

Forum IAS

7 PM COMPILATION

16th to 30th April, 2022

Features of 7 PM compilation

- ❖ Comprehensive coverage of a given current topic
- ❖ Provide you all the information you need to frame a good answer
- ❖ Critical analysis, comparative analysis, legal/constitutional provisions, current issues and challenges and best practices around the world
- ❖ Written in lucid language and point format
- ❖ Wide use of charts, diagrams and info graphics
- ❖ Best-in class coverage, critically acclaimed by aspirants
- ❖ Out of the box thinking for value edition
- ❖ Best cost-benefit ratio according to successful aspirants

[Kuruksheetra April Summary] Women Entrepreneurs – Explained, pointwise

Topic:- Governance

Sub topic:- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Sovereign debt crisis: Impacts and measures – Explained, pointwise

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Relevance of Nature for Human Health – Explained, pointwise

Topic:- Social Justice

Sub topic:- Issues relating to development and management of Social Sector/Services relating to Health

[Kurukshetra April Summary] Women Entrepreneurs – Explained, pointwise**Introduction**

Empowerment of Women is essential for sustainable development and economic growth of the country. Women Entrepreneurs have emerged as an important means to empower womenfolk to make decisions regarding their domestic, social, political and economic life. To increase women's participation, the Government has come up with various schemes and initiatives. Capacity building programs, easy access to finance and mentorship programs have been at the core of government initiatives. However, the need to scale these initiatives is immense considering the targets of economic development; and more importantly, for creating a conducive ecosystem for women entrepreneurship.

About the status of Women Entrepreneurs in India

The **Sixth Economic Census** is the most cited data in the literature on Women Entrepreneurship in India. It reveals that out of the 58.5 million businesses, only 8.05 million were owned by women. Thus, of the total entrepreneurs in India, only 13.7% are women.

According to the **Female Entrepreneurship Index**, out of 77 countries covered, India ranks 70. And as per the August 2019 report of the International Finance Corporation, India ranks third among countries reporting gender gaps in business.

As per the data available with Start-up India, the number of women entrepreneurs in the start-up ecosystem has increased to 14%, up from 10% and 11% in the last two years.

Last year, India added more than 40 unicorns to the list, and many of them are led by women.

Read more: [KVIC Rolls Out Unique Business Model to Handhold 70 Women Agarbatti Artisans in Assam](#)

Why does India need Women Entrepreneurs?

Basic building block: Women Entrepreneurship is central to any country's inclusive and sustainable economic development. They are recognised as the new engines of growth. Women's financial independence leads to their partaking in decisions right from their personal lives to their homes and society. Therefore, women's economic freedom is one of the basic building blocks for aspirational society.

Bridge the disparity: According to the World Economic Forum report in 2019, for every dollar, a man gets paid, a woman on average is paid only 54 cents. The old perceptions of family responsibility on women pose an overwhelming challenge. According to the World Bank's **Women, Business and the Law 2022** report, "nearly 2.4 billion women of working age worldwide still are not afforded equal economic opportunities. The most persistent gaps remain in the areas of Pay and Parenthood, demonstrating that many economies have yet to remove restrictions or introduce the good-practice legal rights and benefits identified."

To reach the country's economic ambitions: It is predicted that Women-owned enterprises can generate over 50-60 million jobs by 2030. As the country progresses economically and targets a US\$ 5 trillion economy by 2024-25, the need to push Women Entrepreneurs in the country and bridging the rural-urban divide through these enterprises becomes necessary.

Read more: [Win for daughters: But more needed to ensure women's property rights](#)

What steps have been taken by Government to support Women Entrepreneurs?

In India, gender equality is enshrined in the Constitution and grants equality and empowers the State to adopt measures in favour of women. The Government policies have had the empowerment of women at the core since its fifth five-year plan 1974-79, considering the role women entrepreneurs can play in the development of the economy of the country. Women Entrepreneurship in India is receiving a three-tier boost today. These are,

Self Help Groups

In this, rural women are engaged in small-scale entrepreneurship programmes created with the intention that the joint efforts can be much more successful in overcoming various obstacles faced by the individuals. The members typically use savings, credit, or social involvement to support their entrepreneurial ventures. So far, micro-enterprise has proven to be the best tool for rural women.

Read more: [\[Yojana September Summary\] SHG-led Women Empowerment - Explained, pointwise](#)

Women-Led Enterprises



Source: Kurukshetra

The Government of India has initiated various flagship programmes to facilitate women entrepreneurs, such as

Stand-up India: According to the available data, 81% of beneficiaries of this scheme are women entrepreneurs.

Mahila e-Haat: It is an online marketing platform to support women entrepreneurs. The platform offers an opportunity for women entrepreneurs to leverage technology for showcasing products manufactured by them.

Pradhan Mantri MUDRA Yojana

Read more: [UN India business forum, NITI Aayog form consortium to help women entrepreneurs](#)

Women-Led Start-ups

The Government, policymakers, investors, corporates, and other civil society organisations have developed various ways to support women-led start-ups. For instance,

Women Entrepreneurship Platform (WEP) of NITI Aayog.

