

7 PM COMPILATION

16th to 30th September, 2021

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National Entrance cum Eligibility Test (NEET) – Issues and Significance- Explained, pointwise

Introduction

Recently, The Tamil Nadu Assembly has passed a Bill to dispense with the National Entrance cum Eligibility Test (NEET). This bill is passed based on the recommendation of the high-level committee led by retired judge AK Rajan. The committee report was prepared after looking into around 86,000 representations from various stakeholders, a majority of whom said they don't want NEET.

The immediate trigger to the bill was the suicide of an MBBS aspirant just before the NEET this year. The Bill allows admission to medical courses based on Class 12 marks to “**ensure social justice**”. But, in various instances, NEET is considered the best option by the judiciary as it promotes merit. In this article, let us understand the issues surrounding the NEET.

What is the National Eligibility cum Entrance Test (NEET)?

The **Medical Council of India (MCI)** and **Dental Council of India (DCI)** in **2012** had introduced the common medical entrance examination or NEET. Later, it has been statutorily incorporated under Section 10D of the **Indian Medical Council (IMC) Act**. The Supreme Court also upheld the validity of the law.

The NEET replaced All India Pre-Medical Test (AIPMT). The NEET is a **qualifying test for any graduate and postgraduate medical course in India**. The NEET is mandatory for all Indian institutions except certain institutions including AIIMS, PGIMER, and JIPMER.

The exam is conducted by **National Testing Agency (NTA)**. It is an autonomous body, constituted under the Ministry of Human Resources Development. It was created to conduct entrance examinations for Higher Education Institutions (HEIs) in the country.

The NEET exam is **conducted online and in 11 languages**. These include English, Hindi, Marathi, Odia, Tamil, Marathi, Urdu, Bengali, Telugu, Kannada, and Assamese.

Medical colleges in a particular state have 85% seats reserved for the native students and **15% (All India Quota) seats** for the students from other states.

For instance, a student from Mumbai wants to pursue MBBS from a college in Delhi, then he would be choosing it from the 15% seats of the total seats of that college.

What are the changes introduced in NEET so far?

Applicable to Minority Educational Institutions: Last year, the Supreme Court ruled that the NEET is mandatory for admission to medical colleges run by religious and linguistic minority communities.

Reforms in All India Quota: In Abhay Nath v University of Delhi and Others case, 2007, the SC directed that reservation of 15% for Scheduled Castes and 7.5% for Scheduled Tribes be introduced in the All India Quota.

The government earlier implemented this reservation in all the Central Educational Institutions. But, recently, the Central government announced the **extension of OBC, EWS quota within the AIQ Scheme** for state medical and dental colleges also.

Scores valid for three years: In 2019, the government has cleared a proposal to extend the **validity of the NEET score by three years**. This is done to help students who are planning to pursue medical courses abroad.

What are the advantages of the National Eligibility-cum-Entrance Test?

One Nation, One Exam: Bottom line of NEET is One Nation, One Exam. The exam is having a single syllabus for all the students. It has **standardized entrance tests to medical institutions**. Further, NEET will also provide the **Right to Choice for students**. As, with NEET, a student can write a single exam and apply to different Universities with the same test score.

Improve the performance of State Boards: As the syllabus of the exam is based on CBSE/NCERT syllabus, the state boards will also be prompted to adopt a syllabus similar to that of CBSE. This will improve the quality of education of state boards.

Bring transparency to the admission process of private medical colleges: In 2020, the Supreme Court held that **NEET is important for better administration** of admissions, in view of many instances of maladministration by several private medical colleges.

Help students studying in Native language: NEET is conducted in regional languages. This helps students of different state boards, studying in their native language, in achieving their goal of becoming a doctor or a surgeon.

What are the challenges associated with the NEET?

Against the State's power to hold admissions: "Public health, hospital and dispensaries" is a **state subject**. NEET might create standardization. However, it **infringes upon the state governments' power to hold entrance tests for admissions in the medical colleges funded by them**.

THE CHANGE

PRE-NEET (2016-17) TO
POST-NEET (2020-21)

CBSE students:
0.97% to 38.84%

State board students:
98.23% to 59.41%

English-medium:
85.12% to 98.01%

Tamil-medium:
14.88% to 1.99%

Parents earning less
than Rs 2.5 lakh p.a:
47.42% to 41.05%

Parents earning above
Rs 2.5 lakh p.a:
52.11% to 58.95%

Source: Indian Express

A disadvantage for State board and Rural background students: The NEET syllabus is framed based on the CBSE/NCERT syllabus. So, this is unfair for students from State Boards and from rural areas where the standards may be lower.

Further, research from the USA mentions that **standardisation of common tests goes against the poorer and underprivileged sections** of the population, women, and minorities.

Apart from that, Justice A.K. Rajan panel also found that the proportion of rural students fell from an average of 61.45% (pre-NEET) to 50.81% (post-NEET).

Further, **urban students** are predominantly securing admissions in NEET. So, in future, they will **shy away from rural postings and weaken the entire public health system.**

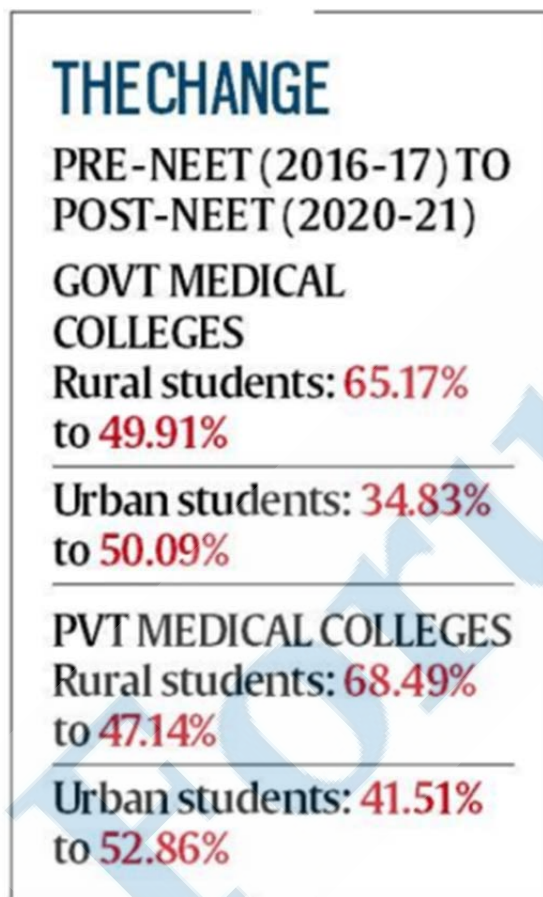
Apart from that, after the introduction of NEET, there is a significant drop in the “first-generation” students who do Medical courses.

Unnecessary exam: Justice A.K. Rajan committee mentions that the **examination had not provided any special mechanism for testing the knowledge and aptitude** of the students. It suggested that the **higher secondary examination of the State board itself was an ample basis for the selection of students** for MBBS seats.

Apart from that, candidates with abysmally low marks in physics and chemistry in NEET, are also getting admission to private colleges through management and NRI quotas by paying high fees. This excludes ordinary students with low economic backgrounds.

The committee also found that several medical aspirants commit suicide due to exam stress every year.

Promote Coaching Factories: The standardisation of exams will lead to mushrooming of Coaching institutes to bridge the gap in School education. This is seen in India with NEET and similar other national tests such as the Joint Entrance Examination and Common Law Admission Test.



Source: Indian Express

For instance, data from Tamil Nadu points out that in 2020-21, **99% of the candidates who got a medical seat in Tamil Nadu received some form of coaching**. Of these, close to three quarters qualified for the exam after two or more attempts. This means a majority of those clearing NEET spent lakhs on coaching.

The rural and urban poor cannot spend lakhs of rupees to get coached for NEET and cannot afford to wait for two or three years only to prepare for the test.

Transparency: The NEET paper was leaked twice in the past. Therefore, there is not much confidence in NEET's fairness and transparency.

Translation-related problems: Even though the test is conducted in 11 languages, they are still far from perfect. For example, In the 2018 NEET, as many as 49 questions had errors in Tamil translation. This leads to a Madras High Court order to award four marks for each of the 49 wrongly translated questions for all 1.07 lakh candidates who appeared NEET in the Tamil Language.

What should be the way forward?

A common national test for professional courses is faultless, in principle. But, it is important to prepare the ground for the implementation of the test.

Improve the syllabus of States: The state governments should try to improve the quality of their state board syllabus up to the level of the NCERT Syllabus. Further, they have to train the medical college aspirants in problem-solving for better results in competitive examinations.

Improve coaching in school to avoid Coaching Institutes: Central and state governments must provide best-in-class coaching for competitive exams. For that, the skill development of teachers is important.

Maintain State Autonomy: Center can adopt a **Uniform domicile rule**. So that, candidate can claim seat only in his/her state, this will maintain state autonomy.

Improve the transparency and performance of NTA: The National Testing Agency has to avoid Translation related problems and have to be transparent in framing questions. This will allow a fair admission process and improve merit.

Address the skewed societal trend: Further, India also needs to **address the irrational high social value placed on medical and engineering college education** across India. This will reduce the hyper-competitiveness and higher failure rate in tests such as NEET, Joint Entrance Examination.

At present, the exam may have some loopholes. But, probably, it is one of the biggest steps for bringing reforms in medical education in India. In long run, it will benefit students and strengthen the health sector of the country.

Telecom Sector Reforms – Explained, pointwise

Introduction

The Union Cabinet has approved a relief package for the ailing telecom sector. The government has sought to address several issues in the policy regime, including the definition of AGR that had led to the large build-up of dues and pointless litigation.

The reforms are expected to provide relief to the telecom sector that is struggling with high levels of debt and make sure that the market has at least three players. It is also expected to boost 4G proliferation, infuse liquidity and create an enabling environment for investment in 5G networks.

Let's have a detailed look at the various aspects of the current issue.

Must Read: [Cabinet approves major reforms in telecom sector](#)

Trajectory of India's telecom sector

The telecom sector was liberalized under the National Telecom Policy (NTP) in 1994 under which licenses were issued to companies in return for a fixed license fee. To provide relief from the steep fixed license fee, the government in 1999 gave an option to the licensees to migrate to the revenue sharing fee model (*means instead of paying a huge upfront fee, telcos could now pay a share in the revenue to cover the fee*).

This revolutionized telecom services over the next two decades.

But, while the **government allowed private sector participation** in the telecom sector, its policies over time, like charging high spectrum prices, AGR dispute, etc., resulted in a situation where the telecom market is now headed towards a potential duopoly.

The recent news of Vodafone Idea Limited's (VIL) **near-bankruptcy situation** sent shockwaves across the telecom sector. VIL accounts for the highest share of rural subscribers in the country. Should it exit, the mobile operators' space would become a duopoly with Reliance Jio and Airtel.

India had 15 operators back in 1999 and 21 in 2009, and now, it is down to four (Jio, Airtel, Vodafone Idea, and BSNL/MTNL).

What was the need for reforms?

Introducing reforms had become a necessity for the government due to the financial stress induced by the following reasons:

Debt accumulation: The real trouble for the telecom operators began when the government decided to price the 3G spectrum at a very high rate, which eventually gave it a windfall gain of Rs 67,719 crore. At that time, this helped the govt of the day to bridge the fiscal deficit, but it resulted in a massive debt accumulation by telcos in the coming years. To upgrade their 3G infrastructure, the telecom companies were required to invest heavily in the coming years. The cumulative debt of the companies rose from Rs 82,726 crore in 2008-09 to Rs 2.5 lakh crore in 2012-13. Over the years, this high debt burden only worsened.

Spectrum payment obligations and AGR liabilities in excess of ₹1.68-lakh crore as of June 30 need to be cleared by telcos.

