.
 - The allegations against Swamy were that he was linked with the banned CPI (Maoist) and receiving funds from cadres.
 - During the time of death, a bail plea was scheduled in the Bombay High Court.
 - This was the latest in a series of bail pleas, all of which were previously rejected. This raises the question of granting bail under UAPA.
 - Two days before he died, Swamy had challenged **Section 43D(5) of the Unlawful Activities Prevention Act (UAPA)** calling it nothing but an illusion.

Evolution of bail under UAPA

The government enacted the Terrorist and Disruptive Activities Act, 1985 (TADA). The law was set to lapse in two years, and the government itself admitted that such extraordinary laws should not be made permanent. But, TADA was renewed till 1995, allowed to lapse amidst criticisms of its misuse

But the provisions of TADA were largely revived in the Prevention of Terrorism Act, 2002 (POTA). In 2004, the government let POTA lapse, while giving its **provisions a permanent home in an amended UAPA as Section 43D(5)**.

What is Section 43D(5) of UAPA? And what does it mean?

The Section says that **no one who is accused of an offense “punishable under Chapters IV and VI of UAPA** shall, if in custody, be **released on bail or on his own bond**. So the Bail cannot be provided **unless the Public Prosecutor has been given an opportunity** of being heard on the application for such release.

The accused person shall not be released on bail or on his own bond if “the Court, on a perusal of the case diary or the report made under section 173 of the Code is of the opinion that there are reasonable grounds for believing that the accusation against such person is prima facie true.

Have the courts granted bail under UAPA section 43D(5)?

- The Supreme Court bench made an exception in the **Union of India v K A Najeeb case**. Further, the bench also held that “Courts are expected to appreciate the legislative policy against the grant of bail but the rigours of such provisions will meltdown where there is **no likelihood of trial being completed within a reasonable time and the period of incarceration already undergone has exceeded a substantial part of the prescribed sentence**. Such an approach would safeguard against the possibility of provisions like **Section 43D(5) of UAPA being used as the sole metric for denial of bail** or for wholesale breach of the constitutional right to a speedy trial”
- The same Bombay HC where Swamy was pleading has also provided bail to Telugu poet Varavara Rao in February this year. For the reason — on grounds of sickness and age. While Rao is 80 and was COVID-19 positive.
- Similarly, in June this year, the **Karnataka HC granted bail** to more than 115 accused charged under UAPA for the 2020 East Bengaluru riots because that the NIA court had extended the investigation time without even hearing the accused.

About Unlawful Activities (Prevention) Act, 1967

- It is primarily an anti-terror law aimed at effective prevention of certain unlawful activities of individuals and associations.
- Its main objective is to empower the state for dealing with activities directed against the integrity and sovereignty of India.
- The Act assigns absolute power to the central government. It can declare an activity as unlawful, by way of an Official Gazette.
- The act has the **death penalty and life imprisonment as the highest punishments**.
- Under the act, **both Indian and foreign nationals can be charged**.

Read more: [UAPA or Unlawful Activities Prevention Act – Explained, Pointwise](#)

Issues in handling Fr. Swamy’s detention

- He was arrested on **flimsy evidence of some propaganda material** and communication with other activists in the field.
 - The authenticity of some allegedly indicting documentation, including a key report was questioned by international forensic data experts.
 - But the state defended the arrest, arguing that these issues must be looked upon only during the trial and that the accused should remain in jail until then.
- **Repeated pleas for medical assistance were consistently ignored** or dismissed.

- Medical reports on record clearly showed that Fr. Swamy had degenerative Parkinson's disease. He could not even do basic tasks, such as holding a spoon, writing, walking, or bathing.
- **When he applied for medical bail**, the court kept adjourning the matter, and merely offered him the services of a private hospital. This demonstrates a lack of sensitivity on the part of the judges, which is deeply saddening.

Watali judgment – why was the bail application rejected multiple times?

- The Supreme Court in **National Investigation Agency vs Zahoor Ahmad Shah Watali Case (2019)** created a new doctrine for dealing with UAPA cases.
- As per this, an **accused must remain in custody throughout the period** of the trial. Even if it is eventually proven that the evidence against the person was inadmissible, and the accused is finally acquitted.
- According to the decision, in considering bail applications under the UAPA, courts must **presume every allegation made in the First Information Report** to be correct.
- *Problems with Watali Judgment:*
- It **dilutes the idea of the “presumption of innocence”** — a central principle of criminal law and procedure. The burden now rests on the accused to disprove the allegations, which is virtually impossible in most cases.
- The decision has essentially **excluded the admissibility of evidence at the stage of bail**. By doing so, it has effectively excluded the Evidence Act itself, which arguably makes the decision unconstitutional.
- The decision has given a **convenient tool in the hands of the government** which can be used to suppress the voice of dissenters. This is evident in cases of arrests made with reference to Bhima Koregaon case and Anti- CAA protests.
- Due to the Supreme Court judgment, **High Courts have their hands tied**, and must necessarily refuse bail, as disproving the case is virtually impossible.

Suggestions to granting bail under UAPA:

- The Delhi High Court order of granting bail to three young activists accused under UAPA for a conspiracy relating to the 2020 riots in Delhi showed a positive ray of hope.
 - However, the Supreme Court reportedly expressed “surprise” and dissatisfaction at the High Court’s decision.
 - The SC indicated that the decision will “not to be treated as precedent by any court” to give similar reliefs.
- Therefore, the Watali decision must be urgently reversed or diluted, otherwise, we run the risk of compromising personal liberties very easily.

IBC process needs a re-look – Explained, pointwise

Source: [Livemint](#), [The Business Standard](#)

Syllabus: Indian Economy and issues relating to planning, mobilization, of resources, growth

Relevance: The Insolvency and Bankruptcy Code (IBC) is the key instrument aimed to address corporate distress.

Introduction

Many experts are questioning the Insolvency and Bankruptcy Code (IBC) and its effectiveness. Recently, The IBC process for the sale of Videocon to the Vedanta group resulted in a haircut of a whopping 95.85 percent. This means the banks will recover only 4.15 percent of their total admitted claims of Rs 64,838 crore.

The Insolvency and Bankruptcy Code (IBC) 2016, has been the key mechanism for addressing corporate distress and the accumulation of bad loans in the financial sector. It has been five years since the IBC came into force. It has performed well on some parameters but needs amendments to resolve key challenges.

About the Insolvency and Bankruptcy Code, 2016

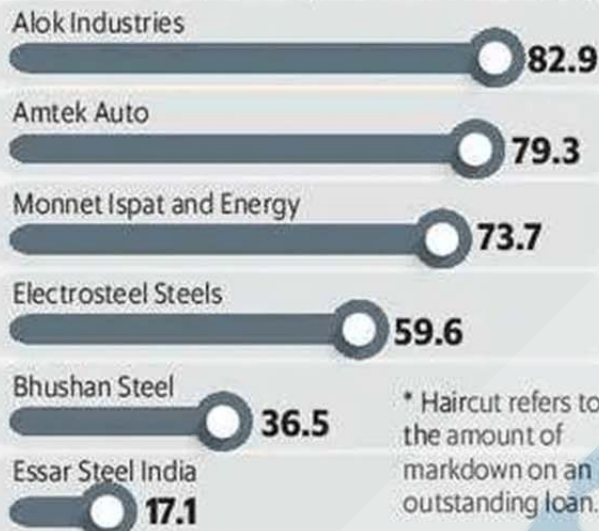
- The code replaced all the existing laws and created a uniform procedure to resolve insolvency and bankruptcy disputes.
- It allows creditors to assess the viability of a debtor as a business decision. Further, the creditors can agree with the plan for its revival or suggest a speedy liquidation.
- The Code creates a **new institutional framework**. This framework facilitated a formal and time-bound insolvency resolution process and liquidation. The framework includes:
 - a. **Insolvency Professionals:** They will **administer** the resolution process. They also manage the assets of the debtor and provide information for creditors to assist them in decision-making.
 - b. **Insolvency Professional Agencies:** The insolvency professionals will be registered with insolvency professional agencies. The agencies would conduct examinations to certify the insolvency professionals and enforce a code of conduct for their performance.
 - c. **Information utilities:** They will keep a record of debts given by creditors along with details of repayments/ dishonour of debt.
 - d. **Adjudicating authorities:** They will give the approval to initiate the resolution process, appoint the insolvency professional, and approve the final decision of creditors.
 - i. **National Company Law Tribunal(NCLT):** It is the adjudicating authority for companies and limited liability entities
 - ii. **Debt Recovery Tribunal:** It is the adjudicating authority for individuals and partnership firms.
 - e. **Insolvency and Bankruptcy Board:** The Board will **regulate** insolvency professionals, insolvency professional agencies and information utilities set up under the Code.

Challenges with the IBC

WEAK RETURNS

Chart 1: Among some big defaulters, the rate of recovery of the outstanding amount has been modest.

Haircut faced by financial creditors* (in %)



* Haircut refers to the amount of markdown on an outstanding loan.

Chart 2: Liquidation of assets takes an extraordinary amount of time under the IBC.



- **Weak resolution plan:** The IBC came into existence in May 2016. Between then and March 2021, a total of 4,376 companies have been admitted into the corporate

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insolvency resolution process (CIRP). Of the total, 2,653 CIRPs have been closed. However, only 348 companies have ended up with an approved resolution plan.

- **Poor recoveries:** In the past, the lenders have had to take a haircut of 83% in the case of Alok Industries, a little less than 90% in the case of Reliance Infratel and 96% in the recent Videocon Group case.

(Hair Cut: It refers to the reduction in the value of an asset. For example, if hair cut is 80%, then 80% of credit owed to its creditors will not get recovered).

- **Poor Liquidation:** Liquidation means selling the company piece by piece, asset by asset. Liquidation also takes time. As of December 2020, around 69% of the liquidations had been going on for a period of more than one year; 26% of them for a period of more than two years.
 - Further, If a bidder believes there will not be any serious bidder in the fray, he can take his chances by quoting a price close to the liquidation value.
- The committee of creditors **mostly prefers to sell the defaulting company** to another entity **and recover whatever portion of the defaulted loan that it can**. This is due to poor liquidation. For instance,
 - Of the 348 companies which have ended up with resolution plans, the rate of recovery as of March 2021 stood at only 39.3%. Further, of the ₹5.16 trillion owed to financial creditors, only ₹2.03 trillion has been recovered.
 - Only 8 percent of cases have been resolved. Thirty per cent of cases have undergone liquidation.
- **Section 12A under the IBC:** This section allows the **defaulter and the creditors to close the insolvency case**. This is being **used as a loophole**, with banks going in for a one-time settlement with defaulting promoters.
- **Challenges with Bank-led resolution:** It is the Bank-led resolution, not the NCLT, that should be the **first resort for banks**. They should be able to keep enterprises going through restructuring wherever possible. **This doesn't happen** as much as it should. This is because, in the **public sector, bankers fear the law enforcement agencies** may come after them—even years down the road.
- **Delay in litigation:** Resolution under NCLT has been plagued by delays caused by litigation and the sheer volume of cases. Macquarie estimates that cases take more than 400 days (against the stipulated time limit of 270 days). **Bidders will also know** that acquiring an asset would stretch out in time, and **assets will shed value** in consequence.
- **Exclusion of promoters:** Promoters are excluded from bidding despite they are not wilful defaulters. Banks are also demanding their exclusion. For instance,
 - An NCLT bench had recently suggested that the promoters be given a chance to bid in the DHFL case. Banks were outraged at the suggestion and have **taken the case to NCLAT**.
 - Banks thinks that **allowing promoters to bid** for assets after they have defaulted creates a **moral hazard**. But there are many cases where default occurs for reasons beyond the control of the promoter.
 - Section 92 of the Companies Act, 2013 define a promoter as a person,
 - Who has been named as such in a prospectus or is identified by the company in the annual return referred to in section 92; or

- Who has control over the affairs of the company, directly or indirectly, whether as a shareholder, director or otherwise; or
 - In accordance with whose advice, directions or instructions the Board of Directors of the company is accustomed to act:
- **The Impact of Pandemic:** The rate of recovery under IBC has fallen in 2020-21. Data from IBBI tells us that in 2020-21, of the total outstanding amount of ₹1.32 trillion, only around ₹25,944 crores was recovered—implying a recovery rate of 19.7%, or only around 20 paise for every rupee of default.

How the situation look if we compare it to other recovery methods?

The other methods are Lok Adalats, Debt Recovery Tribunals (DRTs), Asset Reconstruction Companies (ARCs) and the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act.

- The rate of recovery in the case of the Lok Adalat stands at a measly 5.1% between 2012-13 and 2019-20.
- On the other hand, the DRTs and the SARFAESI Act, the rate of recovery stood at 6.1% and 21%, respectively.
- Asset Reconstruction Companies (ARCs) also offers a very little reconstruction of loans. They were just a means for banks to hand over the liquidation process to a third party. Recoveries were poor as a result.
 - The newly constituted **National Asset Reconstruction Company Limited** is expected to indulge in serious asset reconstruction.
- So, the rate of recovery under IBC is much more than the other methods. According to Macquarie Securities, recovery under NCLT has averaged 24 per cent if we leave out the top nine accounts referred to the NCLT by the Reserve Bank of India (RBI).

Suggestions to improve IBC

- For a healthy rate of recovery, a defaulting firm must be put through the bankruptcy process as quickly as possible.
- More transparency in bankruptcy and insolvency data is also needed.
- The bulk of the gains from the bankruptcy reform come from the modified behaviour of private persons, taking place in the shadow of the law. The threat of the law is expected to induce **modified behaviour on the part of borrowers and lenders**. But this will take time.
- **Strengthening Bank-led resolution:** Public Sector Banks need a mechanism that gives them protection for hair-cuts they take. It is the absence of such a mechanism that has made the NCLT the first resort ever since it came into being.
- **Better Auctioning:** The auction of assets will not automatically lead to the discovery and realisation of the best price. The **auction has to be efficient**. And the conditions for an efficient auction, such as **multiplicity of bidders, correct reserve price**, etc has to be met.
 - Investment bankers should also be entrusted with a mandate to find suitors on a global basis. Private equity funds must be sought out. Banks are also better equipped to do this.
- Promoters, who are not wilful defaulters, be allowed to bid at NCLT. Banks might look into the promoter's track record and if the banks feel that track record does not inspire confidence, they should have the right to reject promoters.

- Clearly, corporate loan defaults can cripple the entire financial system, are everybody's problem. By extension, a well-functioning system that can address those loan defaults effectively is in everybody's interest.

Read more:

- [Insolvency and Bankruptcy Code](#)
- [Insolvency and Bankruptcy Code \(Amendment\) Ordinance 2021.](#)
- [Pre-Pack insolvency resolution](#)
- Asset Reconstruction Company
- Bad bank
- Debt Recovery Tribunal



Cairn Energy dispute and Government disputes with private entities – Explained, pointwise

Introduction

Britain's Cairn Energy Plc has secured an order from a French court authorizing the [freezing of 20 Indian government properties in Paris](#) valued at over 20 million euros. This is the **first court order secured against India** to enforce a \$1.2-billion arbitration award that Cairn Energy had won against the Indian government in the retrospective taxation dispute. But the Indian government said that, it had not received any communication in this regard from any French court, and that it was trying to ascertain the facts.

About the Cairn Energy dispute

- In 2006, **Cairn Energy Plc made a bid to consolidate its Indian assets under a holding company — Cairn India Limited.** In doing so, Cairn UK transferred shares of Cairn India Holdings to Cairn India Limited, essentially transferring shares in non-Indian companies to an Indian holding company.
 - Indian tax officials said that capital gains tax of over Rs 6,000 crore is payable by Cairn UK for the transactions in 2006, even though the transactions had previously been cleared by them.
 - **Capital Gains Tax** is a tax on the profit realized on the sale of a non-inventory asset. The most common capital gains are realized from the sale of stocks, bonds, precious metals, real estate, and property
- **However,** due to different interpretations of capital gains, the company refused to pay the tax, which prompted cases to be filed at the Income Tax Appellate Tribunal (ITAT) and the Delhi High Court.
- The Supreme Court had ruled against the retrospective reading of the law by tax officials in the case of Vodafone. Despite that, In 2012, the Indian **government then retrospectively amended the tax code**, giving itself the power to go after **mergers and acquisitions(M&A) deals all the way back to 1962 if the underlying asset was in India.**
- Cairn argued that this retrospective taxation was in **breach of the UK-India Bilateral Investment Treaty** which had a standard clause that **obligated India to treat investment from the UK in a “fair and equitable manner”.**
- **The retrospective taxation demanded** by the Indian government was challenged by Cairn Energy Plc in the [Permanent Court of Arbitration \(PCA\)](#) at The Hague.
 - In December last year, a three-member international arbitral tribunal **ruled unanimously that the Indian government was “in breach of the guarantee of fair and equitable treatment”**, and against the India-UK Bilateral Investment Treaty. Further, the tribunal also [ordered a compensation of \\$1.2 billion.](#)
 - **The Indian government is yet to accept the arbitration award.** Since the **arbitration award was delivered in Hague, India has moved an appeal to the Netherlands.**
 - But, Cairn Energy is going after Indian assets overseas to recover the compensation. In May, Cairn began the process of extracting the \$1.2 billion.
- **Assets Cairn is going after:** Cairn Energy has so far registered the **arbitration award in several countries, where it has identified Indian assets worth over \$70 billion.**

This includes jurisdictions in the **US, UK, Canada, Singapore, Mauritius, France and the Netherlands.**

- While the **French court award is the first one to succeed** for Cairn, the French court order **boosts its chances in other jurisdictions.**

Impact of Cairn energy dispute award on India

- The government went for appeal in the Netherlands with the fear that accepting the demand may **open space for other cases where bilateral treaties** allow for arbitration. But the **implications of its present position are far-reaching.** Unwillingness to put this issue to rest will ensure that **claims of improving the ease of doing business** in the country are met with skepticism.
- Further, an adverse order in the Air India case will not only **complicate** matters for the government's **plans to privatize the airline** but may also **put a spanner in the privatization of other public sector entities.**
- Retrospective taxation is not unique to India, it has been invoked in specific situations by other countries with reputed processes. But what India saw as a **sovereign tax issue has been treated as an investment issue and deemed violative of bilateral investment treaties.**

Previous such rulings in India

Seeking courts' intervention in the enforcement of arbitration awards against foreign states is fairly common. For instance,

- Last month, in a case filed by two Indian private companies for enforcement of arbitral awards in their favor, the **Delhi High Court directed the Embassies of Afghanistan and Ethiopia to file affidavits disclosing the assets** owned and held by them in India.
 - Further, the Court held that **"A Foreign State does not have Sovereign Immunity against an arbitral award arising out of a commercial transaction."**

How disputes with private entities are dealt in India?