Mission Youth: It is a pioneering initiative of the Government of Jammu and Kashmir. Its aim is to provide all-around facilitation for the youth under various schemes. Under this initiative, “Tejaswani” has been launched explicitly for women.

WE Hub: It is an initiative of the Telangana Government. It is India’s first State-led Incubator to promote and foster women’s entrepreneurship. They facilitate the access to technical, financial, governmental, and policy support required to start up, scale-up, sustain and accelerate the women-led start-ups.

Women Start-up Programme: Indian Institute of Management Bangalore’s Start-up and Innovation Hub runs this programme. The programme aims to support ambitious and innovative women entrepreneurs by transforming their idea into business ventures and enhancing their entrepreneurial and managerial skills.

Capacity-building programmes: In fields such as marketing, operations management, quality controls, and financial management, etc.

Read more: [Kerala CM launches capacity development programme for women entrepreneurs](#)

What are the challenges in promoting Women Entrepreneurs?

Societal pressures: Entrepreneurship comes with its own set of challenges for both genders. However, the challenges for women are more significant. They are confronted with societal pressures in most regions in India.

Create rural-urban divide: Women Entrepreneurs are generally concentrated in the urban areas. This significantly impacts the rural population where the patriarchal affects are more stark.

Limited access to finance: This is one of the main challenges faced by Women Entrepreneurs. The lack of access to formal financing institutions, coupled with a lack of collateral for loans, often keeps women away from entrepreneurship opportunities.

Lack of technological exposure: This creates barriers to the success of women as entrepreneurs in rural areas specifically. UNIDO-led study on barriers to women’s entrepreneurship found that women were influenced more by traditional and internal factors than by legal or regulatory obstacles when starting their business.

Disparity in science, technology, engineering, and math (STEM) sector: Women make up only 28% of the STEM workforce, and men vastly outnumber women majoring in most STEM fields in college. This creates a disparity in STEM sectors, as these sectors will throw up more jobs than expected in the future.

What should be done to promote Women Entrepreneurs?

Improve the quantity and quality of the start-ups and enterprises established by the women. This can be done by increasing their access to capital. Support in funding would make it easier for women to scale up their endeavours.

Exclusive support: The government should facilitate support during pregnancy and other benefits of childcare. This can create a supportive work environment for them to choose entrepreneurship as a career choice.

Focus on gender-neutrality: A report published by McKinsey Global Institute states that US\$ 12 trillion could be added to global GDP by 2025 by advancing women's equality.

The report identifies six types of intervention to bridge the gender gap: **(1)** Financial incentives and support; **(2)** Technology and infrastructure; **(3)** Creating economic opportunity; **(4)** Capability building; **(5)** Advocacy and shaping attitudes; and **(6)** Laws, policies, and regulations.

Read more: [Involving women in the economy is not a social cause, rather it is a source of efficiency gains and economic growth](#)

There is a need for emphasised and positive policies in favour of women for building strong economics of the country, through various initiatives and scaling up of the initiatives that already exist in the country.

Sovereign debt crisis: Impacts and measures – Explained, pointwise

Introduction

Sri Lankan economy is in big crisis with a credit crunch and a slump in the GDP. The foreign reserves have reduced from US\$ 7.5 billion in 2019 to US\$ 1.6 billion in 2021. There are pending debt repayments of more than US\$ 7 billion. Due to Sri Lanka's sovereign debt crisis, the Sri Lankan government has recently decided to default on all its foreign debt worth US\$ 51 billion as it awaits financial assistance from the International Monetary Fund (IMF). The government took this decision to preserve its dwindling foreign reserves to pay for the import of essential items. Apart from that, Rating agencies such as Fitch, and Standard & Poor's have downgraded Sri Lanka's sovereign debt.

What is the current economic situation in Sri Lanka?

a) The poor state of the tourism industry, b) Shortage of forex reserves: Forex reserves have dropped from over US\$ 7.5 billion in 2019 to around US\$ 2 billion. **c) Depreciation of currency:** The printing of SLRs. 800 billion by the Central Bank of Sri Lanka has led to a sharp spike in inflation. This in turn has devalued the currency, made imports costlier, added to the debt, and put the forex reserves under more pressure, **d) Rise in price of food items:** Sri Lanka depends heavily on imports to meet even its basic food supplies. The government's ban on the use of chemical fertilizers in farming has further aggravated the crisis by dampening agricultural production.

Due to these reasons, Sri Lanka's public debt-to-GDP ratio was at 109.7% in 2020, and its gross financing needs to remain high at 18% of GDP, higher than most of its emerging economy peers.

Must read: [Sri Lanka's economic crisis: Challenges for India – Explained, pointwise](#)

What is a Sovereign debt crisis?

Sovereign debt refers to the debt issued or accumulated by any government. Governments take on sovereign debt by issuing bonds or other debt securities or by taking out loans from other countries and multilateral organizations like the International Monetary Fund.

Governments borrow money to finance the various expenses that they cannot meet through their regular tax revenues. They usually need to pay interest on such debt along with the principal amount over time.

It is also known as **government debt, public debt, and national debt.**

Read more: [Understanding the sovereign debt crisis in Sri Lanka](#)

What are some unique features of Sovereign Debt?