Financial constraints coupled with the high debt burden and the disruption caused by the entry of Reliance Jio meant that the telecom sector, once a pillar of India's modern economy post-liberalization, was in dire need of life support.

The relief-cum-reform package provides exactly that.

Must Read: [AGR issue – Explained](#)

What are the associated issues/concerns?

Though reforms are well directed, there are some issues/concerns that are being voiced against them, like:

Non-telecom revenue will be excluded only prospectively from the definition of AGR. Hence, the past dues of Rs 1.6 Lakh crores still remain payable.

Deferment, not waiver: The deferment for AGR dues cannot be construed as waiver since the package only envisages a moratorium of four years on such AGR dues from 1st October 2021 (appointed date) with the interest and penalties accruing for such deferral. This will provide only temporary relief, since the dues will ultimately have to be paid with interest.

Rise in tariffs: As the overall liability does not come down, so ultimately companies will have to raise tariffs to generate sufficient cash flows.

Demand for setting floor tariff ignored: A long-standing demand for the government's intervention in setting telecom floor tariffs, as it has done in the civil aviation sector to protect competition, did not find a place in the relief package.

What are the potential implications?

Positive effect on Cash flow: Ratings agency ICRA has assessed that the moratorium on AGR dues provides annual cash flow respite of around Rs 14,000 crore for the industry, while the moratorium on spectrum dues gives another Rs 32,000 crore of annual cash flow relief for the industry as a whole.

Accelerating transition from 2G to 4G: The freed-up working capital means operators are likely to make investments in 4G expansion. This, coupled with affordable handsets being manufactured in India on the back of PLI scheme, may lead to accelerated shift from 2G to 4G.

Faster roll-out of 5G: 5G can add \$450 billion to the Indian economy by 2040. Removal of spectrum usage charges on 5G will make it more viable and could fast-track service availability. The faster roll-out of 5G services will enable India to become a global innovation hub. It will lead to more job creation, bolster the startup ecosystem, bridge the digital divide, and fuel the digital aspirations of the nation.

Spectrum Tenure: In future auctions, the increase of the tenure of the spectrum from 20 to 30 years means telcos won't have to worry about repurchasing spectrum for another 10 years.

Bank guarantees: Telcos had to pay huge bank guarantees (BGs), resulting in blocking up surplus cash. For e.g.: Vodafone Idea had BGs worth 24000 Cr in the Financial year 2021. This provision has been done away with for future auctions. This will allow greater financial space to telecom operators.

FDI in telecom sector: GoI has allowed 100% FDI through the automatic route in the sector. It will encourage investment in the country and push India's rankings on the innovation index. Healthy competition amongst operators and a stable environment will allow customers to opt for differentiated experiences and taste innovations from around the world.

Relief to the banks: The banking sector's exposure to the telecom players is significant at over Rs 1 lakh crore. The telecom package comes as a relief to the banks, as it mitigates the imminent possibility of default by vulnerable operators. This would help in stabilizing and reducing the non-performing assets in the sector.

Faster onboarding of consumers: App-based know-your-customer (KYC) process, will allow users to validate their credentials remotely, followed by contact-less delivery of SIMs at their premises. This will empower consumers and ensure faster onboarding.

What more steps can the govt take?

Lower the burden: The government should **lower the burden** on telcos by reducing taxes and regulatory levies. Presently, Indian telcos pay over 25% (including GST, licence fees, etc.) of their gross revenue as tax, compared to less than 10% in other countries.

Pricing of 5G: Past two auction rounds for 5G have received no bids from the industry. Govt needs to rethink its pricing policy and rationalise it suitably.

Floor tariff: Govt can also look at setting a floor tariff price so that no operator is able to indulge in predatory pricing. This will enhance the revenues for telcos, which they can then invest in network upgradation and management.

Govt should push towards a **sustainable tariff regime** to ensure the industry gets a fair return. This in turn will allow it to continue investing in new technologies and innovation to bring world-class services to customers.

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AUKUS Security Alliance – Explained, pointwise

Introduction

A week before the meeting of Quad leaders in Washington DC, the US administration **announced a new trilateral security partnership** for the **Indo-Pacific**, between **Australia, the U.K. and the U.S.** (AUKUS). As part of this, **Australia will acquire nuclear-powered submarines** with help from the U.K. and the US within 18 months.

There is no explicit mention of China in any of the AUKUS announcements. Despite that, the announcement of the grouping is significant as the Indo-Pacific is fast emerging as the theatre of geopolitical rivalry, with China staking claim over the whole of the South China Sea. In this article, let us understand the new AUKUS group and its significance and challenges.

What are the key features of AUKUS Security Alliance?

Australia will acquire nuclear-powered submarines

The first major initiative of AUKUS would be to deliver a nuclear-powered submarine fleet to Australia over the next 18 months.

Under the AUKUS partnership, **The UK and the US will help Australia to acquire nuclear-powered submarines.** The nuclear-powered submarines will be **built in Adelaide, Australia.** This is significant as the **USA sharing the technology for nuclear submarines.** This has happened only once in 70 years, when it shared the technology with the UK in 1958.

The submarines will not be nuclear-armed submarines. Instead, these are **conventionally armed submarines that are powered by nuclear reactors.**

Only a handful of countries possess nuclear-powered submarines. These include **the US, the UK, France, Russia, China and India.** With the AUKUS partnership, Australia will also join these elite countries. Further, Australia will also be the **only country to have such submarines without having a civilian nuclear power industry.**

Note: Australia is a signatory to the **Nuclear Nonproliferation Treaty (NPT)** which bans it from acquiring or deploying nuclear weapons. So, Australia is **not seeking to acquire nuclear weapons** or **establish a civil nuclear capability** under the partnership.

Focus on Indo-Pacific

The AUKUS security grouping will **focus on advancing strategic interests** in the Indo-Pacific region.

Other multi-sectoral cooperation

The AUKUS partnership will also involve a new architecture of meetings and engagements between the three countries. Further, they also cooperate across emerging technologies such as applied AI, quantum technologies and undersea capabilities, etc.

Further, the partnership will work along with other partners in the region, such as the Quad and ASEAN.

Other key features of AUKUS Security Alliance

This trilateral grouping is security-focused. An official said that the AUKUS is **not aimed [at] or about any one country**, it's about **advancing strategic interests** of the AUKUS Countries and **upholding the international rules-based order**, and **promoting peace and stability in the Indo-Pacific.**

What is the significance of the AUKUS Security Alliance?

Nuclear-powered submarines: Under the AUKUS alliance, the US and UK are willing to export nuclear technology to a non-nuclear powered nation.

Conventional Submarines need to come to the surface to recharge their batteries. On the other hand, Nuclear powered submarines need not come to the surface to recharge their batteries.

Further, Nuclear-powered submarines are able to move faster underwater than conventional submarines. So, these will augment the defence capabilities of Australia. With AUKUS, Australia is accessing nuclear submarines for the first time, so, this will amp up the defence quotient in the Indo-Pacific.

Compliment the efforts of QUAD in Indo-Pacific: According to Arzan Tarapore, a South Asia security expert, "If the new partnership lives up to its promise, it could be a **"game-changer"** for the region". He also mentions, "Alongside **India's stated intent to acquire more nuclear-powered submarines**, the AUKUS will amount to a **step-change increase in the Quad's undersea and anti-submarine warfare capabilities**".

The **Quad is not a security grouping**, so the **AUKUS brings a security adjunct to the Quad**. For the present, the Quad and AUKUS will move on parallel tracks, with the possibility that in future, the two could merge.

Read more: [Quad Summit and its relevance – Explained, Pointwise](#)

Countering China in the Indo-Pacific, especially in the South China Sea: The nuclear-powered submarines will give Australia naval heft in the Pacific, where China has been particularly aggressive. With nuclear-powered submarines, **the Royal Australian Navy now has the capability to go into the South China Sea** to protect its assets and conduct patrols.

Compliment other regional groupings in Indo-Pacific: Apart from complimenting the QUAD, the AUKUS will also compliment the other security alliances in the Indo-Pacific. These include the **ANZUS** and **Five Eyes alliance**.

Note:

Five Eyes: Along with Canada and New Zealand, the AUKUS countries already share extensive intelligence through the [Five Eyes alliance](#).

ANZUS: Australia, New Zealand, United States Security Treaty (ANZUS or ANZUS Treaty) is the cooperate on military matters in the Pacific Ocean region.

Why China has raised its concerns regarding the AUKUS Security Alliance?

China is more rattled by AUKUS than by Quad and other arrangements in Indo-Pacific because of the following reasons,

Firstly, AUKUS is aimed at **protecting the partners' strategic interests** in a region that spans two oceans and 38 countries.

Secondly, it is a message to China that the **US could one day do the same for other countries** in the region. **Sharing of military and critical capabilities** like cyber, artificial intelligence, and quantum computing. It is a cause of concern for China, as these are the **key areas China is dominating** at present.

Thirdly, the AUKUS is a **security grouping**, unlike QUAD, which is a diplomatic grouping. The Quad has neither created a charter nor invested itself with any substance. This is why **China dismissed the Quad** as a **"headline-grabbing idea which will dissipate like sea-foam"**. Similarly, the **Malabar exercise is not a naval alliance**, even though the habit of cooperation is geared to facilitate communication and interoperability in times of need.

Fourthly, The announcement marks a new low in Australia-China relations. China is Australia's biggest trading partner, with two-way trade of nearly US \$200 billion. But the relationship has soured over the last few years.

For these reasons only, China called the new AUKUS partnership as "**severely damaging regional peace and stability**".

What the AUKUS Security Alliance meant for India?

According to the Indian Observers, the partnership is much beneficial for India. As India has been at the **forefront of rallying a broader coalition of countries in the Indo-Pacific**. The benefits include,

Upgrade India's allies in the region: QUAD is meaningless without the necessary capability upgrade for all its members, especially Australia and Japan. This will make India's partners become more self-confident and assured of their defence capabilities.

The AUKUS and a future American military base on Australian soil will help India's efforts to protect the Indo-Pacific.

Provide necessary time to India to build naval capabilities: Further, The AUKUS will buy some valuable time for India to beef up the country's own naval capabilities.

Improve India's ambition in International relations: The partnership would allow India to be more ambitious in its foreign policy and defence approach.

What are the challenges associated with the AUKUS Security Alliance?

Promote Nuclear arms race: Chinese Foreign Ministry already mentioned that the new AUKUS grouping will **aggravate the arms race and hurt international non-proliferation efforts**. This view is also reflected by other South-Asian Countries like **North Korea, Indonesia and Malaysia**.

Create a Cold-war like scenario: Strategic experts believe that these types of new alliances are similar to the Cold War days, where the entire world was divided into groups. As US-China relations unravelled in recent years, **nations in the Indo-Pacific have found it increasingly difficult to navigate between the two superpowers**.

For instance, according to a former Australian diplomat, Countries such as **Singapore, Indonesia, Vietnam and the Philippines**, in particular, may find it "**less tenable**" to have **security ties with the US and also manage relations with China**.

Unpredictable behaviour of America in foreign ties: The US not even informed or consulted any other partners in the region, For instance, countries like France, Canada, New Zealand, and Japan were not invited to join this partnership. Recently, the US has clarified that **India or Japan would not be added to the AUKUS alliance**.

The **French government** termed this move of the US as a "brutal, unilateral, unpredictable decision", "**Allies don't do this to each other**". On the other hand, **Canada** expects the **AUKUS should be a CAUKUS** with Canada on board.

So C. Raja Mohan is of the view that **AUKUS could leave a deep scar on US-EU relations and the North Atlantic Treaty Organisation**, and weaken the international coalition in the Indo-Pacific.