- The Indian parliament enacted the Arbitration and Conciliation Act in 1996. The Act provided for the commencement of conciliation proceedings, appointment of conciliators, and assistance of suitable institutions for the purpose of recommending the names of the conciliators. This Act facilitated Arbitration
 - Arbitration is an **alternative dispute resolution (ADR) procedure** in which a dispute is submitted, by agreement of the parties, to one or more arbitrators who make a binding decision on the dispute.
- It also defines the role of the conciliator in assisting the parties in negotiating settlement of disputes between the parties.

Read More: [Arbitration and Conciliation \(Amendment\) Act, 2019](#)

Issues with government litigation against Private entities

- Tax authorities reportedly **lose 85 percent of tax cases in the various high courts, and 74 percent of cases in the Supreme Court.** This not only wastes the precious time of the Judiciary but also harasses the taxpayers and investors. The **process of litigation itself is a punishment for taxpayers and private entities.**

- The stock market regulator, the Securities and Exchange Board of India, is **able to collect only a little over 1 percent of the financial penalties** for which it sends out notices. For instance, SEBI issued notices worth Rs 81,086 crore since 2013, but it has been able to recover only Rs 887 crore.
- A similar trend is also observed with external players. For instance,
 - **Retrospective taxation cases involving Cairn and Vodafone.** In both these cases, India has lost arbitration cases internationally, that too in unanimous verdicts.
 - **Devas Multimedia**, which has won a case against Antrix Corporation (a subsidiary of the Indian Space Research Organisation) for arbitrary cancellation of a contract. As Devas subsequently argued in a US court, nine arbitrators and three international tribunals had deemed the termination of the Devas-Antrix deal as unlawful. The sums involved in each of these cases run to more than a billion dollars.
 - **Devas Multimedia is also seeking a \$1.3 billion award** and has joined Cairn to seize Air India's assets abroad.
- The government is misusing some provisions of the Arbitration and Conciliation Act and pursue unnecessary appeals against the arbitration order.

Challenges with the Arbitration and Conciliation Act

- **Section 34 of the Act:** This section provides an **application for setting aside arbitral awards**. This section narrows down the scope of judicial interference and creates trouble for the taxpayers.
 - The arbitration hearings are generally held in camera, and decisions are usually not publicly accessible, giving rise to doubts about impartiality and fairness. But Section 34 does not include that as a ground for review.
- Vast discretion of the arbitral tribunals led to an over-indulgence in the tribunals by some parties. This is observed by Supreme Court in **Tarapore and Company v. Cochin Shipyard Ltd case 1984**. The Supreme Court had remarked that an **honest man dreads arbitration more than lawsuits**.
- **Arbitration proceedings have become more complex with time.** Arbitrators have strived to simplify the proceedings by limiting the pleadings, insisting on written arguments, reducing the number of sittings, and laying down a schedule for various milestones.
 - But the **parties and their lawyers habitually derail the proceedings by filing extensive and superfluous motions**, interrogatories, resulting in unending oral and written submissions.
- Even the **clauses providing for fees of the arbitrators and fixed timelines for disposal are often disregarded**. The Supreme Court, in **National Highways Authority of India v. Gayatri Jhansi Roadways Limited**, has **upheld** the agreement on the **arbitral fees between the parties as binding**.
- The Supreme Court, in **Guru Nanak Foundation v. Rattan Singh and Sons**, expressed its **woefulness against the procedural delays and tardiness in the resolution of disputes** through arbitration.
- Arbitration has the **inherent potential and characteristics to outperform other modes of dispute resolution**. But it needs a small check on the arbitral fees and timelines, careful drafting of arbitration clauses, stringent procedural safeguards to

curb delays, expeditious disposal of the court proceedings, and legislative intent. The government has to accept the Cairn Energy dispute and needs to avoid such retrospective taxation cases in future. Further, failure to accept the award **only sends the wrong message to the international investor community.**

Terms to know:

- [Retrospective taxation](#)
- [Tax terrorism](#)

ForumIAS

Ministry of Cooperation – Explained, pointwise

Introduction

In a recent move, a separate **Ministry of Cooperation** was created by the Government of India for realizing the vision of '**Sahkar se Samridhhi**'.

- As per the government, the Ministry of Cooperation would work towards **strengthening the cooperative movement** in India.
- Also, the creation of this ministry is in line with the Finance Minister's announcement in her 2021 Budget speech. She had proposed to set up a separate administrative structure for cooperatives.

Key objectives

- **Firstly**, it will provide a separate administrative, legal, and policy framework for strengthening the cooperative movement in the country.
- **Secondly**, it will make the cooperative movement a true people-based movement by helping it reach the grassroots level.
- **Thirdly**, it will work to streamline processes for ease of doing business for cooperatives and enable the development of multi-state cooperatives (MSCS).

Need/Rationale

Following reasons are being cited behind the creation of a new Ministry of Cooperation:

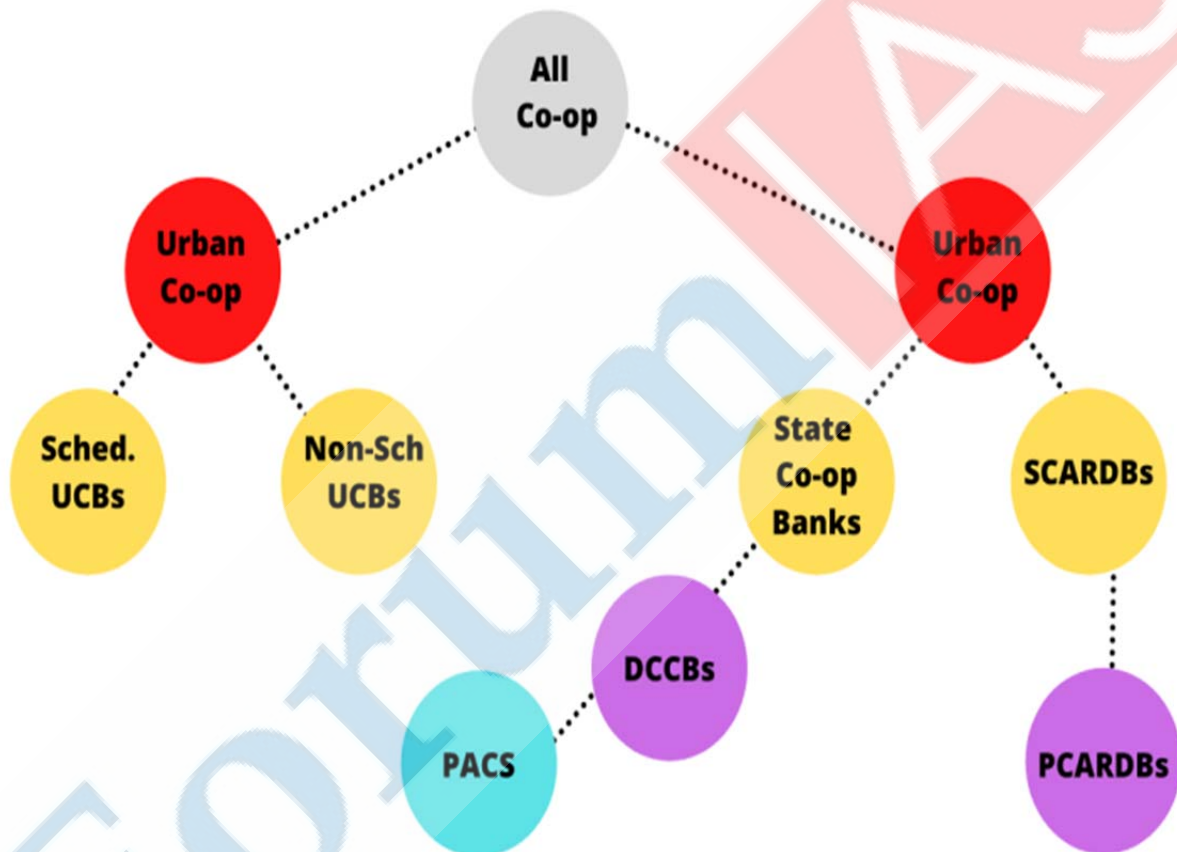
- **Spreading Cooperatives throughout India:** It was necessary to **restore the importance of the cooperative structure** in the country. Various studies conducted by institutions like Vaikunt Mehta Institute of Cooperative Management have shown the cooperative structure has managed to flourish and leave its mark only in a handful of states like Maharashtra, Gujarat, Karnataka etc. Under the new Ministry, the cooperative movement would get the **required financial and legal power** needed to penetrate into other states also.
- **Revitalizing the funding structure:** Cooperative institutions get capital from the Centre, either as equity or as working capital, for which the state governments stand guarantee. This formula had seen most of the funds coming to a few states such as Maharashtra, Gujarat, Karnataka while other states failed to keep up. Over the years, the cooperative sector has witnessed drying out of funding. Under the new Ministry, the cooperative funding structure would be able to get a new lease of life.
- **Correcting an administrative anomaly:** India's agriculture ministry already had a division to oversee cooperatives. Focusing on agriculture, however, the ministry has been poorly responsive to the needs of cooperatives. Cooperatives have changed as well. Most new registrations for co-operatives are not in the agriculture sector. They are now coming up in sectors like housing and labor. Hence, a separate ministry for cooperatives is a much better option.

What are cooperatives?

Cooperatives are enterprises which are owned, controlled and run by its members to realize their common economic, social, and cultural needs and aspirations. Cooperative societies function for a common benefit with a motive to help its members.

- Cooperatives are formed at the grassroots level by people to harness the power of collective bargaining towards a common goal.

- The Cooperatives were **first started in Europe** and the British Government replicated it in India to mitigate the miseries of the poor farmers, particularly harassment by moneylenders.
- In agriculture, cooperative dairies, sugar mills, spinning mills etc are formed with the pooled resources of farmers who wish to process their produce.
- **Producer cooperatives** seek to obtain the highest possible value for the goods and services supplied by farmers, fisherfolk, artisans or labourers. **Consumer cooperatives**, likewise, provide inputs (fertiliser, seed, credit, fuel, etc), groceries, housing, health and other services at the most economic rates to their members
- As per the National Dairy Development Board's 2019-20 Annual Report, there are 1,94,195 cooperative dairy societies in the country.



Structure of Cooperatives in India

- SCARDB = State Cooperative Agriculture and Rural Development Banks
- PCARDBs = Primary Cooperative Agriculture and Rural Development Banks

Constitutional provisions

- The word “cooperatives” was added after “unions and associations” in **Article 19(1)(c)** under Part III of the Constitution. This allows all the citizens to form cooperatives by giving elevating it to the status of a fundamental right.

- **Article 43B** was added in the [Directive Principles of State Policy \(Part IV\)](#) regarding the “promotion of cooperative societies”.
- The **Constitution (97th Amendment) Act, 2011** added a new **Part IXB** right after Part IXA (Municipals) regarding the cooperatives working in India.

Laws governing cooperatives

Cooperatives is a **State subject** under entry 32 of the State list under the **Schedule 7** of the Constitution. A majority of the cooperative societies are governed by laws in their respective states, with a **Cooperation Commissioner** and the **Registrar of Societies** as their governing office.

- In 2002, the Centre passed a **Multi-State Cooperative Societies Act** that allowed for registration of societies with operations in more than one state. These are mostly banks, dairies and sugar mills whose area of operation spreads across states. The **Central Registrar of Societies** is their controlling authority, but on the ground the State Registrar takes actions on his behalf.
- The **National Cooperative Development Corporation (NCDC)** works for the promotion of the cooperative movement in India. It is tasked with planning, promoting, coordinating and financing cooperative development programs at the national level. Also, it provides financial, insurance and technical support to cooperative institutions of farmers and other weaker sections.

Also Read: [Levels of Cooperatives in India](#)

Significance of cooperatives

- Though not uniform across India, cooperatives have made **significant contributions in poverty alleviation**, food security, management of natural resources and the environment.
- Besides serving localities and segments that markets might ignore, cooperatives are also **effective in mediating politics at the local level**, outside of the parliamentary system
- Cooperative institutions elect their leaders democratically, with members voting for a board of directors. Thus, in states such as Maharashtra, cooperative institutions have **served as schools for development of leadership**. The movement has given the state multiple Chief Ministers as well as ministers, many of whom have gone on to make a mark at the national level too.

Who controls the Cooperatives in India?

- While the administrative control of the cooperatives are with the states, its banking functions are regulated by Reserve Bank of India under the Banking Regulation Act, 1949 (as applicable to Cooperatives).
- This **dual control** has led to a lot of irregularities in the functioning of the cooperative banks.
- In June 2020, the **Centre promulgated an ordinance** to bring all urban cooperative banks and multi-state cooperative banks under the supervision of the RBI in order to protect the interest of depositors.

- The Ordinance amended the Banking Regulation Act, 1949 as applicable to cooperative banks. However, it did not affect the existing powers of the state registrars of Co-operative Societies under state co-operative laws.

Also Read: [History of Co-operatives in India](#)

Criticism

Creation of a new Ministry of Cooperation has evoked criticism too.

- Critics fear that this Ministry is aimed to **concentrate even more powers** in the hands of the Centre.
- It is being seen as yet another instance by the Centre attempting to gain control over grassroots institutions, especially in Opposition-ruled states, and **undermining the principles of federalism**.
- Some suspect that this move is aimed at weakening the grip of opposition parties on cooperatives in key states such as Maharashtra.

Way forward

- **Ease of doing business:** Ministry of Cooperation should **make it easier for cooperatives to do business**, right from registration to winding up. It should **liberate multi-state cooperatives from government control** and get all states to enact legislation compatible with the requirements of a modern market economy.
- **No need for multiple regulators:** Cooperatives can do without **multiple regulators** and thrive as truly member-owned businesses. India needs many more Amuls alongside the Ambanis, Adanis and Tatas.
- **Identify opportunities:** Ministry of Cooperation should **identify the areas where cooperatives-based business enterprises can be made**, provide the capital, technology and providing the ease of doing business.
- **Focus on women:** Should be a focus on women cooperatives because they are less than 3% of the 8 lakh cooperatives in the country.

Conclusion

The cooperative model is most suited for India given that small farmers, workers and traders it caters to and ensures equitable distribution of wealth and profits. Experts who have studied the cooperatives in India over the years, believe that the next steps now will matter more than the creation of this new ministry.

Lightning strikes in India: impacts and management – Explained, pointwise

Introduction

Climate change may be sparking more lightning across the world, and there is an increasing scientific evidence pointing to the trend. According to a pre-print accepted for the journal Atmospheric Chemistry and Physics recently, the frequency and intensity of **lightning strikes in India are expected to increase by 10-25 percent and 15-50 percent by the end of this century**. Coastal areas may be at the highest risk.

In India, over the recent years, there's an **increasing trend in death toll and damages reported due to lightning. Lightning strikes kill more people in India than any other extreme weather event**, causing more than 2000 deaths every year.

Global studies regarding Lightning

- A study published in 2015 found out that, an **increase of one degree Celsius would increase the frequency of lightning strikes by 12 percent**.
- A study published in Geophysical Research Letters in March 2021, too, has established links between climate change and rising incidences of lightning in the Arctic region.
 - The number of lightning strikes recorded during the summer months between 2010 and 2020 shot up from **around 18,000 at the start of the decade to more than 150,000 by 2020**.
- Another research finds out that, **Urbanisation, increased population and a warmer climate guarantee an intensification of human exposure to lightning** hazards.
- An increase in lightning incidents may be **directly related to the climate crisis and the availability of more moisture over land** due to warming.
- Scientists also found out the link between cloud burst events, which cause sudden heavy rainfall often triggering flash floods, and forest fires.