Unlike private borrowers,

1) Governments can raise tax revenue, and also issue their own currency, **2)** Governments can also be overthrown by regimes. The new regime might refuse to honor their debt obligations or incur economic sanctions that may cause their debt to lose value, **3)** Defaulting sovereign borrowers are rarely subject to legal enforcement, and creditors often find it difficult to target the defaulted sovereign's assets.

Read more: [Explained: What are sovereign bonds, and what are their risks and rewards?](#)

What is the status of global sovereign debt at present?

According to the asset management firm Janus Henderson, Global government debt is set to rise 9.5% in 2022 to a record US\$ 71.6 trillion. This will be driven by countries such as the United States, Japan and China.

Globally governments have ramped up borrowing since the Covid-19 pandemic, as they tried to shield their economies from the fallout. That took global government debt to a record US\$ 65.4 trillion in 2021, compared to US\$ 52.2 trillion in January 2020.

According to Janus Henderson, **government debt has tripled** in the past two decades but a mitigating factor was low debt servicing costs.

Read more: [Deepening debt crisis in SL strokes crisis over Chinese lending](#)

About few Sovereign Debt Crisis

Sovereign Debt Crisis in the USA (2008)

Reason: Trouble in the financial market led to issues in the housing sector that aggravated into financial market decline.

Lehman Brothers were declared bankrupt leading to a full-scale crisis in the financial sector.

Measures: **a)** Dodd-Frank Act amended many existing legislations and created many new stand-alone provisions. **b)** The Emergency Economic Stabilization Act provided US\$ 700 billion in bailout relief. **c)** Many new committees and the Federal Reserve were tasked with the responsibilities of greater financial market oversight.

Measures: Countries has been bailed out by the EU and the International Monetary Fund (IMF) with conditions to cut budgetary spending.

Sovereign Debt Crisis in the Eurozone (2011)

Reason: Accumulation of unsustainable levels of government debt by various countries of the Eurozone such as Spain, Greece, Ireland, and Portugal (popularly known as the PIGS crisis).

Greece had the biggest budget deficit of 12.7% in 2009 and one of the highest levels of public debt (160% public debt to GDP ratio in 2012) in the Euro-zone.

Read more: [India's Sovereign Ratings don't reflect its fundamentals](#)

About the sovereign debt in India**Central government debt, total (% of GDP) - India**

International Monetary Fund, Government Finance Statistics Yearbook and data files, and World Bank and OECD GDP estimates.

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Source:

World Bank

According to the data from RBI, India's sovereign debt (combined liabilities of the Central and State governments) to gross domestic product (GDP), at constant prices, increased to a record high of 100.86% in 2020 as against 76.86% in 2014.

With this amount, India has become the most indebted nation after Brazil and Argentina among the emerging market economies. In South Asia also, India is the most indebted after Bhutan and Sri Lanka.

Read more: [India's debt-to-GDP ratio at a 14-year high](#)

What are the steps taken by the Indian government to reduce public debt?

Role of RBI: The Reserve Bank of India (RBI) is responsible for managing India's public debt, especially debt denominated in the domestic currency. The debt of the state governments, on the other hand, is managed by the RBI under bilateral agreements.

March 1997 supplemental agreement between the RBI and the government: The supplemental agreement discontinued the issuance of ad-hoc treasury bills by the government to the RBI to finance the fiscal deficit.

The FRBM Act, 2003 **prohibits the RBI** from participating in the primary auctions for government loans. Together, this prevents the fiscal deficit from monetisation.

Fiscal Responsibility and Budget Management (FRBM) Act, 2003: The Fiscal Responsibility and Budget Management Act (FRBM Act) was enacted in 2003 to introduce transparency in India's fiscal management systems by reducing the fiscal deficit.

The act mandated the reduction of the fiscal deficit to 3% of GDP, but it has been subsequently amended, and the present target is 3.1% by March 2023.

Note:

Escape clause of FRBM Act: Under this clause, the Centre can deviate from the fiscal consolidation road map. The option allows the government to widen the deficit by 0.5 percentage points in times of exigencies such as a war or calamities of national proportion.

Read more: [The creeping concerns over India's debt](#)

What are the impacts of defaulting on sovereign debt by the state?

International lenders may be reluctant to lend any more money to the government unless such lending is part of a restructuring agreement.

Impact on ratings: This will make it difficult for the state to access new funds from the international bond market. For instance, the U.S. lost its traditional top spot in private agencies' sovereign credit ratings in 2011 when Standard and Poor's downgraded its credit from AAA to AA+.

Withdrawal of investments: While defaulting the state becomes less attractive to investors, especially to foreign portfolio investors fearing the crash of global markets.

Other impacts: Increased unemployment, reduce forex reserves, reduction in remittances, and reduce government spending on socio-economic programmes such as poverty reduction, health, etc.

Read more: [Time ripe for sovereign external borrowing](#)

What are the measures to prevent a Sovereign Debt Crisis?

Managing the debt: The governments have to maintain debt sustainability and improve measures essential for the assessment of debt sustainability. For instance developing a medium-term debt management strategy (MTDS).

Public debt management assistance: Developed countries can provide dedicated public debt management assistance to developing/Least developed countries through various international institutions such as IMF, WB, etc.

