9pm Compilation

7th to 12th Feb 2022

General Studies - 1

- 1. Land rights to women: Despite Courts, The Plot Is Against Daughters
- 2. What arguments in marital rape case reveal about insecurity of patriarchy

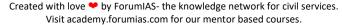
General Studies - 2

- 1. India's 'return' to Central Asia
- 2. A new form of untouchability
- 3. Rights of the weak, duties of the powerful
- 4. The interpretative answer to the hijab row
- 5. The classroom is important, not the uniform
- 6. Notes for India as the digital trade juggernaut rolls on
- 7. Social justice opportunities are too unevenly spread across India
- 8. Weighing in on a health data retention plan
- 9. Reservation laws for locals: Local labour pains
- 10. Local job laws that raise constitutional questions
- 11. Tax incentives for Philanthropy
- 12. Safeguarding childhoods from online harm during COVID-19 and beyond
- 13. Poor drafting on amendments to the Customs Act
- 14. A self-reliant Pharma Industry
- 15. Stricter policy for accreditation of journalists, and the concerns
- 16. 'NEET is discriminatory, against social justice'
- 17. The case for easing our identity proof insistence
- 18. India must reform the very way that reforms are brought about
- 19. IAS cadre rules: Upsetting the Centre-state balance
- 20. Why opinion polls need regulation
- 21. Why we ought to replace legalese with plain language
- 22. What three recent cases say about our labyrinthine legal system
- 23. Appeal for change: SC's suggestion on reducing jail time for those appealing convictions is worth serious thought
- 24. Explained: Governor's powers, friction with states, and why this happens often
- 25. Is the institution of Governor subverting federal structure?
- 26. Indo-Australia bilateral relations: The significance of S Jaishankar's Australia visit
- 27. Colombo and Delhi get closer, but failure to move on the Tamil question will dampen the enthusiasm

General Studies - 3

- 1. ENVIRONMENT IMPACT ASSESSMENT AND RELATED ISSUES
- 2. About Green clearances: The missing green

- 3. Consolidate clearances-4 steps for effective green clearances
- 4. Big golden mahseer to small kudremukh barb, freshwater fish are richly diverse
- 5. Why Union Budget 2022-23 falls short in addressing gaps to build disaster resilience
- 6. E-fasting can minimize E-waste
- 7. What are harmful effects of e-waste?
- 8. How to create a better power distribution Network
- 9. 5g technology: Fixing frequencies first
- 10. Blanket ban on imports of drones may disrupt industry
- 11. Breakthrough in nuclear fusion, and why it is significant
- 12. Union budget 2022-23: Is India's Rs 13,700 cr space budget enough?
- 13. Let business houses with good track records run banks
- 14. Reducing edible oil imports
- 15. Back to nature: Immense need for crop diversification and role of agroforestry
- 16. INDIA'S FRAMEWORK FOR CRYPTO TAX STILL NEEDS WORK
- 17. RBI shouldn't rush the launch of India's official digital rupee
- 18. Step up agri-spending, boost farm incomes
- 19. The many layers of an unemployment problem
- 20. India's Employment problem predates COVID. The pandemic has deepened the faultlines
- 21. Income tax on our rich should've been rejigged
- 22. It's time to take a relook at privatisation
- 23. A change of course on privatisation
- 24. Budget 2022: Some musings
- 25. An MSP scheme to transform Indian agriculture
- 26. Time to end employer criminalisation
- 27. Taking a byte out of cyber threats
- 28. Living up to rocket boys' dreams
- 29. India, heal thyself



General

Studies

Paper - 1

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General Studies - 1

GS1 - SOCIETY - WOMEN RELATED ISSUES

PROPERTY RIGHTS TO WOMEN

1. Land rights to women: Despite Courts, The Plot Is Against Daughters

Source: This post is based on the article "Despite Courts, The Plot Is Against Daughters" published in the Times of India.

News: Recently, the Supreme court ruled that if a male Hindu dies without a will, his self-acquired property will pass by succession, and a daughter would be entitled to inherit such property even under Hindu law.

Why the land ownership is critical for women's empowerment?

Various organizations like the <u>Universal Declaration of Human Rights</u>, the International Covenant on Economic, Social and Cultural Rights, etc acknowledge women's rights to land as fundamental to fulfilling basic rights. Such as livelihood, housing, and food, as well as rights to an adequate standard of living, self-determination, and <u>cultural participation</u>.

Greater equitable rights to land are also part of SDG goals. These goals are part of the United Nations and have been adopted by India as part of global development 2030. Goal five aims to undertake reforms to give women equal rights to economic resources.

Land ownership creates a sense of equality for women in society. It provides a basis for her family's economic security and stability. It acts as the foundation of agricultural productivity and promotes a more inclusive and stable society.

Read more: What they own: NFHS on women property ownership isn't conclusive What does the data show about women's position in holding land rights?

There is great inequity in the ownership of resources. According to the **World Bank report**, in 40% of economies, women face legal barriers to enjoying land and property rights.

Lack of data makes it difficult to get accurate figures. UN women estimated that less than 20% of the world's landholders are women. Agriculture census data from India, which is conducted every five years, gives information on land ownership.

As per 2015–16 data, Only 13.96% of agricultural landowners are women. And they operate only 11.72% of agricultural lands.

What steps should the government adopt to close the gender gap in land ownership?

Government should **invest in reliable data** from where it can collect all the required information like how many and which women own land; which laws facilitate women's ownership; how women use the land to their advantage and what barriers they face in using

land and others. This precise data will help the government to close the gender gap in land ownership.

Also, the **efforts of all stakeholders** are required for implementing the law successfully.

Read here: India must push for women's rights in land ownership

Marital rape and related issues

2. What arguments in marital rape case reveal about insecurity of patriarchy

Source: This post is based on the article "What arguments in marital rape case reveal about insecurity of patriarchy" published in Indian Express.

News: Recently, hearings are going on a petition to criminalize marital rape.

What arguments have been presented against marital rape?

Some call it **anti-civilizational law**. The argument of its **misuse** is also presented. Many cases of false filing of cases of sexual abuse have been reported by NCRB. A study by Rukmini S showed that 40% of complaints of consensual sex were later criminalized by parents. Many cases of filing false dowry accusations have come to light recently. Women do it as cases are often referred for mediation, and these cases help attend them better bargaining power. Thus, the criminalization of marital rape opens up the battle between law and morality. The power relations within families will now come out in open.

But the petition against marital rape has been an opportunity for India to make marital rape a crime and unravel some of the unspoken norms on sexual crimes and marital relations.



General

Studies

Paper - 2

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General Studies - 2

GS2 - INTERNATIONAL RELATIONS - INDIA AND CENTRAL ASIA

1. India's 'return' to Central Asia

News: Recent development depicts India is giving due importance to the Central Asia
In the past four months, 1st India-Central Asia Summit, the India-Central Asia Dialogue, and the Regional Security Dialogue on Afghanistan have been organised.

India's Central Asia mission reflects response to the new geopolitical realities in the region.

What are the factors behind increasing India Central Asia relations? Decline of US presence

US withdrawal from Afghanistan led to the reassertion by China and Russia to fill the vacuum in the region. While China is a geo-economic power, Russia dominates through its politico-military power in the region. In the end geo-economic force i.e. China, will dominate the region.

Thus, Russia will seek India's help to handle the increasing Chinese influence in its backyard and India will find Russia useful in getting out of nutcracker situation i.e. a possible China-Pakistan-Taliban nexus.

Entry in Afghanistan

Unlike previous regimes in Afghanistan, Taliban is not friendly towards India, thus Central Asian Region (CAR) and Russia will be helpful in engagement with Taliban. For instance, Tajikistan holds immense geopolitical significance for India due to its location bordering Afghanistan and close geographical proximity to Pakistan-occupied Kashmir.

How Russia can be helpful for India in ensuring regional stability?

India's non-critical stance on the developments in Ukraine and Kazakhstan and President Vladimir Putin's meeting with Prime Minister Narendra Modi are indicators of growing India-Russia relations.

First, Russia is a traditional and trustworthy partner of India.

Second, Russia is close to China, CAR and becoming close to Pakistan. Thus India can work on creating rift between and China and Russia and get closer to CAR by engaging with Russia.

Third, Both India and the CARs use Russian defence equipment. Informal discussions explored the possibility of joint Indo-Russian defence production in some of the existing Sovietera defence facilities in the CARs to meet local and Indian demands.

Fourth, discussions are also taking place for potential trilateral defence exercises among India, Russia and the CARs.

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What are challenges in front of India -Central Asia relations?

First, China shares a land border with the region and it is also a major investor there. **Second,** Iran is the only viable option for India to reach CAR countries i.e. via sea to Chabahar and then by road/rail through Iran (and Afghanistan) to the CARs. However, India-Iran relations will depend upon the result of Iran nuclear deal. If it is successful, Iran will come closer to western countries and away from China.

GS2 - POLITY - FUNDAMENTAL RIGHTS

Right to Equality

2. A new form of untouchability

Source: This post is based on the articles "A new form of untouchability" of The Hindu.

News: Lately, a video appeared online, in which people in a religious assembly were taking oath of an economic boycott of a minority religious section.

Constitutional protection against economic boycott

Limits of the scope of untouchability under article 17 has been contested from the beginning. In the Constituent assembly, it was argued that the scope of untouchability should be restricted to practices related to religion and caste, however it voted against such restrictive definition. While the conservatives restrict it to caste-based discrimination, the progressives argue that it includes other forms of untouchability as well.

However, there is consensus that only those acts which are motivated by the ideology of purity and pollution are considered within the ambit of untouchability. These include social and economic boycotts.

Issues associated with untouchability laws

Mere provision to protect rights have been insufficient to prevent marginalisation due to the untouchability practice.

For instance, 2 laws i.e. The Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989, and Maharashtra Protection of People from Social Boycott (Prevention, Prohibition and Redressal) Act, 2016, explicitly make social and economic boycotts punishable. But, the scope of both is restricted to criminalising caste-based discrimination and boycotts. Thus, limiting scope of anti-boycott or untouchability laws to the tenets of purity and pollution and caste-centric boycotts makes them ineffective to counter the calls of economic boycott.

RIGHTS AND DUTIES

3. Rights of the weak, duties of the powerful

Source: This post is based on the article "Rights of the weak, duties of the powerful" published in The Hindu.

News: Rights and duties of the citizens are correlative to each other, which means that rights have real meaning if individuals perform duties.

What is the relationship between rights and duties?

Rights and duties are complementary. If a person has a right to something, it necessarily implies that someone else has a corresponding duty. For example, If a person has a right to free speech, then it is the duty of the state to prevent its infringement. So, people are rights as well as duties bearing individuals.

How do one pit duties against rights?

The framework of rights and duties should be grounded in an egalitarian setup. In a deeply hierarchical **inegalitarian society**, only a few people have rights. For example, In patriarchal families, the father alone has the right to make decisions.

Similarly, a **hierarchical caste system** distributes rights and duties unequally. Any infringement of rights of an upper-caste brings heavy penalties to the lower caste. In monarchies, the King has absolute unrestricted rights. Those at the bottom have a maximum number of duties.

It is revealed that in **egalitarian societies** people with power have rights while those without it have duties. Equality of duty and rights can be insured when there is equal distribution of power.

Read here: A false conflation between duties and rights

Can duties be beyond rights?

The importance of duty as a moral discourse cannot be denied. Duties that do not oppose rights, in fact, go beyond them. For example, a Doctor guided by a moral sense of duty would go beyond prescribing medicines and interact with the patient and the family to provide a sense of assurance. A society that has people who take virtue-based, solidarity-infused duties seriously is much better than where duties are not valued.

Duties are not antagonistic to rights. They are moral and non-justifiable. Many such duties are mentioned in the Indian constitution –

1) To preserve composite culture 2) Not destroyed natural environment 3) Develop scientific temper 4) Safeguard public property 5) Protect India's sovereignty and integrity.

Though these duties are not legally enforceable, they impose an obligation on all citizens to go beyond the call of rights-based duties.

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Read here: Co-relation between fundamental rights and duties of citizens

RIGHT TO FREEDOM OF RELIGION

4. The interpretative answer to the hijab row

Source: This post is based on the article "The interpretative answer to the hijab row" published in The Hindu.

News: Recently, six students were banned from entering a college in Karnataka's Udupi district for wearing a hijab.

Read more here: https://blog.forumias.com/9-pm-daily-current-affairs-brief-february-5th-2022/#f4

What is the implication of the essential religious practices test?

It assured traditionalists that the Court would be sympathetic to their respective religious faiths. But on the other hand, it also supported state-sponsored reform and gave the power to the judiciary to determine religious practice and belief.

However, there is difficulty in front of the court in determining essential practice. For instance, in Sabarimala case, Justice D.Y. Chandrachud has said that it is not an easy task because scriptures and customs have numerous complexity which merges into superstition and dogma.

For instance, in case of hijab, according to an observant Muslim woman, verses from the Koran mandate her to keep her head covered.

What is the current issue of hijab?

One, there is no one uniform code that is mandated throughout the State. But still, the State is interfering in deciding uniforms for all college students throughout the State of Karnataka.

Two, it raises legal questions. For instance, whether covering head mandated by some religions violates any legal tenet or whether the ban on female hijab will be applied to turban worn by a male Sikh, or whether the State can deny education to those who are violating a uniform code etc.

Three, there is also an issue of competing rights. For example, the issue between article 25 and article 26 was raised in Sri Venkataramana Devaru vs State of Mysore. In this case, the court was examining whether the bar on a person from entering into a temple for worship is a matter of religion according to Hindu ceremonial law. The court had said that competing rights should be harmonized in a way that both were given effect to.

What is the way forward?

First, the court should pay attention to Justice R.F. Nariman's dictum in the Sabarimala review which says, that the "holy book" of India is the Constitution of India.

Second, in the hijab case, the courts should protect an essential religious practice in a manner that is consistent with imparting education in an orderly fashion

RIGHT TO FREEDOM OF RELIGION

5. The classroom is important, not the uniform

Source: This post is based on the article "The classroom is important, not the uniform" published in Indian Express.

News: Karnataka is seeing bitter clashes over the banning of hijab and the imposition of dress code in educational institutions.

Why inclusive nature of the classroom is a must for child development?

Students came from different religions, caste, nations, etc and have different dietary habits, cultures, customs, and traditions accordingly. For example, some wore the markers of their married status, some wore the symbols of their religion and caste, etc. So, it should be important to **provide democratic access to students** from all sections of society.

Coming together of many social worlds within classrooms makes it a location of constant learning. Where learning not only takes place through institutionalized pedagogy but also from dialogues with classmates, a student, a teacher which slowly becomes a community that will help live together as social groups. This inclusive nature of the classroom space also provides the space for students to think across the lines of gender and caste and religion and nationality.

Why dress code should not be allowed in the school curriculum?

If classrooms become means of disciplining students, then teaching gets replaced by indoctrination, and **learning is replaced by parroting** of political ideologies.

When education is embroiled in heat, **creativity**, and the joy of learning are destroyed. When teachers become gatekeepers of parochial political interests, they **forfeit the trust and responsibility** that the community places on them.

Schools are such places students are taught uniformity, teachers close up the process of thinking and questioning. By banning hijab from classrooms, students are **taught mistrust** and hate and are trained in violence and anger. And educational institutions shut down the process of learning and experimenting to build an equal, inclusive, compassionate and intelligent society.