Lightning in India

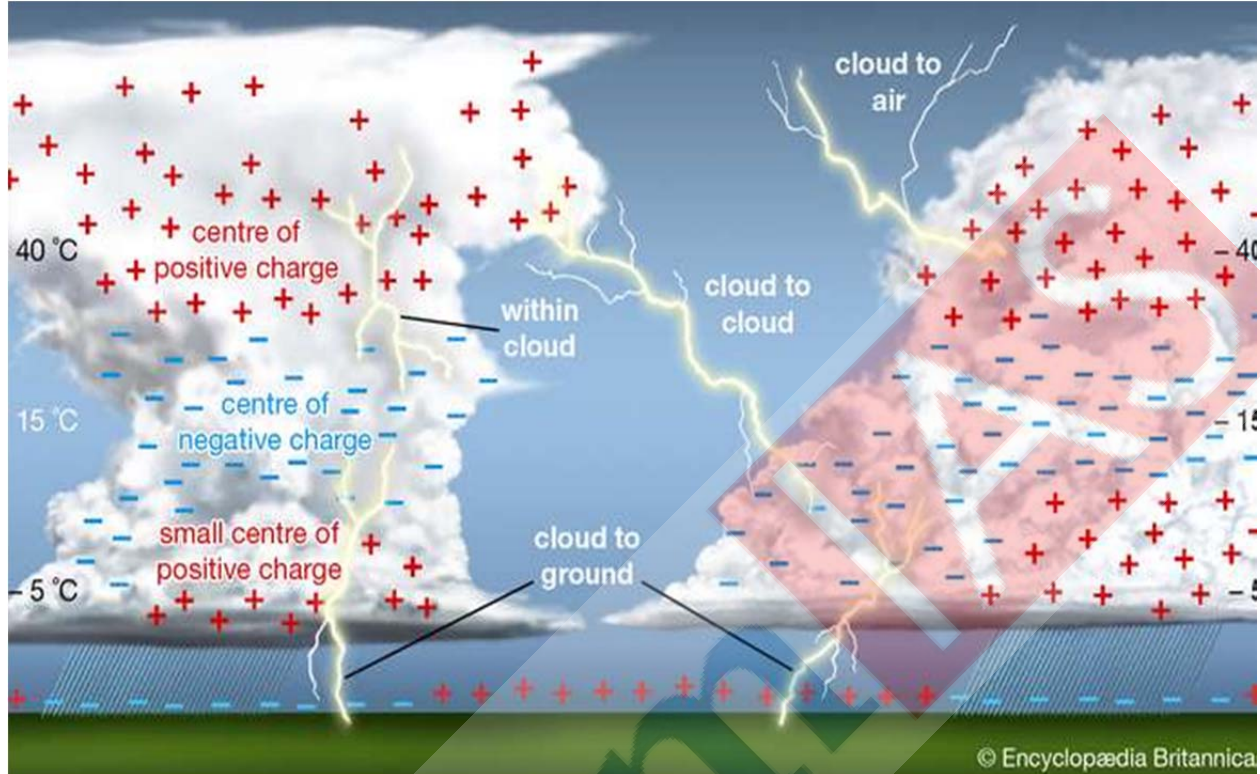
- As many as 18.5 million lightning strikes were recorded in India between April 1, 2020, and March 31, 2021, according to India's second annual report on lightning released by **Lightning Resilient India Campaign (LRIC)** recently. This is an increase of 34 percent compared to the previous year.
- At least 1,697 people died due to lightning between April 1, 2020, and March 31, 2021. Of this, 401 died in Bihar, followed by Uttar Pradesh (238 deaths) and Madhya Pradesh (228 deaths).
- Lightning strikes increased in Punjab 331 per cent, followed by Bihar (168 per cent), Haryana (164 per cent), Puducherry (117 per cent), Himachal Pradesh (105 per cent) and West Bengal (100 per cent).

What is lightning?

Lightning is a very **rapid and massive discharge of electricity in the atmosphere**. It is the process of occurrence of a **natural 'electrical discharge of very short duration and high voltage between a cloud and the ground or within a cloud**.

- These discharges are generated in giant moisture-bearing clouds that are 10-12 km tall. These clouds have their bases about 1-2 km from the Earth's surface.
- There are two types of lightning. Such as,
 - **Intercloud or intracloud (IC) lightning**: These are visible and harmless.

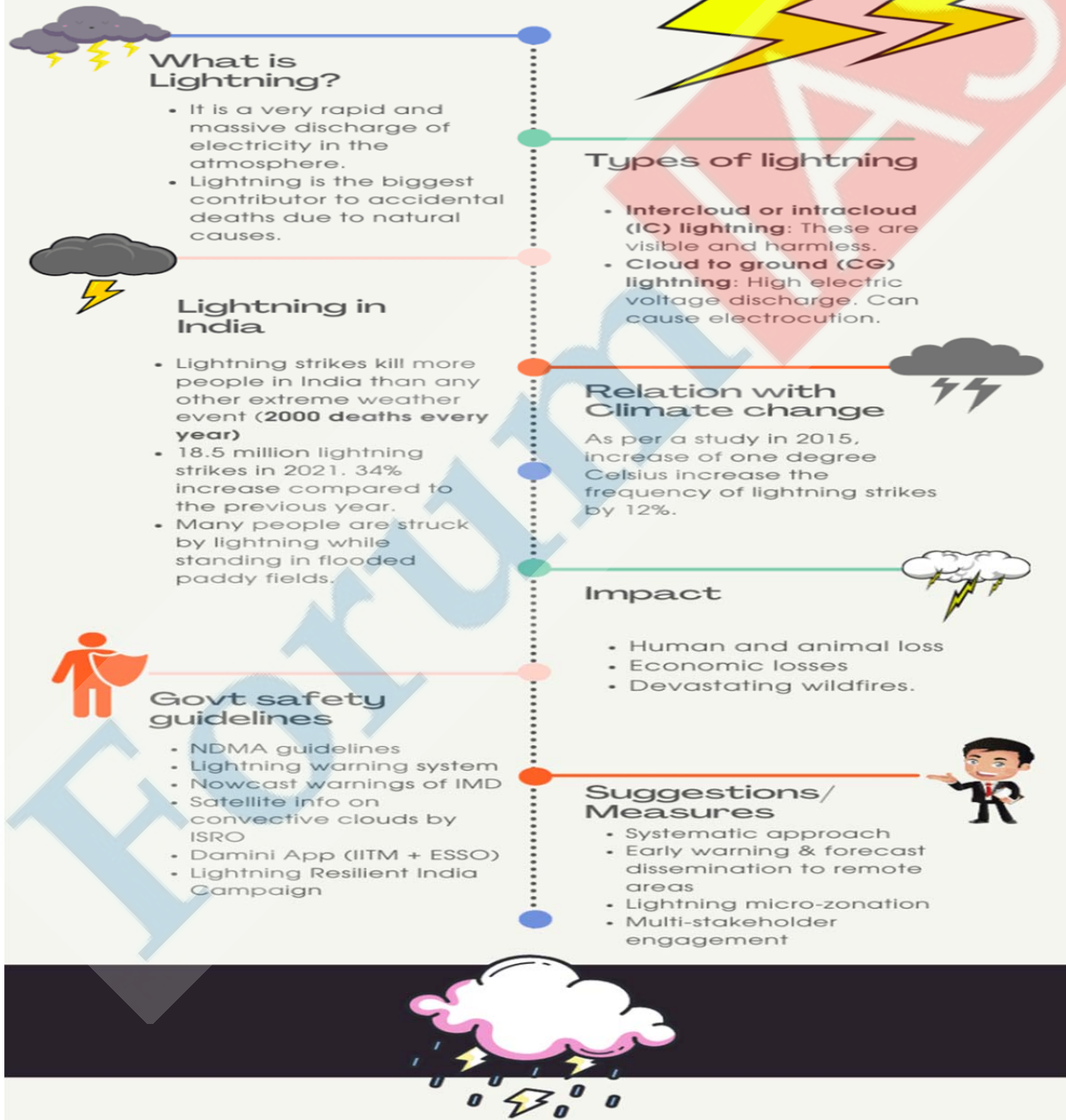
- **Cloud to ground (CG) lightning:** This is harmful as the 'high electric voltage discharge for very short time leads to electrocution.



How does lightning strike?

1. It is a result of the difference in electrical charge between two points.
2. As **water vapour moves upwards** in the cloud, the falling temperature causes it to **condense**. A huge amount of heat is generated in the process, pushing the water molecules further up.
3. As they move to temperatures below zero, droplets change into ice crystals. This leads to a system where **smaller ice crystals move upwards while larger ones come down**.
4. The resulting collisions trigger the release of electrons. This process is similar to the generation of electric sparks. The moving free electrons cause more collisions and more electrons, leading to a chain reaction.
5. Over time, this process results in a situation where the **top layer of the cloud gets positively charged and the middle layer is negatively charged**.
6. The electrical potential difference between the two layers is huge (a billion to 10 billion volts). So, in a short time, a **massive current** (100,000 to a million amperes) **starts to flow between the layers**.
7. An enormous amount of heat is produced, and this leads to the **heating of the air column between the two layers of the cloud**. As the heated air column expands, it produces shock waves that result in thunder.
8. The Earth is a good conductor of electricity, it is electrically neutral. However, in comparison to the middle layer of the cloud, it becomes positively charged. As a result, **about 15%-20% of the current gets directed towards the Earth** as lightning.

Lightning Strikes



Losses due to lightning

- Apart from human and animal loss, lightning can also cause the following losses.
- **Economic losses** like that of cultivated fields and buildings occur, infrastructure like communication networks, power plants and so on are often destructed by lightning events.
- Sometimes, lightning and thunderstorms may **ignite potentially devastating wildfires**.

Government safety guidelines to reduce lightning impact

- National Disaster Management Authority (NDMA) has issued detailed guidelines on action-plan by state and local authorities. The NDMA guidelines follow a **community-centric approach**. “These guidelines, drawn from **international best practices**, provide do-s and don’t-s as well as steps to be taken by common people”.
- In pre-and post-monsoon season, **NDMA conducts workshops** with all stakeholders to discuss preparedness and mitigation measures for reducing the impact of thunderstorms & lightning, dissemination of early warnings at a local level, SOPs and so on.
- NDMA also works on **improving inter-agency coordination** which includes monitoring and reviewing mechanisms at field level, forecasting and dissemination of **nowcast warnings of IMD**, etc.
- India is among a few countries which has introduced a **Lightning Warning System**. This system has a **location-specific forecast up to 48 hours** about the occurrence of thunderstorms, lightning, squally winds, gusty winds, hailstorms.
- Besides, ISRO is **providing satellite information from INSAT-3DR about convective clouds**, which is uploaded every 15 mins.
- **Damini App** was developed by the Indian Institute of Tropical Meteorology (IITM-Pune) and Earth System Science Organization (ESSO) under the ministry of earth sciences.
 - The app monitors the lightning occurrence all over India and alerts the user of lightning near them by a GPS notification under 20 km and 40 km.
 - Further, the Damini app also triggers warning about lightning strikes **three hours in advance** which can help reduce losses to life and property.
- **‘Lightning Resilient India Campaign’**:
 - It is a joint initiative of Climate Resilient Observing-Systems Promotion Council (CROPC), NDMA, India Meteorological Department (IMD), Union Ministry of Earth Science, World Vision India, UNICEF among others.
 - The campaign aims to reduce the number of deaths to less than 1,200 a year by 2022.

Suggestions

- A **systematic approach in managing the risks associated** with these disasters can prevent or mitigate their impact.
- IMD’s timely weather warnings need to reach out to people at remote corners. In this context, **NDMA has constituted an expert committee** to develop a protocol on early warning and forecasting dissemination on thunderstorms and lightning.

- The report on lightning released by LRIC recommends **States should undertake lightning micro-zonation for the regions** depending on their geography to handle the disaster and death risks better.
- **Multi-stakeholders engagement at the national and state level** with governments, academia, non-profits and communities, **has been successful in bringing down deaths by more than 60 percent within two years**. So, the government has to intensify such collaboration.

Source: [Down To Earth](#), [PIB](#)

Terms to know:

- [National Disaster Management Authority \(NDMA\)](#)

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Population control measures in India – Explained, pointwise

Introduction

Presently, India's population stands at nearly 134 crore. According to the UN Department of Economic and Social Affairs estimates, India's population will reach 1.5 billion by 2030. Further, the population will hit 1.64 billion in 2050. This would make India become the largest populous country, overtaking China. To prevent that India introduced population control measures.

Apart from the Central government, many states also announced population control measures. A [new draft Bill prepared by the Uttar Pradesh \(UP\) Law Commission](#) seeks to control the population by introducing a two-child policy.

Earlier, the Supreme Court also upheld a Haryana government law barring persons with more than two children from contesting local body polls. But such population control policies can create imbalances in society and create lasting problems.

About Uttar Pradesh's population policy

- A new population policy released by the U.P government aims to bring fertility levels down. It also aims to create a **population balance among various communities**.
- Similarly, a **draft of the Uttar Pradesh Population (Control, Stabilisation, and Welfare) Bill, 2021** was published a few days ago and is currently open for public feedback.
 - It states that any citizen who "violates" a two-child policy would be barred from:
 - contesting local bodies polls,
 - applying for, or getting promotion in, government jobs, and
 - even receiving government subsidies.

India's population control measures since Independence

First Five-year plan	In 1951, India became the first among the developing countries to come up with a state-sponsored family planning program . It emphasized the use of natural devices for family planning.
Second Five-Year Plan	The number of family planning clinics was increased significantly. But since these clinics were largely set up in urban areas, they did not provide adequate results.
Third Five-Year Plan	The technique of copper- T was adopted. An independent department called the Family Planning Department was set up.
Fourth Five-Year Plan	All kinds of birth control methods (conventional and modern) were encouraged.

Fifth Five-Year Plan	National Population Policy was announced in 1976. Some important measures under this policy were, Increasing the minimum legal age of marriage for girls and boys to 18 and 21 respectively. Improving the literacy levels of females Popularise family welfare programmes by using all forms of media Forced sterilization was permitted, which was later on given up.
Sixth, Seventh, and Eighth Plans	Efforts were made to control the population by determining long-term demographic aims
Ninth Five-Year Plan	In 1993, the government had established an expert group under the chairmanship of M.S. Swaminathan for formulating national population policy . In 1997, the family planning programme was renamed the 'family welfare programme'.

- More substantive poverty reduction schemes and economic reforms have raised **labour productivity and employment opportunities, allowed families to empower women and reduced fertility rates** as rational choices.

Need for population control measures

- At present, India hosts **16% of the world's population with only 2.45% of the global surface area and 4% water resources**.
- The ecosystem assessments also pointed out that the human population's role in driving other species into extinction and precipitating a resource crunch.
- So, the population explosion would **irreversibly impact India's environment and natural resource base and limit the next generation's entitlement** and progress. Therefore, the government should take measures to control the population.

Challenges with the population control policies

A very high level of population growth can create imbalances, which make the job of the state more difficult, but the way the issue is being approached is problematic and will have unintended consequences.

1. The **approach is anti-poor**, as they tend to have more children than middle-class people. Further, it is an **anti-democratic practice** that **impairs a citizen's right to choice** and his/her sexual and reproductive rights.
2. People have more children if there is a **high prevalence of socio-economic issues** such as infant and child mortality.
 - For instance, the National Family Health Survey-4 (2015-16) reveals that women who have little access to health and education and those caught in a cycle of poverty, produce more and more children
3. India's **TFR is about to reach the net replacement rate**, or NRR, of about 2.1-2.2. So, India is **not being threatened by a "population explosion"**. The [National Family Health Survey \(NFHS\)](#) and Census data show that in most states, and many urban areas, the total fertility rate (TFR) has already reached replacement levels (2.1).
4. **Challenge with the two-child policy**: If the first two children are girls, one of them faces a risk to life immediately after birth, as their parents have a preference for male offspring. This will increase even more female infanticide in India.

- According to the 2011 census, the UP had 908 females per 1,000 males, compared to the national average of 940 females per 1,000 males. The two-child policy is bound to increase this imbalance.
5. **Population control measures address yesterday's problem:** The population control measures might end up creating difficulties for tomorrow. Attempts to address the population issue through exclusionary policies will not improve the quality of life in states. So, this creates problems in the future.
 6. **Against National Human Rights Commission order:** The incentives/disincentives approach has been denounced in the past by the NHRC after such measures were introduced by several States in the 1990s and 2000s. i.e., Haryana, undivided Andhra Pradesh, Madhya Pradesh, Rajasthan, Chhattisgarh, and Odisha.
 7. **Global examples:** The stricter population control policy from other countries are **not effective in the long run and also tends to skew the sex ratio**. **China**, for instance, resulted in a **significant gender imbalance** because of preference for a male child.

Suggestions to control population

1. If the states want to ensure a lower and stable fertility rate, they first **need to strengthen medical infrastructure and focus on socio-economic issues**.
 - The success of India's southern states in containing population growth indicates that economic growth, as well as attention to education, health, and empowerment of women, work **far better to disincentivize larger families than punitive measures**.
2. **Adhering to the Cairo consensus:** Cairo International Conference on Population and Development in 1994 stressed population. The Cairo Consensus called for the **promotion of reproductive rights, empowering women, universal education, maternal and infant health to untangle the knotty issue of poverty and high fertility**. The consensus also demands an increase in the rate of modern contraceptive prevalence, male contraception. **States instead of releasing population control measures can start to adhere to implementing the Cairo consensus**.
3. **Adopting Women-Centric Approach:** Population stabilisation is not only about controlling population growth, but also entails gender parity. So, states need to **incentivize later marriages and childbirth**, promoting women's labor force participation, etc.
4. Seeing **Population as a Resource rather than Burden:**
 - As the Economic Survey, 2018-19, points out that India is set to witness a sharp slowdown in population growth in the next two decades.
 - Further, population estimates also predict a **generational divide between India's north and south, Fifteen years from now**.
 - So instead of population control policies at the state level, India **needs a universal policy to utilize population** in a better way.