Responsible sovereign borrowing: many governments simply choose to borrow fresh debt to repay existing debt. Historically, governments have tended to borrow more money than they could actually repay in order to fund populist spending.

Hence, the governments have to bear the responsibility and must follow global best practices such as maintaining sub 3% fiscal deficit.

Debt transparency: Public debts pose a challenge to the global effort to end extreme poverty and achieve other Sustainable Development Goals (SDGs) by 2030. So, debt transparency is critical.

Creditors, donors, analysts, and rating agencies need to assess sovereign creditworthiness and appropriately price debt instruments.

What are the measures to overcome the Sovereign Debt Crisis?

Austerity measures: It refers to economic policies implemented by governments to reduce government spending in order to reduce public debt and shrink the budget deficit. Some of such

measures include increasing taxes, reducing spending on government programs, reducing the salaries and wages of government employees, etc.

Sovereign debt restructuring: The debt restructurings come in two ways. a) **decisive restructurings** This focus on bringing the debt crisis to an end and interim restructurings that fall short of placing debt on a sustainable path, so that the country ends up relapsing within two years was associated with more prolonged periods of market exclusion and higher borrowing costs.

Read more: [India's structural opportunity in a new age of financial repression](#)

The governments should make the public debt sustainable by carefully crafting their strategy on the outlines of growth with financial stability in mind.

Sources: [The Business Standard](#), [The Hindu Business Line](#), [World Bank](#), [BIS](#), [The Hindu](#)

The Right to Repair – Explained, pointwise

Introduction

Apple recently announced that consumers will have the right to purchase spare components of their products. This has been done after an order of the Federal Trade Commission of the United States. The order directs manufacturers to **remedy unfair anti-competitive practices** and asks them to make sure that consumers can make repairs, either themselves or by a third-party agency. The move is a positive step to strengthen the right to repair which would allow individuals to optimally utilize the purchased goods. It would enable countries like India to enact concrete provisions on the right to repair by taking inspiration from their western counterparts including the U.S and U.K.

What is the Right to Repair and its background?

It is a right to give users and third-party companies the required tools, parts and manuals related to a product. This would enable them to **repair a product on their own** instead of depending on the manufacturers. The right to repair movement traces its roots back to the very dawn of the computer era in the 1950s.

The rationale behind the movement is that the **individual who purchases a product must own it completely**. This implies that apart from being able to use the product, consumers must be able to repair and modify the product the way they want to.

However in spite of the movement, repairing is becoming unreasonably expensive or pretty much impossible because of the technology becoming obsolete. Further, companies avoid the publication of manuals that can help users make repairs easily, manufacturers have proprietary control over spare parts and most firms refuse to make their products compatible with those of other firms.

Why are the reasons to provide Right to Repair?

Pricing: The absence of repair manuals means that manufacturers hold near-monopoly over repair workshops that charge consumers exorbitant prices.

Tackle planned obsolescence: Planned obsolescence is a policy of producing consumer goods that become obsolete after a certain period of time. Consequently, consumers must buy the new product once the existing product becomes unusable. It is achieved by frequent changes in design, termination of the supply of spare parts, and the use of non-durable materials.

In such a scenario, buying a replacement is often cheaper and easier than repairing them. However, with the right to repair, companies would be induced to make durable and long-lasting devices.

Right to Choose: Monopoly on repair processes infringes the customers' 'right to choose' recognised by the Consumer Protection Act, 2019.

Boosting Local Economy: Right to repair allows opening up of small repair shops in the local area that adds to the revenue of the region and also creates sufficient employment.

Environment protection: It will prevent faster dumping of electronic devices into the landfill and encourage judicious use of resources for environment protection. Further, manufacturing an electronic device is a highly polluting process. It makes use of polluting sources of energy, such as fossil fuel, which has an adverse impact on the environment. Improving longevity of electronic devices will reduce the impact on environment.



Source: iFixit. iFixit is a global community of people helping each other repair things. It provides thousands of repair manuals for a wide range of devices, from cellphones to appliances. All the content is provided by volunteer users.

Which is the global status of Right to Repair?

Some jurisdictions offer limited scope for exercising the right to repair:

Australia: Under the Australian Consumer Law, consumers have a right to request that certain goods be repaired if they break too easily or do not work properly. Manufacturers must provide spare parts and repair facilities for a 'reasonable' time after an item is purchased. **Repair cafés** are a remarkable feature of the Australian system. These are free meeting places where volunteer fixers gather to share their repairing skills with people who bring in items such as bikes, appliances etc. goods that need mending.

U.S: The Massachusetts Motor Vehicle Owners' Right to Repair Act, 2012 requires automobile manufacturers to provide spare parts and diagnostics to buyers and even independent third-party mechanics. On July 09 2021, the US President signed an executive order. It has lifted restrictions imposed by manufacturers that limit consumers' ability to repair their gadgets on their own terms.

U.K: It introduced the path-breaking 'right to repair' in 2021 that makes it legally binding on manufacturers to provide spare parts.

European Union: Its right to repair laws require manufacturers to ensure that electronic goods can be repaired for up to a decade.

What are the challenges in granting the Right to Repair?

Security and Privacy: Tech giants contend that security and privacy concerns may crop up if products based on a technology patented by them are opened up by third parties.