So it is important to listen to the faintest voice coming from every corner of the classroom. Students have a world of their own that should be heard and understood.

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What should be the way forward?

Students and teachers, together, should have unfolded knowledge and has to function as companions, as friends and equals. Education has to be shaped by an egalitarian space provided by classrooms. It is important that the classrooms are protected and do not fall apart.

GS2 – INTERNATIONAL RELATIONS – WTO: WORLD TRADE ORGANIZATION

DIGITAL TRADE AND RELATED ISSUES

6. Notes for India as the digital trade juggernaut rolls on

Source: This post is based on the article "Notes for India as the digital trade juggernaut rolls on" published in The Hindu.

News: In December 2021, Australia, Japan, and Singapore, have stated that they might schieve convergence on more issues linked to the **Joint Statement Initiative (JSI) on e-commerce** by the end of 2022. These 4 countries are co-convenors of the *Joint Statement Initiative (JSI)* on e-commerce.

How present rules existing on digital trade progressed?

In the Second Ministerial Conference (1998) of WTO, member countries agreed on core rules for e-commerce. **A temporary moratorium** was imposed on **customs duties** relating to the electronic transmission of goods and services. This moratorium was opposed by India and South Africa because it imposes significant costs on developing countries.

Hence, a work programme was set up on e-commerce but due to lack of progress, JSI was initiated in 2017 to work on the **trade-related aspects of e-commerce**. China and Indonesia joined with a justification that it is better to shape the rules from within.

What are the issues associated with JSI?

One, over half of WTO members have opted out of JSI negotiations. The developing countries fear that accepting these rules will affect their digital sovereignty.

Two, JSI does not include all WTO members, like General Council Work Programme. Thus, India and South Africa have said that it is against the WTO's consensus-based framework, where every member has a voice and vote regardless of economic standing.

Why there is a disagreement between the developed and developing worlds?

First, free flow of data across borders: several countries are imposing data localization rules. But the developed world is finding it as a restriction on access to new digital markets, and it is causing unnecessary compliance costs. Hence, it is discouraging innovation and results in unfair protectionism.

For instance, In India, Mastercard and American Express were prohibited from issuing new cards for failure to comply with a 2018 financial data localization directive of RBI. Also, the Joint Parliamentary Committee (JPC) on data protection has recommended strict localization measures.

Second, domestic laws of some countries mandate the **disclosure of source codes**. Developed countries believe that this discourages innovation, but for developing countries, it is essential for algorithmic transparency and fairness.

What are the options available for India?

One, advocating data sovereignty, which aims to resist 'data colonialism'. Policymaking in India should focus on surveillance reform, personal data protection, algorithmic governance, and non-personal data regulation. They should work for individuals, communities and promote local businesses.

Two, India should avoid signing trading obligations in a hurry to preserve the space available to frame appropriate policy. Also, it should avoid sitting out of trade negotiations to keep a check on digital trade rules. For example, RCEP.

Three, exceptions to digital trade rules should be negotiated. For example, 'legitimate public policy objective' or 'essential security interests', could be negotiated.

Four, India should take lessons from the Digital Economy Partnership Agreement (DEPA) between Singapore, Chile, and New Zealand. India should push for a framework where countries can pick and choose modules with which they wish to comply.

Lastly, the WTO plays a critical role in global governance and is vital to India's strategic interests. Hence, India should negotiate without surrendering the domestic policy-making space.

GS2 – SOCIAL ISSUES – RESERVATION AND RELATED ISSUES

GS2 - POLITY - FUNDAMENTAL RIGHTS

7. Social justice opportunities are too unevenly spread across India

Source: This post is based on the article "Social justice opportunities are too unevenly spread across India" published in Livemint.

News: Recently the Supreme Court has upheld reservations for Other Backward Classes (OBCs) and Economically Weaker Sections (EWS) in medical seats for the All-India Quota (AIQ).

What is the case?

Read here: https://blog.forumias.com/9-pm-daily-current-affairs-brief-february-5th-2022/#gs11

How does one's domicile influences access to social justice when it comes to medical seats?

First, 85% of the seats for Bachelor of Medicine and Bachelor of Surgery (MBBS) degrees are reserved for candidates from within the state itself and the rest of the seats are listed under the All-India Quota (AIQ).

Hence, the access to medical seats for Scheduled Caste (SC), Scheduled Tribe (ST), or OBC candidates is primarily dependent on the number of seats available within their own state.

Second, there are state-level differences that cause a disproportionate distribution of benefits. For instance, in Bihar, the number of seats per million of the population is only 20.8. West Bengal has 42.1 and Tamil Nadu has 135.2 seats per million of its population. Thus, a resident of Tamil Nadu has a clear structural advantage over any resident of West Bengal and Bihar.

Three, reservation criterion also matters a lot. For instance, 97.2% of Tamil Nadu's population is categorized as OBC, SC, or ST and it has reserved 69% of its MBBS seats for them. In Bihar, the total proportion of the OBC, SC, and ST population is nearly 79.8%, and it has reserved half its MBBS seats for them.

Whereas Bihar has 11.1 seats reserved for every million of the reservation-beneficiary group, West Bengal has 42.4, whereas Tamil Nadu has 81.6. Hence, from the perspective of social justice, an OBC/SC/ST in Bihar is more than seven times worse off as compared to an OBC/SC/ST in Tamil Nadu.

What is the way forward?

First, the introduction of OBC reservations in the 15% All India Quota needs scrutiny to understand the state-level differences. If OBC candidates from different states are competing against one another, it may mean that an OBC from Tamil Nadu who is in the 97th percentile in that state would be competing against a 38th percentile OBC from West Bengal.

Second, the problem of one-sided benefits of reservations has been noted by **Rohini Commission report** with respect to caste. This one-sided benefit should also consider the dimension of 'geography'. OBC quota should be normalized for state-level differences to reduce structural inequalities between states.

Three, there is a need to create a **data-oriented framework** to ensure equality of opportunity.

GS2 – POLITY – FUNDAMENTAL RIGHTS

GS2 – SOCIAL ISSUES – HEALTH RELATED ISSUES

RIGHT TO PRIVACY

ISSUES RELATED TO PUBLIC HEALTH

8. Weighing in on a health data retention plan

Source: This post is based on the article "Weighing in on a health data retention plan" published in The Hindu on 7th Feb 2022.

News: Recently, the National Health Authority (NHA) has initiated a consultation process on the retention of health data by healthcare providers in India. NHA administers the Ayushman Bharat Digital Mission (ABDM).

Why a privacy-centric policy is needed for health data retention plan?

One, health care access is not in good shape in India. Thus, many patients may not think about data factors while choosing healthcare providers in practice.

Two, the SC of India has declared that privacy is a **fundamental right** and any interference into the right must pass a four-part test: legality; legitimate aim; proportionality, and appropriate safeguards. The mandatory retention of health data is a form of interference with the right to privacy.

Three, NHA is not a sector-wide regulator. Hence, it has no legal basis for formulating guidelines for healthcare providers in general.

Four, the consultation paper has suggested a **classification system** to retain data. But it exposes individuals to harms arising from over-collection and retention of unnecessary data. Also, a one-size-fits-all approach can also lead to the under-retention of data that is required for research or public policy needs.

Hence, data should be classified based on its use. Health data that is not required for an identified purpose should be anonymized or deleted.

Five, there is a need to balance the benefits and risks involved with health data retention. Health data provides greater convenience, choice, promotes research and innovation. But globally, health data are considered sensitive and improper disclosure can cause significant harm.

Six, according to Indian law, if an individual's rights are to be curtailed due to anticipated benefits, then those benefits must be clearly defined and identifiable.

What are the challenges associated with health data retention?

First, there are issues with the informed consent of the individual. In India, patients rely on the expertise and advice of doctors. Hence, the idea of informed consent is difficult to apply. Also, if consent is made necessary for accessing state-provided services, then many people will agree because they do not have any other way to access that care.

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Second, the standards for anonymization and methods of anonymization are still developing. Also, anonymization is not the least intrusive solution to safeguarding patients' rights in all scenarios.

What is the way forward?

First, efforts must be made to minimize the extent of data collected, and it should be stored only for the required amount of time so that the likelihood of any breach can be prohibited.

Second, a use-based classification process will bring the ABDM ecosystem in compliance with the data protection bill which has proposed limitations for collecting, processing, sharing, or retaining data.

Three, the test for retaining data should be clear, and a rigorous process should be followed under the suitable authority.

Four, data should be anonymized if collected for research purposes, unless a specific case is made for keeping personally identifiable information. If neither of these safeguards is applicable, then the data should be deleted.

GS2 – SOCIAL ISSUES – LABOUR RELATED ISSUES

GS2 – POLITY – FUNDAMENTAL RIGHTS

RESERVATION OF JOBS IN PVT SECTOR

9. Reservation laws for locals: Local labour pains

Source: This post is based on the article "Local labour pains" published in the Business Standard on 7th February 2022.

News: Haryana's law of reserving 75% of new jobs in the private sector is now before the Supreme Court. The appeal was made by Haryana state after <u>Punjab and Haryana High Court put a stay on the implementation of the law</u>.

Must Read: Reservation for locals in private jobs

Why the observation of the Supreme Court is important?

The local job reservation law is in contradiction with <u>Article 16 of the Constitution</u>. Apart from Haryana, other state governments like Andhra Pradesh, Jharkhand, and Madhya Pradesh have also passed laws mandating between 70 and 75 % quota.

Read here: Jharkhand clears Bill for 75% quota for locals in private jobs

So, the judgment is important as it raised an important question of whether the state can restrict employment, even in the private sector, based on domicile.

Read here: Concerns associated with Local Reservation Laws

Why did the Telangana government revoke its job reservation law?

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Telangana cabinet earlier approved a proposal to reserve 80% of semi-skilled jobs and 60% of skilled jobs in the private sector for locals in August 2020. The policy generates difficulties in attracting investment, especially in the IT sector. Also, the companies are reluctant to invest in the states where employment options are restricted to locals.

Read here: challenges associated with the policy of job quota for locals in the private sector.

What should be the way forward?

The state should follow a **two-pronged strategy** of educating local youths in marketable skills so that they get jobs without quotas. Along with that, the government can offer an incentive to industries to employ locals.

10. Local job laws that raise constitutional questions

Source: This post is based on the article" Local job laws that raise constitutional questions "published in the Indian Express.

News: Supreme court is soon to hear the petition on removing the stay on the Haryana State Employment of Local Candidates Act. Punjab and Haryana High Court have stayed the Haryana government's law guaranteeing 75% reservation to locals in private sector jobs.

What is the Haryana State Employment of Local Candidates Act?

Read more: Haryana State Employment of Local Candidates Act of 2020

How the reservation job for locals is against the constitutional norms?

Read here: Constitution and judgments concerning reservation for locals

The act **breaches the notion of equality of all citizens** of India. States have enacted laws that limit employment for citizens from outside the State. Over the last three years, three states have enacted laws that limit employment for citizens from outside the State. These laws raise **questions on the conception of India** as a nation.

The Constitution conceptualises India as one nation with all citizens having equal rights in the country. These State laws go against this vision by restricting the right of out-of-State citizens to find employment in the State.

Read here: Challenges associated with the policy of job quota for locals in the private sector

What are the court cases related to public employment?

<u>Indra Sawhney case</u> in 1992: Supreme Court capped reservations in public services at 50%. It however said that there may be extraordinary situations which may need relaxation in this rule like people of far-flung and remote areas.

In 1995, Rules in Andhra Pradesh that gave preference to candidates who had studied in the Telugu medium were struck down on grounds that they discriminated against more meritorious candidates.

Supreme Court, in 2002, ruled that preference given to applicants from a particular region of Rajasthan for appointment as government teachers was unconstitutional. It said that reservations can be made for backward classes of citizens, but this cannot be solely on account of residence or domicile.

Supreme Court in 2021: Struck down the <u>Maharashtra Act</u> on grounds of breaching the 50% limit, which provided reservations for Marathas.

GS2 - SOCIAL ISSUES - NGOs, SHGs, various associations

11. Tax incentives for Philanthropy

Source: This post is based on the article "Tax incentives for Philanthropy" published in The Hindu.

News: Civil society plays a key role in development of the society. Hence, it is important to study various aspects that affect its functioning.

Despite this, impact of tax incentives on charitable donations has not been systematically studied in the Indian context.

Is there any global in-depth research on the role of tax incentives in supporting civil society?

No. The role of tax incentives in supporting civil society is poorly studied in most countries. Although there are some studies from the U.S. and the U.K., but here too, the **non-monetary impact of tax incentives is not deeply examined.**

For example: Does the legal relationship that tax incentives create between the state and the civil society as a sector impact its financial health and stability?

Why the issue of tax incentive to civil society is critical for the development?

Civil society organisations have historically played an irreplaceable role in social

development. Many government programmes have emerged due to a harmonious relationship with NGOs that have implemented an innovative idea.

Governments have provided the scale and state support, while the NGOs have provided the ideational energy and community experience.

For example: The activity-based learning approach developed by Rishi Valley in Tamil Nadu during the early 2000s.

Why are tax incentives are important?

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Many NGOs in India are **small and operate with budgets of less than ₹15 lakh** a year and most work in areas like health and education which are critical for society's progress.

For these small NGOs in remote areas or those working in areas that are less recognised, the tax incentives may still be significant for **establishing legal recognition** with the community, government entities and donors.

The most essential role of tax incentives is the 'signalling effect'. It denotes that the state supports philanthropic activity and, through its revenue forgone, actively encourages private actors to engage with public problems.

What is the way forward?

There is an urgent need for a **systematic study of the impact of tax incentives.**Government may reintroduce **wealth and inheritance tax** so that charity-focused tax incentives can benefit the non-profit sector.

There is need for some **changes to the new tax regime** dilutes the state-civil society relationship by giving donors the option to opt out of incentives for lower tax rates. As this will spur the growth of research and study in the area.

GS2 - SOCIAL ISSUES - ISSUES RELATED TO CHILDREN

CHILD HEALTH

12. Safeguarding childhoods from online harm during COVID-19 and beyond

Source: This post is based on the article "Safeguarding childhoods from online harm during COVID-19 and beyond" published in Down to Earth.

News: Recently on 8th February, safer internet day was celebrated. It reminds to analyse internet's impact on children while providing uninterrupted learning during the pandemic but also exposing them to several online risks

How pandemic has increased online risks for children?

One, during the lockdown, children did not have option of outdoor games, and it made them to explore online games. But the competition during game sometimes results in violent behavior and change in behavior pattern while affecting their psycho-social wellness.

Two, as per Internet Watch Foundation, 2021 was the worst year on record for child sexual abuse online.

Three, CRY 'Online Safety and Internet Addiction' study revealed that half of the respondents displayed some level of addiction to the Internet.

Four, longer hours on the internet makes children vulnerable to risks like online sexual abuse, grooming / sexual solicitation, sexting, exposure to pornography, production and circulation of child sexual abuse material, cyber-bullying, online harassment and cyber-victimisation.

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For instance, NCRB (2020) data says there is a sharp increase of about 400 % in cyber-crimes committed against children in comparison to the last year.

Also, according to Interpol pandemic has changed the trends of child sexual exploitation around the world. Offenders will adapt and change their online environments to avoid detection and to target platforms that are popular with children.