India's TFRs have been reducing substantially across most States. To hasten the drop, States **should tackle the socio-economic issues** confronting India's largely youthful demography **rather than seeking** neo-Malthusian approaches to **population control**.

Source: [The Hindu](#), [Business Standard](#)

Terms to know:

- [National Family Health Survey \(NFHS\)](#)
- [National Human Rights Commission](#)
- [National Population Policy](#)
- [Total Fertility Rate \(TFR\)](#)



Relation between Agri exports and water stress – Explained, Pointwise

Introduction

Central Water Commission of India has reported that about 78% of water consumption in India is done by the agricultural sector. For 2020-21, India registered a growth of 17.34 percent in agricultural exports. But, we failed to look beyond the growth in agricultural exports.

Agricultural exports **deplete an equivalent amount of irrigation water permanently from the country's resource base**. So, it is important for regulating water in Agricultural exports. So, It is critical for us to adopt the circular water management model of treating and rejuvenating wastewater at the source to reduce water demand.

Agricultural exports and water stress

India's agricultural exports registered a growth of 17.34 percent, garnering \$41.25 billion in foreign exchange for 2020-21, despite the novel coronavirus disease (COVID-19) pandemic.

For instance, The improved agricultural exports for 2020-21 are equivalent to the **annual drinking water needs of 1,500 villages with a population of 1,000**. So, the **Agricultural exports reduce the imbalance in trade and earn hard currency while causing social, environmental fallouts**, primarily for rural people.

Ashok Gulati, an agriculture economist, views the **continuing agriculture export of crops like rice and sugarcane with deep concern**. For him, the export of 17.7 million tonnes of rice and 7.5 million tonnes of sugar is the same as the **export of 50.4 billion cubic meters of water** by the current generation from the legitimate resource share of the future.

What is Virtual Water Trade (VWT)?

The virtual water trade is the idea that when goods and services are exchanged, so is virtual water. When a country imports one tonne of wheat instead of producing it domestically, it is saving about 1,300 cubic meters of real indigenous water.

Virtual Water Trade at the global level

Virtual Water Trade (VWT) is slowly altering the global hydrological cycle in many ways. Several countries have begun to act early, adopting the VWT route to address worldwide water distress. **For instance, water-guzzling activities are getting outsourced for production to other countries**. Thus, crops, meat, leather, chemicals, and industrial goods are imported to ensure a positive water balance. For example, **Mexico imports maize and in doing so, it saves 12 billion cubic meters per year of its national water resources**.

Globally, the largest water exporters are the US, China, Australia, India, Pakistan, Brazil, Canada, Vietnam, Indonesia, and Thailand.

The situation in India:

- Unfortunately, **India has fallen for this bait and is getting increasingly entrapped into agricultural exports**. Agri-export houses are earnestly exporting virtual water, especially groundwater, all for a dime.
- India has witnessed a continued decline in its per capita water availability — by 60 percent over the last 50 years because of increasing water use by the irrigation sector and India's agricultural exports.

Why agricultural export is used as a proxy for the transfer of embedded water?

1. **Remains unnoticed from the exporting country:** The visible impact on a national scale remains unnoticed, as a **mere one to four percent of the total water gets depleted per annum through the agri-exports route**. However, this impact is significant enough to create an enormous imbalance at the local level in different regions
2. **Countries generally import water-intensive crops and products** and balance this import by **exporting less water-intensive commodities**.
3. **Generates revenue for exporting nation:** Exporting countries **view the exports as a revenue-generating one and the way to boost farmer's income** in their country. But **in the long run, the result is the opposite**.

Why does India need to pay attention to Virtual Water Trade?

- Virtual water export is likely only to grow further in the future. **Its impact on coming generations would be more catastrophic** if corrective actions are not taken at the earliest.
- **VWT, covering both export and import, is here to stay and cannot be avoided**, just as oil import is accepted as critical for economic growth.

Suggestions

- Virtual Water Trade risks **need to be integrated into the policy framework** to help anticipate the concerns and **design management practices**, to help soften water footprint export volumes. The policy should include,
 - Fix the upper limits of national VWT
 - List the products and regions that need to be excluded from it
 - Specifications on water types to be used
 - Wastewater treatment and reuse
 - A **national guideline needs to be designed to help map the volumes of water** already lost from the hydrological cycle due to export and ways to offset the loss through improved management strategies:
 - Precision technology to be adopted to trail water use by export farms and industries
 - Water footprint estimation guidelines to be adopted by the different production systems
 - Design **'water renewal credit' similar to 'Carbon credit'**
 - 'Water renewal credit' is the first step to revive wastewater into productive use within the hydrologic cycle for irrigation / non-drinking use
 - 'Water renewal credit' overtime needs to be extended to bottling water plants, commercial water users, bulk water users involved with entertainment and sports
 - In the future, 'Water renewal credit' to be acquired in advance to be eligible for export
 - All export houses shall treat wastewater equivalent to the virtual water exported
- With future challenges, it is **critical to adopt the circular water management model** of treating and rejuvenating wastewater at source combined with **efficient water management**

strategies to reduce the water demand by at least 50 percent to restore the balance by **adopting the bottom-up approach**.

Source: [Down To Earth](#)

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Migrant workers and their Social protection in India – Explained, pointwise

Introduction

The migrant crisis during the pandemic highlighted the vulnerabilities faced by migrants. Recently, the Supreme Court issued an important judgment towards the welfare of migrants. The judgment mandated a portal for the registration of all informal/migrant workers. But to provide welfare to migrants, there is a need for a clear policy framework and greater commitment from the government.

About the Migrants' situation during the pandemic

The migrants' crisis during the first and second waves affected millions of migrants.

- The Azim Premji University's **State of Working India Report 2021** presents a survey of surveys along with the findings of its own studies. Apart from job losses, it reports **deterioration in the quality of work, indebtedness as a coping strategy, and lower incomes compared to pre-lockdown levels**, pushing hundreds of millions of households into poverty.
- While circular migrants were the hardest hit, the effects were disproportionately large for the poorest households, and women and young workers.
- Other than the PDS, the social protection net provided protection to few households, and the benefit of the extended schemes also remained restricted, particularly for migrant workers.

Recent Supreme Court ruling on the Migrant workers

The Supreme Court finally delivered its judgment on the plight of migrant labour on June 29. The judgment was limited in scope, confined to the framework of existing social security schemes, but it was notable for two main reasons.

1. The judgment recognised that there was the large-scale exclusion of migrant workers and other informal workers from existing schemes due to the **lack of their registration and outdated eligibility lists**.
 - It noted that no benefits will be denied to migrant workers for want of an Aadhaar card, and that **food assistance will be provided for migrants who were not covered by the National Food Security Act**.
2. The judgment connected informal workers and migrant workers, both of whom experience exclusion, and **mandated that the portal for registration of all informal/migrant workers should be fully operational before July 31**.

Migrant workers and NCEUS recommendation

Nearly a decade and a half ago, the **National Commission for Enterprises in the Unorganised Sector (NCEUS)** had pointed out that the **circular migrant workers were a disadvantaged segment among informal workers**. At present, these migrant workers comprise nearly 60 percent of occupationally vulnerable workers outside agriculture.

Recommendation of NCEUS:

- The NCEUS had **advocated a comprehensive law for the protection of the rights of all informal workers**, including migrants, home workers, and domestic workers.
- It had also recommended a **universal registration mechanism based on self-declaration**, with the **issuance of a smart social security card**, and a **National**

Minimum Social Security Package available to all informal workers through the law, within a definite time frame.

Unorganised Workers' Social Security Act, 2008

In drafting the Unorganised Workers' Social Security Act, which was approved by Parliament in December 2008, and **took out the mandatory elements** of the NCEUS's proposals. Such as **National Minimum Social Security Package and Mandatory registration**. Instead, the Act includes provisions like,

- The Act provides for the **constitution of the National Social Security Board** at the Central level.
- The board will recommend the **formulation of social security schemes** viz life and disability cover, health and maternity benefits, old age protection and any other benefit as may be determined by the Government for unorganised workers.
- As a follow-up to the implementation of the Act, the National Social Security Board was set up on 18 August 2009.

But the **recent Supreme Court judgment may well now push the government towards mandatory registration**.

Read more: [Supreme Court's Directions for Welfare of Migrant Workers](#)

Social protection floor (SPF) for migrant workers

Investment in social protection is not charity, instead, it is an investment in workers' productivity and equitable growth.

- Even the United Nations mooted a **social protection floor (SPF) initiative** after the global financial crisis.
 - The social protection floor (SPF) is the first level of social protection in a national social protection system. It is a **basic set of social rights derived from human rights treaties, including access to essential services** (such as health, education, water and sanitation, etc) **and social transfers**, in cash or in-kind, **to guarantee income security, food security, adequate nutrition security**.
- The report of the Advisory Committee of the ILO, in which India was also represented provides a strong rationale for **instituting a universal SPF during economic crises**.
- As a result, all constituents of the ILO adopted **Recommendation 202 on social protection floors at the International Labour Conference in 2012**.

India and Social protection floor (SPF)

Unfortunately, in the years before this crisis, the **government reversed the trend towards increasing public expenditure on social protection**. Estimates show that the central government's expenditure on all major social protection programmes declined from 1.96 percent of GDP in 2008-09 to 1.6 percent in 2013-14 and to only 1.28 percent in 2019-20. Further, India **does not have an identifiable employer and a contributory social insurance framework**.

Read More: [Migrants Workers, Who Returned to Cities Earned five-fold : Study](#)

Suggestions to improve the situation of Migrant workers

- Policy-makers must provide a **minimum level of guaranteed social security/social protection for all informal workers and their households** within a definite time frame.
- The government has to take steps to achieve a universal SPF in India. To achieve that, the government has to **spend more on social protection and embrace ILO's Recommendation 202**.
- To end the silent, painful, and enduring crisis for the workers, as well as the crisis for the economy, the government must urgently recognise the right to social security, embedded both in the Indian Constitution and international covenants, and work towards these in a time-bound manner.

Terms to know:

- [Unorganised Workers' Social Security Act, 2008](#)

Source: [The Indian Express](#)

State of Prisons in India – Explained, pointwise

Introduction

The [death of Father Stan Swamy](#) has again highlighted the dismal state of prisons in our country. The prisoners are not only deprived of their liberty but are also denied basic health and hygiene facilities. They are also subjected to an additional layer of torture by the jail authorities, which is nothing but a state crime.

Punishments like imprisonment have never functioned without a certain additional element of punishment that certainly concerns the body itself. This includes rationing of food, sexual deprivation, corporal punishment, solitary confinement. Therefore, a trace of 'torture' exists in the modern mechanisms of criminal justice.

The State of Prison in India

NCRB 2019 data says that there are **1350 functional jails in India, with a total capacity of approx. 4 Lakh prisoners but actual strength exceeds 4.78 lakh. In that 4.3% are women and 69.05% (approx. 3.3 lakh) were under trial and only 30.11% are convicted for the crime.**

Need for prison reforms

- Indian prisons face three long-standing structural constraints: **overcrowding, understaffing and underfunding**. The inevitable outcome is subhuman living conditions, poor hygiene, and violent clashes etc.
 - In 1995, Rajesh Pillai who was detained for extradition to Singapore for an economic offence died in Tihar jail.
 - **The Leila Seth commission** to inquire about his death deduced that the failure to give him appropriate and timely medical attention led to his death.
- Extradition of fugitives under the UN Convention directly depends on prison reforms
 - For example, India lost the case of bringing KIM DEVY from Denmark who is accused of PURILA ARMS DROP CASE.
- Under trials lose **four of their fundamental rights**: the right to liberty, freedom of movement, freedom of occupation, and freedom of dignity. **And the legal right** to vote as well.
- The National Crime Records Bureau data reports the death of over 1,800 prisoners in the year 2018.
 - A large percentage of those dying in prison is not convicted of any offence.
 - **This is a clear violation of Article 21** which states that no person shall be denied life or liberty except by the due process of law.
- While 33% of the total requirement of prison officials still lies vacant. **Police personnel in India is 181/lakh population which is much less than the UN prescribed 222/lakh.**
- The **apathy of Jail authorities was again witnessed** in Father Stan Swamy's case.

- His deteriorating health was neglected, and he was shifted to a hospital after a considerable delay. Which eventually enhanced the probability of his death.

Reason Behind such Dismal Conditions

- The jail authorities feel a **sense of freedom for doing inhuman acts**, as obsolete laws still protect them.
 - For instance, The State of Maharashtra has deemed it fit to continue to be governed by the Prisons Act of 1894. The prison offences mentioned under this Act are only those committed by the inmates.
 - No conduct of the prison authority is criminalised. It grants them immunity and presumes their good faith in acts of extreme neglect that could result in the death of inmates.
- There is **no separation between hard hand criminals and petty under trails**.
- Above all, **Prison is a State subject** in India.

Judgements over the condition of prisons

- **Sunil Batra (I) v. Delhi Administration (1978)**: The court held that the humane thread of jail jurisprudence runs through Indian prisons, under which no prison authority enjoys amnesty for unconstitutionality.
- The Delhi High Court in **Nina Pillai & Ors v. Union of India** directed the payment of Rs 10 lakh as compensation to the petitioners and the implementation of the Leila Seth Commission's recommendations.

Committees on Prison reforms

Justice Mulla Committee, 1983:

- All India cadre for prison staff and Bringing prison under the concurrent list
- Government should form a National Policy on Prisons
- Government to use alternatives to imprisonment such as community service, etc.
- **Justice V. R. Krishna Iyer committee on women prisoners, 1987:**
- Separate institutions with women employees alone for women offenders.
- Necessary provisions to restore the dignity of women even if convicted.
- **Justice Amitava Roy panel on prison reforms:**
- In 2018, the Supreme Court-appointed this panel. The committee submitted its report on February 2020 with major recommendations includes
 - For overcrowding
 - **Special fast-track courts** should be set up to deal with petty offences.
 - **Lawyers – prisoners ratio**: there should be **at least one lawyer for every 30 prisoners**.
 - For Understaffing
 - The Supreme Court should pass directions to start the recruitment process against vacancies
 - There should be the use of video-conferencing for trial.
 - For Prisoners
 - Every new prisoner should be allowed a **free phone call a day to his family members** to see him through his first week in jail.

- Alternative punishments should be explored.

Read more: [Prison reforms in India](#)

Suggestions to improve the state of prisons

- Government should frame a National Policy on prison and form a National Commission on Prison to look into matters more seriously.
- Ratifying the UN Convention against torture and sensitizing the staff about the need to treat prisoners as humanely as possible.
- Ensure the holistic development of prisoners like stress management, Yoga, etc.
- It is the responsibility of the State and the judiciary to ensure that prisoners are only deprived of their liberty. They shouldn't be exposed to any additional torture in the form of medical deprivation, unhygienic conditions, bad or inadequate food etc.
- The collective interest of the society can only be served by ordering a judicial inquiry into the conditions of detention and infection of Swamy. The state should **fix accountability upon those who failed to ensure his safety and dignity in incarceration.**
- The collective interest of the community also **demands an introspection by the judicial institution** on whether it is really in the public interest to make jail the rule and bail the exception.
 - Father Swamy was prosecuted under UAPA in which jail is the rule and bail is the exception.

Source: [Indian express](#)

State of surveillance in India – Explained, pointwise

Introduction

A list of persons allegedly targeted by Pegasus spyware was released by a multi-organisational investigation involving news organizations, cybersecurity specialists, and Amnesty International. The list includes over 1,000 Indians, including at least 40 journalists, several members of Parliament.

While the government has denied any wrongdoing or carrying out any unauthorized surveillance, but these revelations highlight a disturbing trend of the usage of illegal surveillance net against dissidents and adversaries. A characteristic feature of a surveillance state.

What is a surveillance state?

A surveillance state is defined as a state which legally surveils all actions, locations, and friends of its citizens, in order to prevent crimes or in order to solve them faster.

Let's have a look at the present state of surveillance laws in India, their problems, and the way forward.

Rationale behind surveillance

- **Countering organized crime:** Social media has become a tool for facilitating organized crime i.e. to commit and provoke extremism, money laundering, violence and crime.
- **Neutralizing terrorist activities** Surveillance would help in countering possible terrorist activities by offering better information on potential terror attacks.
- **Curbing fake news:** Fake news is a new challenge for law enforcement agencies as many lynching incidents reported in 2018 were triggered by fake news being circulated through Whatsapp and other social media sites.

Laws, regulations and rules

Following are the legal routes to surveillance that can be conducted by the government.

Telegraph act 1885: Provisions of the Telegraph Act relate to **telephone conversations** i.e. interception of calls.

- Under Section 5(2) of the Indian Telegraph Act, agencies at the Centre and states can intercept electronic communication “on the occurrence of any **public emergency**, or in the interest of the **public safety**”.
- The law empowers designated officials to put a device under surveillance on being satisfied that “it is necessary or expedient so to do in the interests of the **sovereignty and integrity of India, the security of the State, friendly relations with foreign states or public order or for preventing incitement to the commission of an offence**.”
- Reasons for ordering interception has to be **recorded in writing** by the officials concerned.
- **Indian Telegraph rules: Rule 419A** of the Indian Telegraph Rules identify the officers who can order surveillance of messages.
- It states that a **secretary to the Government of India** in the **ministry of home affairs** can pass orders of interception.
- In the case of a state government, a **secretary-level officer** who is in charge of the **home department** can issue such directives.