Lobbying by Big Companies: Large tech companies, including Apple, Microsoft, Amazon, and Tesla, have been lobbying against the right to repair. They are constantly claiming that they are working towards greater durability themselves.

For instance; In 2021, Apple took more steps towards reducing its contribution to e-waste. It has now expanded its free, independent repair provider program in 200 countries.

Microsoft has pointed out how it improved the battery and hard drive of its third-generation Surface Laptop after it was criticized for making it next to impossible to replace the battery in older models.

Other mechanisms to restrict independent repairing: Big companies often deploy mechanisms that practically forbid other enterprises to repair their products. For instance, Digital warranty cards ensure that by getting a product from a “non-recognised” outfit, a customer loses the right to claim a warranty.

What lies ahead?

First, India should enact a dedicated repair law in order to augment consumer welfare. In *Shamsher Kataria v Honda SIEL Cars India Ltd (2017)*, the Competition Commission of India (CCI) ruled that restricting the access of spare parts to independent automobile repair units by way of an end-user license agreement was anti-competitive. The CCI observed that the practice was detrimental to consumer welfare.

Second, countries **must learn from good legislations and practices** from other countries like the prevalence of Repair cafes in Australia.

Third, countries must realize that a well-drafted legislation will not only uphold the right to repair but may aid in **striking a much-needed balance** between intellectual property and competitive laws in the country. Further, it will strengthen the **circular economy** by improving the life span, maintenance, re-use, upgrade, recyclability and waste handling of appliances.

Conclusion

Countries around the world have been attempting to pass effective ‘right to repair’ laws. But the movement has faced tremendous resistance from tech giants such as Apple and Microsoft over the years. Nonetheless, the recent move by Apple has given a positive thrust to the right to repair movement and is expected to expedite the formulation of repair laws in other countries.

Source: [Indian Express](#), [India Express](#), [Business Standard](#)

Global Centre for Traditional Medicine – Explained, pointwise

Introduction

The Indian Prime Minister laid the foundation stone of the World Health Organisation (WHO) Global Centre for Traditional Medicine (GCTM) in Jamnagar on April 19, 2022. Traditional medicines products abound globally and the Centre will go a long way in enhancing wellness in society. It aims to harness the potential of traditional medicine from across the world through modern science and technology. It will enable the utilization of this potential to improve the health of people and the planet. It is a welcome step but much more needs to be done in order to truly unleash the potential of the traditional medicine system.

What is traditional medicine?

The WHO describes traditional medicine as the sum total of the ‘knowledge, skills and practices that indigenous and different cultures have used over time to maintain health and diagnose and treat physical and mental illness’. Its reach encompasses ancient practices such as acupuncture, ayurvedic medicine and herbal mixtures among others.

What are the traditional medicine systems in India?

These include practices and therapies that have been part of Indian tradition historically such as yoga, Ayurveda, Siddha. It also includes other systems that became part of Indian tradition over the years such as homeopathy.

Ayurveda and yoga are practised widely across the country; the Siddha system is followed predominantly in Tamil Nadu and Kerala; the Sowa-Rigpa system is practised mainly in Leh-Ladakh and Himalayan regions such as Sikkim, Arunachal Pradesh, Darjeeling, Lahaul & Spiti.

What is the Global Centre for Traditional Medicine (GCTM)?

The Global Centre for Traditional Medicine (WHO GCTM) has been set up by the Ministry of Ayush (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy) and the WHO.

On November 3, 2020, the WHO director general announced the establishment of the WHO GCTM in India. The Union Cabinet in March this year approved its establishment in Jamnagar with the signing of a host country agreement between the Government of India and the WHO.

India has committed an estimated \$250 million to support the GCTM's establishment, infrastructure and operations.

What would be the role of the Global Centre for Traditional Medicine?

First, It will aim to focus on **evidence-based research, innovation, and data analysis** to optimize the contribution of traditional medicine to global health.

Second, Its main focus will be to develop norms, standards and guidelines in technical areas relating to traditional medicine. This will help countries **create a comprehensive, safe, and high-quality health system**.

Third, the GCTM will support efforts to implement the WHO's Traditional Medicine Strategy (2014-23). The strategy aims to support nations in developing policies & action plans to strengthen the role of traditional medicine in pursuing **the goal of universal health coverage**.

Why should more research be undertaken in traditional medicine?

Huge Coverage: The WHO says 170 of its 194 WHO Member States have reported the use of traditional medicine. These member states have asked for its support in creating a body of "reliable evidence and data on traditional medicine practices and products".

Biodiversity Conservation: The WHO has stressed the need to conserve biodiversity and sustainability as about 40% of approved pharmaceutical products today are derived from natural substances. For example, the discovery of aspirin drew on traditional medicine formulations using the bark of the willow tree, the contraceptive pill was developed from the roots of wild yam plants and child cancer treatments have been based on the rosy periwinkle.

Modernisation in studying Traditional Medicine: WHO has acknowledged the growing modernisation of the ways to study traditional medicine. Artificial intelligence is now used to map evidence and trends in traditional medicine.

Similarly, Functional magnetic resonance imaging is used to study brain activity and the relaxation response. This is also part of some traditional medicine therapies such as meditation and yoga which are increasingly drawn on for mental health and well-being in stressful times.