Questions the credibility of the US and its allies to counter China: Former Australian Prime Minister mentioned, "**the US military with all its might could not beat a bunch of Taliban rebels**". Furthermore, he was of the opinion that this alliance will not threaten China, as "**China, not only the biggest state in the world but the occupant and commander of the**

biggest landmass in Asia“. Further, China is also pursuing the **largest military modernisation program**.

Trouble the relations with France: For signing this AUKUS partnership, Australia had cancelled the \$65 billion worth deal it signed in 2016 with France for building 12 of the world's largest conventional submarines. Now, **France** is demanding explanations from all sides and **called the initiative a “stab in the back”** and recalled its envoys from Australia and the US. Further, a harsh legal battle over the contract appears inevitable.

As France is also having a growing presence in the Indo-Pacific region, it will impact any future cooperation with France in the region. Further, it also impacts the **India-Australia-France trilateral** for the time being. Recently, **France had cancelled a scheduled meeting of the foreign ministers** of Australia, France, and India at the UN.

Against the 1984 nuclear-free zone policy of Australia and New Zealand: The announcement of the partnership led to a minor tussle with New Zealand. According to the nuclear-free zone policy, Australia's nuclear-powered submarines would not be allowed into the New Zealand territorial waters.

Conclusion

India now has a little less to worry about on the maritime front with AUKUS in play. The new alliance would allow the three nations to sharpen their focus on an increasingly complicated part of the world. The AUKUS trilateral will be a huge message to China, and it will move a step closer to balance China in the Indo-Pacific region.

NARCL: Need and Challenges – Explained, pointwise

Introduction

Recently, the Cabinet has cleared a ₹30,600-crore guarantee programme for securities to be issued by the National Asset Reconstruction Company Limited (NARCL) for taking over and resolving non-performing assets (NPAs).

What is National Asset Reconstruction Company Limited (NARCL)?

NARCL is **India's first-ever "Bad Bank"**. It has been incorporated as an **Asset Reconstruction Company (ARC) under the Companies Act**.

Note: A bad bank is an asset reconstruction company (ARC), involved in the management and recovery of bad loans or NPAs of other banks.

It has been set up to acquire and consolidate stressed assets for their subsequent resolution. Public Sector Banks (PSBs) will maintain 51% ownership in the NARCL and private lenders will hold the rest.

India Debt Resolution Company Ltd (IDRCL) is an operational entity of NARCL. It will manage the stressed assets acquired by NARCL and try to raise their value for final resolution.

Read more: [Government sets up 'bad bank' to clear the NPA mess](#)

How will the NARCL and IDRCL work?

The NARCL will acquire nearly Rs 2 lakh crore of stressed assets from banks. These will be high value stressed loan assets of more than Rs 500 crore.

Once acquired, it will **pay banks 15% cash upfront** for these assets and issue **"security receipts"** for the **remaining 85%** of the asset value.

The stressed assets acquired by NARCL will then be handled by IDRCL. IDRCL will focus on the resolution of the assets and employ turnaround professionals. When the assets are sold, the commercial banks will be paid back the rest.

And on completion of the resolution, the balance of 85% of value, being held as security receipts, would be given to the banks.

If NARCL-IDRCL is **unable to sell** the stressed assets or has to sell it at a loss, then the **government guarantee will be invoked**. Under this, the difference between what the commercial bank was supposed to get and what they were able to raise will be paid from the Rs 30,600 crore that has been provided by the government.

In a bid to disincentivise delay in resolution, the government has also proposed that the NARCL pay a guarantee fee to the Centre, which would increase with the passage of time.

Read more: [Asset Reconstruction Company](#)

How is NARCL different from other asset reconstruction companies?

Like any other asset reconstruction company, the NARCL will buy bad assets from banks. What sets it apart is that **it has a provision of a government guarantee** worth Rs 30,600 crore.

This guarantee, according to analysts puts the **minimum recovery rate at 18%** from the acquired loans.

Different structure: While NARCL is the bad debt aggregator, IDRCL will take care of the resolution of bad assets. This structure is different from the existing asset reconstruction companies, which do both bad debt aggregation as well as resolution.

Read more: [Establishment of Bad Banks – associated Issues and Significance](#)

Why does India need a separate bad bank (NARCL)?

Likely resurgence in NPAs: With Covid-related stress, Indian banks are expected to see a resurgence in their non-performing loans from Rs. 8.34-lakh crore in end-FY21 to ₹10-11 lakh crore by end of this fiscal.

Declining performance of IBC: The IBC of late is following the law of diminishing returns—after the initial success of selling a few big steel mills and other good assets, where the lenders recovered well over 50% of their dues, things have gone downhill. In some high-profile cases, such as Videocon, Ruchi Soya and Jet Airways, the lenders have hardly recovered 5-6% of their dues.

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

Pending cases: Also, too many cases and too few NCLT judges have meant pile-ups and most resolutions taking twice the time limit originally set under the IBC.

Problem with existing ARCs: Also, the asset construction route has also run into issues. Here too the recoveries have slowed and the **ARCs are also facing capital issues**. Their security receipts are being downgraded by rating agencies as the recovery expectations move downwards. The ARCs are also reluctant to take up NPAs unless offered very steep discounts.

Panel recommendation: K V Kamath Committee also suggested setting up Bad bank to revive sectors such as Trade, Textile, NBFCs, Steel and construction, etc.

Read more: [Union Cabinet clears decks for National Asset Reconstruction Company](#)

What are the issues and challenges involved?

Owned largely by public sector banks: The biggest problem is that it will be owned largely by public sector banks and have its management drawn mostly from them. It is understandable that if the banks could not dispose of the bad debt easily under them, the NARCL will face similar results. Also, the PSBs will be both shareholders and customers—and it leads to the danger of the **bad bank being nothing more than a means to shift some bad debt from one book to another**.

Price discovery: the price at which NARCL buys the stressed loans from the banks might prove to be challenging, even though the transaction involves the public sector as both buyer and seller.

The guarantee comes with a price: The government guarantee mentioned earlier may ensure an 18% minimum recovery, but it is not free. **Banks will have to pay a fee to the government for it**. Adjusted for this, it remains to be seen how much recovery banks can make using NARCL.

Uncertainty over the Response from the secondary market: Banks though will have the freedom to sell the security receipts. But to what extent a secondary market for such securities evolves is debatable.

Deterioration in asset value: Another issue is that physical assets tend to deteriorate soon. This has been a recurring problem in the IBC process, where pressing the bankruptcy solution too late has meant that there is little value left that will attract bidders. **The NPAs that the NARCL will handle are all old, legacy assets and probably there is little residual value left in them**.

No sunset clause: It is not clear whether the bad bank has a finite end date—that is, it is a one-time solution—or whether it will continue to exist forever as another option for banks. **In the US and other countries, the bad banks typically had a sunset clause and worked with a**

finite timeline in mind. In fact, the success of bad banks abroad too has depended on speedy disposal instead of trying to manage them until they got the best price.

The bad bank does not address the underlying cause of the bad loan problem in India: Only by reforming the banking system in India, especially the public sector banks, can the **financial system be made more efficient**. The underlying cause remains unaddressed by the latest reform.

For these reasons, many economists including the former RBI Governor have opposed the establishment of Bad Bank in India.

What are the implications of NARCL?

A major benefit of NARCL would be a **faster debt consolidation**, potentially leading to quicker decision-making and better recovery rates.

Reduction in NPAs: Through successful execution of phase-1, one can expect near term NPA reduction of >1% and NPA recoveries equivalent to 10bps of system credit.

Increase productivity: It would result in freeing up the time and effort of banking staff for more meaningful pursuits such as getting more business.

Repository for bad loans: The creation of a bad bank could help in the cleanup of bank balance sheets through in the absence of a successful resolution it may end up being a repository for bad loans.

May incur losses for banks in the longer run: Upon extinguishment of the government guarantee on Security receipts (after five years), banks will have to bear the loss on the unredeemed Security receipts.

Suggestions/Measures to improve the performance of NARCL

Realistic valuations: Banks typically recover only 10-15 paise to a rupee against their fully provisioned bad loans, entailing substantial haircuts of 85-90 per cent. It is important that banks transfer bad loans to NARCL at realistic valuations that factor in such haircuts.

Transparent process: There is a possibility of conflict of interest arising too. Banks will be part-owners of both NARCL (51 per cent stake) and the asset management company (49 per cent), and they will also be sellers to NARCL. It is important, therefore, that the processes are transparent and **independent market professionals** are employed to avoid conflicts.

Right talent and incentives: The success of the bad loan experiment will require a talented management team of IDRCL and the incentive structure for its employees. If best talent is taken up from the market and is offered liberal incentives for recovery of loans above 18 per cent, it could generate more than what the industry is estimating now.

Conclusion

This is a positive move for the banking sector. The success of the bad bank however will depend on the implementation and management of the transferred NPAs. As we pass through the second wave of the Covid pandemic, consumer demand is picking up. There will be many takers for the brownfield projects. It is perfectly timed; there could not have been a better time for the sale of some of these projects.

The end of Ease of Doing Business Rankings: Reasons and implications – Explained, pointwise

Introduction

On September 16, the World Bank Group scrapped its flagship publication, the 'Doing Business' report. This report publishes the influential annual ranking of countries on the Ease of Doing Business (EDB) index.

The sudden announcement that the World Bank would end its most famous report, sent some shock waves through the business regulatory community.

Read more: [World Bank's Doing Business Report](#)

What is the rationale behind the move?

The Group acted on its commissioned study, which examined the ethical issues flagged in preparing the 2018 and 2020 editions of the EDB index.

The allegation surrounding Kristalina Georgieva, Managing Director of the International Monetary Fund, is the proximate reason for scrapping the publication.

As Chief Executive Officer of the World Bank in 2018, Ms. Georgieva is accused of having **exerted pressure on the internal team** working on the Doing Business report to **falsely boost China's rank** by manipulating the underlying data.

Similar irregularities were also reported in the case of Saudi Arabia, Azerbaijan, and the United Arab Emirates too.

What is the significance of the Ease of Doing Business report?

The "Doing Business" report, first published in 2004, was the dominant international scorecard, providing an annual snapshot of which countries provided better or worse business environments.

Countries see a high ranking in this report as a way to **attract foreign investment** and grow the economy.

Furthermore, the report's rankings had additional weight because they could influence the World Bank's decisions about **lending support and projects**.

The report didn't just affect domestic business environments, but also encouraged countries to deregulate their economies

Hence, there's been fierce competition amongst countries to get a top spot in these rankings.

What were the problems with the EDB index report?

The EDB index ranked countries as per the simplicity of rules and laws framed for setting up and conducting businesses. **Peruvian economist Hernando De Soto's theory** underpins the index. The theory claims that secure property rights with minimal state interventions are a precondition for a free market to flourish.

But, the rankings have been criticised on account of the following factors:

i). The theory underlying the EDB index was inaccurate, the measurement and data might be faulty, or both. For example, China's phenomenal economic success, especially its agricultural performance (after the reforms in 1978), is perhaps the most unmistakable evidence demonstrating that lack of clarity of property rights may not be the binding constraint in a market economy.

What matters is **economic incentives**. **Measuring regulatory** functions underlying the index could be tricky and subjective, and possibly politically motivated as well. Instances of data manipulation brought to light by the independent investigating agency seem to prove such a view.

ii). Vulnerable to modifications of underlying method: The EDB index also seems vulnerable to a tweaking of the underlying method.

For instance, Chile's rank on the EDB index sharply rose when the conservative government was in power and went down when the socialists were ruling despite no changes in policies and procedures.