- In **unavoidable circumstances**, such orders may be made by an officer, **not below the rank of a joint secretary to the Government of India**, who has been duly authorized by the Union home secretary or the state home secretary.
- **IT Act 2000 & IT Rules 2009**: The IT Act relates to **all communications undertaken using a computer resource**.
- **Section 69 of the IT Act 2000**, together with the **IT (Procedure for Safeguards for Interception, Monitoring and Decryption of Information) Rules 2009**, authorise the agencies to issue directions for interception or monitoring or decryption of information through any computer resource, including mobile phones.
- **Grounds for interception**: Section 69 states that interception is permissible “in the interest of the sovereignty or integrity of India, defence of India, security of the State, friendly relations with foreign States or public order or for preventing incitement to the commission of any cognizable offence relating to above or for investigation of any offence”.
- **Note: Hacking** is expressly **prohibited** under the IT Act.
- **The Indian Post Office Act, 1898**: It allows the Centre and state to intercept postal articles in public emergencies or in the interest of public safety or tranquility.

Also Read: [Rise of lateral surveillance in India](#)

Criticism of surveillance laws

Our current surveillance regime under these laws suffers from the following problems:

- **A lack of oversight**: A secretary of the home ministry has the authority to order the interception. The only legal safeguard against misuse is a **review by a three-member review committee** comprising the Cabinet secretary and two other top-level bureaucrats.
 - The **surveillance target or the intermediary (such as WhatsApp) has no right to be heard** by this committee, and there is **no independent accountability mechanism**, whether in the form of parliamentary or judicial oversight.
- **A lack of transparency**: The problem is made worse by a complete lack of transparency. In 2013, the central government issued 7,500-9,000 orders per month for the interception of telephones. It is not humanly possible for any individual to apply their mind to determine the legality of such interception orders and ensure that the rule of law is respected.
- **Lack of safeguards**: An individual will almost never know that she/he is being surveilled due to the clandestine nature of the act, hence challenging it before a court is a near-impossibility.

State of Surveillance in India



Surveillance state

a state which legally surveils all actions, locations, and friends of its citizens, in order to prevent crimes or in order to solve them faster.

A list of persons allegedly targeted by Pegasus spyware was released by a multi-organizational investigation. The list includes over 1,000 Indians,



Rationale behind surveillance

- Countering organized crime
- Neutralizing terrorist activities
- Curbing fake news



Laws

- Telegraph act 1885
- Indian Telegraph rules
- IT Act 2000 & IT Rules 2009
- The Indian Post Office Act, 1898

Criticism of laws

- A lack of oversight
- A lack of transparency
- Lack of safeguards
- Against privacy



Impact of surveillance

- Impacts fundamental rights
- Hampers free exchange of information
- Creates an atmosphere of distrust

Judicial position

- Kharak Singh Vs The State of Uttar Pradesh
- PUCL case 1996
- R Rajgopal alias RR Gopal and another Vs State of Tamil Nadu (1994)
- Puttaswamy judgement



Suggestions/ Measures

- Judicial oversight
- Need for a strong data protection law
- Banning use of private spyware

Way forward

Threat will increase as surveillance spyware becomes more affordable and interception becomes more efficient. The only solution is immediate and far-reaching surveillance



Impact of surveillance

- **Impact on fundamental rights:** The very existence of a surveillance system impacts the right to privacy and the exercise of freedom of speech and personal liberty under Articles 19 and 21 of the Constitution, respectively.
 - Surveillance, when carried out entirely by the executive, curtails Articles 32 and 226 of the Constitution (empowering the Supreme Court and High Courts, respectively, to issue certain writs) as it happens in secret. Thus, the affected person is unable to show a breach of their rights.
- **Hampers free exchange of information:** It prevents people from reading and exchanging unorthodox, controversial, or provocative ideas.
- **Creates an atmosphere of distrust:** Surveillance threatens the safety of journalists, especially those whose work criticizes the government, and the personal safety of their sources is compromised. It creates an **atmosphere of distrust**.

Judicial position on the surveillance issue

- In **Kharak Singh Vs The State of Uttar Pradesh**, the Supreme Court struck down certain UP Police Regulations that allowed for home visits to “habitual criminals” or those who were likely to become habitual criminals. The Constitution bench held that such surveillance was **violative of Article 21** (right to life and liberty).
- **PUCL case 1996:** The Supreme Court held that the right to privacy would certainly include telephonic conversation in the privacy of one’s home or office. Telephone tapping would, thus, infringe Article 21 of the Constitution of India unless it is permitted under the procedure established by law. Subsequently, the Centre codified the guidelines in 2007 under **Rule 419A**.
- In **R Rajgopal alias RR Gopal and another Vs State of Tamil Nadu (1994)**, the Supreme Court held that the right to privacy is implicit in the right to life and liberty guaranteed to the citizens of this country by Article 21.
- **Puttaswamy judgment:** The judicial debate on the status of the right to privacy was, however, settled in August 2017 when a nine-judge bench held that the **right to privacy is a fundamental right**. The court added that telephone tapping and internet hacking by the State, of personal data, is another area that falls within the realm of privacy.

Suggestions/Measures

Short term

Institute an independent public inquiry to credibly investigate these allegations, and therefore repair public trust.

Long term

- **Judicial oversight:** In order to satisfy the ideal of **due process of law**, there needs to be an oversight from another branch of the government. Only the judiciary can be competent to decide whether specific instances of surveillance are proportionate, whether alternatives are available, and to balance the necessity of the government’s objectives with the rights of the impacted individuals.
- **Need for a strong data protection law:** There is a need for a strong data protection law that protects the individual right to privacy, including protection from surveillance and unauthorized data collection by government agencies.

- **Banning the use of private spyware:** A collective decision banning the use of private spyware will be a step forward.

Way forward

As surveillance spyware becomes more affordable and interception becomes more efficient, there will no longer be a need to shortlist individuals. Everyone will be potentially subject to state-sponsored mass surveillance. The only solution is immediate and far-reaching surveillance reform.

Offshore wind energy in India – Explained, pointwise

Introduction

The Union Ministry of New and Renewable Energy (MNRE) has set a target of installing 5 GW of offshore wind energy by 2022 and 30 GW by 2030.

India's capacity to generate electricity from wind reached 39.2 gigawatts (GW) a year in March 2021. The compound annual growth rate for wind generation has been 11.39 percent between 2010 and 2020, and for installed capacity, it has been 8.78 percent.

But, in recent years, the wind energy sector has faced numerous challenges like a multitude of duties and tariffs, slowing economy, etc. Focussing on Offshore wind energy can provide relief to the challenges. Apart from that, offshore wind energy can help India to achieve Energy security.

What is offshore wind energy?

Offshore wind energy refers to the **deployment of wind farms inside the water bodies**. They utilise the sea winds to generate electricity.

- These wind farms **either use fixed-foundation turbines or floating wind turbines**.
 - A fixed-foundation turbine is **built in shallow water**, whereas a floating wind turbine is built in deeper waters where its **foundation is anchored in the seabed**.
- Offshore wind farms **must be at least 200 nautical miles from the shore and 50 feet deep in the ocean**.
- Offshore wind turbines produce electricity which is returned to shore through cables buried in the ocean floor. The coastal load centers distribute this electricity based on priority.

Offshore wind energy potential of India

According to the Ministry of New and Renewable Energy (MNRE), India can generate 127 GW of offshore wind energy with its 7,600 km of coastline. According to the National Institute of Wind Energy (NIWE), the total wind energy potential is 302 GW at a 100-meter hub height.

Out of the total estimated potential, more than 95 percent of commercially exploitable resources are located in seven states: **Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan and Tamil Nadu**.

Why India needs Offshore Wind Energy?

There is abundance of offshore wind potential in India. Thus they can **play a huge role in achieving the desired climate commitment and energy security goals**.

In **India, where land is limited and the population is increasing**, large wind farms positioned over water bodies will be vital.

Benefits of Offshore Wind Energy generation

The benefits of offshore wind parks are numerous if we compare it with the on-shore ones. These are,

- It is proven that **offshore wind turbines are more efficient compared to onshore ones**. So, **fewer offshore turbines are required** to produce the same capacity of energy as compared to onshore ones.
- **Wind speed over water bodies is high and is consistent in direction**. As a result, offshore wind farms generate more electricity per installed capacity. Furthermore, the **wind flow is not restricted by hills or buildings**.
- As the **offshore wind is stronger during the daytime**, so it ensures **electricity generation when consumer demand is at its highest**. In contrast, **wind power on land performs better at night** when power consumption is lower.
- Offshore wind farms have a **higher capacity utilisation factor (CUF)** than onshore wind farms. Therefore, offshore wind power allows for **longer operating hours**.
 - A wind turbine's capacity utilisation factor (CUF) is equal to the average output power divided by the maximum power capabilities.

Challenges with offshore wind energy

- Understanding the technical, regulatory and operational challenges of offshore wind energy is crucial. These include:
 - Local substructure **manufacturers, installations vessels and trained workers are lacking in India**.
 - Offshore wind turbines **require stronger structures and foundations than onshore wind farms**. This can cause **higher installation costs**.
- Offshore wind tariffs in India are **expected to range between Rs 7-9 per unit**, compared to Rs 2.8-2.9 per unit for onshore wind. This is due to the following reason,
 - The **action of waves and even high winds, particularly during storms or hurricanes, can damage wind turbines**. Eventually, offshore wind farms require **maintenance that is more costly and difficult to perform**.

Suggestions to improve Offshore Wind Energy Development in India

1. **Renewable purchase obligation (RPO)**: Currently, there are two types of RPOs: solar and non-solar. MNRE can set specific wind RPO targets for each state just like it does for solar.
2. **Lower taxes**: The GST Law **exempts electricity and power sales from GST**. In contrast, wind power generation companies **cannot claim input tax credits** when they pay GST to purchase goods and/or services for setting up the project.
3. The majority of wind farm components need to be imported. If excise duties and GST could be waived, early project development will be more affordable.
4. **Feed-in tariff**: Discoms can adopt feed-in tariff (FiT) regulations and make offshore wind power procurement mandatory. FiT can be tailored to suit each offshore wind project. **FiT can be used to promote offshore wind power** in the early stages of development **until it becomes economically viable**.
5. **Deemed generation provision**: Offshore wind projects need to be protected against curtailment concerns because of the inability of State Load Dispatch Centres (SLDCs) to

absorb large quantities of power that may be generated. For this, the **offshore wind can be given a “deemed generation provision”**.

- Compensation can be provided from the state or regional unscheduled interchange pool by SLDCs / regional load dispatch centers.
6. **Develop sub-sea substations:** The underwater power evacuation and subsea substations could be developed by the Power Grid Corporation of India Ltd. This would reduce the risk faced by offshore wind farm developers.

ForumIAS

How effective is the Ease of doing business index? – Explained, pointwise

Introduction

India improved its global rank in the **World Bank's Ease of Doing Business Index (EoDB)** 79 positions from 142nd in 2014 to 63rd in 2020. But despite this, India's gross domestic product growth (GDP) rate fell more than 4 percent points between 2016 and 2019.

Similarly, private investment as a share of GDP also fell by over 3 percent points, from 25% of GDP in 2004-2013 to under 22% in 2016-2019. This data questions the relation between improvement in EODB and FDI in the country.

About Ease of Doing Business Index (EoDB)

- The EoDB report was introduced in 2003 by the World Bank. The index aims to provide an assessment of objective measures of business regulations and their enforcement across 190 economies on ten parameters affecting a business through its life cycle.
- These parameters include,
 - Starting a Business,
 - Dealing with Construction permits,
 - Electricity availability,
 - Property registration,
 - Credit availability,
 - Protecting minority Investors,
 - Paying Taxes,
 - Trading across borders,
 - Contracts enforcement, and
 - Resolving Insolvency.

India's performance in the recent EoDB Index

- In the recent World Bank's Ease of Business rankings, India has recorded a jump of 14 positions at 63rd rank in 2020 report against its rank of 77 in 2019.
- India's improved ranking was on the back of reforms such as (a)dealing with construction permits (b)trading across borders and (c)resolving insolvency.
- The turnaround time of ships in India has also almost halved to 2.48 days in 2018-19 from 4.67 days in 2010-11.
- However, India still trails in parameters such as Ease of Starting a Business, Registering Property, Paying Taxes and Enforcing Contracts.

Major reforms initiated by the government to improve EoDB in India

India's rank on (EoDB) during 2010-14 was in the range of 131 to 142. But within a short span of time, India reached 63rd rank in 2020. This is due to the following major reforms,

1. The launch of **web-based SPICe+ and AGILE-PROform** has enabled new company incorporation in 3-steps as compared to the 14 steps process in 2014. It acts as a single form for company details.
2. The process of obtaining building permits and occupancy cum completion certificates has become simpler and faster in Mumbai and Delhi.
3. The number of days required for getting an electricity connection reduced from 105 days in 2014 to 53 days in 2019 in India.

4. **Trading across borders** has been made easier by the Electronic delivery of customs clearance copies.
5. **Dedicated Commercial Courts** with modern facilities in Delhi and Mumbai have been established for early redressal of commercial disputes.
6. Introduction of [Insolvency and Bankruptcy Code](#) 2016 is a major step forward in the Corporate Insolvency Resolution Process (CIRP).

Read More: [IBC process needs a re-look – Explained, pointwise](#)

Advantages of EoDB rankings

The rankings (Both global and internal) serve the **purpose of simplifying the investment process**. It **helps the government to look inwards and weed out unnecessary laws, inspections and permissions/permits**.

Any investor, instead of running pillar to post across multiple departments, will welcome a single-window system of clearing various proposals.

Problems with the concept of EoDB

- **First**, it is **built on the false belief** that less regulation is always better. This myth was broken by the 2008-09 Global Financial Crisis.
- **Second**, it **does not include any labour or environmental regulations**. This is quite shocking in today's world of rising inequality and threats from climate change.
- **Third**, it is **easier to game the index without initiating sufficient reform**.
 - For example, U.P, with many poor indicators on education, skilled labour, power, and connectivity, suddenly jumped to 2nd rank within India in 2019 in the inter-state EoDB.
- **Fourth**, The EoDB Index does **not reflect actual parameters of improving business and Investor interests**. For instance, China tops when it comes to FDI inflows taking in \$141 billion in 2019 despite being ranked 31 while New Zealand, No 1 in the EoDB ranking, managed FDI of just \$5.4 billion, a tenth of what India got.
- **Fifth**, a **higher EoDB ranking does not mean better business opportunities**. The index does not give enough account to areas such as connectivity, strong ecosystem, skilled manpower and lower cost of production, etc.
 - For instance, Tamil Nadu topped in the flow of investments, because it has good connectivity and enough skilled manpower.
 - This resulted in a situation where Uttar Pradesh got a much higher rank than the highly industrialised Maharashtra, Gujarat or Tamil Nadu.

Challenges faced by Indian Entrepreneurs

- **First**, labour costs appear to be lower in India, but not when it is compared to labour productivity. **Only 4 percent of India's labor force is classified as skilled**.
- **Second**, labour laws **encourage firms to stay small** — at under 10 employees to avoid a visit by a labour or tax inspector.
 - As a result, **more than 70% of the manufacturing employment is in firms with sizes smaller than 10 — which cannot compete globally**.
- **Third**, Land acquisition is not only slow but has become prohibitively expensive after the Land Acquisition Act of 2013.

- **Fourth**, the **costs of capital remain very high** because the banking system is awfully inefficient. The spread between lending and deposit rates exceeds **500 basis points (bps)** — amongst the highest in the world.
 - India's banking sector spreads are higher than major competitors — Bangladesh, 350-400 bps, China, 300 bps.
 - **Rising non-performing loans** directed lending requirements and statutory liquidity ratio requirements explain these inefficiencies.
- **Fifth**, India had a **huge infrastructure deficit**, which improved somewhat in recent years. India's rank on the **World Bank's Logistics Performance Index** has improved to 44. However, it still remains behind major competitors such as China, Malaysia, Thailand, and Vietnam.
- **Sixth**, **petrol and diesel prices in India are higher** than in all other emerging economies. Petrol is 20% and diesel 50% more costly in India than in China.
 - Further, governments often raise the price with a rise in Global prices, but seldom pass the real benefit of a global price fall.

Suggestions to improve Business in India

- The government has to understand that the EoDB is not everything when it comes to attracting investments. The government has to encourage States **to develop other more important parameters that investors give a larger weightage to when deciding where to invest**. Such as connectivity, strong eco-system, skilled manpower and lower cost of production, etc.
- The government also need to push the states that are lower down the order in the EoDB index. This will not only push towards competitive advantage but also help India to compete with other countries like Vietnam or Thailand.
- As India remains uncompetitive, **it has raised tariffs hugely and dropped out of the Regional Comprehensive Economic Partnership**. But this will not make the Indian industry more competitive globally.

India must address the fundamental problems if it wants to emerge stronger after the pandemic and not back to the subpar 4-5 percent growth. The country needs at least 6-7 percent growth, and even higher if it wants to quickly recover the two years lost due to the pandemic.

Source: [The Business Standard](#)

Terms to know:

- [Non-Performing Asset \(NPA\)](#)

EU's carbon border tax – Explained, pointwise

Introduction

In March 2021, the EU Parliament had adopted a resolution to implement a 'Carbon Border Adjusted Mechanism' (CBAM), pertaining to which proposed that goods entering the EU would be taxed at the borders. The E.U. proposal still needs to be negotiated among the 27 member countries and the European Parliament before becoming law.

If the E.U. tax is well-received, it could set the standard for similar border adjustments. If not, it could inflame global tensions over international commerce.