Other Benefits: (a) It is generally cheap and affordable. AYUSH medicines have lesser side effects than modern medicine.; (b) It has proven to be effective in lifestyle diseases like diabetes and hypertension; (c) It is used to provide healthcare in rural hinterlands where there is a shortage of allopathic doctors; (d) Many AYUSH medicines like **AYUSH 64, Kabasura Kudineer etc.** were used in tackling the **Covid 19 pandemic**.

What steps have been taken by India to promote traditional medicine?

AYUSH Ministry: A dedicated Ministry was created for traditional medicines named AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy). In 2015, the Ministry of Ayush had also included Sowa Rigpa into the AYUSH system.

Statutory Regulatory Bodies: The Central Council of Indian Medicine (CCIM) and the Central Council of Homeopathy (CCH) are two statutory regulatory bodies. They are responsible for: **(a)** Laying down minimum standards of education; **(b)** Recommending recognition of medical qualifications; **(c)** Registering the practitioners and laying down ethical codes.

Collaborative Efforts: In 2016, the Ministry of AYUSH signed a project collaboration agreement (PCA) with the WHO in the area of traditional medicine. At least 32 MoUs for undertaking collaborative research and development of traditional medicine have been signed with institutes, universities and organisations of various countries. This includes the US, Germany, UK, Canada, Malaysia, Brazil, Australia, Austria, Tajikistan etc.

Technological Interventions: Ayush Clinical Case Repository (ACCR) aims at aggregating information about clinical outcomes achieved by Ayush practitioners on a large scale.

The **Ayush Sanjivani app** intends to generate a significant study and data regarding the efficacy of selected Ayush interventions. The data analyzed will be helpful for the further development of Ayush Systems.

What are the challenges surrounding traditional medicine?

Tussle with Allopathic care: Many allopathic doctors don't believe in the traditional system. They question the credibility of AYUSH practitioners and are against their inclusion into the modern health care system. For instance, the Indian Medical Association objected to a recent gazette notification by the Central Council of Indian Medicine (CCIM). The notification allowed postgraduate Ayurvedic doctors to perform 58 basic surgeries.

Lacks in Validation: Scientific validation of AYUSH medicines has not progressed despite dedicated government expenditure. There are very few AYUSH treatments that have been successfully validated by well-designed randomised controlled trials (RCTs).

Poor Quality of Practitioners: The practitioners lack quality as Ayurvedic graduation and post graduation courses are often substandard and of poor quality.

Most AYUSH institutions would have to shut down if they were subjected to the same stringent norms that MBBS medical colleges are subjected to.

Further, due to poor economic opportunities, the AYUSH system fails to attract the country's best talent.

Overuse of AYUSH medicine: They are sold as over the counter products and nutraceuticals to avoid regulation. Further, Ayurvedic stores do not even have a legal requirement of a pharmacist to dispense the medications unlike pharmacies selling modern medicine. This leads to greater consumption and enhanced self-medication.

What should be done?

First, the AYUSH medicines should be **put through rigorous trials** in order to be accepted as legitimate medications in the present times.

Second, the governments must **stop treating AYUSH** education and practice with an **excessively liberal mindset**. They should subject them to the same stringent norms and requirements expected from practitioners of modern medicine.

Third, the government should also focus on Capacity-building of licensed AYUSH practitioners through **bridge training** to meet India's primary care needs.

Fourth, Cross-pathy between the traditional and modern systems should be allowed to fill the lacunae in respective systems. However, this must be done after due deliberation with experts from the respective systems.

Conclusion

India has been a proven pioneer in the field of traditional medicine since time immemorial. The establishment of the GCTM with India's support is an effort to bring synergy and cooperation in the domain of traditional medicine that would benefit all the member states. The GCTM will serve as a hub for other countries, and build standards on traditional medicine practices and products.

Source: [Indian Express](#), [Mint](#)

Delhi Municipal Corporation (Amendment) Act, 2022: Provisions, Benefits and Concerns – Explained, pointwise

Introduction

The Union Ministry of Law and Justice recently notified the Delhi Municipal Corporation (Amendment) Act, 2022. It seeks to amend the Delhi Municipal Corporation Act, 1957 passed by Parliament. According to the new Act, the three MCDs—East Delhi Municipal Corporation, South Delhi Municipal Corporation and North Delhi Municipal Corporation—will be merged into one and called the Municipal Corporation of Delhi (MCD). The Union Government believes that it would ensure a robust mechanism for synergised and strategic planning and optimal utilization of resources. However the Delhi Government views it as a move to diminish the power of the elected government and undermine the spirit of federalism.

What is the Background?

The Delhi Municipal Corporation was split into three, i.e., East, South and North, in 2011 after deliberation and discussion at various levels. The move was aimed to decentralize the large local body.

The split-up was first proposed in the **Balakrishnan Committee Report (1987)**. The recommendation was reiterated by the **Virendra Prakash Committee Report (2001)**. Another committee was constituted under the chairmanship of Ashok Pradhan to study the issue. The proposal finally took shape in 2011 and the law to trifurcate was enacted. This 2011 law amended the original Delhi Municipal Corporation Act of 1957.