Five, the pandemic has also limited access to community support and services which are important in addressing child sexual exploitation, which makes children more susceptible.

What is the way forward?

First, there is a need to study online trends and risks faced by children. For example, Child Rights and You (CRY) are conducting regular sessions to build awareness about cyber-safety for children.

Second, all the stakeholders including the government, the civil society and the parents should also fulfil their responsibility in safe-guarding children's safety.

Three, there should be adequate budgetary allocations to implement a robust mechanism towards ensuring children's online safety. For example, child protection budget has marked an increase of 44 per cent in budget 2022-23, but there should be clarity in terms of what portion of that will go to address online safety of children.

GS2 - GOVERNANCE - GOVT POLICIES AND INTERVENTIONS

AMENDMENTS TO CUSTOMS ACT

13. Poor drafting - on amendments to the Customs Act

Source: This post is based on the article "Poor drafting" published in Business Standard on 8th Feb 2022.

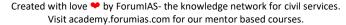
News: Budget 2022-23 has proposed to amend the Customs Act. It will criminalize the publishing of any information relating to the value or classification or quantity of goods entered for export from India, or import into India, or the details of the exporter or importer of such goods.

What is the objective of the proposed amendment?

It intends to **protect the trade secrets of exporters and importers** that may be stolen and sold with an aim to compromise competitiveness and commercial advantage. The aim is to protect the privacy of specific transactions of Indian businesses.

Why criminalizing publishing of Customs data is a bad idea?

First, It shows administrative steps taken to end the information leakage are not efficient.



Second, there is no existing clause under which such data leaking can be prosecuted. Also, there is no internal accountability mechanism for such leakage.

Third, the drafting by CBIC is done in a careless manner and lack of attention has been given to possible negative consequences.

For instance, the intent should be specifically mentioned. The amendment has used broad and vague meaning words which can be interpreted differently by investigative agencies and others.

Lastly, if the aim of such amendment is to protect the privacy of specific transactions of Indian businesses, proposed data privacy laws would be an appropriate law.

What is the way forward?

First, data on Indian exports should be disaggregated and timely available to allow for analysis in an anonymized form.

Second, the state should not overreach, and it must draft new regulations, laws, and statutes narrowly with clearly defined objectives to avoid handing over excessive powers to police persons, tax officials, or other agencies of the state.

GS2 - GOVERNANCE - GOVT POLICIES AND INTERVENTIONS

Development of pharma sector in India

14. A self-reliant Pharma Industry

Source: This post is based on the article "A self-reliant Pharma Industry" published in The Hindu on 8th Feb 2022.

News: As pharmaceuticals industry is a key sector for the Atmanirbhar Bharat programme, Government introduced Production-Linked Incentive (PLI) scheme in this sector. A prime objective was to reduce import dependence on Active Pharmaceutical ingredients (APIs), Drug Intermediaries (DIs), and Key Starting Materials (KSM.

However, response to the scheme has not met expectations.

What is PLI scheme, and what are its objectives?

Read here

What are the problems that have emerged regarding the application of scheme?

Only 239 applications were received in two rounds from an industry which has over 3,000 firms.

In spite of the two rounds of applications, no beneficiary was identified (or no application was received) in five products, which are all antibiotics.

To realise the objective of import dependence, there is need for a broader strategy.

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What are the modifications required in PLI scheme to make it more effective?

Price competency: Firms will invest in production in India only if they see a prospect of producing at prices cheaper than the cost of imports. Products from China are 35–40% cheaper than compared to indigenously produced products. So, any strategy aimed at achieving self-reliance should focus on achieving price competency in production.

Technology: PLI scheme doesn't have a technology component. Technology will help Indian producers overcoming some advantages of Chinese producers like competitive pricing and scale of operations.

Old capacity: Scheme insists on new manufacturing facilities, which doesn't allow firms which have idle older capacities to take advantage of the scheme. Many firms used to produce these products and have wound up production as cheaper imports began to flow from China. Permission to utilise existing but in-operational or underutilised facilities for production would elicit a better response.

Involving MSMEs: The focus of the PLI Phase-I scheme is **on large** firms which have been historically interested in formulations and not Active pharmaceutical Ingredient (APIs). Apart from this, nearly three-fourth of the production of pharmaceuticals in India is by MSMEs. Therefore, it is important to include smaller firms.

Involving Public sector enterprises: Out of the five products for which no application was received, four are APIs that are not used much by the industry. However they are of great significance for public health. Here, Government can task public sector enterprises (PSEs) should tasked for their production.

ACCREDITATION OF JOURNALISTS

15. Stricter policy for accreditation of journalists, and the concerns

Source: This post is based on the article "Stricter policy for accreditation of journalists, and the concerns" and "curbs on press" published in Indian Express.

News: Recently, the government has issued a new policy on accreditation of journalists, drafted by Ministry of Information and Broadcasting (I&B).

What does the policy say?

One, it lays down guidelines on how PIB accreditation will be granted to journalists.

Two, it has introduced a new section about reasons that can result in the suspension of the accreditation. For example, if a journalist is charged with a "serious cognisable offence".

Three, applications for accreditation will be checked by a Central Press Accreditation Committee headed by the DG, PIB. Also, mandatory security check is conducted by the Home Ministry.

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What are the eligibility criteria for accreditation?

One, a journalists should have a minimum five years' professional experience as a full-time working journalist or a cameraperson in a news organization, or a minimum of 15 years as a freelancer to become eligible. Veteran journalists, with over 30 years of experience and who are older than 65 years of age, too are eligible.

Two, a newspaper or a periodical need to have a minimum daily circulation of 10,000, and news agencies must have at least 100 subscribers.

Three, rules are applicable on foreign news organizations and foreign journalists also. The policy has introduced a provision that journalists working with digital news platforms are also eligible if the website has a minimum of 10 lakh unique visitors per month.

How does accreditation help?

It recognizes them as a **"professional working journalist".** It does not confer any special status, but there are some advantages. Only accredited journalists are allowed to report from the premises where VVIPs or dignitaries such as the President, the Vice President or the Prime Minister are present.

It allows the journalist to protect the identity of his or her sources. Also, the accreditation card is valid for entry into buildings under MHA security zone. The journalist and his or her family get certain benefits, such as inclusion in the Central Government Health Scheme and some concessions on railway tickets.

What are the concerns associated with these rules?

One, vague and broad terms can be misused to threaten journalists. For example, the frequently used tool by powerful people is filing defamation and now this has been mentioned as ground of cancellation of accreditation.

Two, the new provision about acting "in a manner which is prejudicial to the sovereignty and integrity of India, the security of the state, friendly relations with foreign states, public order, decency or morality or "incitement of an offence" is subjective and has scope of being misused. **Three**, there is no clarity on who will define the terms mentioned and decide whether the journalist's conduct violates any of the conditions.

Four, government is bound by democratic norms to provide access to journalists to do their job. Also, If the government is deciding what a journalist can do or cannot, it means the policy is violating article 19.

NEET and related issues

16. 'NEET is discriminatory, against social justice'

Source: This post is based on the article "NEET is discriminatory, against social justice" published in The Hindu.

News: Chief Minister of Tamil Nadu in his speech argued about the negatives of **NEET and its** impact on the future of students.

Constitutionality of NEET

<u>NEET</u> is not a system established by the Constitution, so is not made a part of the Constitution. The <u>Medical Council of India</u> mandated the creation of NEET.

Why the Tamil Nadu state is opposing the NEET exam?

Federalism is a fundamental idea that truly safeguards the ethnic, linguistic, and cultural diversity of India. NEET goes against the principle of social, justice and encroaches upon the federal rights of states.

According to **AK Rajan committee** established by TN state, **NEET** has limited the diversity of community representation in MBBS and higher medical courses by obstructing the desire of those underprivileged of receiving medical education and favouring the socio-economically rich sections.

According to the survey, government school children, those whose parents' annual income is less than ₹2.5 lakh, the backward (BC), the most backward (MBC), Scheduled Castes (SC), and Scheduled Tribes (ST) are the most affected. According to the research, those who studied in the Tamil medium in government schools are also harmed.

Read here: <u>NEET hasn't created the equality of opportunity it had promised</u>
What is the purpose of introducing the <u>NEET</u> exemption bill?

The Tamil Nadu Assembly has passed a Bill to dispense with the NEET. This bill is passed based on the recommendation of the high-level committee led by retired judge AK Rajan. According to it, NEET is beneficial mostly to private training institutes and the rich section and is not beneficial to the poor section.

But, recently, the bill was returned by the governor.

Read here: NEET fails the multidimensional construct of merit

What is the observation of the Supreme Court?

In Modern Dental College vs Madhya Pradesh government, SC said that the State government has the power to legislate on student admissions to higher education institutions. In another judgement delivered by Justice Banumathi in the same case, the court ruled that the law regulating student admission was within the jurisdiction of the State government.

So, by introducing NEET exemption bill, the TN government is using the legislative power of the State legislature.

ID requirements for govt programs

17. The case for easing our identity proof insistence

Source: This post is based on the article "The case for easing our identity proof insistence" published in Livemint.

News: The government of India has informed the Supreme Court that it had provided covid vaccination to 8.7 million people without asking for identification.

What are the steps initiated by the government of India?

Apart from Aadhaar, the government allowed citizens to use eight alternative documents to register themselves on Co-Win, a website for vaccine allotment. But, at the same time, the government also relaxed the ID proof requirement for sadhus and saints of all religions, those leading nomadic lives, inmates of prisons and mental health institutions, and others with none of these nine identity documents.

Given the state has the responsibility for everyone's well-being, basic rights like health cannot be made dependent on establishing identity. So. this is the most sensible decision by the government in a time when the country is fighting to put an end to the pandemic.

Why government should remove ID requirements from its programs?

Personal safety overlaps with the public interest in vaccine delivery. They should be extended to all food handouts. This would also lead to nutritional security.

Plugging any such leakage should be the goal of the Aadhaar. So, providing food handouts should not be made dependent on the possession of ID.

Similarly, health ID cards for online access to the central database should remain optional. The national digital health ecosystem should not erect barriers. Hence, the Aadhaar should be made voluntary.

PROCESS OF REFORMS

18. India must reform the very way that reforms are brought about

Source: This post is based on the article "India must reform the very way that reforms are brought about" published in Livemint.

News: Every section of society want reforms to make their life easier. The government is also introducing various reforms in various sectors. But still, various voices came who are against the method which government is adopting while introducing any reform.

What are the mistakes government is doing while introducing reforms?

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The government is in a rush to make big announcements and to make bold reforms to attract large investments. This process, it does not follow the democratic process where consultation of various stakeholders and states is required.

Due to this, the government had to withdraw its proposed reforms in land acquisition. Reforms of environmental regulations to enable large industrial projects are resisted by organizations representing concerns of local communities, Reforms of agricultural institutions to double farmers' income have been stalled because of farmers' protests who are the intended beneficiaries of these reforms.

How the process of reforms should be followed?

Purpose of reforms: Government should be clear about the purpose of bringing reforms. For example in Agriculture reforms- the government has to be clear whether the government aimed at increasing the income of farmers or attracting corporate investments to build supply chains. **Rightful Approach:** Government should adopt the righteous approach. It should know about who is going to benefit from reforms, Who will be most affected, Will the reforms supported by those who will be more affected, Have all the stakeholders have been considered honestly, etc. These type of questions needs to be properly addressed.

Collaborative approach: Government should listen to the views of all stakeholders who are going to be affected favourably or unfavourably by the reforms. Accordingly, the government should make the decision on a consensus basis.

Process of consultation: Government should design the consultation in a fair and well-coordinated way. This will help to produce good insights and well-rounded solutions.

What should be the way forward?

India should **reform its process of democratic governance**. It should also **reform its economic institutions** to enable income and wealth to increase so that every section of the society can take benefit from it. Economic reforms which are going to affect the masses should not be developed only by the experts but also with the people who are going to benefit from it.

GS2 - GOVERNANCE - CIVIL SERVICES

CHANGES PROPOSED TO IAS CADRE RULES

19. IAS cadre rules: Upsetting the Centre-state balance

Source: This post is based on the article "Upsetting the Centre-state balance" published in the Indian Express on 8th February 2022.

Syllabus: GS 2 issues and challenges pertaining to the federal structure.

Relevance: Understanding how the proposed amendments to IAS cadre rules can affect centre-state relations.

News: The proposed changes in IAS cadre rules has the potential to create a rift between Centre and State relations.

How the IAS is related to both the centre and state?

Read here: Link between IAS and the federal structure of India,

Why did state governments oppose the proposed amendments?

Impact public interest: Central government has stretched the cadre rules to enable greater control over IAS officers in the public interest. This will allow the centre to pull out any number of IAS officers from the states.

How the proposed amendments will affect Centre-State relations?

- It can create mistrust in Centre-state relations.
- It would also result in the functional depreciation of the IAS in the states.

GS2 - POLITY - ELECTORAL ISSUES

20. Why opinion polls need regulation

Source: This post is based on the article "Why opinion polls need regulation" published in Indian Express.

News: Despite EC's efforts, the broad consensus from political parties, opinion and exit polls continue to undermine elections.

What is the stand of the Election Commission of India on opinion polls?

ECI feel that opinion polls interfere with free and fair elections due to sponsored paid news which is normally biased. Such polls are non-transparent, as they provide very little information about the methodology used to conduct these polls. This results in spreading disinformation and influencing the audience for their own agenda, which is also an Electoral offence under IPC section 171(c).

So, ECI called two all-party meetings in **1997 and 2004** for the ban on opinion polls. Although there was unanimous demand for a ban, the question was whether the ban should apply from the announcement of the poll schedule or the date of notification.

In **1998**, the ECI issued guidelines that were challenged in the SC. The court questioned ECI on how it would enforce the guidelines in the absence of a law. So, later on, ECI withdrew the guidelines.

In **2008**, the matter resurfaced when political parties approached ECI to ban on opinion and exit polls. The ECI advised them to raise the matter in Parliament, as it required legislative amendment. Parliament then banned exit polls but not opinion polls (126A, RP Act).

In **2013,** the debate on banning opinion polls was revived when the law ministry advised the ECI to once again seek the view of all political parties.

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What are the other stakeholders who want a ban on the opinion polls?

Apart from ECI and political parties, the **Press Council of India** also supported the ban. It believed that the print media is being exploited by certain individuals or groups. These groups misguided the voters on the basis religion, caste, ethnicity etc.

In a sting operation by a television news channel in 2014, 11 polling companies were caught red-handed fraudulently manipulating surveys.

Read here: Credibility of exit/opinion polls

What is the viewpoint of the Supreme Court on opinion polls?

In **Union of India vs ADR, 2003,** SC has emphasised, "Democracy cannot survive without free and fair elections"

In **PUCL vs Union of India**, **2003**; **NOTA judgment**, **2013**, it said that Free and fair elections is the basic structure of the Constitution.

In Mohinder Singh Gill vs CEC of India, 1977, Court said that "The heart of the parliamentary system is free and fair elections"

What is the approach adopted by other countries on opinion polls?

In most democracies, opinion and exit polls are common during elections. However, restrictions are also imposed in many countries, extending from 2-21 days prior to the poll like Canada, France, Italy, Poland, Turkey, Argentina, etc.

What is the way forward?