About EU's carbon border tax

- Under the new scheme, European Union (EU) from 2026 onwards shall impose a **border taxes on imports of carbon-intensive goods** such as steel, aluminum, cement, fertilizers and electricity via carbon border adjustment mechanism (CBAM).
- The aim is to help slash the EU's overall greenhouse gas emissions 55% below 1990 levels by 2030.
- The tax plan, yet to be legally formalized, will come into force from 2026.
- **Rationale behind the tax**
- To **'incentivize' greener manufacturing** around the world and to protect European industries from outside competitors who can manufacture products at a lower cost as they are not charged for their carbon emission during the manufacturing processes. So, the carbon border tax is an indirect **attempt to force emerging economies, including India, to adopt cleaner (non-fossil fuel-based) practices** to manufacture goods.
- **Preventing carbon leakage:** The 27 EU member states have much stricter laws to control GHG emissions. It has an **'Emissions Trading System'** that limits how much GHG individual industrial units can emit; those that fail to cap their emissions can buy 'allowances' from those who have made deeper cuts. This makes operating within the EU expensive for certain businesses, which, the EU authorities fear, might prefer to relocate to countries that have more relaxed or no emission limits. This is known as 'carbon leakage' and it increases the total emissions in the world.

How the carbon border tax will work?

Right now, under the Emission Trading System, large polluters **must procure permits** for every ton of carbon dioxide they emit. The number of permits changes over time, driving up the price. Currently, the price of those permits is nearly \$60 per ton, giving European companies a financial incentive to cut emissions.

- The E.U. is now proposing to tighten that cap further, while **phasing out the number of free allowances** it has long given to industries exposed to trade competition, like steel.
- Companies abroad that want to sell cement, iron, steel, aluminum, fertilizer or electricity to the E.U. would also be required to pay that price for each ton of carbon dioxide they emit in making their products. The idea is to level the carbon playing field.
- The border tax would not take effect until 2026.

Countries that might be impacted

The countries that would potentially be most affected include Russia, Turkey, China, Britain, and Ukraine, which collectively export large amounts of fertilizer, iron, steel, and aluminum to

the European Union. The United States sells significantly less steel and aluminum to Europe, but could also see an impact.

Why is India opposing it?

As per data from the commerce ministry, India's third-largest trading partner, the EU accounts for **11.1% of India's total global trade**.

- **Indian goods will be costlier:** By increasing the prices of Indian-made goods in the EU, this tax would make Indian goods less attractive for buyers and could shrink demand.
- **Challenges for companies with large GHG footprint:** The tax would create serious near-term challenges for companies with a large greenhouse gas footprint—and a new source of disruption to a global trading system already impacted by tariff wars, renegotiated treaties, and rising protectionism.
 - A levy of \$30 per metric ton of CO₂ emissions could reduce the profit for foreign producers by about 20% if the price for crude oil remained at \$30-40 per barrel.

Issues/concerns/challenges

- Fundamental change in how companies all over the world manufacture products can't be forced by tariffs.
- **Protectionist measure:** The carbon tax may end up being **protectionist**, and will hit emerging economies like India hard.
- **Retaliatory tariffs:** Countries such as the United States, China and Russia have all objected to the border carbon tax, raising the prospect of retaliatory tariffs and trade wars.
- **Bypassing CBDR principle:** The EU is essentially **bypassing the principle of 'Common But Differentiated Responsibilities' and Respective capabilities** (CBDR – RC) that should guide international climate action.
- A carbon border tax will be hugely **disruptive for global trade**, already suffering due to Covid and rising protectionist practices.
- **Challenges in emission assessment:** It is currently unclear how the EU would assess emissions of an imported product. Would it be from the entire value chain, upstream and downstream?. There are many small businesses that will face difficulty in quantifying their emissions and additional costs will be passed on to the consumers, eventually.
- **Challenges at WTO:** Countries may also try to challenge to the border adjustment at the World Trade Organization, although European officials say they are working to ensure the rules will withstand to legal objections.

Suggestions/Measures

- **Need to be complemented with newer tech and finance:** A mechanism to charge imported goods at borders may spur the adoption of cleaner technologies. But if it happens without adequate assistance for newer technologies and finance, it would amount to levying taxes on developing countries.
- **Fixed duty or tax on imports:** To counter problems faced in emission assessment, a **fixed duty or tax on imports** can be imposed. The design of such a levy also matters. If it discourages sectors and industries that are already adopting cleaner technologies and becomes another procedural and compliance hassle, it could prove counterproductive.

Conclusion

Rich countries of the global north bear historical responsibility for greenhouse gas emissions but a report by Oxfam says that rich nations have only mobilized \$22.5 billion of the targeted \$100 billion for climate funding. Hence, instead of imposing a carbon border tax, richer countries should fulfill their promises of **technological and financial assistance** to enable developing countries to make the transition to low-carbon pathways for growth.

Source: [TOI](#), [Economic Times](#), [Business Standard](#)

ForumIAS

Electricity (Amendment) Bill 2021 – Explained, pointwise

Introduction

The Electricity (amendment) Bill 2021 will be introduced and is likely to be pushed for passage in the monsoon session of Parliament. The bill seeks to **delicense distribution of electricity** just like generation.

The bill is being considered as a panacea for the power sector by many but a holistic approach is the need of the hour.

Need of the bill

- Despite multiple sets of reforms since 2003, the electricity sector is still faces **problems of operational inefficiencies and financial solvency** causing a negative impact on other sectors and manufacturing competitiveness.
- **Issues with discoms:** The **electricity distribution companies** are unable to pay the generation and transmission companies as well as banks / financial institutions due to poor financial health. In this situation.
- Before discussing key features of the Electricity (Amendment) Bill 2021, let's have a look at the power sector value chain and the problems faced by discoms.

Power sector value chain

The Indian power sector value chain can be broadly segmented into generation, transmission, and distribution sectors.

The distribution sector consists of **Power Distribution Companies** (Discoms) responsible for the supply and distribution of energy to the consumers (industry, commercial, agriculture, domestic etc.).

This sector is the weakest link in terms of financial and operational sustainability.

Problems faced by discoms

Power distribution companies collect payments from consumers against their energy supplies (purchased from generators) to provide necessary cash flows to the generation and transmission sectors to operate. Due to the perennial cash collection shortfall, often due to payment delays from consumers, Discoms are unable to make timely payments for their energy purchases from the generators.

This gap/shortfall is met by borrowings (debt), government subsidies, and possibly, through reduced expenditure. This increases the Discoms' cost of borrowing (interest), which is inevitably borne by the consumer.

Key provisions of the bill

1. **Delicensing of power distribution:** The bill seeks to delicense power distribution to reduce entry barriers for private players for creating competition in the segment, which would ultimately enable consumers to choose from multiple service providers
2. **Creation of a Universal Service Obligation Fund (USOF):** There is the provision of a universal service obligation fund, which shall be managed by a government company. This fund shall be utilised to **meet any deficits in cross-subsidy**. In case of supply through pre-paid meters, security deposit will not be required.
 - **Cross-subsidy** means one set of customers receives favorable prices at the expense of other customers. For eg: Assume that avg. cost of electricity is Rs

5/unit. An industrial consumer is charged Rs 6/unit while a household consumer might be charged Rs 4/unit. So, in this case a domestic consumer is being cross-subsidized by industrial consumer.

3. **Strengthening of APTEL:** The **Appellate Tribunal for Electricity (APTEL)** is being strengthened by an increasing number of members. The domains from where the chairperson and members of Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERC) will come have been described.
4. **Responsibility of RPO shifted to central govt:** Keeping in view the national climate change goals, the responsibility of fixing renewable power obligation (RPO) is shifted from state commissions to the central government.
 - The RPO is a mechanism by which the obligated entities (mainly power distribution utilities or discoms) are **obliged to purchase a certain percentage of electricity from renewable energy sources**, as a percentage of the total consumption of electricity.
5. **Adjudication of LDC disputes:** The role of load despatch centres is gaining importance as the interconnected power system is getting more complex with the addition of renewable generators. Adjudication of disputes related to load despatch centres (LDC) have been included in the functions of regulatory commissions.
6. **Increased powers to regulatory commissions:** The regulatory commissions were earlier called 'toothless tigers' by some. Their orders will now be executable as decree including attachment of property, arrest and detention in prison. With member (law) in the commission, these powers will be exercised appropriately, resulting in better enforcement.
7. **Increased penalties:** Penalty for contravention of the provisions of the Act has been increased up to Rs 1 crore. Non-fulfilment of RPO will attract stringent penalties as per the proposed amendments.

Issues with draft electricity (Amendment) bill

- **Fixing costs of coal and railway freight:** Discoms are unable to recover their costs, out of which nearly 75-80% are power purchase costs. These costs have increased much more than the weighted average increase of wholesale price index and retail price index. No solution (to power distribution and generation companies) has been offered to reduce the fixed cost of unutilised power through the amendment bill.
- **Poor state of existing discom network:** The newly registered companies are given the facility to use the power allocation as well as the network of existing discom, which may be in a poor condition in many cases due to paucity of funds. With such a network, the quality of supply to the electricity consumers will be seriously affected.
- **Mandatory qualifications:** By way of amendment, a fourth member is added to CERC and SERC, who should have qualifications and experience in the field of economics, commerce, public policy / public administration or management. . Such background and experience in the field of economics / finance should have been made mandatory for this post to avoid rehabilitation of favourite retired officers.
- **Vague clauses** are used for the removal of members of CERC / SERC which makes them liable to be misused.

- **Electricity is on the concurrent list** and the states have played a dominant role in electrification. The government is trying to tilt this delicate balance of authority via the draft Electricity Amendment Bill, 2021.
- **Entry of private players:** Reducing barriers to entry for private players will lead to suffering for consumers. A study carried out by Prayas (energy) group Pune shows that the results of operationalisation of parallel licensing in Mumbai has been contrary to the expectation, as it has taken place with a series of unnecessary litigations, skyrocketing expenses, steep consumer tariffs, and regulatory failure.

Suggestions

- **AT&C losses:** AT&C losses should be linked as key performance indicator for release of central funds to states by any ministry.
 - The concept of Aggregate Technical & Commercial losses provides a realistic picture of loss situation in the context it is measured. It is combination of **energy loss** (Technical loss + Theft + inefficiency in billing) & commercial loss (Default in payment + inefficiency in collection).
- **Regulate the cost** of coal and railway freight
- **Provision of a risk management committee** and corporate governance within discoms, irrespective of being listed company
- A **broad guideline to reduce tariffs** could have been part of the proposed amendment bill.
- **Direct Benefits Transfer (DBT) for better targeting:** Food and fertiliser subsidies have been rationalised through DBT and the same can be achieved in the electricity sector. DBT will lead to better accounting and targeting of subsidies

Way forward

Electricity regulatory commissions hold the key to take this reform forward. The commissions should be built as strong institutions and their autonomy should be respected and maintained. After providing a robust framework for fair competition, the government should minimize its frequent interventions in the sector. The government interventions often distort the market and may be resorted to only in case of market failure.

Also Read: [Smart Metering – Explained](#)

Source: [Down to Earth](#)

Human trafficking in India and anti-trafficking bill – Explained, pointwise

Introduction

Bachpan Bachao Andolan (BBA) and various civil society groups have campaigned for decades for a strong law to end the menace of human trafficking. In 2017, thousands of trafficking survivors marched a Bharat Yatra alongside students, governments, the judiciary, multifaith leaders, businesses and civil society to demand such a law.

COVID-19 has **further intensified the need for the law. Traffickers are taking advantage of prolonged school closures and loss of family livelihood.** Although Anti-trafficking policies exist in India, where the system is found lacking is in the implementation of the laws.

Intense of Human trafficking during the pandemic

Government agencies have rescued almost 9,000 children from trafficking since the first lockdown. In other words, **21 children have been trafficked every day** over nearly 15 months.

- **Children as young as 12 are trafficked across the States** to work in factories in appalling conditions, where **owners are turning to cheap labour to recoup their losses from the novel coronavirus pandemic.**
- The Childline India helpline received **44 lakh distress calls over 10 months.** Over a year, 2,000 children have arrived at its shelter homes and 800 rescued from hazardous working conditions.
- **Child marriages are also rampant** — over 10,000 cases were tracked between April and August 2020.

Read more: [Needed: an anti-trafficking law](#)

How the Pandemic made children vulnerable to Human trafficking?

A **child rights NGO**, working with the Delhi Commission for Protection of Child Rights has **highlighted the problem of rampant child labour during the pandemic.** It pointed out reasons such as,

- The children and their **families faced a loss of income and economic crisis**, causing families' reduced capacity to care for children in the long term.
- The pandemic has also caused, in some instances, **loss of parental care** due to death, illness, or separation. Thereby **placing children at heightened risk for violence, neglect, or exploitation.**
- This is **compounded by an erosion of some checks against child labour and child marriage provided by law**, as well as the scrutiny of schools and society.
- The **increase in Internet access** in current times has also **led to cyber-trafficking.** A recent report by the **United Nations Office on Drugs and Crime** on the effects of the pandemic on trafficking mentions that the **traffickers are taking advantage of the loss of livelihoods** and the increasing amount of **time spent online to entrap victims**, including by advertising false jobs on social media.

Read more: [Pandemic increased vulnerability to human trafficking: U.S. report](#)

Why strong steps are essential to curb human trafficking?

- Human trafficking is not a crime in itself, but it is also the propeller of several other crimes. It **creates a parallel black economy** that fuels **child labour, child**

marriage, prostitution, bonded labour, forced beggary, drug-related crimes, corruption, terrorism, and other illicit businesses.

- Further, the architects of our Constitution established the severity of the crime of trafficking by making it the **only offence punishable under the Constitution** of India itself, **besides untouchability**.
 - So, a **strong anti-trafficking law is the moral and constitutional responsibility** of our elected leaders, and a necessary step towards nation-building and economic progress.

Constitutional & Legislative provisions related to Trafficking in India

1. Trafficking in Human Beings or Persons is prohibited under the Constitution of India under **Article 23 (1)**.
2. The **Immoral Traffic (Prevention) Act, 1956 (ITPA)** is the premier legislation for the prevention of human trafficking for commercial sexual exploitation.
3. **Criminal Law (Amendment) Act 2013** has come into force wherein **Section 370 of the Indian Penal Code has been substituted with Section 370 and 370A IPC** which provide for comprehensive measures to counter the menace of human trafficking.

Trafficking in Persons (Prevention, Care and Rehabilitation) Bill

The Government of India has proposed the Trafficking in Persons (Prevention, Care and Rehabilitation) Bill, 2021. This Bill aims to **tackle all aspects of trafficking including the social and economic causes** of the crime, punishment to traffickers, and the **protection and rehabilitation of survivors**.

Salient provisions of the anti-trafficking bill

- **Definition:** The bill defines exploitation to include the exploitation of the person for prostitution or other forms. Which includes pornography, forced labour, forced removal of organs, or illegal clinical drug trials.
- **Includes Transgender:** The bill extends beyond the protection of women and children as victims. It now includes transgenders as well as any person who may be a victim of trafficking.
- **Victim Definition:** The bill does away with the provision that a victim necessarily needs to be transported from one place to another to be defined as a victim of trafficking.
- **Nodal Investigative Agency:** National Investigation Agency (NIA) shall act as the national investigating and coordinating agency responsible for the prevention and combating of trafficking in persons.
- **Punishment:** The Punishment will be for a minimum of seven years period, which can go up to imprisonment of 10 years and a fine of Rs 5 lakh. However, in cases of the trafficking of more than one child, the penalty is life imprisonment. In certain cases, even the death penalty can be sought.
 - **More severe penalties** in case of aggravated offences, like the death of a victim.

Issues with the draft bill

- There is **no shortage of anti-trafficking policies** in India. Where the system is found **lacking is in the implementation** of the laws.

- The bill prescribes stringent laws, including the death penalty as an option in some cases. It is **not proven** that more **stringent laws have any greater deterrent** effect on crime.
- **Low conviction rates and lengthy trials:** There were 140 acquittals and only 38 convictions in 2019, according to government data. This points to a failure of investigation and cannot be solved by the draft Bill's provision that accused traffickers must be presumed guilty unless they can prove the contrary. Further, trials can drag on for years, with **victims sometimes withdrawing their complaints after being intimidated by traffickers.**

Suggestions

- **Proper case management** must be introduced to give meaning to the "fast track" courts and proper investigation of trafficking cases.
- To protect and rehabilitate the trafficked persons, the Bill has to include the **necessary checks and balances** against potential misuse of power by agencies.
- The bill also has to include **periodic reviews** of the law and its performance.
- Above all, the government has to **allocate adequate resources** for the effective implementation of the existing laws and the bill (if enacted).

Terms to know:

- [Trafficking in Persons \(Prevention, Care and Rehabilitation\) Bill](#)

Significance of climate resilience for India – Explained, pointwise

Introduction

Climate change is altering the nature of each and every country. It's like a pandemic, it doesn't know political boundaries. Even the most advanced countries are not being spared by nature. India is one of the nations **most vulnerable to the ravages of climate change**. The solution to climate change lies in understanding the impact of climate change in our life and taking steps to achieve climate resilience.

In India, the monsoons, are primarily turning into an erratic and destructive force. As climate change intensifies, the monsoon is becoming more erratic and violent.

What is Climate resilience?