It provided for transfer of some powers from the Union Government to the Government of the NCT Delhi. This included overseeing the functioning of the new municipal bodies as well as approving rules and by-laws framed by them. After the trifurcation, the North Delhi Municipal Corporation and South MCD were given 104 wards each, while East MCD had 64 in mostly the trans-Yamuna area.



Source: Wikimedia Commons

Key Provisions related to Delhi

- Delhi's status as a Union Territory with a Legislative Assembly is an outcome of the 69th Amendment Act. The act introduced Articles 239AA and 239BB in the Constitution.
- The administrator appointed under article 239 gets designated as the Lieutenant Governor. There shall be a council of ministers to aid and advise LG.
- Provisions related to public order, police and land are not under the jurisdiction of the Government of Delhi. The Union Government will maintain these provisions.
- **Article 239AA(3)(b)** allows Parliament to make laws for Delhi 'on any matter'.
- **Article 239AA(4)** mandates that in case of a difference of opinion between the L-G and the Council of Ministers, the L-G has to refer the issue to the President.
- Until the decision is pending before the President, the L-G can use his discretion to take immediate action if urgency requires him/her to take an action.

2018 Judgment of the Supreme Court

- The Court said Delhi is different from every other UT and is in 'a class by itself'. The Court further said that the principles of democracy and federalism must be reinforced in NCT of Delhi in their truest sense.
- The elected representatives and the council of ministers of Delhi, being accountable to the voters of Delhi, must have the appropriate powers so as to perform their functions effectively and efficiently.
- The ideas of pragmatic federalism and collaborative federalism will be destroyed if the Union Government has overriding executive powers even in respect of matters for which the Delhi legislative assembly has legislative powers.

What are the Key provisions of the Delhi Municipal Corporation (Amendment) Act, 2022?

Unification of Municipal Corporations in Delhi: The Act **replaces the three municipal corporations by one Corporation** named the Municipal Corporation of Delhi.

Powers of the Delhi government: The 2011 Amendment gave numerous powers to the Delhi government. This included deciding the total number of seats of councillors, number of seats reserved for members of the Scheduled Castes, division of the area of corporations into zones and wards, delimitation of wards etc. However these **powers would now be exercised by the Union Government**.

Number of councillors: The earlier Act provided that the number of seats in the three corporations taken together should not be more than 272. The amended act states that the total number of seats in the new Corporation **should not be more than 250**.

Removal of Director of Local Bodies: The earlier Act provided for a Director of Local Bodies to assist the Delhi government and discharge certain functions which include: **(a)** Coordinating between Corporations; **(b)** Framing recruitment Rules for various posts, and **(c)** Coordinating the collection and sharing of toll tax collected by the respective Corporations. The amended Act **omits the provision for a Director** of Local Bodies.

e-governance system for citizens: The amended Act adds some obligatory functions of the new corporation. This will include establishing an e-governance system for citizen services on an anytime-anywhere basis for better, accountable, and transparent administration.

Conditions of service for sweepers: The earlier Act provided that a sweeper employed for doing house scavenging of a building would be required to give a reasonable cause or a 14 day notice before discontinuing his service. The new act seeks to omit this provision.

What is the rationale behind the Delhi Municipal Corporation (Amendment) Act, 2022?

Unequal Resource Distribution: The trifurcation **divided resources unequally and created a financial crisis** in the civic bodies. Due to the demography of Delhi, the South body ended up

with the most 'posh' colonies – A and B category taxation zones that **paid higher property taxes**. The North body, on the other hand, got more un-authorized and lower taxation category colonies, which pay less tax, or not at all.

Stress on Municipalities: The trifurcation **tripled the number of officers, increased costs and resulted in unequal distribution of assets and liabilities**. The North, being the owner of the biggest civic body, also became the most top-heavy. The North Corporation is struggling with a deficit of over Rs 1,300 crore and East of around Rs 800 crore.

Rising Discontent: *Safai karamcharis*, medical staff, healthcare workers, engineers, doctors and nurses have gone off the streets since 2015 at least 50 times, in protest against salary delays, bonuses and cashless medical cards.

What are the objections to the Act in the context of Federalism?

The Central government's stance is that the amendment has been passed in consonance with **Article 239AA** of the Constitution. It is a provision that provides for special status to Delhi. Further the law is based on the power of Parliament under Article 239AA(3)(b) to make laws for Delhi 'on any matter'.

However, some constitution experts have argued that the Union Government has overlooked **Part IXA** of the Constitution. It specifically states that it will be the Legislature of the State that will be empowered to make laws concerning representation to the municipalities.

The argument of the Centre that Article 239AA can be applied over and above Part IXA of the Constitution does not hold good as the latter is a specific law that will override the general law relating to Article 239AA.

What are the other criticisms surrounding the new act?

Large Scale Usurpation: The Centre has taken away significant powers from the Government of Delhi. This includes: **(a)** Power to determine the number of wards, extent of each ward, reservation of seats, number of seats of the Corporation; **(b)** Power to decide on matters such as salary and allowances, leave of absence of the Commissioner, the sanctioning of consolidation of loans by a corporation etc..

Against Decentralization: The interference of the Centre in matters such as municipal issues appears against the model of decentralization. A reduction in the degree of decentralization may further impede grassroot democracy and local governance.