This was reportedly the result of the fine-tuning of the methodology and had profound political implications. Former World Bank Chief Economist, and later Nobel Laureate, Paul Romer, publicly apologised to Chile's socialist President for the World Bank's less-than-professional conduct in preparing the index.

iii). Attempts at manipulation: There were multiple cases where national governments attempted to manipulate the Doing Business scores by exerting pressure on individual contributors.

iv). Pressure to implement reforms: If a country wants to move up in the rankings, it will have to push through sweeping reforms to land ownership, investment regulations, and labor laws, that are not properly thought out. It may result in unintended consequences.

v). The index was incredibly limited in scope: The index was supposed to measure a country's overall business environment, but **it covers only government regulation** (except for the tax indicator, which includes taxes as a share of gross profit). It leaves out some regulations that affect businesses, such as financial, environmental, and intellectual property rules.

vi). It gave **no consideration to the benefits of the regulations** and whether they create a better overall business environment. Likewise, *Doing Business* regards taxes only as a cost, and not as a source of revenue that can be used to deliver important economic benefits such as modern infrastructure and an educated workforce.

What are the implications of World Bank's decision?

Global

i). 'Doing Business rankings' often created the wrong incentives, such as, by rewarding the countries that have low taxes. It encouraged poor countries to keep their taxes low and regulate them marginally. More importantly, the index did not measure all aspects of the business environment that matter to companies or investors, including macroeconomic conditions and policies, employment, crime, corruption, political stability, etc. WB's recent decision will usher in efforts to bring in a mechanism that is cognizant of above-mentioned flaws.

ii). Credibility of global institutions: Irregularities in EoDB rankings will lower the credibility of not only the World Bank, but also other global institutions and their work. The trust reposed by countries in the World Bank's EoDB report will definitely take a hit.

iii). A vacuum, wrt collection of data regarding prevailing business and regulatory environment across different countries, has been created. In the absence of such a framework, the global efforts to bring down poverty levels and push income-generating investments might suffer.

India

i). Impact on India's policy efforts: Due to its consistent efforts, India boosted its EoDB ranking from 142nd position in 2014 to 63rd in 2019. In the process to improve its EoDB rankings, India, along with other top improvers, had implemented 59 regulatory reforms in 2018-19, accounting for a fifth of all reforms recorded worldwide. The World Bank's decision to end the 'Doing Business' report may put these policy efforts to a halt.

ii). Shifting of supply chains to India: In light of the fact that the probe found no irregularities in Indian data and the evidence of fraud by China to improve its Doing Business ranking, will prompt multilateral initiatives such as the Supply Chain Resilience Initiative (SCRI) to move manufacturing to India.

ii). Impact on investor sentiment: The World Bank decision to discontinue the 'Doing Business' report can cast a spotlight on the sharp rise in India's ranking. And, since the integrity of rankings vis-a-vis India has been upheld, it may boost the investor sentiment positively as compared to China.

What is the way forward?

Going forward, the World Bank Group should work on a new approach to assessing the business and investment climate.

There is a **case for a more universal and robust international index** that offers global investors meaningful information beyond the metrics of the EODB survey. **Quality of life**, for instance, plays a major role in investment decisions, as do such aspects as safety, pollution levels, health care infrastructure, entertainment facilities, and so on. Some of these variables are only partially captured in other global indices such as the Human Development Index or Transparency International's Corruption Index, so **there is space for an inclusive survey** that addresses a broader range of investor concerns.

Indicator regarding labour laws: Doing Business does not include an indicator regarding labour laws and regulations (it did once have, but it was dropped). This is an unfortunate omission, which a revamped report should redress.

The World Bank should switch to collecting de facto data. Currently, the bulk of its ranking is based on countries' de jure laws rather than the de facto situation.

– De jure means practices that are legally recognized by the state.

– De facto means what actually happens on ground.

Authoritarian governments can change their rule books through top-down orders—and thus improve their index score—even if this makes little difference to people's lives.

Gathering de facto data will require **independent surveys and some randomized data collection**, making the report more expensive to produce. But the World Bank can easily bear the additional burden.

Ranking countries in terms of fairness and social justice: Doing Business report had become more of a game wherein the sole objective was to get a high ranking. This undermined the fact that the health of a country's economy also depends on fairness and social justice. The World Bank now has an opportunity to correct this by creating a supplement to its Doing Business report that ranks countries in terms of 'Being Just'. This supplement would assess how fair and just a country's laws and regulations are. This can start as a small exercise, with such ranks being published alongside the annual Doing Business ranking.

Such an initiative would be bound to **generate interest among researchers** to investigate the connections between being good for business and being fair and just.

More importantly, it would create **incentives for countries to excel in both areas.**

ForumIAS

Gig Workers and their challenges – Explained, pointwise

Introduction

The Indian government announced a “**Code on Social Security, 2020**” to deal with “Social Security for Unorganized Workers, Gig Workers and Platform Workers. But the Code is yet to be given effect. **At present, gig workers are not being provided with the benefit of social security** under any of the labour legislations.

Recently, a petition has been filed seeking the intervention of the Supreme Court in **helping secure social security benefits for gig workers** engaged by Uber, Ola Cabs, Swiggy, Zomato and other app-based service providers.

What are the demands under the gig workers petition?

Firstly, they argued that **gig workers and platform workers** are in an **employment relationship with the aggregators** and hence **covered by the definition of ‘workman’** within the meaning of all the applicable social security legislations. These include the following legislations,

The Workmen’s Compensation Act, 1923; The Industrial Disputes Act, 1947; The Employee’s State Insurance Act, 1948; Employee’s Provident Funds and Miscellaneous Provisions Act, 1952; The Maternity Benefit Act, 1961; The Payment of Gratuity Act, 1972.

The petition also mentions that these legislations have been enacted pursuant to the **Directive Principles of State Policy** with a view to ensuring basic human dignity to the workers.

Secondly, the petitioners have sought for declaring “**gig workers**” and “**app-based workers**” as “**unorganized workers**” and/or “**wageworkers**” within the meaning of Section 2(m) and 2(n) of the **Unorganised Workers Social Welfare Security Act, 2008.**

Thirdly, Further, the petition mentions that the **failure of the State to register them as “unorganized workers” or to provide social security** under the existing law is a **violation of their rights under Article 21** of the Constitution. These include the **right to work, the right to livelihood; the right to decent and fair conditions of work.**

Fourthly, The petition mentions that gig workers are similarly situated with all other workers under the applicable social security laws, so the non-recognition is also in violation of **Article 14** and **Article 23** of the Constitution.

Lastly, The **app-based service providers** on the other hand **contend that there is no contract of employment** between them and the petitioners. Instead, the relationship between them is in the **nature of a partnership.**

To counter that argument, the petition mentions that the **lack of employment contracts** between gig workers and new age platforms **does not mean there is no employer-employee relationship.**

Must read: [Gig Economy and platform workers under labor laws in India](#)

What is the gig economy and platform work economy?

The Gig Economy is characterized by **short-term contracts or freelance work** as opposed to permanent jobs. It often involves **connecting with customers through an online platform.** For example, delivery boys of app-based food, consultants, bloggers.

The platform work economy is sometimes referred to as the gig worker economy, but **Gig economy is a broader term** that includes platforms like Uber, Ola Cabs, Swiggy, etc.

According to the World Bank, around 6% of the world's labour force is part of the gig economy. Globally, more than half of gig jobs are driven by demand for low-skilled, low-wage work. Only around 30% of them require specialized skills and expertise.

Read more: [Gig economy can boost jobs for women](#)

How big is the gig economy in India?

An estimated **56% of new employment** in India is being generated by the gig economy companies across both the blue-collar and white-collar workforce. **Global Gig Economy Index** report has **ranked India among the top 10 countries**. India constitutes about 40% of freelance jobs offered globally.

According to the **FICCI, EY, and NASSCOM** joint report on the future of jobs in India, with a 24% share, India is leading in terms of the online labour market globally.

What are the challenges faced by gig-workers in India?

No clear employment relationship: This is the main issue with the gig economy workers in India. Most of the time, it is the ambiguity around the rights of workers and the responsibilities of platforms that allows businesses to treat their gig workers as employees in terms of the control they exert upon them, but without any employee entitlements like insurance, medical benefits, employees' provident fund, bonus or gratuity, etc.

The gig employers in India treat gig workers as partners. If that is the case, then gig workers should have equal say on the remuneration and terms and conditions. Apart from that, gig workers should also have the flexibility to accept and reject offers without any ramifications. But that is not the case actually.

No employment stability and heavy workload: The gig economy in the fundamental sense offers a work arrangement that works for everyone involved, but it is when the power dynamics come into the equation that the delicate balance is thrown off.

When the labour supply is high and more disposable, as, in the case of blue-collar workers in India, the gig workers have no power to influence payment offerings, work conditions, etc. This makes them remain financially vulnerable without a predictable salary, navigating an uncertain career path, etc.

For instance, Swiggy workers faced a continuous dip in pay, where base pay was reduced from ₹35 to ₹10 per delivery order, despite their brave deliveries during the pandemic.

According to gig workers in India, the low payment often pushes them to work longer than 8 hours and work on all days of the week.

Lack of Grievance Redressal Mechanism (GRM): There is no proper GRM available to gig workers to solve their genuine problems.

For instance, when Ola and Uber started cutting back incentives, the drivers in Mumbai decided to go on 'strike'. But there was **no clarity against whom they were striking**. When the strikers agitated at a local transport commissioner's office, he had to tell them that he did not regulate the hail-a-taxi business.

Not easy to be labelled as employees by the government: The meagre pay and poor working conditions often lead to protests to recognise them as employees. But according to the gig platforms, if recognised as employees, then it cannot be called as a gig economy at all.

What steps need to be taken to protect the gig workers?

Giving due effect to the Code on Social Security: For the 1st time, the **Code on Social Security bill, 2020** acknowledges platform workers and gig workers as new occupational categories. With that, the platform workers are eligible for benefits like life and disability cover, old age protection, maternity benefits, provident fund, employment injury benefits, etc.

The government has to give due effect to the Code immediately and provide them with basic human dignity to the gig workers.

Take examples from global best practices: Amendments to labour laws in **Ontario** and **California** have shown a move towards granting employee status to platform workers, thus guaranteeing minimum wage and welfare benefits. This is the view propagated by international agencies in the **EU**, including the **European Trade Union**.

So, the **government of India should also consider granting the gig workers the status of employees** of the aggregators. That would automatically provide them all the labor benefits like PF and ESI.

Provide chances to gig workers to become independent entrepreneurs: The government should consider providing a loan scheme to the platform workers, to end their dependency on the platform aggregator companies.

Read more: [Gig economy workers need more protection of their rights](#)

Conclusion

With a population of over 1.3 billion, and a majority of them below the age of 35, India need the growth of a “gig economy” to create large scale employment for a semi-skilled and unskilled workforce.

So, the government has to hand-hold this sector and help it to grow by solving the problems of gig workers. The need of the hour is to create comprehensive policies and processes that give clarity to the way the gig economy should function.

[Yojana September Summary] SHG-led Women Empowerment – Explained, pointwise**Introduction**

Gender equality and gender empowerment have been two primary objectives of various government policy measures since the beginning. One of such prominent policy measures is the promotion and economic activation of Self-Help groups (SHGs).

Tangible progress in gender equality and empowerment not only helps proliferate women welfare, but also contributes towards the achievement of the Sustainable Development Goal (SDG)-5 target.

What is a Self-Help Group (SHG)?

SHG is a voluntary association of the economically poor, usually drawn from the same socio-economic background, and who resolve to come together for a common purpose of solving their issues and problems through self-help and community action.

History of SHG-led women empowerment in India

Grameen Bank model: In 1984, for the first time, the concept of social mobilisation and business development through the organising of SHGs was introduced based on Prof. Yunus's 'Grameen Bank' model.