Self-regulatory body: India can adopt an independent regulator, like the British Polling Council. Under which all polling agencies should disclose for scrutiny the sponsor, methodology, time frame, quality of training of research staff, etc.

GS2 - POLITY - JUDICIARY

DRAFTING OF LAWS

21. Why we ought to replace legalese with plain language

Source: This post is based on the article "Why we ought to replace legalese with plain language" published in Livemint.

News: Recently, judges of India's Supreme Court were unable to comprehend a judgement of Himachal Pradesh high court due to its dense legal language.

Why is there a use of such dense language in legal documents?

The justification given is that it is the only way to ensure that every possible consequence is adequately addressed.

Lawyers do this to prevent their clients' suffering if things are left unsaid actually become a problem.

Similarly they are used in judgement to make them effectively counter any doubts that emerge.

What are the consequences of this?

In a world that has increasingly prioritized the democratization of access, this stops citizens to become a part of policymaking.

More here.

What is the situation in other countries?

A number of countries have enacted legislations that impose plain-language obligations on government functionaries, requiring them to communicate in words that can be easily understood.

In the US, the **Plain Writing Act of 2010** requires federal government agencies to promote clear Government communication that the public can understand and use.

What is the way forward?

Apart from simplifying the language of our laws, government needs to follow some additional measures as well.

All government departments should be required to publish on their websites a complete list of all laws, rules and regulations that apply to those over whom they have authority, and only enforce those laws. This will prevent any misapplication of any fine on citizens.

Efforts should be made to consolidate all these regulations into a single, easy-to-understand code that presents a comprehensive snapshot of all applicable regulations. Reserve bank of India do this for its circulars.

Along with every law that is enforced, the government should publish an official note that describes, in plain language, what that law covers, who it applies to, and the obligations they are required to meet.

Government Should only collect new information from regulated entities to reduce the burden of compliance.

ISSUES WITH THE JUDICIAL SYSTEM

22. What three recent cases say about our labyrinthine legal system

Source: This post is based on the article "What three recent cases say about our labyrinthine legal system" published in Indian Express.

News: Old laws, difficult to interpret language and long-running cases create obstacles to justice.

What are the factors contributing to the obstacles to justice?

Archaic Laws: Recently, the Supreme Court has ruled that daughters will have equal rights to their father's property even prior to the enactment of the Hindu Succession Act (HSA) of 1956. Although, the judgement is welcome but the case should have been settled much earlier. Indian constitution is certainly lacking a proper framework for personal laws for the 21st century.

Long-running cases: Court recently acquitted an actress from obscenity and indecency charges from the case which was registered under the Indecent Representation of Women (Prohibition) Act and Sections 292, 293, and 294 of IPC (Indian Penal Code) in 2007.

The case took 15 years to decide. The courts should be more cautious about the case which need to be admitted in courts if admitted has to be resolved quickly.

Incomprehensible language: Recently, two judges of the SC couldn't understand a judgement authored by another judge in 2017.

Contempt of Court: Contempt of court act 1971 deals with civil contempt when a court judgement does not comply. It also deals with criminal content which scandalizes or lowers the authority of the court. Scandalising" is neither contempt by interference, nor contempt by disobedience. This was inherited from Britain. In 2013, after the Law Commission report (2012), the UK crime and courts act was abolished scandalizing the court as a form of contempt of court.

ISSUES WITH JUDICIAL SYSTEM

23. Appeal for change: SC's suggestion on reducing jail time for those appealing convictions is worth serious thought

Source: This post is based on the article "Appeal for change: SC's suggestion on reducing jail time for those appealing convictions is worth serious thought" published in Times of India

News: Supreme Court is going to examine whether those who have already served long imprisonments and are appealing their convictions should be given other options or not.

Why there is a need to make changes in the appeal process?

Long waiting periods to hear appeals: Many trial court convictions are pending before High Courts. For instance, waiting periods for hearing an appeal could be as long as 35 years.

Better chance to get acquitted: Convicts have a chance of getting acquitted by higher codes in appeals. For example, the Bombay High Court declared 2 persons innocent in two different murder convictions after 22 and 24 years.

Supreme Court has suggested **plea-bargaining**, which is used regularly in the USA, to speed up the judicial process.

What further can be done?

Speedy judicial appointments: 411 of 1,098 sanctioned judicial posts at HCs lie vacant. For instance, Allahabad HC, flooded by appeals, has 67 vacancies. This needs to be filled quickly. Increase the retirement age of HC judges: HC judges retire at 62 while SC judges continue till 65. There is no rationale behind this difference. When the retirement date of every judge is known in advance, the replacement lists should be ready beforehand. Article 224A provides for retired judges to be reappointed to HCs.

GS2 - POLITY - CONSITUTIONAL BODIES

ROLE OF A GOVERNOR AND RELATED ISSUES

24. Explained: Governor's powers, friction with states, and why this happens often Source: This post is based on the article "Explained: Governor's powers, friction with states, and why this happens often" published in Indian Express.

News: There have been some incidents that show the friction between the delicate relationships of the constitutional head of state and elected government. For example, West Bengal CM blocked the governor on Twitter over his statements against the state governments.

Read here: Breach of Constitutional Propriety by Governor

What are the powers of the governor?

The governor acts on the advice of the council of ministers. But, Governor also enjoys certain powers granted under the Constitution like he can withhold assent to a Bill passed by the state legislature, can determine the time needed for a party to prove its majority, or which party must be called first to do so.

However, there is no provision on how the Governor and the state should engage publicly when there is a difference of opinion.

Read here: Governor's discretion has its limits

What are the friction points between the governor and state governments?

Allegations of the Centre using the Governor's position to destabilise state governments have been made since the 1950s. These are mostly related to the selection of the party to form a

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government, deadline to prove majority, sitting on Bills, and passing negative remarks on the state administration. Below are some examples:

Dismissal of state governments: Kerala's government was dismissed based on a report by the Governor. Several state governments have been dismissed since then, including 63 through President's Rule orders issued by Governors between 1971 and 1990.

J&K Governor in 2018: dissolved the Assembly amid indications that various parties were coming together to form the government. This paved the way for the Centre to later bifurcate the state into two Union territories, by considering the Governor as the government.

Maharashtra Governor in 2019: quietly invited BJP leader and administered him oath as CM. This government lasted just 80 hours. Six months later, the governor refused to nominate CM to the Legislative Council.

Kerala Governor in 2020: turned down a request to summon a special sitting of the Assembly to debate the three central farm laws.

Read here: <u>Discretionary powers of the governor: Some Raj Bhavans are on the war path</u>
What are the reasons behind the tussle between the governor and state governments?

Political appointees: According to a constitutional expert, although the Constituent Assembly envisaged the governor to be apolitical. But the truth is, politicians, become Governors and then resign to fight elections.

Answerability: The CM is answerable to the people. But the Governor is answerable to no one except the Centre. This is the fundamental defect in the Constitution.

Impeachment of governor: There is no provision for impeaching the Governor, who is appointed by the President on the Centre's advice. While the Governor has a 5-year tenure, he can remain in office only until the pleasure of the President.

No guidelines: There are no guidelines for the exercise of the Governor's powers, including for appointing a CM or dissolving the Assembly. There is no limit set for how long a Governor can withhold assent to a Bill.

What should be the way forward?

Several panels and reports like the Administrative Reforms Commission of 1968, Sarkaria Commission of 1988 suggested reforms regarding

1) Selection of the Governor through a panel comprising the PM, Home Minister, Lok Sabha Speaker and the CM, 2) fixing his tenure for five years, 3) Provision to impeach the Governor by the Assembly, etc

25. Is the institution of Governor subverting federal structure?

Source: This post is based on the article "Is the institution of Governor subverting federal structure?" published in The Hindu.

News: With the TN governor returning the NEET bill and running a battle between the West Bengal governor and CM highlights the inherent tension between the post of governor and elected chief minister.

Read here: Explained: Governor's powers, friction with states, and why this happens often

What are the issues between the governor and chief minister?

Article 163 is clear that Governor is bound by the aid and advice of the council of ministers. The role of the governor, like that of the president, is only nominal. In case the governor finds legislation objectionable to Constitution, he can hold the bill for the consent of the president. The nature of the presidential election allows him to look beyond public opinion with the constitution in mind. Yet, the role of the governor, like that of the president is only nominal.

Read here: Governance and Governor

How to handle the difference of opinion between the chief minister and governor? The two heads can have different perspectives but should maintain the dignity of their constitutional positions. It has been seen the governor and chief ministers on social media openly expressing disagreement with each other. The consultations between the governor and CM's should be serious and in case of conflict, the elected government should prevail. Sometimes it may be possible that the governor and people are on the same view – as expressed by former President K R Narayanan. But even in these matters governor should not talk over the head of government or behind the government to the people.

What should be done going forward?

Talks: The best way to resolve differences is through a discussion. The differences between the two heads should be resolved privately.

Quick resolution by courts: The courts have displayed a tendency to keep the issue pending like Article 370. So, the courts should quickly resolve such constitutional matters.

GS2 – INTERNATIONAL RELATIONS – INDIA AND ITS NEIGHBORHOOD INDIA-AUS RELATIONS

26. Indo-Australia bilateral relations: The significance of S Jaishankar's Australia visit Source: This post is based on the article "The significance of S Jaishankar's Australia visit" published in Indian Express.

News: It was announced that <u>Quad</u> foreign ministers meeting is going to take place in Australia. This brings Indo-Australia bilateral relations back into focus.

What are the drivers of Indo-Australia bilateral relations?

Friendship is based on shared values and interests. India remains the top source of skilled migration for Australia. The population of Indian-born people has doubled in the last decade in Australia.

However, the challenge of economic relations and an early harvest **CECA – a comprehensive economic cooperation agreement** is pending.

Read here: India, Australia aim to finalise trade pact by end of next year

What are the drivers of multilateral relations in Indo-Pacific?

QUAD foreign ministers will be meeting in person after two years. The new centre of gravity of international politics is shifting towards Indo-Pacific. The assertive rise of China, its aggressive nature and revisionism is upsetting the peace and prosperity of the region. The strengthening of supply chains through supply chain resilient initiative is needed to check economic dependence on China.

It is now important to keep these promises and forge a strong regional and global partnership.

India - Sri Lanka relations

27. Colombo and Delhi get closer, but failure to move on the Tamil question will dampen the enthusiasm

Source: This post is based on the article "Is the institution of Governor subverting federal structure?" published in The Hindu.

News: Sri Lanka foreign minister in his visit to Delhi talks of reaching a "high point".

What are the recent developments in India-Sri Lanka relations?

India helped Sri Lanka overcome an unprecedented <u>economic crisis</u>. India had earlier given offshore patrol vessels to the Sri Lankan coast guards. India has also agreed to help Sri Lanka to <u>launch a digital identity project along the lines of Aadhaar</u>.

Sri Lanka is ready to have more Indian investment in several sectors including ports, power, energy, tourism, Etc.

What are the issues in India Sri Lanka relations?

1) <u>Fisherman issue</u>, 2) Pending political settlement of the Tamil question, 3) Concerns associated with new draft Constitution.

Read here: Issues in India-Sri Lanka relations

General

Studies

Paper - 3

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General Studies - 3

GS3 - ENVIRONMENT - BIODIVERSITY AND CONSERVATION

ENVIRONMENT IMPACT ASSESSMENT AND RELATED ISSUES

1. Our broken system of clearances

Source: This post is based on the article "Our broken system of clearances" published in Business Standard.

News: Recently, the Union Ministry of Environment, Forest, and Climate Change has said that it will rank the state environmental impact assessment authorities based on the speed at which environmental approvals are given.

What is the issue with such ranking?

Read Here

How the EIA process of assessment has been systematically destroyed over the years?

Environmental impact assessment (EIA) started in 1994. The development projects were few at that time and the process remained unchallenged. During the 2000s, building projects due to their huge environmental footprints were also included in the system of scrutiny.

But the problem was that the system was not upgraded to handle the huge volume of "building" projects, which led to delays, high transaction costs, and corruption.

That's why **in 2006**, the ministry **decentralized the process** and outsourced the work to states by setting up the state environmental impact assessment authorities. Different Categories were created, but there were overlaps and discretion. Hence, the quality of scrutiny did not improve.

What is the issues with EIA exercise?

First, the project proposer pays the consultants to do the EIA.

The terms of reference (ToR) are approved by the Central or state environmental impact assessment authority. Category A projects come to the Centre and Category B projects go to the state. Then, the state authority decides if it is B1 (projects requiring detailed assessments) or B2 (that do not require detailed assessments).

The committee can approve the ToR, ask for more information, or reject it. The draft EIA is then put out for public consultation. A detailed process is in place for holding the public hearing. Then, the appraisal committee has to scrutinize the draft, ask for more information and accept it with conditions or reject it.

Why EIA has become a useless exercise?

One, projects are rarely rejected. Between July 2015 and August 2020, out of the 3,100 projects submitted, only 3 per cent were not recommended.

Also, these projects proposers can come again with more information. The committees "clear" the project, and to protect themselves they put some conditions that are never monitored. **Two**, the committees are not held responsible for the quality of decisions after clearance. The monitoring is left to the understaffed regional offices of the ministry.

Three, state pollution control boards are not empowered to monitor impacts because clearance is done under the Environmental Protection Act and not under the laws governing air or water. Hence, there is duplication and lack of scrutiny.

2. About Green clearances: The missing green

Source-This post is based on the article "The missing green" published in Indian Express.

News: For many years, many environmentalists have raised the apprehension that a large number of infrastructure projects in the country are implemented without mandatory due diligence. They often complain of irregularities in green clearances. There have also been reports that mega initiatives proposed in the country in the last 15 years have failed to fulfil their green commitments.

What are the reasons for ineffective environmental protection in the country?

The Public hearing requirement in the <u>Environmental Impact Assessment</u> notification was diluted.

There is an **absence of an effective mechanism** to ensure environmental compliance. This is due to reasons like lack of manpower in the Ministry of Environment and Forests, state pollution control boards and environmental tribunals.

Governments at the Centre and states have been relying on procedures such as **post-facto clearances** instead of strengthening the monitoring mechanism. This is despite the supreme court in 2020 calling the practice of allowing project developers to report a violation retrospectively as "a derogation of the fundamental principle of environmental jurisprudence".

What is the way forward?

Sites of developmental projects are often located in **ecologically fragile zones**. As India strives to grow into a \$5-trillion economy, which will involve rapid infrastructural development, the government needs to ensure that such prosperity doesn't come at the cost of the environment. This can be done by providing **autonomy to institutions** mandated to protect the environment. As green clearance will require a strong foundation of **strong checks and balances**.

3. Consolidate clearances-4 steps for effective green clearances

Source: This post is based on the article "Consolidate clearances-4 steps for effective green clearances" published in Down to earth.

News: Environmental Clearance to various developmental projects has been at the core of Environment- development debate.

However, both Environment and development are not the two different ends of a spectrum and can definitely coexist if some changes are made to our green clearance policy.

What will make the system more effective?

There is a need to **consolidate all clearances** — environment, forests, wildlife and coastal — so that the environmental impact assessment (EIA) is comprehensive.

- The process of **public assessment must be deepened**. Going forward, the mandatory videography of the public hearing should be livestreamed. The committee assessing the project must be held to account that it has taken these concerns on board.
- It is also necessary to **review the role of the environmental assessment committees** at the Centre and at the state. These committees are the weakest link in this process, as they are faceless and are not responsible for the compliance or monitoring of the project.