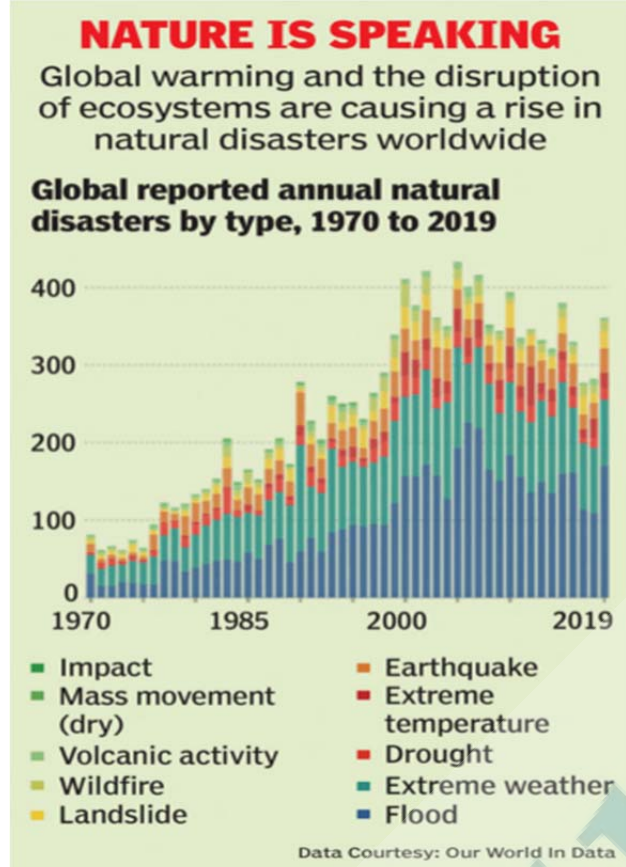
Climate change implies **both slow and rapid disasters**. Flood surges, tsunamis and heavy rainfall are quick disasters. But there are also slow disasters, including the oceans rising annually, temperature deviations, etc.

Climate resilience is **the ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate**. Improving climate resilience involves assessing how climate change will create new, or alter current, climate-related risks, and taking steps to better cope with these risks.

Planning a managed retreat is about reorienting our cities over a generation or two, developing the ability to move to safer land and reorganising human settlements with the long view of time.

Read more: [Climate Change Basics and Concepts](#)

Global studies on Climate change and global warming



Source: Times of India

- **Climate models** also indicate that **global warming is expected to increase monsoon rainfall by 14%** by the end of the century if greenhouse gas (GHG) emissions remain high. This is **primarily due to the rise in the moisture content** in the atmosphere
 - For every **1 degree Celsius rise** in heat, the atmosphere can hold **7% more moisture**. This is also due to the rapid **heating of the global ocean**, which has **absorbed 90% of the excess heat generated by man-made climate change** in the past 50 years.
- A study also found that over the last 900,000 years, higher CO₂ levels along with associated changes in ice volume and moisture import from the Southern Hemisphere were associated with more intense monsoon rainfall.
- Studies found that **Humans are changing the CO₂ content** of the atmosphere about **40 times faster than they changed under natural** conditions. For instance, Monsoon **rainfall changes of the Pleistocene** occurred **due to natural changes** in atmospheric CO₂ levels and took place over very long periods of time. Today, human CO₂ emissions are changing Earth's climate at a much faster pace.

Read More: [Progress on Paris Climate Change Agreement: In India and world](#)

Why does India need to focus on Climate resilience?

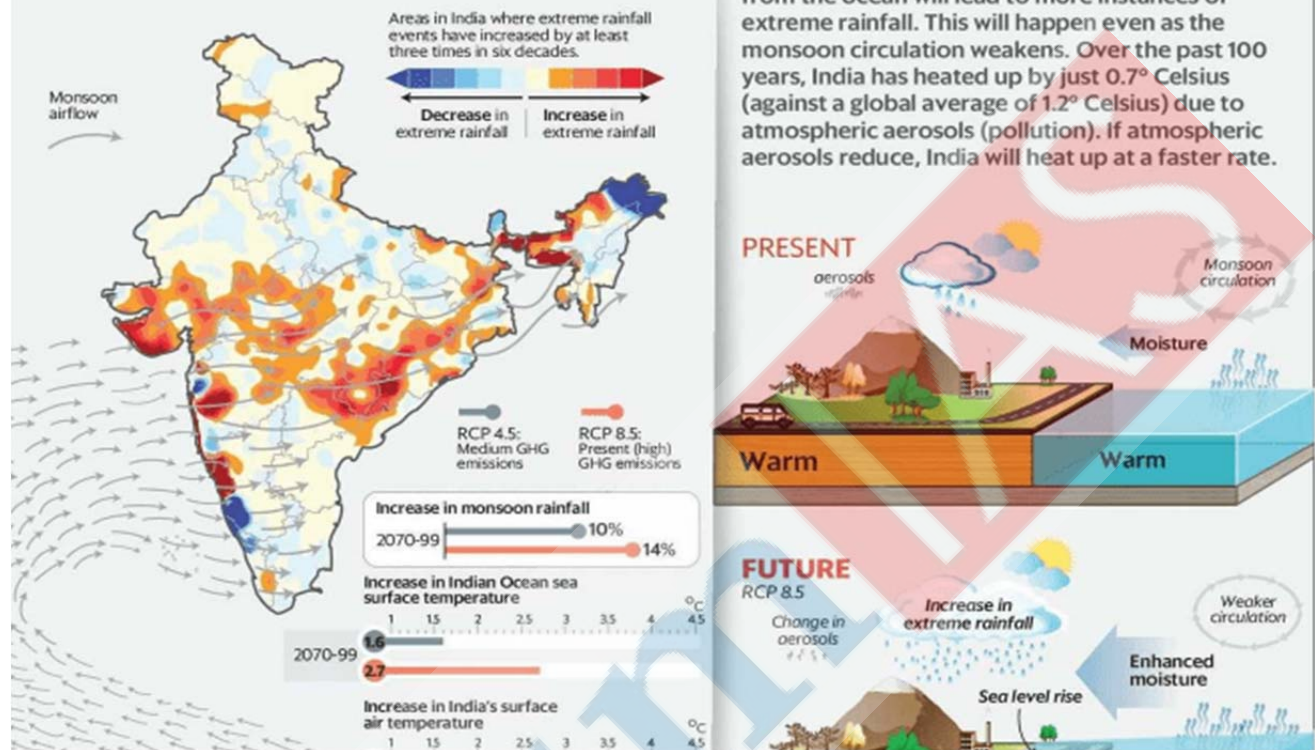
- A 2020 report from the United Nations Office for Disaster Risk Reduction (UNDRR), titled *Human Cost Of Disasters: An Overview Of The Last 20 Years (2000-2019)*, found that much of the increase in climate-related disasters occurred due to major flooding events and storms.
 - India featured prominently in the report, as the **country with the third-highest number of disaster events** (321) in the past 20 years.
 - India was also the **second most impacted country by floods**, after China, with an average of 17 flood events per year and approximately **345 million people affected**.
- Another study pointed out that “**75% of the districts in the country are vulnerable** to events such as cyclones, droughts, floods and heatwaves”. The study also finds that,
 - While there were 250 extreme climate events between 1970-2005, there were 310 such events between 2005-19.
 - The **frequency of flood events has increased by nearly eight times** in the past 50 years.
- Fast-growing coastal cities are in particular danger because of sea-level rise, increasing storms and the global addiction to concrete and asphalt which exacerbate flooding.

Climate change and its impact on India

- The country **faces severe challenges on nearly every metric**: be it sea level rise, the melting of Himalayan glaciers, an increase in the number of destructive cyclones or extreme heatwaves

A grim forecast

Extreme rain events (over 150mm per day) have increased by nearly 75% between 1950-2015 central India.



Source: Livemint

- The country's **first-ever official climate change report, Assessment Of Climate Change Over The Indian Region**, was published by the Union ministry of earth sciences (MoES) in 2020. The report mentions points such as,
 - Since 1951, the monsoon circulation has weakened, especially in regions like the Western Ghats and the Indo-Gangetic plains. Simultaneously, however, incidents of localised heavy rainfall have increased.
 - Duration of dry spells also increased between rainy days during the monsoon. But, there's **not much change in the total amount of rain**. This result in heavy rains in many places.
 - The frequency of dry spells **increased by 27%** between 1981-2011, as compared to 1951-80. The **intensity of wet spells has also gone up** in recent decades.
- Overall, the warming (over land) in India in the last century is much less compared to other regions. At the same time, the **Indian Ocean temperatures are high and go up to 1.2 degrees Celsius above normal** in some regions.

Read more: [Floods in Europe and lessons for India – Explained, Pointwise](#)

Few examples of extreme climatic events occurred in India this year

- Uttarakhand has suffered heavy losses from **devastating landslides**.

- A sizeable part of the country, especially the vast **north-western plains and almost the entire northeast, remained substantially deficient in rainfall** till the third week of July (virtually the first half of the four-month rainy season of June to September). The **deficit varied from 11 percent in the northwest to 17 percent in the northeast.**
- The **peninsular region** received copious downpours, resulting in **nearly 25 percent excess rainfall** in the first half of the four-month rainy season of June to September.
- The **rainfall in the Koyna dam catchment in Maharashtra has broken the past 100-year record**, a sizeable part of it falling in just three days. The **death toll** in the rain-caused havoc **has already exceeded 170** and many more people are still reported missing.
- Delhi was pounded by extremely heavy showers. **Nearly one-third of Delhi's total monsoon rainfall** this year — quantitatively the highest in the past 18 years — **was received in just two days**, July 27 and 28.

Read more: [Intensity of severe cyclonic storms increasing in the North Indian Ocean region due to atmospheric parameters related to global warming](#)

Suggestions to become climate resilient

- Challenges created by climate change can be met only with a hyper-local understanding of risks. So, India needs to do is **identify the compounding impacts and multiple hazards** associated with climate change. The identification part should be the first step. So,
 - There is an urgent need for India to prepare risk maps of vulnerable areas.
 - India's localised disaster management processes need to be strengthened to tackle these extremes.

Read more: [It's been 40 years! Update India's flood map NOW](#)

- When it comes to **weather forecasts beyond the next three days**, a **probabilistic forecast** instead of a deterministic one could be the way forward.
 - This means that for any given situation, the India Meteorological Department would run 30-40 different forecasts, calculate the variability between them and then arrive at the probability of the forecast.
 - This will provide Plan A and also a Plan B, maybe even a Plan C to certain conditions
- India **needs to build multi-purpose infrastructures**. At present, infrastructure like bridges and flyovers serving only limited functions. But, our historical examples, from step-wells in Gujarat and Rajasthan to temple tanks across India, show how societies in the past took environmental constraints and responded with innovative solutions. Such innovative and multi-purpose infrastructure is the need of the hour to become climate-resilient.
 - For Instance, New York City after Hurricane Sandy took steps such as safeguarding energy and transport infrastructure, efforts to elevate houses in coastal areas. India also has to take such steps.
- An important step would be **moving away from an endless consumption of land**. This means **using the land we've already developed to build** more dense and walkable neighbourhoods, connected with mass transit. It also means **living with nature instead of fighting against it**.

Periodic Labour Force Survey and Unemployment in India- Explained, pointwise

Introduction

The unemployment rate in India is always a reason to worry. Just before the Covid crisis at the end of the 2019-20 financial year, India had around 403.5 million employed people. But, during the **second wave alone, India lost around 23 million jobs** across formal and informal sectors as states and Union territories imposed strict lockdowns.

The government released the latest annual report of the **Periodic Labour Force Survey (PLFS)**. The data was for the 12 months (or four quarters) between July 2019 and June 2020. The PLFS report shows the **unemployment rate is falling in a year when GDP growth hit a low**.

What is the Periodic Labour Force Survey?

The PLFS is an **annual survey conducted by the National Statistical Office (NSO)**. It was started in 2017, and it essentially **maps the state of employment**. In doing so, it collects data on variables such as the level of unemployment, the types of employment and their respective shares, etc.

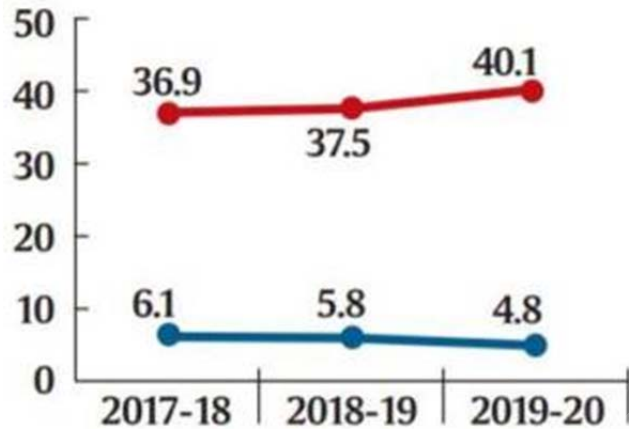
Earlier, this job was done by Employment-Unemployment Surveys, but these were conducted once every five years.

What are LFPR and UER?

- **Labour force participation rate (LFPR)** is defined as the section of the working population in the age group of 16-64 in the economy currently employed or seeking employment.
- The **Unemployment Rate (UER)** is the percentage of people in the labour force who do not get employment. The PLFS survey calculates unemployment using two methods.
 - **Usual Status (US):** Earlier, this job was done by Employment-Unemployment Surveys, but these were conducted once every five years. The PLFS focus on US as against CWS.
 - **Current Weekly Status (CWS):** In this, the survey tries to figure out whether a person was adequately employed in the 7 days preceding the survey. The CWS method is closer to the global norm in calculating UER.

The LFPR and UER in the past:

Over the last decade, two of the biggest worries for Indian policymakers have been the high levels of UER and the low levels of LFPR in the economy.

CHART-1**RISING LFPR, FALLING UNEMPLOYMENT RATE**

■ LFPR* (%)

■ Unemployment rate** (%)

* Labour Force Participation Rate ** Usual Status

LFPR:

In the recent past, **India's LFPR has been less than 40% — far below the global norm (around 60%) or even the norm in most Asian counterparts** such as China (76%) and Indonesia (69%). In other words, of every 100, only 40 come forward to seek work in India, while the comparable number elsewhere is around 60.

UER:

In the last few years, India's UER has hovered around 6% (or higher) — far more than the global or regional norm. In other words, of those 40 who chose to participate in the economy, at least 6% did not get any job.

What does the Low LFPR and High UER imply?

A combination of low LFPR and high UER then implies two things.

- India is using a much smaller proportion of its population for productive purposes.
- The state of the economy is such that it cannot provide jobs to this relatively smaller proportion of the labour force.

Why the recent Periodic Labour Force Survey (PLFS) reports are signifying?

- The recent PLFS showed **two surprising trends**. One, **India's unemployment rate (UER) has declined** over the survey period. Two, the **Labour Force Participation Rate (LFPR) had increased**.
- The results are surprising because they correspond to a period when India's GDP growth rate is decelerated sharply.

- The survey also mentioned that the Covid-induced lockdowns further ruined the growth and employment prospects.

Implications of the Survey results

- During the pandemic, people are **forced to take up self-employment even as the relative share of wage** (or salaried) **employment falls**.
- Experts and economists have been arguing that **decent jobs are still missing**, and their return will depend on the revival in the economy, growth in consumption, and the pandemic situation.

Causes of unemployment in India

- **The decline of Small Scale and Cottage Industries:** Independent India's preference to large scale industry and new industrial policy of the 1990s resulted in the decline of small scale industries.
- **Joint Family System:** It encourages disguised unemployment. In big families having large business establishments, many such persons are found who don't do any work and depend on the joint income of the family. The joint family system is more prevalent in rural areas; hence a high degree of disguised unemployment there.
- **Mobility of Labour:** Labour mobility is very low in India. Because of their family loyalty, people generally avoid migrating to far-off areas of work. Factors like the diversity of language, religion, and customs also contribute to low mobility.
- **Education:** Although literacy rates have risen in the last few decades, there still remains a fundamental flaw in the education system in India. The degree-oriented system fails when it comes to producing human resources, skilled enough for specific job profiles in the economy.
- **Agriculture:** Agriculture remains the biggest employer in the country contributing to 51% of employment. But the sector contributes a meagre 12-13% to the country's GDP. Also, the seasonal nature of employment in the sector leads to recurring cycles of [unemployment for the rural population](#).
- **Lack of skills:** There has been a push towards providing employment opportunities to the people by the government by skilling them. But skill deficit still is a big issue.
- **Rush for government jobs:** Many educated youth-run behind government jobs due to job profile and security. This will lead to a situation where many remain unemployed due to students preparing for government jobs.

Read more: [Causes of Unemployment and solutions](#)

Suggestions to reduce the unemployment rate

- India should give more importance to unemployment numbers derived from CWS. This is due to the following reasons. Such as,
 - As memory recall is much better in CWS
 - The year-long reference period of Usual Status made more sense when the economy was predominantly agrarian. Today it is not.
- There is a **number of labor-intensive manufacturing industries** in India. Such as leather and footwear, food processing, furniture and home decor, textiles and apparel. **Special packages, individually designed for each industry, are needed to create jobs.**

- Decentralization of Industrial activities is necessary so that people of every region get employment.
- The curriculum should be changed with **integrating learning and skill development**. This will reduce the distance between Industry and academia.
- **Incubation centres need to be promoted** to cultivate original business ideas that will be financially viable.
- There is **a need for a National Employment Policy (NEP)** that would encompass a set of **multidimensional interventions covering a whole range of social and economic issues**.
- The government also has to take enough steps to remove social barriers to women's entry. This will also increase gender sensitivity in employment.
- **Concrete measures aimed at removing the social barriers for women's entry** and their continuous participation in the job market is needed.
- The government also has to make enough **Public investment in sectors like health, education, police and judiciary** to create many government jobs and associated employment opportunities.