SHGs-Bank linkage programme: Initially, the **National Bank for Agriculture and Rural Development (NABARD)**, along with empanelled Non-Government Organisations (NGOs) designed and developed the SHGs-Bank linkage programme.

Recognition by RBI: In the year 1990, the **Reserve Bank of India** recognised SHGs as an **alternate credit flow model**. Thus, there was a paradigm shift in the development of banking in India. Now, SHGs were accepted as group-based clients of banks for both deposit and credit linkages, collateral-free lending, and lending to groups without specification of purpose/ project.

Prof. S. R. Hashim (1997) committee reviewed the poverty alleviation and employment generation programmes of the Ministry of Rural Development, and recommended shifting focus from an individual beneficiary approach to a group-based business development approach. Hence, **Integrated Rural Development Programme (IRDP)** and its associated schemes were merged and a new scheme called '**Swamjayanti Gram Swarozgar Yojana**' (SGSY).

SGSY was launched to provide self-employment to below the poverty line households through the formation of SHGs to bring them out of poverty during 1999 to 2011.

Prof. R. Radhakrishna (2009) Committee reviewed the performance of SGSY and suggested changes in its design from a 'top-down poverty alleviation' approach to a 'community-managed livelihood' approach.

National Rural Livelihood Mission (NRLM): Thus, based on the Prof. Radhakrishna Committee recommendation, SGSY was restructured into **National Rural Livelihood Mission (NRLM)** by the **Ministry of Rural Development** to provide a sharper and greater focus as well as momentum for poverty elimination in 2010. Later, the NRLM has been renamed as **Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY- NRLM)**.

How is DAY-NRLM contributing towards SHG-led women empowerment?

DAY- NRLM, is working with twin objectives of

(a) Organizing rural poor women into SHGs: Under this, the focus is on scaling-up and institutionalization of SHGs across various states.

(b) Constant nurturing and assistance to take up economic activities, resulting in a reduction of poverty via gainful self-employment and skilled wage employment opportunities.

Since 2013-14, women SHGs have cumulatively leveraged a credit of Rs. 3.56 lakh crores from banks to take up income-generating activities.

The programme aims to ensure that at least one woman member from each rural poor household (about 9 crores) is brought into women SHGs and their federations within a definite time frame.

What is the institutional structure of SHGs?

The institutional structure of SHGs under DAY-NRLM follow a 3-tier structure –

- i).** SHGs at the ward level
- ii).** Village Organisations (VOs) at the village level
- iii).** Cluster Level Federations (CLFs) at the cluster/ block level



Institutional Structure of SHGs

What are the ten principles of the SHG movement?

The SHG movement follows five principles or 'Panchasutra' viz.

i). Regular Meetings **ii).** Regular Savings **iii).** Regular Inter Loaning **iv).** Timely Repayment of Loans **v).** Up-to-date books of Accounts.

In addition, five additional principles now followed by SHGs are

vi). Health, Nutrition, and Sanitation **vii).** Education **viii).** Active involvement in Panchayati Raj Institutions (PRIs) **ix).** Access to Entitlements and Schemes **x).** Creating Opportunities for Sustainable Livelihoods.

These taken together are called – '**Dashasutras**' under DAY-NRLM.

What are the four pillars of SHG-led women empowerment?

Women entrepreneurship development at the community level relies on how socio-economically empowered they are. The empowerment of women in collectives like SHGs stands on four strong pillars of:

- i).** Social mobilisation
- ii).** Universal financial inclusion
- iii).** Livelihoods capable of dealing with vulnerabilities like debt, food security and health crisis
- iv).** Social inclusion

What are the issues and challenges?

Lack of conceptual clarity on the legal framework of the federations, deviations in the perceived role and forms of CLFs.

Low competency of CLF board members in managing business activities

Lack of appropriate training plans, quality training materials, and availability of expert training institutions have impacted SHGs' capacity-building initiatives.

Lack of uniform financial management systems at all tiers of SHGs has impacted growth in the bank accounts, improvement in the financial literacy, and absorption capacity of community financial members.

What needs to be done?

The need is to have a **proper evaluation of proposed economic ventures** under women-led SHGs and a rigorous analysis of the financial and physical viability of the occupation along with exploration of innovative business pathways.

We need to **implement steps for attracting and retaining skilled and trained management staff/ human resources** at VO and CLF levels.

Assessments by expert agencies, timely training and capacity building of SHGs, their leaders, their community resource persons, and service providers can sensitize and orient stakeholders, including Panchayati Raj Institutions on the potential of SHGs in the community empowerment with business growth.

There's also a need to **focus on both demand and supply sides of financial inclusion**, promote financial literacy and provide capital support, set up linkages with financial institutions, and promote business correspondence and community facilitators/Bank Mitra to ensure **universal coverage of micro-insurance services**.

We need to **improve the capacities of women in farm and non-farm activities** to access public and market institutions and schemes. This would transform rural unemployed youths into self-employed entrepreneurs.

Way forward

The community business entities owned and operated by women SHGs can ensure jobs and opportunities. They can do so by effectively utilizing available local resources and transforming them into profitable products as per the local need and the acceptability of consumers.

Hence, the SHG-led village entrepreneurship model based on the DAY-NRLM can truly usher in women empowerment in India.

[Yojana September summary] Fighting Femicide – Explained, pointwise**Introduction**

It is estimated that 1/3rd of South Asian women experience violence throughout their lives and violence against women (VAW) is institutionalized through family structures, wider social and economic frameworks, and cultural and religious traditions.

This violence is largely overlooked by law enforcement agencies and is ignored by those in power. One in three women (35%) has experienced some form of violence during her lifetime – more than one billion women worldwide.

Throughout India, several forms of violence against women fit within the definition of femicide including domestic violence, honor killings, dowry deaths, sex-selective abortions, infanticide, domestic violence, and witch-hunting.

This article will focus on domestic violence, dowry deaths, and sex-selective abortions.

What is Femicide?

The term femicide was originally defined as the killing of women, but has been adapted over time to represent the act of killing women because of their gender.

In this sense, femicide is understood to be motivated by **misogyny** and **prejudice** against women.

For a case to be considered femicide, there must be

- an implied intention to carry out the crime and
- a demonstrated connection between the crime and the gender of the victim.

Several crimes against women that can be recognized as femicide include sexual murders, mortality resulting from domestic or family violence, and cultural or institutional violence that results in mortality.

Domestic Violence

Domestic violence is prevalent across India and is widely accepted as a legitimate part of family life by both women and men.

The most recent **National Family Health Survey** found that in India, 34% of women between the ages of 15-49 have experienced domestic violence at some point since they turned 15 and 37% of married women have experienced domestic violence. During the lockdown, Domestic Violence and Intimate Partner Violence cases have been doubled, as reported by the **National Commission for Women (NCW)**.

Domestic violence is one of the most common sources of violence against women and is therefore understood to be one of the biggest causes of femicide throughout the country.

Dowry deaths

Dowry is a cultural tradition in which the family of the bride gives cash and presents to the family of the groom. It was originally meant to support new couples during their beginning of married life. However, India's prevailing patriarchy as well as rising economic demands have turned dowry into a commercial transaction.

The dowry system reinforces discrimination against women, and dowry-related deaths continue to compromise women's safety throughout India,

According to **NCRB reports**, on average, **every hour a woman succumbs to dowry deaths in India** with the annual figure rising upwards to 7000.

Dowry-related death is closely linked to a woman's age at marriage, her education level, and her exposure to mass media. Within India, states with lower female literacy rates, higher rates of child marriage, and less access to mass media generally experience more dowry deaths.

Sex-selective abortion

The practice of sex-selected abortions prevents girl children from being born purely because they are girls.

The increasing availability of prenatal technologies means that families are able to determine the sex of the foetus and are choosing to abort female foetuses at an alarming rate.

An estimated **10 million female foetuses** have been aborted over the past two decades.

About **6.8 million lesser female births** will be recorded across India by 2030 because of the persistent usage of selective abortions, researchers estimate.

The practice, traditionally limited to educated middle-class families, is now spreading amongst the lower class and rural communities too.

What has been the government's response against femicide?

There is a strong effort in all sectors of Indian society and the law to stem the tide of gender-based violence femicide and achieve equality between men and women.

i). The Dowry Prohibition Act, 1961 bans the request and payment of the dowry of any form as a precondition for marriage.

ii). Pre-Conception and Pre-Natal Diagnostic Techniques (PCPNDT) Act, 1994 prohibits the use of prenatal technologies to determine the sex of a foetus. Several states have launched vigilance cells to curb incidences of female foeticide.

iii). There is no legislation directly addressing honor killings and currently, the crime is dealt with under the **Indian Penal Code or the Criminal Procedure Code**.

iv). Women's organizations have also worked to educate women on their rights and provide support to those who have experienced violence. Many NGOs across the country provide counselling, legal support, and livelihood programmes.

v). The reservation of 33% of seats for women in India's local government has increased women's political participation and has led to more gender-friendly governance.

What are some issues/concerns/challenges?

In spite of these efforts, femicide persists throughout India. The impact of femicide on Indian women and society is extreme, and current responses are failing to both protect women from violence and prevent violence from occurring.

i). A lack of funding and infrastructure to address violence remains one of the biggest roadblocks in the effective implementation of legislation. The lack of funding prevents law enforcement bodies from effectively carrying out activities required to implement legislation.

For instance: The lack of monitoring and supervision of the PCPNDT Act including inspections of genetic clinics and centres has meant that pre-natal diagnostic techniques/scans continue to be used to determine the sex of the child and abort girl children.

ii). Sensitisation of police personnel: Another critical issue is the response of law enforcement personnel to crimes against women. In many cases, the lack of training amongst law enforcement agencies means that police have **little understanding of violence against women legislation**, are unaware of their duties in responding to cases of violence, and are influenced by social structures of gender bias and discrimination when responding to crimes. This increases the risk of femicide.

- iii). While legislation may protect victims of violence in theory, in many cases the penalties outlined within the **legislation are weak**.
- iv). Furthermore, the **implementation of these laws remains limited** and in many cases ineffective in preventing femicide or prosecuting the perpetrators of this violence.
- v). Tackling femicide is extremely difficult, especially given that gender discrimination and violence against women are so **embedded within India's social, cultural, and economic structures**.
- vi). There is **inadequate support available** for women who experience violence, and in many cases, their lack of resources means they are forced to endure ongoing violence.
- vii). **Multidimensional poverty** poses a direct threat, putting cracks on girls' safety in three major forms: discriminatory attitudes resulting in poor nutrition and health care; housework and care burden; and exposure to violence.

What steps can be taken to tackle femicide?

Responses to femicide must be comprehensive and involve the development and implementation of strong legislation, gender-sensitive law enforcement policies and protocols.

Awareness-building programmes around women's rights are essential to addressing the underlying causes of domestic violence. Currently, only approximately 1% of women report incidences of abuse and many are not aware of their rights or legislation protecting them from violence and harassment.

Efforts must be made to sensitise police policies and processes related to the handling of violence cases. Protocols must be developed so that police officers know how to respond when women report crimes, and appropriate monitoring systems must be established to ensure these protocols are being followed. **Furthermore, gender sensitisation training must become mandatory for all police personnel.**

We need to **strengthen support infrastructure** by increasing shelter homes and improving medical facilities. This infrastructure ensures that women who wish to leave violent situations have safe alternative accommodation, medical services, and social support services.

Addressing patriarchy: Femicide cannot be fully addressed without tackling the widespread patriarchy and misogyny that permeates much of Indian society. Strong efforts must be made to engage with local communities, build connections with community leaders, and develop education programmes on women's rights. These programmes will also have to **educate men on the consequences of committing violence** and will demonstrate that this behaviour is both socially unacceptable and a breach of the law.