An alternative to these committees is that the process of assessment and monitoring be done by the central and state environment departments, comprising experts.

- The most important step would be to **greatly strengthen the process of monitoring the project after the clearance has been given.** For this, there is a need to integrate the functioning of all agencies from state pollution control boards to the coastal- and forest-related institutions. Currently, there are many agencies and yet enforcement is weak.
- Also, it is to be ensured that the **baseline data about the project is credible and publicly available**. For this, the process of collecting updated information on different environmental parameters and on the ecological importance of the project site must be strengthened.

What is the way forward?

There is a need for a robust and **credible system of environmental scrutiny** to find the balance between environment and development.

An effective system, working for environmental integrity, would ensure these happen, both in design and in implementation.

4. Big golden mahseer to small kudremukh barb, freshwater fish are richly diverse

Source: This post is based on the article "Big golden mahseer to small kudremukh barb, freshwater fish are richly diverse" published in Times of India on 12th Feb 2022.

News: In this article, Vidhyadhar Atkore while speaking to Times Evoke explained the river biodiversity and threat faced by it due to human interference. He has studied four major river basins, the Malaprabha, Mhadei, Tunga and Bhadra systems in Karnataka.

What are some significant findings?

One, the free-flowing riverine systems have nearly 50% more endemic fish species, compared to hydrologically modified systems which have more generalist species found across diverse habitats. **For instance**, the Tunga and Bhadra riverine structures are free-flowing, Mhadei and Malaprabha are highly disturbed in terms of the number of check dams built on them, the quality of the water, the degradation of vegetation along the river banks, etc.

Two, endemic and habitat specialist fish require certain conditions, like an ambient temperature, vegetation, etc. to survive. They can only find these in areas without disturbance or no check dams, water diversions and fishing pressure.

Three, dams act as a barrier and stand in the way of fish. It also impacts the composition of species found naturally. Mhadei and Malaprabha have many barrages leading to changes in water flow. Also, when the flow is disturbed by human activity, surface-dwelling fish are affected.

Four, human modifications of hydrology have enormous impacts on river sediments, vegetation and water surfaces. There are more insectivore species living in the Tunga and Bhadra regions due to more insects while the modified sites have more omnivorous and carnivorous fish.

Five, an entirely new fish was discovered which was named as Kudremukh barb. It swims along in the headwaters of the Tunga. Taxonomically, it is named as **Pethia striata**. It has remarkable colour, the male is in shaded red and the female is of grey color with unique cross-stripe pattern.

Why there is need of more research in the field of riverine ecosystem?

First, there is need to know the causes and consequences of the degradation of freshwater systems, due to anthropogenic pressures like illegal fishing, sand mining, hydropower dams, etc.

Second, the baseline data is essential to deepen the understanding of river biodiversity. Also, there is comparatively less ecological information on riverine systems. **For example**, the golden mahseer, a freshwater fish which is migratory in nature can weigh up to 55 kgs, but it is hard to find a fish of that size now.

Third, freshwater riverine systems are linked to human wellbeing. Hence, there is need to read more about freshwater biodiversity to appreciate the huge variations of species, their extraordinary colours, abilities and migratory behaviour. It will also help in inspiring people to join campaigns for river cleaning.

What is the way forward?

First, mitigations can help species. For instance, retaining undammed tributaries enables fish to recover.

Second, minimize plastic usage because it is a major threat which is affecting freshwater systems. Also, the removal of obsolete dams which is taking place worldwide to save freshwater species should be considered now.

Third, those who buy ornamental fish should not release them into streams. Because, this adversely impacts native fish.

GS3 - ENVIRONMENT - DISASTER MANAGEMENT

GS3 - INDIAN ECONOMY - ECO SURVEY AND UNION BUDGET

GOVT BUDGETING AND DISASTER RESILIENCE

UNION BUDGET 2022-23

5. Why Union Budget 2022-23 falls short in addressing gaps to build disaster resilience Source: This post is based on the article "Why Union Budget 2022-23 falls short in addressing gaps to build disaster resilience" published in the Down to Earth.

News: The budgetary allocations under relief on natural calamities and MGNREGA are not up to mark. This can affect India in building disaster resilience.

Why is the allocation provided under disaster resilience is not enough?

According to the <u>World Meteorological Organization</u>'s 'State of the Climate in Asia" report, India lost Rs 65 lakh crore in 2020 alone because of tropical cyclones, floods, and droughts. But, still, the allocation under relief operations for natural calamities has been decreased to Rs 1,511.93 crore in 2022-23 from Rs 1,538.03 crores in 2021-22. The ActionAid India recent citizens report, also indicated that India needs more resources at ground level.

This allocation is not sufficient as between 1991 and 2021, India covered only 8% of the total losses and there is a protection gap of 92% during this period.

Why there is a need to review the disaster funds?

First, the list of items and norms of assistance from SDRF and <u>National Disaster Response</u> Fund (NDRF) for 2010-15 and 2015-20 is outdated, so needs to be revised.

Second, Some of the compensation listed in the norms is highly inadequate. For example, Under the 2015-20 guidelines, Rs 3,200 is given as compensation for partially damaged kuchcha houses and Rs 95,100 for fully damaged kuchcha houses. However, no one gets Rs 95,100 as compensation and Rs 3,200 is highly inadequate for restoring even a kutcha house.

What steps should the government adopt in its disaster relief activities?

- The state allocations for SDRF are not enough, so need to increase them.
- Need to bring **uniformity of compensation** across the country.

- Need to present **disaster-risk reduction (DRR)** component in all the departments which will help in prioritizing the life of people living in coastal regions, within 5 km of the sea, building disaster-resilient houses in for ecologically sensitive zones, etc.
- Government should **allocate financial resources** to formulate community-level disaster management plans. It should map the blocks and Gram Panchayats which are susceptible to disaster and fund them to operationalize their DRR plan.
- More focus should be on Vulnerable population groups such as women, children, elderly and disabled people.
- Allocation provided under National Coastal Mission and MoEFCC should be used to protect
 the livelihoods of fisherfolk and also the mangroves in the Sundarbans. The West Bengal
 government has already set up a mangrove resource centre to study and raise mangrove

What should be the way forward?

Achieving SDG 13 requires urgent actions to combat climate change. This requires reevaluating grant **infrastructure projects in ecologically fragile areas**. The focus should shift to villages, towns, and other locations in states which are affected by disasters every year.

There is a need to speed up **relief distribution and rehabilitation**, and also enhance compensation amounts. To add to this, disaster-resilient houses and social security safety nets should be built.

GS3 - ENVIRONMENT - POLLUTION AND ITS ASPECTS

WASTE MANAGEMENT

6. E-fasting can minimize E-waste

Source: This post is based on the article "E-fasting can minimize E-waste" published in Down to earth.

News: Electronic (e-waste) is emerging as a serious public health and environmental issue globally in this century.

Why is e- waste generated and how different countries fare on the e-waste generation metric?

When obsolete devices are replaced by new devices due to the advent of new technologies, this, in turn, results in electronic waste.

United States and **China** are the first and second most electronic waste generating nations in the world.

India is the 'fifth-largest electronic waste producer in the world'. Approximately 1.2 million tonnes of e-waste is generated annually in India, according to the Central Pollution Control Board (CPCB).

Majority of the e-waste ,about **70 percent comes from computer devices** and then comes the telecom sector which has 12 percent share.

Government, public sector companies and private sector companies, generate nearly 75% of electronic waste, with the contribution of individual households being only 16%.

What are harmful effects of e-waste?

E-waste can pose **several health hazards** which include damage of kidney, immune system, reproductive system and central nervous system.

They can add heavy metals in landfills.

E-waste largely undergoes unorganised processing and recycling, which is not safe from the environmental point of view.

Children and adults who often live work and play in or near e-waste recycling centres are especially vulnerable to the effects of e-waste

What is the way forward?

Electronics waste contains hazardous but also simultaneously **valuable** and scarce materials which should be **extracted**.

Segregation of e-waste from normal waste and estimation of the amount of e-waste generated are the first few steps which will help in proper processing and disposal of e-waste.

There is need for **enhanced awareness among every individual** about the cause and effects of e-waste and request cooperation in the disposal of the same. Users may be encouraged to practice digital fasting or e-fasting. This involves reducing technology use — such as turning off notifications, turning phone off while working and setting limits for the amount of time spent on technology.

Manufacturers should be encouraged to produce greener electronics.

GS3 - INDIAN ECONOMY - INDUSTRIAL POLICY AND GROWTH

POWER SECTOR IN INDIA

7. How to create a better power distribution Network

Source - This post is based on the article "How to create a better power distribution Network" published in Indian Express.

News: The Government in July 2021 launched <u>Revamped Distribution Sector Reform Scheme</u> (<u>RDSS</u>). This is the latest of many central government grant-based programmes towards

electricity distribution network investments. This has been introduced to increase access and improve performance in the electricity distribution sector.

What is the Revamped Distribution Sector Reform Scheme (RDSS) scheme?

The scheme will support financially-strained electricity distribution companies. The scheme includes provision for better feeder and transformer metering and pre-paid smart consumer metering, power loss reduction and strengthening networks.

What are some limitations still present in the scheme?

It has **complex processes** and conditions for **fund disbursal**. Many schemes of the past have had similar problems.

The scheme also suffers from a Lack of public review and regulatory oversight in states.

RDSS emphasises loss reduction investments over **system strengthening**. However, high losses are typically connected to sustained poor quality service which, in turn, is affected by inadequate investment in system strengthening.

There is also a need for evaluating whether measures suggested in the scheme such as privatisation and franchisee adoption are suitable or not.

Despite these limitations, the Scheme can bring a lot of positive changes for India's power sector.

Must read: <u>DISCOM sector in India: Challenges & solutions - Explained, pointwise</u>

How to effectively implement the RDSS to strengthen the Indian power distribution sector?

Strengthen rural networks – Actual investments in the rural sector have been much less than planned. Also, connections given to rural homes were optimal for lower electricity consumption like for operating few lights, fan and TV.

This does not account for use of appliances such as refrigerators, heaters, etc. Without incorporating this, the risk of power outages is high. This can be fixed through the RDSS system's strengthening plans.

Separate feeders for agricultural consumers – Farmers currently receive highly subsidised, but erratic and poor-quality power supply.

This can be addressed by leveraging the <u>KUSUM scheme</u>'s day-time, low-cost supply. The KUSUM Scheme benefits can be provided to a large number of farmers by installing large megawatt-scale solar plants. Under this, there is a supply of eight hours of quality power directly to dedicated agricultural feeders. This would address farmers' demand for reliable supply and almost half of the discom's cost and subsidy requirements.

Automatic metering of distribution feeders – This will help in accurate energy accounting and loss monitoring. All feeders must be equipped with meters capable of communicating

readings without manual intervention. States should leverage RDSS's emphasis on automatic meter reading for this.

RDSS prescribes a phase-wise roll-out of consumer smart meters, starting with commercial and industrial consumers and urban areas. This approach will provide states with an opportunity to understand implementation issues, adopt suitable strategies for metering and evolve frameworks for assessing benefits vis-a-vis the costs.

Electrical vehicles – Grants under RDSS can be used to address the demand for charging infrastructure for electric vehicles. This can accelerate a shift away from petrol and diesel fuels.

GS3 - SCIENCE AND TECHNOLOGY - INFORMATION TECH

5G AND RELATED ISSUES

8. 5g technology: Fixing frequencies first

Source-This post is based on the article "Fixing frequencies first" published in The Hindu.

News: In the <u>recent budget</u>, the Finance Minister announced that the Government proposes to conduct the "required spectrum auctions" in 2022 to facilitate the roll-out of 5G mobile phone services in fiscal 2022-23.

The government has been keen on implementing this technology due to its ability to serve as an enabler of economic growth and job creation.

What is 5G technology?

Must Read: What is 5G in telecom, and how will this tech work in India
What are the possible challenges that can arise in 5 G implementation?

The government needs to come up with more information on the issues like particular frequencies that it is likely to recommend, its plans on pricing the spectrum, and most crucially, the very viability of the new technology.

The Telecom sector is currently financially stressed, and thus the sector's appetite for the highly capital intensive 5G technology is unlikely to be substantial at the moment.

Even most countries that are more developed than India have commercialised 5G, deploying it as an upgraded replacement for 4G in terms of end-use. They still don't have the industrial and public utility applications that India is targeting.

What is the way forward?

For the new technology to work at its optimum potential, the Government would need to not only offer the key operational frequencies but also crucially enable the transport or backhaul of signals between the base stations.

Government should also focus on expanding the reach of existing mobile networks so that cost to benefit ratio for 5G deployment is positive.

GS3 – SCIENCE AND TECHNOLOGY - Developments and their Applications and Effects in Everyday Life

DRONES AND RELATED ISSUES

9. Blanket ban on imports of drones may disrupt industry

Source: This post is based on the article "Blanket ban on imports of drones may disrupt industry" published in Live mint.

News: According to experts, the blanket ban on the import of finished foreign drones is likely to disrupt the drone industry in India.

What will be the impact of the ban on the import of drones?

Firstly, it will lead to a lot of disruption in terms of business and derail a lot of well-laid plans as 90% of the service providers in India are using imported drones.

Secondly, many foreign brands specially make drones for agricultural use. This would have helped with the government's Kisan drone initiatives. These too will now be restricted.

Thirdly, India does not have a supply chain for local manufacturing of drones. Hence, schemes like PLI Scheme for drones and drone components to encourage local manufacturing will not have much impact.

Fourthly, it will increase the cost burden on companies, as imported drones are cheaper than locally assembled ones.

What can the government do to reduce the impact of the ban on the import of drones?

Government can offer some incentives to the industry to override the ban on drones, as India does not have the manufacturing capacity to cut dependence on imports.

NUCLEAR FUSION AND RELATED ISSUES

10. Breakthrough in nuclear fusion, and why it is significant

Source: This post is based on the article "Breakthrough in nuclear fusion, and why it is significant" published in Indian Express.

Syllabus: GS3- Science and Technology- Developments and their Applications and Effects in Everyday Life.

Relevance: Significance of Fusion reaction, ITER

News: Recently Scientists in the Joint European Torus (JET) facility, United Kingdom have said that they have achieved a new milestone in producing energy from nuclear fusion.

Why it is significant?

One, it is major breakthrough because all current nuclear reactors are based on the fission process. In fission process, the nucleus of a heavier atom is split into those of lighter elements in a controlled manner. It is accompanied with the release of large amounts of energy.

Fusion is the opposite process, in which nuclei of relatively lighter atoms, typically those of hydrogen, are fused to make the nucleus of a heavier atom.

Two, the raw materials are easily available. A very small amount of raw material of deuterium and tritium nuclei can produce very large amounts of clean energy.

Three, it generates huge amount of energy with no carbon emissions. Hence, it is considered as future of energy and it will help in solving the problem of climate change. It also produces much less radioactive waste compared to fission. Hence, it is considered much safer.

What are the challenges associated with fusion reaction?

First, it is possible only at very high temperatures which is similar to the temperature that exists at the core of the Sun and the stars. Hence, recreating such extreme temperatures is not easy.

Second, the materials that are used to make the reactor should be able to withstand such huge amounts of heat.