Sources: [The Indian Express](#) and [Livemint](#)

Assam Mizoram Border Dispute – Explained, Pointwise

Introduction

The violent clashes on the Assam-Mizoram border in Lailapur on July 26th are a result of the continuing confrontation between the two states. The clash came days after a meeting of the Union Home Minister with chief ministers of the Northeastern states, held in Shillong. In this meeting, it was reiterated that inter-state border issues would be resolved amicably.

Mizoram has accused the Assam Police of entering its territory, while videos of armed young Mizo men in battle fatigues and helmets were reported from the Mizoram side, which reported no injuries.

A cautious and calibrated intervention by the center is desired to restore peace and normalcy in the region, along with significant support from the two-state governments.

Confrontations in the Past

- There have been confrontations over territory in the northeast region in the past. For instance, at least 28 policemen were killed in clashes on the Assam-Nagaland border in June 1985.
- The NSCN's (National Socialist Council of Nagaland) demand for a Greater Nagaland or Nagalim. Which includes parts of Assam, Manipur, and Arunachal Pradesh. It has been a major roadblock in the resolution of the Naga issue.
- Manipur has had its share of inter-state disputes resulting in destructive economic blockades.
- The Assam-Mizoram border has been restive, particularly since last year, necessitating the deployment of paramilitary forces.

Read more: [Why North-East is More Vulnerable to Earthquakes? – Explained, Pointwise](#)

Current Scenario of Assam-Mizoram border dispute

- In October 2020, skirmishes developed between residents close to the disputed border between Assam's Cachar and Mizoram's Kolasib districts.
- These centred around the encroachment of reserve forest lands and illegal constructions, which were taken down by the Assam Police. However, the land over which such constructions happened has been claimed by both states.
- The growing hatred later resulted in the July 26th violent confrontation between police and residents.
- Five policemen and a civilian from Assam were killed in the Mizo border town of Vairengte in clashes.



Source: Indian Express

Reasons behind the Assam-Mizoram border dispute and Inter-State Border Tensions

- **First**, the fault lines created by Britishers in boundary demarcation are still **unaddressed**. They created boundaries as per their commercial interests. In the process, sensitivities of local communities regarding land were either ignored or suppressed.
 - The border dispute can trace its origins to the demarcation of Lushai Hills from the Cachar plains by the British in 1875. The British had drawn the boundary in consultation with Mizo chiefs.
 - But in 1933, the boundary between Lushai Hills and the then princely state of Manipur was demarcated. It said the Manipur boundary began from the trijunction of Lushai Hills, Cachar district of Assam, and Manipur state.
 - The Mizos do not accept this demarcation and point to the 1875 boundary, which was drawn in consultation with their chiefs.
 - In the decades after Independence, states and UTs were carved out of Assam based on the 1933 line.
 - This includes Nagaland (1963), Arunachal Pradesh (UT 1972, formerly NEFA), Meghalaya (UT 1972), Mizoram (UT 1972).
- **Second**, there has been a proliferation of **political conversations that target migrants and “outsiders”**. This shrinks the space and scope for fluid borders and fixes the identities of people as per the region, to realize its cultural and economic potential.
 - Last year, volunteers of a Mizo student body started putting up checkpoints reportedly on the Assam side of the border.
 - They alleged that the descendants of the Lushai tribes were being denied their rightful home through increased encroachment by the Bangladeshi immigrants.
 - These checkpoints even prevented Assam government forest officials from carrying out their routine movements.
- **Third**, the events point to a **failure of the constitutional machinery**, empowered to de-escalate tensions at the border.
 - The presence of central paramilitary forces should have helped maintain the peace, but it didn't happen.

- Further, both the states are ruled by allies of the central government. However, the political leadership failed to preserve peace in the region.
- **Fourth, Economic competition for land, engendered by a lack of non-farm jobs across the Northeast region**, is also enhancing bitterness among states.
- **Fifth**, other issues that complicate the situation on the border include the **transportation of illegal drugs** that travel via Mizoram to Assam and other parts of the country.

Implications of Violent conflict

- **Augments Trust Deficit:** It hinders the probability of Interstate cooperation in the future due to enhanced trust deficit. This is testified by competing claims on the issue.
 - Assam says Mizoram police fired on Assam cops with light machine guns. Mizoram says that Assam police overran a police duty post in its territory.
- **Increases Hatred in masses:** Such instances tend to increase feelings of animosity between the residents of Mizoram and Assam.
- **Inclination towards China:** China will be watching these fights with relish. The state which feels more betrayed can be manipulated by China for its vested interests.
- **Domino Effect:** If prudent action is not taken and violators are not duly punished, then such clashes will be seen on other disputed borders in the northeast region.

Steps taken to solve the dispute

- An agreement between Mizoram and Assam was signed to maintain the status quo in the no-man's land in the border area.
- In 2006, SC ordered a three-member Local Commission headed by a retired SC judge to demarcate all the boundaries between Assam, Nagaland, and Arunachal. It also attempted mediation between 2010 and 2013 – all to no avail.
- In mid-July 2021, the Union home secretary had convened a meeting of chief secretaries of both states and the concerned police chiefs.
 - In the meeting, all issues were discussed with the help of maps, photos, videos, and satellite images of the region.
 - A roadmap was agreed upon to maintain the status quo and withdraw forces away from the border.

Suggestions

- There is no sure-shot and quick solution possible to the border disputes between various states without a **spirit of give and take, and a civic engagement brokered by the Union government.**
 - For this to happen, governments should, first, try to stop violence of any kind and restrain partisans engaging in such activity in their respective States.
 - The whole stretch of reserve forests has to be freed of encroachments from either side.
 - The state leaders must nurture the peace, put in place institutional mechanisms to prevent breakdowns, and negotiate a way out of long-standing disputes.
 - The Home Ministry must ensure that the Assam-Mizoram border situation should first be subject to de-escalation and then return to the status quo.

- The **Constitution's mechanisms for addressing inter-state disputes should be duly used.** This includes activating an Inter-State Council (Article 263) or asking the Supreme Court to adjudicate (Article 131).
- Further, a **time-bound court-monitored commission** involving local communities in joint demarcation exercises should be announced.

Conclusion

Sectarian tribalism has been the bane of the North-eastern States, with underdevelopment acting as a catalyst in complicating knotty issues over land and other issues in the region. The Northeastern states must realize that they share a collective destiny. They should be sensitive to and accommodative of each other's interests so that the entire region can prosper.

Floods in Europe and lessons for India – Explained, Pointwise

Introduction

Climate change and global warming will continue to cause extreme climatic events. Across the world, countries are being confronted with situations of either too little or too much water and droughts interspersed with floods. Rainfall has become unpredictable. The recent floods in Europe are a wake-up call for us to adopt the Dutch mantra, 'live with water, build with nature'.

Even though the national and state disaster management authorities have grown in experience, competence and professionalism, there is a need for a higher degree of coordination and preparation across all levels of government.

About the floods in Europe:

Recently, **a month's rain poured in just 24 hours in Germany and Belgium**. This caused multiple rivers to burst their banks and flood parts of the two countries as well as the Netherlands, Luxembourg and Switzerland. These areas of Europe have not witnessed such heavy rainfall for more than a century.

The German Chancellor, the Dutch Prime Minister and others attribute the **cause of the floods to climate change** and **call for urgent action to arrest global warming**.

The floods in Europe showed that climate change spares none. Even if a country has adequate resources and advanced infrastructure (physical as well as organisational), it can find no escape from extreme climatic events. It bore an uncanny resemblance to what Kerala experienced in August 2018.

How Climate change can cause floods?

- Experts say the **more CO2 the world emits** into the atmosphere, the **warmer will be the air temperature**. Warmer air holds more moisture and results in **excess rainfall**, which leads to flooding.
- Additionally, **increasing temperatures at the poles result in slower movement of storms** in the mid-latitudes. As a result, **storms linger longer at a specific place**.
- The combination of a **slow-moving storm and the presence of surplus moisture in the atmosphere results in intense rainfall** in one location within a short period of time.
- In 2018, Kerala, for example, witnessed 414 mm of rain in just three days. Rainfall for the period of August 1 to 19, 2018, in Kerala was **164% more than normal**.

Read more: [Climate Change Basics and Concepts](#)

Extreme rainfall in India this year:

- A sizeable part of the country, especially the vast **north-western plains and almost the entire northeast, remained substantially deficient in rainfall** till the third week of July (virtually the first half of the four-month rainy season of June to September). The **deficit varied from 11 percent in the northwest to 17 percent in the northeast**.
- The **peninsular region** received copious downpours, resulting in **nearly 25 percent excess rainfall** in the first half of the four-month rainy season of June to September.
- The **rainfall in the Koyna dam catchment in Maharashtra has broken the past 100-year record**, a sizeable part of it falling in just three days. The **death toll** in the rain-

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caused havoc **has already exceeded 170** and many more people are still reported missing.

- Delhi was pounded by extremely heavy showers. **Nearly one-third of Delhi's total monsoon** rainfall this year — quantitatively the highest in the past 18 years — **was received in just two days**, July 27 and 28.

The Dutch example:

After two major floods in 1993 and 1995, the Dutch embarked on several projects to widen riverbanks and reshape the areas around rivers.

The Dutch have **gone beyond their conventional dependence on dikes, dams, walls and gates** to protect themselves from floods. Their current disaster resilience mantra is to **live with water, build with nature and make room for the river**. They champion **creating adequate space for rivers to overflow by protecting floodplains from human interference, deepening riverbeds and creating alternate channels for excess water**.

Due to these initiatives, Many towns were submerged in recent floods in the Netherlands. But there are no casualties.

Note: The Dutch provided technical assistance to the State following the 2018 floods. Further, the visit of the Dutch King and Queen to Kerala in 2019 has also happened, and they personally reviewed the joint efforts underway for long-term flood resilience.

Read more: [Let's make room for the river](#)

Why are the early warning systems not efficient?

Countries like Germany have advanced flood warning systems. Germany's system includes a network of sensors to measure river water levels in real-time. These systems forecast heavy rains and the possibility of floods. But **local authorities were unable to respond rapidly** enough and **communicate the warnings** to the wider population.

The rain and floods happened so fast that there was **no time to evacuate** all residents to safety and **fully deploy the formidable rescue and relief infrastructure** that they possessed. This is true for India and other developing countries also.

Even though the flood warning systems are in place and provide data on floods, the country needs to have other systems (proper evacuation plan, enough resources and drills) in place to damage due to floods.

Lessons for India from Floods in Europe:

The floods in Europe serve as a wake-up call to us in India to **adopt policies like the Dutch**, such as **pragmatic policies and practices that are nature friendly**. India has to learn to **live with water in the long term**.

- **Flood-prone areas should be identified**, and projects initiated on an **urgent basis to create room for rivers**.
- Similarly, **low-risk areas** such as playgrounds, maidans, or agricultural fields **should be earmarked to store excess rainwater**. Drains must be built for diverting water into these storage units. This will **relieve the stress on the existing drainage infrastructure**. The stored water can later be discharged back into the drainage channel once the high water subsides.
 - At present, the bulk of the **rainwater** is allowed to **flow down wastefully to the seas, eroding precious soil** in its wake.

- **Fulfilling the recommendations of the** United Nations Development Programme-World Bank-European Union's **Post Disaster Needs Assessment report** prepared for Kerala after the 2018 floods. The important recommendations include,
 - Increasing the **drainage capacity** of the rivers and canals of the State **by creating more room for the water to flow.**
 - **Removing obstructions and encroachments from existing water channels,** the proper maintenance of such channels and **creating additional channels** for water to flow.
- Rather than forecast, the millimetres of rain expected, **conveying specific information regarding the extent of damage to property and life** would likely encourage affected communities to remain alert and respond quickly.
- The government and local media have to communicate the warnings to the general public in simple language.
- In the short term, **strengthened disaster readiness, planning and preparation will help us deal with sudden,** intense rain and consequent floods.
- Practice drills need to be conducted in flood-prone areas, and the state has to test the effectiveness of flood warnings. The warnings should be in local languages and in simple terms.
- Rainwater harvesting on a watershed basis is the mantra for efficient water management and prevent flooding. There is also an urgent need for augmenting the country's overall water storage capacity by creating new reservoirs and rejuvenating the existing ones — many of which have been suffering from neglect.

Significance of biocentric jurisprudence for nature – Explained, pointwise

Introduction

In a recent ruling, the Supreme Court of India has sought to move away from an anthropocentric basis of law and stressed the importance of [biocentrism](#). The [anthropocentric](#) perception is widespread and is considered to be responsible for severe environmental crises ranging from global warming, ozone depletion, and water scarcity to the loss of biological diversity. But now is the time for resorting back to [Biocentrism](#) or ecocentrism.

Biocentrism vs anthropocentrism

Biocentrism and anthropocentrism are recognized as common ecological moral dilemmas.

Biocentrism: The philosophy of biocentrism or ecocentrism holds that the **natural environment has its own set of rights**, which is independent of its ability to be exploited by or to be useful to humans.

Anthropocentrism: This **argues that of all the species on earth, humans are the most significant** and that all other resources on earth may be justifiably exploited for the benefit of human beings.

About the Supreme Court judgment

In the **M.K. Ranjitsinh & Others vs Union of India & Others** case, the supreme court issued an important judgment towards the protection of Great Indian Bustard. The Great Indian Bustard is a gravely endangered species, with hardly about 200 alive in India today.

The court held that overhead power lines have become a threat to the life of these species, as these birds frequently tend to collide with these power lines and get killed.

The Bench opined, the State, as well as the Central Government, have a duty to preserve the endangered species. The court issued the following directives.

- The government should take steps to install diverters for the overhead cables.
- In all such cases where it is found feasible to convert the overhead cables into underground powerlines.
- Irrespective of the cost factor the priority shall be taken to save the near-extinct.

Why power lines are a threat to Great Indian Bustard?

The Ministry of Power, in an affidavit, has said: “The Great Indian Bustard (“GIB”) lacks frontal vision. Due to this, they cannot detect powerlines ahead of them, from far. As they are heavy birds, they are unable to manoeuvre across power lines within close distances. Thus, they are vulnerable to collision with power lines.”

So to protect the birds, the Court has affirmed and **emphasised the biocentric values of eco-preservation**.

Read More: [‘Firefly bird diverters’ to save the Great Indian Bustard](#)

How is anthropocentrism causing damage to the environment?

Humans share the world with countless other species, many of which are nearing extinction on account of man’s imprudent insensitivity. For instance,

- About 50 years ago, there were 4,50,000 lions in Africa. Today, there are hardly 20,000 now.

- Indiscriminate monoculture farming in the forests of Borneo and Sumatra is leading to the extinction of orangutans.
- Rhinos are hunted for the so-called medicinal value of their horns and are slowly becoming extinct.
- From the time humans populated Madagascar about 2,000 years ago, about 15 to 20 species of Lemurs, which are primates, have become extinct.
- Above all, the **compilation prepared by the International Union for Conservation of Nature lists about 37,400 species that are gravely endangered**; and the list is ever-growing.

How countries resorting to Biocentrism?

Pieces of legislation are slowly evolving that fall in the category of the “Right of Nature laws”. These seek to travel away from an anthropocentric basis of law. These laws also empower people in a community to “step into the shoes” of a mountain, stream, or forest ecosystem and advocate for the right of those local communities. For instance,

- In 2008, **Ecuador became the first country in the world to recognise “Rights of Nature” in its Constitution**. Soon after, Bolivia has also joined that list.
- In 2010, the city of Pittsburgh, Pennsylvania became the first major municipality in the United States to recognise the Rights of Nature.
- In India also, the Supreme Court’s judgment in M.K. Ranjithsinh upholding the biocentric principles of coexistence is a shot in the arm for nature conservation.

India and Biocentrism

- **Isa Upanishad** elaborates on the **ancient Indian roots of ecocentrism**. It clearly says that **all the living and non-living organisms in this universe belong to God alone**.
- The Constitution of India declares that it is applicable to the territory of India. While making such a declaration, it very obviously refers to humans within that territory and its predominant aim was to give them rights, impose obligations and regulate human affairs.
 - But, the Constitution is significantly **silent on any explicitly stated, binding legal obligations** we owe to our fellow species and to the environment that sustains us.
- The **Indian judiciary earlier was inclined towards anthropocentrism**. But gradually, **it has shifted more towards ecocentrism**. For example,
 - **T.N. Godavarman Thirumulpad case, 2012**: In this case, the court explained the ecocentric approach and elaborated on the necessary application of the same.
 - **Centre for Environment Law, WWFI v. Union of India case, 2013**: The court threw light on the intrinsic value of all living beings, irrespective of the fact that they were instrumental for human survival or not.

Suggestions in embracing Biocentrism

- The **conversion to ecocentrism overnight is impossible**, especially in the **developed societies** because of their **heavy reliance on resources** and generation of waste.
- So, abandoning anthropocentrism is impossible instantly; however, we can **distinguish our nature-consumption outcomes and intervene when the need is vital to our survival**, and not because it is a desire or interest. For example,

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- Interfering with the environment to build a golf course is unethical because they are hardly essential for survival

Conclusion

In conclusion, if humanity is born with greediness, it is intelligent enough to see that it is only facing a dark future by the following anthropocentrism. Granting a tree, a mountain and a bird intrinsic value (Right of Nature laws) is the **first step towards a biocentric world and a better planet.**

Source: [The Hindu](#)

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