Conclusion

Strong efforts are being made to educate communities on the importance and benefits of women's rights, and women are becoming more empowered to seek assistance from NGOs and law enforcement agencies.

With further action and support from the government and civil society, Indian women will be able to overcome this growing violence and become an increasingly influential part of society.

The Plastic Waste Challenge – Explained, pointwise

Introduction

Once, plastic was considered a miracle material, as its synthetic polymers give it astonishing durability. As per the World Economic Forum (WEF), the use of plastic has increased twenty-fold over the last fifty years. But plastic also poses a massive environmental challenge.

Plastic waste is everywhere today. It is filling up our oceans and destroying marine life and even invading our food chain to get into our bodies. Our per capita use of plastics is growing – and as we become richer, we will end up generating more plastic waste.

Worryingly, plastics are now traveling through water, sediments, and air back to their point of origin – us.

Hence, plastic waste is a global problem that needs immediate redressal.

What is the scale of the problem?

Currently, 400 million tonnes of plastic are produced annually. But, as the UN finds, **only 9% of all plastic waste has ever been recycled**, the rest – over **6.3 billion tonnes** – is buried or cast off into nature, leaching into rivers carrying this to the seas.

As per the World Bank, **8 million tonnes of plastic waste** enter the seas each year and by 2050, the world's oceans could contain more plastic than fish.

Already, [the Great Pacific Garbage Patch](#), a collection of debris the size of Texas, has created a lifeless zone in the Pacific. Microplastics have polluted coral atolls, mighty peaks, Arctic snows, and the soil beneath our feet.

India:

– A Central Pollution Control Board (CPCB) report (2018-19) puts the total annual plastic waste generation in India at **3.3 million metric tonnes**.

– India's **per capita plastic consumption** of less than 11 kg, is nearly a tenth of the United States of America (109 kg).

The scale of environmental plastic contamination is global now. Plastics are found in the air, rain, soil, plants, and animals, and in the human food chain.

What are the negative implications of plastic?

i). Global warming: Plastic, which degrades over centuries, is derived from fossil fuels. Further, the refinement of plastics emits an additional 184 to 213 million metric tons of greenhouse gases each year, increasing global warming.

ii). Threat to species: Plastic threatens over 700 species, disrupting nature's ecosystem benefits. UNEP estimates the natural capital cost of plastic use at \$75 billion annually.

iii). Ingestion of chemicals: Scientists have found that certain chemicals from plastics make their way into the food and water humans consume, estimating we could be ingesting over 50,000 microplastic particles a year. Many of these ingredient chemicals can disrupt human health. Some can be oestrogenic, while some are carcinogens. Further, there are nearly 4,000 different chemicals involved in plastics.

iv). Microplastics: Over time, plastic items in the marine environment can degrade or break down into smaller pieces, predominantly through weathering and mechanical forces such as wave action and abrasion with sand. Once a plastic item is between 5 mm and 1µm, it is defined as microplastic (MP). Due to their size, MPs are easily ingested by an extensive range of marine species from high to low trophic species and can cause negative effects on organisms

Why Plastic use is so much prevalent?

- i). Plastics were also introduced into the food sector because they have a **preservation effect**, resulting in less food waste
- ii). They can be used at a very **wide range** of temperatures, are chemical- and light-resistant.
- iii). Plastic is **inexpensive**. Due to its lightweight, plastic reduces shipping and transportation costs. It saves both in the cost to get products to consumers and in the cost to get post-consumer materials to recycling centers.

Regulations for plastic waste in India

There is currently no dedicated international instrument in place designed specifically to prevent plastic pollution throughout the entire plastics lifecycle.

As far as India is concerned, it got its first **plastic-waste management law** in **1999**. Its aim was to restrict the use of plastic carry bags (thickness 20 µm or less) and prevent food from being packaged in recycled plastic.

The **government amended these rules in 2003** to dilute the restriction on carry bags but mandating registration of manufacturing units with regional pollution control authorities.

Recognising the mounting plastic crisis, the **Plastic Waste (Management and Handling Rules) 2011** were eventually notified. For the first time, there was a national law proposing a ban on the use of plastic materials in sachets to store, pack or sell *gutkha*, tobacco, and *pan masala*. But like its predecessor, the 2011 notification remained a paper tiger.

In 2016, the Union environment ministry announced the **Plastic Waste Management (PWM) Rules**. These included many progressive propositions, like ‘polluter pays’ and ‘extended producer responsibility’.

In 2021, MoEFCC notified the **Plastic Waste Management Amendment Rules, 2021**. The rules aim to prohibit the use of specific single-use plastic items, which have “low utility and high littering potential” by 2022.

Must Read: [Plastic Waste Management Amendment Rules, 2021](#)

What are the solutions to the plastic problem?

- i). **Recycling** is the most effective way to reduce plastic discards. Importantly, with billions lacking recycling services, a Pew Centre study finds closing the collection gap means connecting 5,00,000 people a day up to 2040 the livelihoods prospects are enormous.
- ii). Scientists are working on **biodegradable plastics**. These plastics can be decomposed by the action of living organisms, usually microbes, into the water, carbon dioxide, and biomass.
- iii). **Green intelligence:** We need to build fundamental knowledge about the environmental fate and effects of different kinds of technologies – termed as Green intelligence. People should think about the products and chemicals they bring to their everyday environments and their own selves. This entails a different way of thinking, of planning rationally to reduce harmful exposures.
- iv). **Transparency:** Industries using plastics should be much more transparent about what’s in the products they make. The absence of information makes it very difficult for consumers to protect the environment or themselves.
- v). We need an **independent body responsible for testing** the safety of the chemicals used in plastics.
- vi). **Industries should take producer responsibility** for plastic products at the end of their life cycles.

vii). We need a **body of consumers** making the effort to become more knowledgeable about plastic products and more thoughtful about the implications of our daily purchases.

viii). Limit usage: People should try to reduce consuming food and beverages stored in plastic. Limit using plastics in heating food items and reduce the use of children's toys made of vinyl plastic because a small child could put this in their mouth and the chemicals may leach out, leading to exposure.

Way forward

The responsibility falls on the shoulders of the governments to adopt a comprehensive strategy that can prevent the excessive generation of disposable plastics and then ascertain techniques to sustainably manage the end-of-life of their products.

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Quad Leaders' Summit – Explained, pointwise

Introduction

On September 24, at the White House, the **first-ever in-person** (Quadrilateral Security Dialogue) **Quad Leaders' Summit** took place. Following the developments of the first virtual Quad summit of the four leaders in March 2021, this meeting builds upon the intention of the Quad member nations to ensure rules-based order in the Indo-Pacific region.

This Quad meeting is significant as it is set against the backdrop of [withdrawal of the US from Afghanistan](#), [the formation of the AUKUS security alliance](#), and following the release of the [European Union's Indo-Pacific strategy](#).

The leaders of Quad nations have also put forth ambitious initiatives that deepen their ties and advance practical cooperation on 21st-century challenges. These include ending the COVID-19 pandemic, promoting high standards in infrastructure; combatting the climate crisis, partnering on emerging technologies, and cultivating next-generation talent in all Quad countries.

Read more: [About the previous Quad meeting and its progress](#)

Key outcomes of Quad Leaders' Summit

COVID and Global Health: Quad leaders already launched the **Quad Vaccine Partnership** in March. The Quad leaders have pledged to donate more than 1.2 billion vaccine doses globally, in addition to the doses provided under the [COVAX program](#).

Build Back Better Health Security: The Quad nations commit to better preparing the member countries and the world for the next pandemic. They also committed to build and conduct **at least one pandemic preparedness tabletop or exercise** in 2022.

The Quad nations have committed to strengthening science and technology cooperation in support of the **100-Day Mission** now and into the future. This includes collaboration on current and future clinical trials, such as launching additional sites for the international **Accelerating COVID-19 Therapeutic Interventions and Vaccines (ACTIV)** trials.

Note: 100-Day mission: It is a mission to have safe and effective vaccines, therapeutics, and diagnostics available within 100 days.

Quad Leaders' Summit on Infrastructure: The Quad nations launched **Quad Infrastructure Coordination Group**. This group will meet regularly to share assessments of regional infrastructure needs and coordinate respective approaches to deliver transparent, high standards in infrastructure.

Quad Leaders' Summit on Climate change: Quad countries share a serious concern with the [IPCC's Sixth Assessment Report](#). The Quad nations will **soon announce a clean-hydrogen partnership** to strengthen and reduce costs across all elements of the clean-hydrogen value chain.

The Quad leaders also agreed to form a **Green-Shipping Network**. This network is dedicated to greening and decarbonizing the shipping value chain of ports in Quad countries. The Quad Shipping Task Force has been constituted, and it will aim to establish two to three Quad low-emission or zero-emission shipping corridors by 2030.

Apart from that, The Quad countries will convene a **Climate & Information Services Task Force**. It will provide technical assistance in small island developing states.

People-to-People Exchange and Education: To build ties among the next generation of scientists and technologists, Quad partners announced the **Quad Fellowship**. The Fellowship, a first-of-its-kind scholarship program that will sponsor 100 students per year—25 from each Quad country—to pursue masters and doctoral degrees at leading STEM graduate universities in the United States.

Collaboration in Critical and Emerging Technologies: The Quad leaders are committed to working together to foster an open, accessible, and secure technology ecosystem.

Quad partners will launch a joint initiative, **Semiconductor Supply Chain Initiative**, to map capacity, identify vulnerabilities, and bolster supply-chain security for semiconductors and their vital components.

The Quad has launched a **Track 1.5 industry dialogue on Open RAN for 5G** deployment and adoption, coordinated by the Open RAN Policy Coalition.

Quad Leaders' Summit on Cybersecurity: The Quad nations will launch the **Quad Senior Cyber Group** to bolster critical infrastructure resilience against cyber threats.

Quad Leaders' Summit on Space cooperation: The four countries will start discussions to **exchange Earth observation satellite data** and analysis on climate-change risks and the sustainable use of oceans and marine resources.

Must read: [Quad Summit and its relevance – Explained, Pointwise](#)

What are the present challenges associated with Quad?

Firstly, The formation of the **AUKUS security alliance:** The AUKUS agreement had “**de-securitised the Quad**”. AUKUS opens the way for other minilateral groupings for specific purposes; **India-Australia-Indonesia; India-Japan-Australia and India-Australia-France.**

On the other hand, with AUKUS, the **Quad will not focus on extremism and terrorism** in the regions of Indo-Pacific and regions around Asia. This is visible as the recent Quad Leaders' Summit does not have any initiative or joint declaration on extremism and terrorism in the region. So, this will **not help India** as it faces a renewed terror challenge from Pakistan's proxies and with the rise of the Taliban.

Read more: [Implications of the rise of Taliban for India – Explained, pointwise](#)

So **Happymon Jacob** is of the view that the AUKUS has the potential to become a major military/security arrangement in the Indo-Pacific, and the Quad/Quad Plus could end up becoming a talk shop within the Indo-Pacific.

Secondly, Quad **failed to utilise the opportunity during the pandemic:** The Covid pandemic could have been a great opportunity for Quad countries to provide alternative development finance. For instance, Quad can easily offer loans to the countries like Nepal, Indonesia or African nations to improve its commitments. Further, it may provide vaccines to improve its humanitarian credentials. But, Quad failed to utilise the pandemic to its advantage.

Thirdly, Quad is not a proper institution: Quad neither shares a strategic vision nor has any shared agenda. Similarly, Quad neither has a secretariat or a charter, like the **Shanghai Cooperation Organisation** (SCO), nor a clear set of activities such as **AUKUS**. So, Quad seems to **offer no clear purpose** which, as a result, leads to **too many items crowding the agenda**. With too many items on its agenda, the Quad faces the danger of becoming a talk shop with very little actual work.