Three, another major issue is that at such high temperatures, matter exists only in the plasma state, where atoms break up into positive and negative ions due to excessive heat. Plasma has a tendency to expand very fast and that's why it is extremely difficult to work with it.

Read more here: https://blog.forumias.com/nuclear-fusion-technology-evolution-challenges-and-future-potential/

What is ITER?

Read here: https://blog.forumias.com/nuclear-fusion-technology-evolution-challenges-and-future-potential/

GS3 – SCIENCE AND TECHNOLOGY – AWARENESS IN THE FIELD OF SPACE, NANOTECH, BIOTECH

GS3 – INDIAN ECONOMY – UNION BUDGET 2022 -23

11. Union budget 2022-23: Is India's Rs 13,700 cr space budget enough?

Source: This post is based on the article "Union budget 2022-23: Is India's Rs 13,700 cr space budget enough?" published in the Down to Earth on 8th February 2022.

News: Budget allocation to the space sector in the Union Budget 2022-23, attracts reactions from the experts.

What is the expert's view on the allocation of resources for the space?

Center has kept aside Rs 13,700 crore as <u>ISRO</u> space itself for the Gaganyaan mission. ISRO Will receive the maximum share from the space budget. But still, experts say, it is difficult to estimate the sufficiency of funds as officials do not disclose the progress of ongoing projects. According to experts, budgetary constraints led to shorted lifespans of ISRO missions in comparison to NASA. Also, it is difficult to have the best scientific observations on limited instruments. For example, <u>MOM carried five instruments</u> while the eight is carried by <u>MAVEN</u>. Another reason that India can carry a low-cost mission is because of lower salaries of the workforce and cost of living.

Also, according to experts, as the space sector is doing well, there is a need to allocate more monetary allocations.

What is India's position in global space?

According to **Economic Survey 2021-22**, the global space economy was close to \$447 billion in 2020. Of this, India's share was only about 2%, much behind the US and China, reports. Also, India launches roughly 5-7 satellites per year. In contrast, the United States, China, and Russia had 19, 25, and 34 satellite launches.

What are the upcoming missions of ISRO?

There are several missions in the pipeline like <u>Chandrayaan</u>, Small Satellite Launch Vehicle; <u>Aditya Ll</u>, XpoSat an X-ray observatory satellite, and <u>Indian Regional Navigation Satellite</u> <u>System</u>.

Read here: ISRO gearing up for multiple space missions in 2022

How the collaboration with the private sector can help ISRO?

The government introduced <u>Indian National Space Promotion and Authorization Centre</u> in 2020. This was aimed at channelling non- government-private enterprises to watch space activities. According to the <u>2021-2022 Economic Survey</u>, IN-SPACe received close to 40 proposals from large industries, micro, small and medium enterprises, start-ups, and academia for manufacturing launch vehicles and satellites.

Also, the number of space start-ups increased to 100 in 2021, from one in 2012.

GS3 - INDIAN ECONOMY - MONEY AND BANKING

CORPORATIZATION OF BANKS

12. Let business houses with good track records run banks

Source: This post is based on the article "Let business houses with good track records run banks" published in Livemint.

News: The RBI has revised the guidelines to allow 26% long-term promoter ownership in private banks based on recommendations of its internal working group.

What are the arguments in favour of allowing bank ownership by corporate business houses?

One, the RBI has allowed non-industrial groups having financial businesses (with the share of assets of financial businesses of the group exceeding 60% of group's total assets) to apply for on-tap banking licenses. The issues of securing depositors and investors from systemic risk have been addressed with suitable guidelines. The same can be extended to well-reputed industrial houses through appropriate regulations.

Two, there are certain risks associated with giving banking licenses to industrial houses e.g., it is necessary to ensure that the ownership does not impact the management of the bank and its lending policies. Such risks can be avoided by greater monitoring of transactions, assigning higher risk weightages, tighter governance structures and proper regulatory audits.

Three, it will help in ensuring timely availability of credit for MSMEs which are key driver of employment generation. According to an RBI report, credit by private banks to MSMEs rose but the numbers of accounts declined by 1.5% in 2020-21 i.e., the number of MSME entities availing credit declined. It indicates stress suffered by small units, major restructuring of loans and shows that major portion of loans are cornered by big units.

Four, allowing the industrial houses to bid for divestment in the Public Sector Banks will help improve their valuations (more bidders) and thus help better realizations for the Government.

Five, ownership of Banks by industrial houses is expected to help in moderanization of the Banks and increase customer focus thus improving service levels.

Six, past failures of listed banks were due to their faulty business models like aggressive highrisk, high-return sectoral lending, fraudulent practices. Hence, past failures should not be used as argument against corporatization of banks.

Seven, RBI working group has cautioned against the unregulated big-tech entry into the digital lending space. The unregulated big-tech are using their large customer bases and cross-selling opaque financial products like crypto. Hence, to compete there is need of full-stack digital bank licenses given to strong domestic players.

What is the way forward?

First, India's banking scenario is highly competitive and big companies are raising more money via commercial paper and bonds instead of bank loans. The regulator has to watch over the business models of banks to check overzealous business practices and prevent the shrinking of banking sector. Hence, allowing industrial houses in banking sector is a win-win outcome for all stakeholders.

Two, there is need to increase fintech partnerships with existing banks and allow reputed business houses with good track record to run banks. They will help in increasing focus on MSMEs through differential directed commitments.

GS3 - AGRILCUTURE - MAJOR CROPS - CROPPING PATTERNS

EDIBLE OIL AND RELATED ISSUES

13. Reducing edible oil imports

Source: This post is based on the article "Reducing edible oil imports" published in The Hindu.

News: Government has extended the stockholding curbs on oilseeds and edible oils. This may prove to be harmful for India's vision of boosting the output of oilseeds to reduce dependence on imports for edible oils.

Why is this step harmful for the economy's health?

Wrong signal to market: Economic Survey has also cautioned against such knee-jerk reactions that arise due to sudden policy changes. They may lead to price fluctuations of essential items and send wrong signals to domestic producers.

This along with step like abolishing import duties and drastically slash the agri-cess on edible oils will only lead to an increase in import of the commodity.

There has been a **bumper rabi harvest of oilseeds**. Any restraint on stock holding at this stage would tend to keep the buyers away from the market, thereby, depressing the prices during the post-harvest marketing season to the detriment of the growers.

Low price realisation would deter the farmers from raising oilseeds production in the next kharif as well, thus perpetuating the dependence on purchases from abroad.

Why India' dependence on imports for oilseeds is not a good long-term policy?

Oil is an essential kitchen component, and depending on imports to such a large extent may have negative consequences in the future. Any disruption in supplies can pose problems for India.

What is the way forward?

India has the **potential to grow** enough oilseeds and edible oils to meet its needs, it just needs a right strategy.

The Oilseed Technology Mission, set up in the mid-1980s had given some positive results for the sector, but it was abandoned in the 1990s. India **can adopt a similar policy** now to increase domestic production for the benefit of all stakeholders, that is producers, processors and consumers.

CROP DIVERSIFICATION AND RELATED ISSUES

14. Back to nature: Immense need for crop diversification and role of agroforestry

Source: This post is based on the article "Back to nature: Immense need for crop diversification and role of agroforestry" published in Down To Earth.

News: This article discusses how crop diversification can help in dealing with numerous issues faced by the Indian agriculture and how agroforestry can add to it.

What are the issues associated with Indian Agriculture?

One, farmers face numerous challenges and climatic vagaries during agricultural production, such as untimely rainfall, stone hail, drought, flood etc. Other challenges include post-harvest losses, storage and unavailability of proper marketing which increases the problem.

Two, the human-wildlife or human-crops conflict, forest fires, organic matter deficit soil, monoculture, plant disease and infestation, migration are a new set of problems. Also, the mono-cropping pattern reduces resource-use efficiency.

Three, other issue is rising input cost. Increase in input, increases the productivity initially but then progressively declines. Also, Green Revolution has changed the cropping pattern resulting in nutrient deficiency along with a declined population of microfauna.

How traditional approach of 'crop diversification' can help?

One, crop diversification is a strategy applied to grow more diverse crops from shrinking land resources with an increase in productivity. It helps in breaking the mono-cropping pattern by the introduction of diverse crops which helps in reviving the soil health and increasing the resource-use efficiency.

Two, it is more stable and pro-nature. For example, in the Garhwal Himalayan region of India, Barahnaja is a crop diversification system for cultivating 12 crops in a year.

Three, the persistent use of chemicals, weedicides and insecticides in mono-cropping pattern reduces productivity, resource-use efficiency, result in accumulation of chemical residue and deteriorates soil health.

How agroforestry can help in sustaining crop diversification?

First, integration of trees in the cropping system is known as agroforestry. It is a part of primitive and tribal agriculture which includes indigenous technical knowledge **Second**, agroforestry balances both ecological and economic interactions of biotic and abiotic components for efficient utilisation of available resources.

Third, agroforestry can generate food, feed, fruits, fibre, fuel, fodder, fish, flavour, fragrance, floss, gum, resins and other non-wood products for food and nutritional security. It can also support livelihoods and promote productive, resilient agricultural environments.

For instance, in North America, farmers preferred agroforestry over agriculture to improve their economic gain and natural resource conservation.

Major agroforestry practices in India include multifunctional improved fallows, home gardens, plantation crop-based mixed-species production systems, alley cropping, woodlots, windbreaks, protein banks, shifting cultivation and Taungya.

Fourth, agro-forestry enhances biodiversity by creating diverse habitat for macro and microorganisms and maintains landforms for future generations.

Sixth, it integrates traditionally grown crops with other commercial crops such as cereals, oilseeds, pulses, vegetables, fruits in agri-horticulture, horti-silviculture, silvo-floriculture, silvi-medicinal, agri-hortisilviculture, aqua-forestry, silvi-pasture, horti-pasture. **Seventh**, trees also increase the resiliency in the cropping system and reduce negative externalities. Hence, it promotes crop diversity.

What is the way forward?

First, there is an urgent need to adopt modified cropping system, agroforestry and integrated cropping pattern with changing agronomical practices. It will help in adaptation to the climate change and promote sustainable cropping to support small and marginal farmers.

Second, there is need to promote integrated farming system which advocates diversification of the agri-production with other associated secondary and tertiary agriculture practices.

GS3 - INDIAN ECONOMY - CRYPTOCURRENCY AND RELATED ISSUES

REGULATION OF CRYPTOCURRENCY

15. INDIA'S FRAMEWORK FOR CRYPTO TAX STILL NEEDS WORK

Source: This post is based on the article "INDIA'S FRAMEWORK FOR CRYPTO TAX STILL NEEDS WORK" published in Live mint.

News: The recent decision to tax Cryptocurrency by 30% has received mixed reactions. A more robust regulatory framework is needed.

Has India legitimized Cryptocurrency?

No. Tax law, by nature, cannot legitimise transactions or commodities. The understanding that India has proposed a tax on cryptocurrency and hence legitimized it, is, therefore, flawed.

How Virtual Digital Assets (VDAs) have been defined and issues with the definition?

Read <u>here</u>

Exception: Indian and foreign currencies have been excluded from the definition of VDAs. **Issues**:

- **Debit card or credit card holders** earn reward points generated through electronic means. Generally, not taxable, but by virtue of the broad definition of VDAs, experts think that they may be taxed.
- As per the Govt, any income from the transfer of any VDA shall be taxed at 30%. But it is **unlcear whether the 'transfer' would include coin rewards for mining and staking**. A mining reward, sometimes in the form of coins is paid to the miners. The coins are not paid by an entity but are won on the network. Therefore, there is no transfer or transferor per se.

Is Bitcoin a foreign currency?

Since Bitcoin was adopted by El Salvador as a legal tender (currency) there was some confusion whether definition of VDAs would include Bitcoin or not.

But, even if Bitcoin is adopted as a currency in foreign countries, it still will come under the purview of a VDA because any instrument must be a currency first and then only can it be foreign currency.

What is the policy approach wrt NFTs and the associated issues?

Only NFTs specifically notified by the government will be covered by VDAs. This approach seems quite tedious because every NFT will have to be notified first and can only then can it be taxed.

The second approach, wherein characteristics will be laid out for NFTs in the notification, seems much more apt. Until a notification spelling out these characteristics are not laid out, they cannot be taxed at 30%.

What is the way forward?

To have a more robust taxation framework for cryptocurrencies, the government must:

- Clarify that cryptocurrencies whether recognised as legal tender in other jurisdictions or not will be covered by the definition of VDAs
- Clarify whether mining rewards in the form of coins are taxable under section 115BBH
- Notify preferably, the characteristics of NFTs that will be covered under the definition of VDAs
- Introduce the framework for taxing cryptocurrencies under goods and services tax law to offer tax certainty.

CENTRAL BANK DIGITAL CURRENCY (CBDC)

16. RBI shouldn't rush the launch of India's official digital rupee

Source: This post is based on the article "RBI shouldn't rush the launch of India's official digital rupee" published in Live mint.

News: Rushing the implementation of a digital rupee is fraught with unnecessary risks.

What are the advantages and associated issues of a CBDC?

Advantages:

- As researcher Bhargavi Zaveri observes, depositors at 21 Indian lenders have been restricted from withdrawing their funds due to bank distress in the last few years. A CBDC will **mitigate the risk of losses** that Indian depositors face when dealing with commercial banks.
- A CBDC could eliminate the need for an expensive network of correspondent banks to settle cross-border payments. For Indians working abroad, sending money home will become simpler and cheaper.

Issues:

- Threat to financial stability: If e-cash becomes popular and RBI places no limit on the amount that can be stored in mobile wallets, weaker banks may struggle to retain low-cost deposits. Their less-liquid balance sheets could leave them vulnerable to bank runs.
- Moreover, as purchases go online, the basis of trust in demand deposits, that they convert to cash at face value, may get reduced.
- Transactions conducted with CBDCs may not be visible to payment apps, and fintech firms may lose access to some data being mined for cheap loans to those who don't have collateral.

What is the global situation wrt a digital currency?

Sweden: In India, banknotes account for about 15% of money supply, compared with 1% in Sweden. Yet, Riksbank is in no hurry to embrace a CBDC. After five years of weighing options, the Swedish monetary authority is still to take a final decision on whether to issue an e-krona. **USA**: The US Fed is seeking the public's views on whether to provide an official tender to compete against private stablecoins.

Europe: A digital euro is in a 24-month investigation. If all goes well, the European Central Bank may offer it by 2025. Japan may delay a call to 2026.

Why has India set an early deadline to launch a CBDC?

India recently announced that its central bank will issue a digital currency as early as 2022-23.

- India's rushed deadline seems to be at least partly a response to rising popularity of cryptocurrencies.
- Another reason for hurry, may be a desire to compete with China's e-CNY, which by early November had some 140 million individuals signed up for its e-CNY. But China has no national roll-out date, and Alipay and WeChat Pay retain their stranglehold on digital payments.

What is the way forward?

A digital rupee may not be a bad idea for the monetary authority to use technology to put out a message for the bank managements that they need to stop taking depositors for granted.

Still, that lesson is probably best administered after lenders have put the covid-related stress on their balance sheets behind them.

Besides, RBI must do its homework. The technology, blockchain or otherwise, will need to balance the often-conflicting goals of speed, scalability, auditability, security and privacy, something the Fed is trying to do as part of its **Project Hamilton**.

Given India's vast digital divide, a protocol for offline use has also to be worked out.