There is little interest in properly institutionalising the Quad nor has the objective for 'Quad Plus' been purposefully pursued. Further, its members despite being anti-China **continue to**

forge ties with China. For example, American investors hold \$1 trillion of Chinese equity, and 75% of U.S. companies in China continue to invest there.

Fourthly, India failed to materialise Quad: Raja Menon is of the view that India's missed opportunities with Quad. He believes that with the introduction of the Quad, India had an opportunity to operationalise the coalition and **set up a Quad secretariat in India.**

India **could have easily pushed the Quad to focus on the maritime domain.** But, India so far did not take the Quad beyond diplomatic talks and failed to push Quad into the areas of common interest. This **led to the formation of other groups in the region such as AUKUS** focusing specifically on the maritime domain.

Fifthly, Individual visions of Quad nations regarding Indo-Pacific: Quad is aimed at the Indo-Pacific and is not a security alliance. But, the Indo-Pacific system, as muted by Quad, is not clear. Even the British Empire never managed to combine the Indo and the Pacific into a unitary system. Further, each Quad nations have separate visions for Indo-Pacific.

So, it would be difficult to align the combined vision of the Quad nations in one vision.

Sixthly, sharing critical technologies by the US: The Quad nations aim to collaborate on critical technologies, supply chains and infrastructure. This requires a great deal of cooperation between Quad nations. But whether the US will actually share its most advanced capabilities is an open question due to two important reasons.

1. **India and the US have some contradictory interests** when it comes to the global debate on trade deals, climate negotiations and development policies
2. Experiences from the Covid pandemic has shown how **advanced countries**, especially the US, **hoarded vaccines** and put their national interest in front.

How to improve the performance of Quad?

Bringing in more inclusion in Quad: The countries should work with other countries in the Indo-Pacific Region. This will help to maintain independent security and economic policies, capacity building of other countries, etc. Further, such initiatives will provide credible alternatives to unilateral Chinese objectives and initiatives. Recent initiatives such as **Climate & Information Services Task Force** will help to fulfill such objectives.

Leverage each other strengths and not focus on weaknesses in Quad summits and Quad frameworks. For example, talks on developing global governance architecture, supply-chains initiatives, etc. can be given priority in Quad summits.

Strategic autonomy: India should not compromise its strategic interests in the US-based western interests. This has to be clear at every Quad Summit, as India is the only Quad member to share a **non-demarcated land border with China.**

India has to improve the trade among Quad nations and continue engaging with the Quad for **regional stability.**

Broaden notion of security: India should push the Quad to go beyond the diplomatic group. This will not only aid India's internal security, but also help to maintain regional security in Indo-Pacific.

Conclusion

The recent Quad Leaders' Summit set the stage for Quad members to collaborate with each other, the Quad nations should capitalise on that and move further to strengthen the Quad. This will make Quad a holistic initiative rather than an arrangement of like-minded countries against one particular country.

Drug Regulations in India – Explained, pointwise

Introduction

An adulterated cough syrup of a private firm, Digital Vision, has caused the death of 13 children in 2020. Publicly available data (RTI) shows that Seven Indian state regulators, including that of Maharashtra, Gujarat, and Kerala, have found drugs from the company to be substandard at least 19 times since the formation of the firm in 2009.

The only punishment the regulator meted out in most cases was the suspension of the firm's license temporarily for a few days. During the inspections, the regulators also found out that the company has fabricated records, hadn't maintained basic paper records, and have also procured raw materials for its cough syrup from an unlicensed dealer, etc.

Despite that, the State drug regulators took the firm to court to push for imprisonment and penalties only for four out of the 19 times. Even now, the firm continues to manufacture its full complement of drugs, except cough syrup. This highlights the issue of selling substandard drugs and Drug regulation in India.

How are drugs regulated in India?

The Drug and Cosmetics Act, 1940 establishes regulatory control over the import, manufacture, distribution, and sale of drugs and cosmetics in India. The Act makes the sale of substandard drugs as a serious offence, as these drugs are capable of bringing harm to patients. Under this Act, a jail sentence or fine can be imposed.

This also established the **Central Drugs Standard Control Organization (CDSCO)** for discharging functions assigned under the Drugs and Cosmetics Act. The **State Health department** has to regulate the manufacturing, sales, and distribution of drugs. **Drug Inspectors** control the implementation at ground level.

Further, if the drugs are found to be substandard, then the drugs can be recalled from the market and the manufacturer had to conduct a root cause analysis for the faulted reason.

The Drugs and Cosmetics Act also has **provisions to compensate the families** of victims of adulteration. It calls for the penalty to be extracted from a convicted manufacturer and given to families of the victims.

Read more: [Medical devices now under Drugs and Cosmetics Act](#)

When the medicine is considered substandard, adulterated, and spurious?

Substandard: It is considered substandard when it doesn't have what is mentioned on the box. It could be one of several things like the medicine has less than 90-95% of the amount of active ingredient claimed on the label; contains impurities apart from the active ingredient, excipient listed on the label, etc.

Adulterated: It is the one that contains a poison or other noxious matter.

Spurious: A spurious drug is one that masquerades as another genuine drug. It is a drug with no active ingredient in it.

Read more: [INDIAN PHARMACEUTICAL SECTOR CHALLENGES AND REFORMS](#)

What are the challenges associated with Indian drug regulations?

Non-scientific classification of offence: The distinction between minor and major offenses isn't scientific in India. States do **not prosecute dissolution, disintegration, or impurity failures** because they deem them minor offense.

A drug with an active ingredient less than the mandated 90-95% can, in fact, be as dangerous as a drug with an active ingredient less than 30%. For example, if an emergency drug doesn't disintegrate in time, it will not save a person's life. It is not a minor offence.

Liberal punishments: Drugs Consultative Committee, an advisory body to state regulators, issued guidelines in 1993 and then in 2010. These guidelines argue that **prosecuting every case** of substandard drugs would lead to the harassment of manufacturers. So, the committee called to prosecute the manufacturers **judiciously**.

Protect the pharma industry, not the victim: India's hot and humid climate and weak drug distribution infrastructure might lead to substandard drugs. So, to protect the emerging pharma industries, the state drug regulators initially take **only administrative action**—such as a temporary suspension of the license for an offence. If the company still commits an offence, then only the regulators prosecute the firm. For instance, only 4 out of the 19 offences resulted in prosecution for firms like Digital vision.

Competition between states to boost the Pharma sector: There is a competition between states to outbid each other. This means they are not bothered about the quality of the products being sold in the country.

They issue manufacturing licences to all and sundry without looking into whether **Good Manufacturing Practices** and other requirements are being followed.

Interstate variation in the prosecution: There are variations in prosecuting the manufacturers for the substandard drugs. For instance, the Kerala regulator will prosecute any case in which the active ingredient falls below 70%. Maharashtra will prosecute if the active ingredient is less than 30% of the labeled amount. On the other hand, Gujarat will only prosecute spurious or adulterated drugs. This results in **interstate variation in the standard of drugs** as well.

Systemic challenges in Drug regulation: Indian State and Drug Regulators often have to deal with problems like poor training, antiquated record-keeping systems, understaffing, and pressure from the pharmaceutical industry, etc. This led them ill-equipped to enforce recalls and root cause analysis. For example, Himachal Pradesh requires at least 47 drug inspectors to oversee sales outlets and manufacturing units. But the entire state has only 26 inspectors.

How to improve drug regulations in India?

Amend the Drugs and Cosmetics Act: The primary goal of the Drugs and Cosmetics Act is not to respond to substandard drugs retrospectively, but to prevent them altogether. So, the DCA has to be amended to prevent the manufacturing of substandard drugs in the first place. The Union government has already constituted a committee for framing legislation regarding new drugs, cosmetics, and medical devices. This committee has to include necessary amendments to prevent the manufacturing of substandard drugs.

Read more: [Panel set up to draft Bill on drugs, cosmetics and medical devices](#)

Adopt Good Manufacturing Practices: Manufacturers should adopt a strict quality control system. There is a need to follow simple checks and balances, such as testing a raw material before putting it into a drug, buying raw material from a licensed manufacturer, and maintaining clean equipment, etc. A root cause analysis should be done quickly in case of any quality failure.

Coordination and uniformity between various departments: Every state follows different standards to regulate the cases. Also, there is no/ very less coordination between different

state regulators. A mechanism should be built, where regulators should have proper communication links between them. Also, a set of uniform standards should be followed.

Address the systemic issues in Drug regulation: There is a need to provide adequate training to the staff. Also, the vacancies should be filled immediately so that they are not overburdened. The sale of substandard drugs in India has to be stopped not only because it is illegal but because it is creating life-threatening situations.

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Ayushman Bharat Digital Health Mission – Explained, pointwise

Introduction

Almost a year after it was implemented, on a pilot basis in six Union Territories, Prime Minister launched the Ayushman Bharat Digital Mission for the entire country on 27th Sep 21.

The mission aims to provide digital health IDs for all Indian citizens to help hospitals, insurance firms, and citizens access health records electronically when required. The health record of every citizen will, therefore, be digitally protected.

Let's discuss the significance and issues associated with Ayushman Digital Health Mission (ABDM) in detail.

What is the Rationale Behind Digital Health Mission?

This is a much-needed intervention given that management of chronic diseases, has become a critical public health challenge in the past 15 years, due to the absence of digital health records.

Problems for patients: With the current processes in hospitals, when a patient develops any complication, it gets difficult to track events. Moreover, in the **absence of digital health records**, a patient has to carry files of several years of treatment. In the event of an emergency, even this is not possible. Due to this, a lot of time, of both the patient and doctor, is wasted, and the cost of treatment too, increases a lot, as the medical consultation and investigation have to be started from absolute zero.

Problems for health professionals: Like patients, in the absence of a digitized medical history, it's a nightmare for doctors to get all the medical data required to make an accurate clinical diagnosis. They are under tremendous pressure due to the **fear of possible human error**, which can adversely affect a patient's life.

The Digital initiative seeks to address these issues by creating a **seamless online platform** to access treatment records, and enable faster and effective treatment.

Must Read: [PM launches Ayushman Bharat Digital Health Mission](#)

What is the unique health ID?

A health ID is a randomly generated 14-digit number, that will uniquely identify every citizen and will be a repository of their medical history.

The ID will be broadly used for three purposes:

- unique identification
- authentication, and
- threading of the beneficiary's health records

All this will be done only with their **informed consent**, across multiple systems and stakeholders. Also, a user will be able to **permanently delete** or **temporarily deactivate** her health ID.

The beneficiary will have to set up a **Personal Health Records (PHR) address** for consent management, and for future sharing of health records.

What is a PHR address?

It is a simple self-declared username, which the beneficiary is required to sign in to a **Health Information Exchange and Consent Manager (HIE-CM)**. Each health ID will require linkage to a consent manager to enable sharing of health records data.

An HIE-CM is an **application** that enables sharing and linking of personal health records for a user. At present, one can use the health ID to sign up on the HIE-CM.

The National Health Authority (NHA), however, says **multiple consent managers** are likely to be available for patients to choose from, in the near future.

What is the significance of the Ayushman Bharat Digital Health Mission?

Technology with the protocol will make India's Health sector one among the safest industries in the world: Unfortunately, in healthcare delivery, it is difficult to follow treatment protocols since over 90% of hospitals in developing countries including India do not have **Electronic Medical Records (EMR)**. In this regard, EMR will help us document real-time events happening around a patient, inside the hospital, with seamless movement of data between various stakeholders on a mobile platform.

Affordability, Accessibility: Providing smart digital tools to doctors, nurses, and technicians, morbidity mortality in healthcare will come down significantly. Access to healthcare will also improve and the cost of healthcare will come down.