GS3 - INDIAN ECONOMY - ISSUES RELATED TO GROWTH AND DEV

AGRICULTURAL GROWTH AND DEV

17. Step up agri-spending, boost farm incomes

Source: This post is based on the article "Step up agri-spending, boost farm incomes" published in The Hindu.

News: The present budget (2022-23) has increased allocation towards the agricultural sector by 4.4%.

What is the issue with the current budgetary allocation for agriculture?

First, the current rate of increase in budget is lower than the current inflation rate of 5.5%-6%. According to the Food and Agriculture Organization (FAO) report, the government expenditure on agriculture in India is 7.3% of its total expenditure. But, India lags behind several low-income countries such as Malawi (18%), Mali (12.4%), Bhutan (12%), Nepal (8%).

Second, there is no visible increase in capital investment, which is more crucial than price support programs. For instance, Allocation for rural development was 5.59% in the previous Budget, which has been reduced to 5.23%.

Third, flow of funds towards important schemes has also been reduced. For example, allocation towards Market Intervention Scheme and Price Support Scheme (MIS-PSS) is 62% less than the previous budgets.

How Agriculture Orientation Index (AOI) ranks India?

One, **AOI** was developed as part of the Goal 2 (Zero Hunger) of the 2030 Agenda for Sustainable Development. It measures the ratio between government spending towards the agricultural sector and the sector's contribution to GDP.

As per this index, India spends lowest towards the agricultural sector, which is not in line with the sector's contribution towards GDP.

Two, India's AOI is lowest in Asia and among several other middle-income and upper-income countries. Also, lower income African countries such as Zambia spend more despite being a landlocked country.

Three, India is an agrarian economy where a large population depends on it, but it holds only the 38th rank in the world while being one of the largest producers of several crops.

Four, larger spending is associated with greater productivity. For example, the total cereal yield in India is only around 3,282 kilograms per hectare compared to 4,225 kg per hectare in Asia. Eastern Asia has the highest cereal yield of 6,237 kg per hectare. In China, the average land holding size is lower than in India, but the crop yield is much higher than India.

What is the way forward?

First, there is need to increase government spending towards the agricultural sector to attain the sustainable development goals of higher agricultural growth and farm income.

Second, as suggested by National Commission on Farmers, there is a need to develop irrigation facilities, urban infrastructure, national highways, rural infrastructure, rural transportation facilities, and increase the number of markets. It will integrate small and marginal farmers into the agricultural supply chain to a greater extent.

Three, AOI suggest increasing investment in rural infrastructure, agricultural research and extension services, development of technology to enhance agricultural productivity and eradication of poverty in middle- and lower-income countries.

UNEMPLOYMENT AND RELATED ISSUES

18. The many layers of an unemployment problem

Source: This post is based on the article "Step up agri-spending, boost farm incomes" published in The Hindu.

News: Recently, protests were held in several parts of north India by students who had appeared for the Non-Technical Popular Categories exam conducted by the Railway Recruitment Board. This has once again brought the issue of prevailing unemployment into the limelight.

What is the unemployment situation in the country?

According to **Periodic Labour Force Surveys (PLFS)** in the 18-25 age group, **unemployment rate is 24.5%** for 2019-20, which is among the highest in the world.

India has a labour force participation rate of around 40% which means that **every tenth** young person in the country is unemployed by the official definition.

How even these figures are an underestimation?

While these figures may appear too high, even this is a gross underestimate of joblessness in the country. **For instance**, in the recent incident of protests against the Railway Recruitment Board (RRB), those protesting are unlikely to be captured as unemployed by our official statistics as they would be counted as **students rather than as unemployed**.

Some fraction of those employed may be working for private establishment that hardly have any **security of tenure, good wages and social protection**. **For instance**: according to PLFS estimates, two-thirds of regular salaried workers in 2019-20 did not have a written job contract and most had no social security.

According to official estimates, a third of our population is categorised as poor. For these households, It is a **necessity to work whatever wages they can get**.

There is also a **social stigma** attached to being unemployed, which means that many would prefer the **disguise of employment** in agriculture and other enterprises, even though they might **not be contributing to production**.

Are unemployment allowances a viable solution?

India undergoes elections occasionally, and this leads to politicisation of the issue of unemployment. In this, many political parties promise unemployment allowances to woo the electorate.

However, ideas like an unemployment allowance or an urban employment guarantee are unlikely to solve the problem in its entirety. Even as a temporary reprieve from the crisis, these are insufficient.

What is the way forward?

There should not be just creation of additional employment, but it is to be ensured that the jobs so created **provide decent wages**, **security of tenure and social protection**.

Indian Economy is currently struggling with low demand and a crisis of income in the rural economy.

Government may **revive rural demand through public expenditure**. This will also lead to an increase in employment.

19. India's Employment problem predates COVID. The pandemic has deepened the faultlines

Source: This post is based on the article "India's Employment problem predates COVID. The pandemic has deepened the faultlines" published in The Indian express.

News: Data from the Periodic labour force survey (PLFS) suggests that urban unemployment during January-March 2021 had declined to the pre-Covid level of around 9%, after peaking at 20.8% during the first wave.

Various other estimates also point towards the same. However, it necessarily does not reflect an expansion of more productive forms of employment.

What has been the pandemic's effect on the job market in India?

The unemployment issue in India date back to even before the pandemic began, but the pandemic has definitely made the situation worse.

India has witnessed a **decline in the labour force participation rate**. This implies that many have simply opted out of the labour force, perhaps due to absence of jobs.

Unemployment rates are significantly **higher among the youth**, and the more educated sections.

There has been **formalization of labour, but** there are two problems with this.

- **First** is that this employment is more likely to be concentrated among low-income jobs in the larger industrial regions.
- **Second**, there is also the casualisation of employment to contend with. Casual wage labour employment lacks the social security framework that formal employment provides.

The **per capita income levels are very low** currently, so many people are simply forced to opt for less productive jobs at lower wages. So a decline in unemployment rate may not be an accurate gauge of labour market distress.

Heightened demand for work under MGNREGA, despite large parts of the economy having recovered to their pre-pandemic levels, is also a sign of economic distress.

What are the main issues concerning the Indian labour market?

There is a **lack of adequate and remunerative employment** generation in the country.

- This is highlighted by the incidents like recent protests in North India by those who had appeared for the non-technical popular categories exam and the demands by various caste groups for increasing reservation.

There has also been a lack of a labour-intensive manufacturing sector that can absorb the surplus labour force in agriculture.

GS3 - INDIAN ECONOMY - GOVT BUDGETING AND FISCAL POLICY

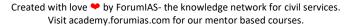
TAXATION AND RELATED ISSUES

20. Income tax on our rich should've been rejigged

Source: This post is based on the article "Income tax on our rich should've been rejigged" published in Live mint on 10th Feb 2022.

News: This article discusses the view of former Reserve Bank of India governor C. Rangarajan on taxation. The article says tax rules should be made easier for better tax collections. India needs direct tax reforms because tax relief is not enough.

How the government missed the opportunity to simplify the tax rate?



Pandemic has increased government spending, which has also increased fear of increasing tax burden. However, the Union Budget 2022-23 has not increased this burden, with no rate hike for all income brackets. It has given relief to taxpayers, but the government missed the opportunity to make some changes to simplify taxes with minimum fiscal damage.

Why the view of former Reserve Bank of India governor C. Rangarajan on taxation should be considered?

One, he suggested that the multiple cesses and surcharges that are levied should be withdrawn. A clean new slab should be created at the top with a rate of over 35% but under 40%. It will bring clarity on what top earners must pay and also help out states which are in need of fiscal space.

Two, bringing clarity on the tax rate is required. For example, in the mid-2019 budget, it was declared that a surcharge on the tax liability of individuals earning over ₹5 crores a year will be levied. It resulted in a peak effective rate of almost 43%. This tax on tax increases complexity, and it is **against the principle of simplification of taxation**.

Three, tax claims which are near the 50 percent mark of what one earns create disharmony among taxpayers. Hence, a burden level above 40% is perceived as punitive.

Four, high tax rates are also one of the reasons which are enabling people with high incomes to leave India for friendlier tax regimes overseas. Also, multinational employers are willing to relocate executive talent abroad as a retention strategy. For example, an increasing option of work-from-anywhere after the pandemic, which basically means 'any tax jurisdiction'.

What is the way forward?

First, the peak rate on top earners should be under 40%, the same way corporate tax rates are dropped to attract investment.

Second, a clean 35% slab for multi-crore incomes is needed without any tax on tax. Also, India needs to phase out dual-rate system because it goes against the basic principle of keeping taxes simple. Furthermore, cesses were meant to be temporary, hence they must be withdrawn.

GS3 - INDIAN ECONOMY - MOBILIZATION OF RESOURCES

PRIVATIZATION AND RELATED ISSUES

21. It's time to take a relook at privatisation

Source: This post is based on the article "It's time to take a relook at privatisation" published in The Hindu.

News: This article discusses that privatization and the short-term gain associated with it

should not overshadow the long-term interest. Hence, there is need to take a relook at privatization.

Why privatization is being considered as panacea?

India's fiscal deficit (for the Centre) in FY22 is expected to be at 6.8% of the GDP and with the debts of States, it will be 12.7% of the GDP. Fiscal deficit is growing wider every year and there is a consensus that privatization is the panacea.

Why privatization is not panacea?

One, the gap in growth between public sector undertakings (PSUs) with autonomy and private firms is not significant. For instance, British privatization initiative of British Airways, British Gas, and the Railways led to no systemic difference in performance.

Two, privatization has mixed results in developing countries. There are examples like VSNL and Hindustan Zinc, but growth post-privatization is due to multiple factors like better funding and better business cycle. The issue with PSUs is government apathy and their inability to generate tax revenues.

Three, privatization as a policy has failed to raise significant funds and actual receipts from disinvestment have always fallen short of targets. For example, by FY20, ₹50,304 crore was raised against a target of ₹1 lakh crore (PRS India, 2021). In total, between FY11 and FY21, about ₹5 lakh crore was raised that is, about 33% of just FY22's projected fiscal deficit.

Four, considering social and institutional constraints, India's ability to privatise firms will be slow in the future. For example, BPCL.

Five, since interest rate is rising, this is not the right time to privatize. For example, the recently held auction of 21 oil and gas blocks had only three firms participating, of which two were PSUs and 18 blocks ended up with just a single bid.

Six, there is also a challenge of valuation. For example, about 65% of 300 national highway projects have recorded significant toll collection growth. The valuations of such assets should ensure that they capture potential growth in toll revenue.

Seven, there are also serious social consequences. PSUs generates employment and have multiplier effects on economy. Hence, a push for privatisation is a push for mass layoffs when there is already low job creation.

Eighth, another major concern is greater concentration of public assets in selected private hands. For example, telecom has only three players left. It will increase higher usage fees, inflation and also a loss of strategic control.

What is the way forward?

First, stake sales can be considered a preferred route. It gives time to ensure price discovery, allowing improved performance to raise valuations over time.

For example, the Maruti model. The government had a joint venture with the Suzuki Corporation. Exits from Maruti were conducted in small tranches which ensured a better valuation for the government.

Second, a PSU with greater autonomy with the government retaining control via a holding firm can be a solution. For example, in China growth has been led by corporatised PSUs, all of them are held under a holding company (SASAC), which promotes better governance, appoints leadership and executes mergers and acquisitions.

In Singapore, the Ministry of Finance focuses on policymaking, while Temasek (the holding firm) is focused on corporatizing and expanding its PSUs.

22. A change of course on privatisation

Source: This post is based on the article "A change of course on privatisation" published in Business Standard.

News: Recently released India's Budget 22-23 has signalled that the government will proceed cautiously on privatisation.

The article says that the retreat on privatisation is a pragmatic economic policy.

Why the Budget has changed the course of privatisation?

The Budget has set a **modest target** for privatisation of Rs 65,000 crore. Also, much of the receipts for FY 21-22 will be accounted by disinvestment in LIC, not from privatisation.

Though the privatization of Air India is successful, but the fact is that the Air India's privatisation took four years to conclude.

Also, to privatize it, the government took various measures such as taking over nearly 75 per cent of Air India's debt, employees are guaranteed jobs for one year, and then it was sold to a trusted business group.

Taking so many measures for other public sector undertakings (PSUs) is time-consuming and impossible as well.

What does the government's decision to de-emphasise privatisation reflect?

One, the Indian state lacks the capacity to execute privatisation on a large scale.

Two, carrying out the sale of public assets carelessly can prove costly in both political and economic terms.

Three, it is not helpful to turn privatisation into a benchmark of overall economic performance. It overshadows all other reforms and initiatives of the government.

Why executing privatisation is a challenge?

First, the objective is to bring more efficient utilisation of assets and fetch revenues. But for this to happen, the government must get the valuation right. For instance, in a depressed market, the chances of the asset being under-valued are higher.

Second, the firm needs to undergo a certain amount of restructuring before it is offered for sale so that it attracts the right suitors. To attract a better price, there must be multiple bidders. Ensuring these conditions is not a simple matter.

Third, rushing for privatization by setting targets with no proper valuation becomes controversial. For example, in the Hindustan Zinc Limited (HZL) sale, the Supreme Court has asked the Central Bureau of Investigation to conduct an enquiry into the transaction.

Fourth, for the sale of public sector banks (PSBs), there is a need to be clear as to who the potential buyers might be. The larger private banks of India are not interested due to legacy issues with a PSB.

Foreign banks are also not ready to come into India by setting up a wholly-owned subsidiary, as the Reserve Bank of India (RBI) wants.

Also, selling to a scattered group of foreign institutional investors creates a governance vacuum. For instance, public sector entities had a significant stake in the UTI Bank and a large stake was sold to FIIs. Now, they continue to hold a significant stake in Axis Bank.

Fifth, bank failure has numerous negative economic and political consequences such as disruptions in Parliament, paralysis of the administrative machinery and negative media coverage. For example, Yes Bank.

What is the way forward?

First, government should set a modest target for privatisation, or it should avoid setting the targets and use the disinvestment and privatisation receipts as a balancing item in the Budget.

Second, government should consult the RBI on "fit and proper" criteria for potential buyers.

GS3 – INDIAN ECONOMY – GOVT BUDGETING AND FISCAL POLICY
GS3 – INDIAN ECONOMY – ECO SURVEY AND UNION BUDGET 2022-23

23. Budget 2022: Some musings

Source: This post is based on the article "Budget 2022: Some musings" published in Business Standard.

News: Recently, union budget 2022-23 has been presented. This article analyses the positives of the budget and suggest way forward to deal with the challenges.

What are the challenges currently faced by the economy?

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This Budget is presented in an extremely challenging economic situation. Pandemic has disrupted the economy and it has not recovered completely from the shocks of the lockdown. The fiscal deficit is widening and debt-GDP ratios is also growing with high unemployment and underemployment. The informal sector has suffered more, which reduced consumption. Also, private investment is not growing due to an uncertain global economic environment. This all calls for fiscal consolidation.

What are the positives of Budget 2022-23?

The budget has showed commitment to transparency with proper accounting of budget numbers. Also, the initiatives are continuing to help the most badly hit sections of society. There is also a major expansion of capital expenditure which will act as multiplier effect and help in strengthening medium-term growth potential.

Which issues are left unaddressed?

One, the government debt ratios are around 85-90 per cent of GDP but the budget has only promised a modest fiscal consolidation of 0.5 per cent of GDP.

Two, though, the special programs to assist the pandemic affected sections of the population have also been maintained. But there are no new taxes on the super-rich or any other significant tax-raising measures.

Three, also there are no marked reductions in protective Customs duty structure, which act against sustained growth of exports and successful global value chain participation.

What are the adverse consequences of a high fiscal deficit?

First, interest payments of the Centre have jumped by nearly 40 percent between 2020/21 and 2022/23. It is shrinking the share of non-interest expenditures from over 80 percent to just 76 percent.

Second, high deficits have increased market borrowings, which will pose serious monetary and debt management problems. This will increase inflation, which hurts the poor. Also, it will make exports less competitive and ultimately reduce economic growth. All this will increase the risk of crowding of private investment.

What are the signs of optimism currently visible for the economy?

First, the budget has shown conservatism in estimating revenues and expenditures have been exaggerated. It shows that government will have a sizable cash balance to reduce the market borrowings.

Second, due to "low base effects" because of Delta and Omicron in the several months of 2021-22, real GDP growth in 2022-23 can be around 7 percent and the GDP deflator is likely to be in the 6-7 per cent range.

This suggests that nominal GDP growth can be around 13-14 percent. Hence, net taxes of the Centre could be around Rs 0.7 trillion higher than estimated. That is why market borrowings will be Rs 2-3 trillion less than projected.

What is the way forward?

First, Budget Estimates can be affected by an unforeseen domestic or international shock. Hence, macroeconomic management is needed with lower fiscal deficits.

Second, trade policy reforms are needed to consolidate and strengthen the rebound in foreign trade.

GS3 - AGRICULTURE - ISSUES RELATED WITH MSP

24. An MSP scheme to transform Indian agriculture

Source: This post is based on the article "An MSP scheme to transform Indian agriculture" published in The Hindu.

News: The article suggests a different way of designing a minimum support price (MSP) to transform Indian agriculture.

How the current price stabilization policy for food grains has evolved?

The Essential Commodities Act in 1955 was passed to counter price rise due to speculative private trading, and then MSP came in the 1960s.

Then, a buffer stock policy for market intervention was developed

- to set cost-based minimum procurement price, to pay the difference between procurement price and market price, store the procured surplus for sale through the Public Distribution System (PDS) and for market intervention to stabilize price.

What are the consequences of this price stabilization policy?

The current price stabilization policy has resulted into **centralized** procurement, storage and distribution **mechanism** which has increased procurement cost.

Also, the partial MSP coverage skewed the cropping pattern against several coarse grains and millets, particularly in rain-fed areas. The area under cultivation of rice and wheat increased, while that of coarse cereals reduced.

It also changed the dietary pattern.

How MSP should be redesigned?

One, price should be charged in a range according to harvest conditions. **For instance**, each crop within a band of maximum and a minimum price depending on harvest conditions will have its price set in the band.

The price of some selected coarse grains can be fixed at the upper end to encourage production in rain fed areas. This will fulfil objective of income support to farmers, price stabilisation and food security and induce more climate-friendly cropping patterns.

Two, there is need of wider MSP coverage with decentralized procurement mechanism. **For instance**, if we calculate economic cost, some 45%-50% of production is for farmers' self-consumption and the rest is marketed surplus. From the total procurement cost of this surplus, the net revenue recovered through the PDS must be deducted.

It will be the same as DA to public sector employees, less than the total tax break given to a handful of industrial houses.

This expenditure will benefit more than half the population directly and another 20%-25% of the population indirectly in the unorganized sector. It will raise industrial demand for the unorganized sector.

Why India needs a decentralized mechanism of procurement?

The centralized mechanism of procurement at MSP requires bringing the procured grains to centralized Food Corporation warehouses. From here they are sent back to each district/province and from there to villages/slums/wards for distribution through fair price shops at an issue price fixed by the government. It is below the market price to make it affordable for poor households.

Hence, the total economic cost is rising which include subsidy for selling below market price, procurement costs, distribution costs of freight, handling, storage, interest and administrative charges along with costs of transit and storage losses.

What is the way forward?

First, agricultural debt can be linked with selling of grains under MSP to provision of bank credit particularly for small farmers.

The farmer can get a certificate for selling grains at MSP which would be credit points proportional to the amount sold. This will entitle them to a bank loan as their right and protect them from bad harvest years by storing the certificates for later use.

Second, decentralize the implementing agencies for MSP under the constitutionally mandated supervision of panchayats.

GS3 - INDIAN ECONOMY - INDUSTRIAL POLICY AND GROWTH

EASE OF DOING BUSINESS IN INDIA AND RELATED ISSUES

25. Time to end employer criminalisation

Source: This post is based on the article "Time to end employer criminalisation" published in Indian Express.

News: The recent budget has prioritized Ease of Doing Business (EODB) 2.0.

The article says that criminalization of employers has affected productivity of Indian economy, hence there is need to relook the jail provisions and simplify the laws.

Why there is need to reconsider employer criminalization?

One, the excessive criminalisation of employers has painful consequences for corruption, formal jobs, and justice.

For instance, excessive and arbitrary power combined with the power of putting people in jail, breeds corruption.

Unreasonable or unfair policies combine with discretionary and weakly checked power to impose huge financial, social, or bodily damage increases corruption.

Two, the PM's in his last Independence Day speech has emphasized upon lower regulatory cholesterol which means less state interference.

What is the situation wrt penal provisions against employers in India?

Employers and entrepreneurs face imprisonment risks across 1,536 laws in seven categories — labour, secretarial, environment health and safety, finance and taxation, industry-specific, commercial, and general.

Eight hundred and forty-three laws have 26,134 criminal provisions, 67% have more than five jail provisions and one law has 700 ways to end up in jail.

On what grounds, criminalization of employers can be removed?

First, India is poor not because of shortage of land, labour, or capital. It is because there is no effective employer rule of law regime which tackles information asymmetry, market power, negative externalities and creates public good.

Jail threats discourage entrepreneurship, and that's why firms prefer to remain small. Hence, Government must support the entrepreneurship that creates formal jobs.

Second, there should be a smaller number of laws which are tightly enforced rather than a greater number of laws with poor enforcement.

It does not empower the powerless. **For instance**, adding 300 plus jail provisions every year for 70 years in labour laws has not protected workers.

John Ruskin has also suggested punishment is the last and least effective instrument for the prevention of crime.

Third, excessive criminalization increased in the mid-1960s due to weak state capacity. But it proved counterproductive.

State capacity diminished faster because jail provisions lack transparent enforcement and conviction rates declined because of higher usage of "beyond reasonable doubt" thresholds. Thus, voluntary quashing became a weapon for corruption.

What is the way forward?

First, the central government is reducing compliances and has asked state governments to rationalize them. Also, parliament must demand higher conviction rates from economic investigative agencies, so the law can move from anticipating future criminals to actually putting real criminals in jail.

Second, there is need to reduce employer jail provisions to expand good job creation. The jail provisions affect negative liberty of employers that breed corruption, sabotage formal job creation, and poison justice.

GS3 - INTERNAL SECURITY - THREATS TO INTERNAL SECURITY

GS3 – SCIENCE AND TECHNOLOGY – INFORMATION AND TECH

26. Taking a byte out of cyber threats

Source: This post is based on the article "Taking a byte out of cyber threats" published in The Hindu.

News: The cycle of cyber-attacks and the distrust will threaten the foundations of democratic society.

The world was made aware of the threat posed by cyber weapons with the advent of the Stuxnet Worm in 2010. It resulted in damage to Iran's centrifuge capabilities.

In 2012, a bank of computers belonging to the Saudi Aramco Oil Company were targeted by Iranian operatives to wipe out data on 30,000 computers. Iran was also believed to have been behind a targeted attack on the Qatari natural gas company, RasGas.

The article says that there is a need to build resilience at both the technical and human level to deal with cyber-attacks.

Why there is need to change the response methodology?

One, a new era of potential vulnerabilities is coming. The years 2020 and 2021 were extremely difficult from the perspective of cyber-attacks, but no change in methodology have been seen.

Two, if prudent steps are not taken, then cyber-crime will become more profitable than the global trade of all major illegal drugs combined.

Three, cyber threat is likely to be the biggest concern for both companies and governments across the globe. Also, in the Information age, data is gold.

Four, the consequences of cyber-crimes can be more than the damage caused by COVID-19 pandemic or natural disasters.

How cybercrime is emerging as biggest threat?

First, the most targeted sectors are: health care, education and research, communications and governments. **For instance**, Health-care ransomware which leads to longer stays in hospitals, delays in procedures and tests resulting in an increase in patient mortality.

Two, it is very difficult to develop preventive and reactive strategies in an increasingly hyperconnected world. **For instance**, new attacks are taking place every 10 seconds.

Three, ransomware criminals are becoming more sophisticated and targeting large enterprises and even governments. **For instance**, emergence of 'Ransomware as a Service' (RaaS) for ransomware developers.

Four, the emergence of work from home during the pandemic has increased the pace of cyberattacks. The tendency to put everything on the Cloud has potential to backfire, and the Dark web is allowing criminals to access even sensitive corporate networks.

Five, there is little clarity among experts about how to ensure protection from all-encompassing cyber-attacks. Solution such as SASE — Secure Access Service Edge — to reduce the risk of cyber-attacks, CASB — Cloud Access Security Broker and SWG (Secure Web Gateway) aimed at limiting the risks to users from web-based threats, are self-limiting.

Six, the cyber technology presents certain unique challenges which need particularized answers. Hence, the western approach of devising standard methodologies and certain international norms is misplaced. It is enabling cyber criminals to gain the upper hand.

What is the way forward?

First, nations and institutions should prioritize the defence of data above everything else. Law enforcement agencies should play a vital role in providing effective defence.

Second, to devise a strategy, understanding the nature of cyberspace is important. There is need to prioritise resilience through decentralised and dense networks, hybrid cloud structures, redundant applications and backup processes. Hence, planning and training for network failures is significant so that the network can adapt and continue to provide service.

Third, backup plans should be created about what should be online or digital and what needs to stay analog or physical. The network should survive even if one node is attacked.

Four, a detailed study of the series of low- and medium-level proactive cyber-attacks is needed. It will act as deterrent because cyber-attacks at small companies can also have huge external costs for national security. For example, SolarWinds attack.

GS3 – SCIENCE AND TECHNOLOGY – AWARENESS IN THE FIELD OF SPACE, NANOTECH, BIOTECH

GS3 – SCIENCE AND TECHNOLOGY - ACHIEVEMENTS OF INDIANS IN SCIENCE AND TECHNOLOGY

INDIA'S SPACE PROGRAMME

HOMI J BHABHA AND VIKRAM SARABHAI

27. Living up to rocket boys' dreams

Source: This post is based on the article "Living up to rocket boys' dreams" published in Business Standard.

News: The recent series named Rocket Boys on SonyLIV explores the friendship between the two legendary scientists — Homi J. Bhabha and Vikram Sarabhai.

One is the father of the Indian nuclear programme and the other is the pioneer of India's space research. This article discusses how far India has succeeded in fulfilling their aspirations.

What was the ambition of Homi J. Bhabha?

First, he wanted to make India self-reliant in energy by harnessing nuclear power and develop India's first atomic bomb to counterbalance external threats to the country.

Second, he believed that India must develop nuclear capabilities, as well as an atom bomb, to become a nuclear power. In October 1965, he announced over All India Radio that India could develop a nuclear bomb in 18 months. He was a two-time Nobel Prize nominee, and he died in 1966 during a plane crash in the Swiss Alps.

How far India has succeeded in fulfilling Bhabha's aspirations?

India conducted its first nuclear test, "**smiling Buddha**" in 1974. After that there were three underground nuclear tests at Pokhran in 1998. Then India declared itself a full-fledged nuclear state, which was one of Bhabha's dreams.

What are the existing issues in fulfilling Bhabha's aspirations?

One, in terms of energy self-reliance via atomic power, the progress has been slow. There is huge demand for clean and reliable source of energy but the share of nuclear power generation has not exceeded 4 per cent.

Two, in 2021, the Parliament was informed that N-power generation capacity would increase to 22,480 MWe by 2031. But India's nuclear power capacity stood at 6,885 MWe from 23 reactors in 2021.

In India, 18 nuclear reactors have a capacity of less than 300 Mwe in comparison to South Korea which has 24 nuclear reactors with a capacity of three times that of India. Also, China has 43 reactors and one reactor has a capacity of 1,000 Mwe.

How far India has succeeded in fulfilling ambitions of Sarabhai?

Indian Space Research Organisation (ISRO) has done enough to make him proud. **For example**, record of sending 104 satellites at one go, 27 satellite missions and 25 launch vehicles in the past five years.

Chandrayaan-1 discovered water on the sunlit side of the moon, and Chandrayaan-2 confirmed the presence of water ice in the dark regions. It reignited global interest in lunar research and colonisation. Mangalyaan mission was completed in its first attempt with the least cost.

There are some upcoming missions which promises great future for Indian space sector. **For example**, Aditya-L1, the first Indian observatory class mission to study the solar corona and Venus orbiter Shukrayaan-1 (2024), Chandrayaan-3 (2022) and Mangalyaan-2 (2024). India is also planning to set up its space station by 2030.

What are the existing issues in fulfilling the ambitions of Sarabhai?

One, the challenges and competition are growing. **For instance**, the Chandrayaan-2 Vikram lander crashed on the lunar surface in 2019, Gaganyaan the country's first human spaceflight mission has been delayed.

Two, India's Geosynchronous Satellite Launch Vehicle Mark-III, which carried Chandrayaan-2, doesn't have the same thrust as the giant Saturn V rockets that were used in NASA's Apollo programme. Though India is providing space opportunities on a budget but the entry of private companies, such as SpaceX and Blue Origin, has brought tough competition.

GS4 - ETHICS - in human actions
GS2 - GOVERNANCE - GOVT POLICIES AND INTERVENTIONS

28. India, heal thyself

Source: This post is based on the article "India, heal thyself" published in Times of India.

News: National Medical Commission (NMC) has decided to replace the Hippocratic Oath in medical colleges with the Charak Shapath from the new academic session. The Hippocratic Oath is taken by medical students worldwide.

Why this move is not very appropriate?

Both the Hippocratic Oath and Charak Shapath (derived from Maharshi Charaka's Charaka Samhita) essentially enjoin medical practitioners to put patients first, respect their privacy, and practise with the best of judgment.

Thus, it hardly makes any difference which oath is administered.

The type of oath administered to medical students is irrelevant what is the type of medical education is what matters.

What is NMC and what are its responsibilities?

NMC came into being in 2020 when it replaced the Medical Council of India. NMC's aims include improving access to quality medical education and ensuring availability of adequate medical professionals.

What is the status of medical Infrastructure in India?

The shortage of medical professionals in the country remains chronic. As per a report of the 15th Finance Commission made public last year, every allopathic doctor in India caters to 1,511 people as opposed to the WHO norm of 1:1,000. The shortage of trained nurses is even worse.

What is the way forward?

Efforts should be directed at **improving these numbers**.

Even if a need is felt for mainstreaming alternative/indigenous medical systems or AYUSH, the focus ought to be on **rigorous scientific standardisation of these streams**.

Government should aim for **boosting medical infrastructure** especially in light of Covid.