Data portability and mobility: A unique digital health ID will help chronic patients carry their medical records on their phones, which can be seen by doctors on their computers anywhere.

Prevents repetition: Since most of the blood tests, CT scans, MRI, ultrasound reports will be available on the cloud from anywhere, patients do not need to go for painful and expensive repeat tests.

Facilitate analysis of Data: Data analytics will build clinical decision support systems on EMRs which will suggest alternative diagnostics based on the patient's condition.

Early identification of trends: The most granular data could also drive public health measures down to the village or block level and help identify early trends in diseases.

End to Quackery and fake medicines: Only registered doctors will be allowed to prescribe medication on digital prescription pads. Moreover, with the barcoding of medicine strips, fake medicines will also disappear.

Optimize resource utilization: Digitisation has disrupted every industry. For instance, Uber, the world's largest taxi company, owns no vehicles. Facebook, the world's most popular digital media owner, creates no content. Similarly, the world's largest healthcare provider will have no beds because it's going to be a Health app.

The system also **makes it easier to find doctors and specialists nearest to you**. Currently, many patients rely on recommendations from family and friends for medical consultation, but now the new platform will tell the patient who to reach out to, and who is the nearest. Also, labs and drug stores will be easily identified for better tests using the new platform.

Must Read: [Global examples of a centralised health record system](#)

What are some issues/challenges/concerns WRT the mission?

i). Issues related to data entry:

– **Poor internet speeds** could make data entry a difficult task for rural healthcare providers.

– In the USA, The task of data entry — a lot of which might not always be relevant to clinical care — has added to a doctor's burden and is seen by experts as one of the major reasons for the high rate of **physician burnout** in the country.

ii). Data Protection: The Ayushman Bharat Digital Mission gives patients the option to choose the records they want to share. However, given the asymmetrical relations between health

service providers — doctors, hospitals, pharma, and insurance companies — and the absence of a data protection law, **breaching of patient confidentiality** cannot be ruled out.

iii). Misuse of data: Also, there is a danger that any large private insurance company could use sophisticated algorithms across the health and other databases to **construct risk-profiles** for people and make access to **affordable insurance difficult**. Data mining can prioritise certain rich demographics for their services and direct public and private resources to people who can afford a high premium for their services rather than to those who need them but cannot pay as much.

iv). India's meager health budget: Without a sufficient health budget and revamping of existing public healthcare infrastructure, the mission will not achieve its intended targets. Currently, total health expenditure (both private and public) in India is just 3.6 percent, while public spending on health is just above 1 percent of the country's GDP. It is very low compared to the countries that have some of the best digital health systems in the world. Public sector spending on health in Canada and Australia is around 8 percent and 6.3 percent of its GDP, respectively. Canada ranks first and Australia ranks eighth among the best healthcare systems in the world.

v). Lack of infrastructure: Digital literacy and accessibility of digital records is a particular concern in rural areas, as most villages do not have the required digital infrastructure. Even government hospitals and dispensaries had limited information and communications technology infrastructure, with only a few major public hospitals having computers and connectivity.

vi). Increase in cost of patient care: While private hospitals are yet to on-board, they are also not clear how the system will work and whether they will have to make additional investment. Additional costs, say experts, will also mean an increase in the cost of patient care.

vii). Besides, the efficacy of the DHID relies on the assumption that every visit and every drug consumed by the patient is faithfully and accurately recorded. With the digitised records virtually “speaking” for the patient, information gaps can be problematic.

What are the suggestions to improve?

i). To address the interoperability (the right exchange and use of information) issues, we need to ensure interoperability standards. Further, the right tools and bandwidth will be required to address issues such as non-working links, data not being updated, and faster uploads for large file sizes such as X-ray's, MRI scans, etc.

ii). The govt needs to pass and implement the Personal Data Protection Bill. This could ensure uniformity in data usage laws while providing better protection of citizen's data, addressing privacy concerns.

iii). A 2018 report prepared by the ministry of electronics and information technology (MeitY), titled Adoption of EHR: A Roadmap for India, indicated that a **large investment in hardware and software** is required to ensure a robust ICT infrastructure.

iv). We need to conduct pilot studies to assess the use of technology for streamlining patient flows and medical records and thereby increase efficiencies across different typologies of hospitals and facilities.

It is better to go slow and steady, testing the waters as we go along to make Digital Health ID sustainable and acceptable with the aim to achieve this aspiration within the next decade or two. That's the only way to ensure that a good policy does not die along the way due to poor implementation

The Issue of firecracker Ban in India – Explained, pointwise

Introduction

The **Supreme Court** recently said that a preliminary inquiry by the **CBI** into the firecracker industry revealed a **rampant violation of its ban** on the use of toxic ingredients like barium and its salts in firecrackers. Earlier, the court prima facie brushed aside the manufacturers' contention that thousands of employees earned their livelihood in the industry. In this article, we will explain the issues surrounding the firecracker ban in India.

What are the recent observations by the Supreme Court on the firecracker ban?

In March 2020, the court ordered the **CBI Joint Director in Chennai** to conduct a **“detailed” probe into allegations** of violation of the court ban in 2018. The CBI had filed a report in a sealed cover in the court. The Supreme Court while referring to the report, observed that **chemical analysis showed barium content** in the samples. The court said loose quantities of barium and its salts were purchased from the market.

The court also held that “We have to **balance between employment, unemployment and the right to life and health of citizens**. We cannot sacrifice the lives of many for a few. Our **prime focus** is the **right to life of innocent people**.”

The case gained significance with the onset of the wedding season and festivals like Dussehra and Deepawali. The court also observed that “Every day, there is a violation in firecracker usage... in religious processions, political rallies”. So, the court wanted to **fix liability on the authorities** in charge.

Other Judgments related to Firecracker ban

Toxic fumes | The Supreme Court has repeatedly raised concerns over the use of harmful chemicals in the manufacture of firecrackers



firecrackers that are loud and toxic, and permits only "green or reduced-emission" ones. Ban follows petition filed by two infants through their fathers, flagging air pollution

March 2020: Court orders CBI Joint Director in Chennai to probe violation of the 2018 ban

Under the scanner: Firecrackers stacked for sale at a shop in Tamil Nadu. ■ FILE PHOTO

July 2017: Supreme Court bans use of five chemicals – anti-mony, lithium, mercury, arsenic and lead – labelled as toxic by the Central Pollution Control Board, in firecrackers

Oct. 2018: SC bans use of

Every day there is a celebration, but you should also be mindful of the people living around you... people who have asthma

JUSTICE M.R. SHAH

Source: The Hindu

Firstly, In 2017, the **SC had banned the use and sale of toxic crackers** on the basis of a petition filed by two infants who pleaded for their **right to life**. During the case, the court also **dismissed** arguments that **bursting crackers was a fundamental right** and an essential practice during religious festivals like Diwali.

In this case, the court held that the **Right to Freedom of Religion (Article 25) is subject to the Right to life (Article 21)**. The court also mentioned that If a particular **religious practice is threatening the health** and lives of people, such practice is **not entitled to protection under Article 25**. The court banned 5 toxic chemicals used in firecrackers

Must read: [5 chemicals banned in firecrackers](#)

Secondly, In 2018, the Supreme Court (SC) has imposed conditions for the use and sale of firecrackers. The court held that **only green or improved crackers** would be used during religious festivals and other occasions, including weddings.

The court also **fixed the time slots for bursting crackers**. The judgement reduced the time for bursting crackers during **Deepavali** and other festivals to **two hours**: between 8 p.m. and

10 p.m. For **Christmas and New Year**, the time slot allowed is just **half an hour**, between 11.55 p.m. and half-past midnight.

Read more: [SC moves to make festivals less noisy](#)

Thirdly, In the **December 2020 order**, the **NGT** mentioned that only green crackers would be permitted to use for Christmas and New Year in areas where the ambient air quality was in the moderate or below categories.

Read more: [Firecrackers ban ahead of festival season](#)

What is the rationale behind the ban on Firecrackers?

Air pollution: Studies in Europe, Canada, and China have established links between fireworks bursting and variations in air quality. Fine particulates increase short-term pollution to record levels. This was visible in Delhi prior to the regulations.

Health issues: Firecrackers contain lots of heavy metals and toxic chemicals like cadmium, lead, chromium, aluminium, etc. which, if accumulated, can eventually **damage health if inhaled or ingested**.

Firecrackers can cause various severe effects on the health of people, especially for people with heart diseases, respiratory or nervous system disorders. Even people suffering from **common colds and coughs** can cause congestion of the throat and chest.

Effect on Children: A 2007 study published in 'Atmospheric Environment' magazine established that children were at greater risk due to cracker-enhanced particulate matter in the air. Further, Firecrackers can also lead to **poor cognitive development in kids**.

Effect on animals: As per the India Chest Society, effects of firecrackers on pets include hearing loss, blood pressure, sleep disturbances, heart ailments, and nausea effects on pets.

Noise pollution: Firecrackers are the source of Noise pollution. The noise can cause restlessness, high blood pressure, temporary or permanent hearing loss. Further, if blasted at night, it can cause sleep disturbances.

Manufacturing hazards in firecrackers: Workers in the firecracker industry develop serious respiratory diseases. Further, there is mushrooming of Unlicensed units with unsafe working conditions, leading to frequent accidents in firecracker industries. Apart from that, fire accidents can occur if fireworks are handled incorrectly during sale and use.

Read more: [Causes of accidents in firework industry](#)

Effect of firecrackers on Environment: Use of paper for shells of firecrackers results in Loss of trees. The firework reaction products are deposited in an unsafe manner. They enter the soil, crops water bodies and pollute them too.

Read more: [SC points out ambiguous impact of explosives used in firecrackers](#)

What are the issues associated with the ban on Firecracker?

Loss to Economy: The Indian firecracker industry is the second largest in the world. The Indian Fireworks' industry boasts of over Rs. 6000-crores worth of annual turnover. The firecracker industry has also witnessed an annual growth rate of about 10 percent prior to the ban.

Tamil Nadu has legitimate concerns about the fate of the firecracker industry. As Sivakasi region in Tamil Nadu alone holds 85 % of the manufacturing of firecrackers in the country.

Loss of Livelihood for workers: The fireworks sector consists of over 500 industries and 60 ancillary units that are dependent on these industries. Further, the industry is providing

employment opportunities to **over 5 lakh families, mostly uneducated workers**, directly or indirectly. The ban will directly lead to the closure of all industries and impact the livelihoods of employees directly.

Banning fireworks is infringing on religious rights: Burning firecrackers are closely related to the celebration of Joy. People burn firecrackers to express their happiness during festivals such as Diwali, Christmas, New Year, etc. The people believe that firecrackers are an **inherent part of their culture and customs**. For people to let go of their belief, culture, festival is not an easy thing.

Suggestions

Stricter implementation of environmental laws: It is important for the government to **organize anti-firecracker campaigns** and discourage people from bursting firecrackers. Parents, as well as children, should be educated on the harmful effects of firecrackers, and environmental laws should be implemented strictly.

Promote research and product development of green crackers: Green crackers do not contain harmful chemicals that would cause air pollution. In green crackers, the commonly used polluting chemicals like aluminum, barium, potassium nitrate, and carbon have either been removed or sharply reduced to slow down the emissions by 15 to 30%.

So, the government has to promote the manufacturing and sale of such crackers. This will not only help over 5 lakh families involved in the manufacturing of crackers but also help in boosting the Indian economy.

Conclusion

The Supreme Court in another instance said that it **cannot ban firecrackers as it would deprive the livelihood** of lakhs of families dependent on manufacturing firecrackers by creating unemployment. The court can ban the traditional and toxic firecrackers and **force the industries to manufacture only the greener alternatives**. This will create a middle path for the firecracker industry and ensure the celebration of festivals.