Lack of Consultation: The Act has been passed without any consultation with the Delhi government.

Undermines the 2018 judgment of the Supreme Court: The Court said that the Constitution has mandated a federal balance wherein certain independence is assured to the State Governments. It also said that a balanced federal structure mandates that the Union does not usurp powers of States and the States enjoy freedom without any unsolicited interference from the Central Government.

Political Considerations: Many experts have criticized that merger of MCD is being undertaken to win the upcoming municipal elections in Delhi.

What lies ahead?

First, the Act might be challenged in Court. A new tussle might emerge between the Union and Delhi government.

Second, the Union Government should be willing to do cautious and effective consultation on the new Act with the Delhi Government and other concerned stakeholders. This will help in addressing the opposition and enhance the acceptability of the act.

Conclusion

In essence, the proposed law effectively takes the Delhi government out of the picture in terms of decision-making in the unified corporation. While the merger of MCD has certain benefits, the concerns related to interference of the Centre in matters such as municipal issues are valid. It goes against the model of decentralization. Such concerns need redressal.

Source: [The Hindu](#), [Indian Express](#), [Hindustan Times](#), [PRS](#)

[Kurukshestra April Summary] Rural Women: Integral for Atmanirbhar Bharat – Explained, pointwise**Introduction**

New India envisions rural India as an asset with great potential to speed up its economic development. Looking at the spree of recent schemes targeting well-being of rural women, empowerment of rural women seems to be at the heart of a plan to attain the dream of an *Atma Nirbhar Bharat*. These measures have opened avenues for access to education, productive resources, capacity building, skill development, healthcare facilities and diversified livelihood opportunities. They have evolved the rural ecosystem and facilitated socio-economic empowerment of women in India.

What is the current status of Rural Women?

In 2011-12, workforce participation rate for urban male and urban female are 54.6% and 14.7% respectively, whilst rural male and rural female are 54.3% and 24.8%. In 2018-19, the female labour force participation rate was 19.7% and 16.1% for rural and urban women respectively.

In rural communities, agriculture and allied sectors are the primary source of livelihood for 80% of all economically active rural women. 33% percent among them constitute the agricultural labour force and 48% are self-employed farmers.

Read More: [Female Labour Force in India – Trends and Challenges – Explained, pointwise](#)

Why is the need to focus on the empowerment of Rural Women?

Boosting Economy: Empowerment of rural women would result in improving their productivity and skills. This will enable them to set up their own ventures and boost the rural economy, especially the agricultural sector. This would help in achieving the goal of making India a US\$ 5 trillion by 2024-25.

Food Security: Agriculture employs about 80% of rural women. A gender focus will help in improving their food and nutritional security. This will in turn help in tackling poverty and hunger across the nation.

In 2011, Food and Agriculture Organization (FAO) projected that women-oriented reforms in agriculture would increase agricultural output in developing countries between 2.5-4%.

Poverty Alleviation: Skilling of rural women is essential for providing an additional helping hand to the family that can generate additional income and result in poverty alleviation. The NITI Aayog's Multidimensional Poverty report shows 25.01% of the population was multidimensionally poor in the country in 2015-16. However the poverty ratio was as high as 32.75% in rural areas.

Demographic Dividend: India is one of the youngest countries in the world with an average age of around 29 years as per the recent UN estimates. This gives it a window of demographic dividend which can be duly harnessed only when rural women are truly empowered.

Global Commitments: The Sustainable Development Goals need to be completed by 2030. Amongst them some of the targets like SDG -5 (Gender Equality) can't be fully utilized without empowering the rural women.

What are the major challenges faced by Rural Women?

Poor Literacy Rate: Low level of education among rural women is one of the main causes of their dismal participation in developmental activities.

Triple burden on rural women: Home-making, agriculture and child upbringing are all responsibilities of women. This leaves no time for skilling.

Wage Inequality: There is widespread disparity in wages of men and women. Women are paid less for doing the same level of work for the same duration.

Lack of Ownership of Resources: The ownership of land and other economic sources by rural women is very less in comparison to male counterparts. This reduces their bargaining power in the family and reduce their decision making power.

Patriarchal Mindset: This induces people to look at women as an inferior being to men. It makes parents to focus less on women education and save more for their marriage. Moreover they are encouraged to work only in compelling times when the male members are unable to earn requisite money for the family.

What steps have been taken by the government for empowerment of Rural Women?

Concept of 'Gender Mainstreaming in Agriculture': It was created by the government to encourage participation of rural women in agriculture. The mission was to ensure access to ongoing women-oriented schemes and resources across rural setups.

Outcome: With pro-women initiatives, percentage of female operational holding in the country has increased from 12.78% during 2010-11 to 13.78% during 2015-16 (Ministry of Agriculture and Farmers Welfare, 2019).

Ease of Living: Initiatives like *Ujjwala Yojana* (Clean Fuel), *Jal Jeevan Mission* (Tap water to every household) and *Swachh Bharat Mission* (Gramin) have played a pivotal role in improving living conditions of rural women.

Outcome: About 101 districts, 1,159 blocks, 67,473 Gram Panchayats and 1,39,366 villages have achieved 'Har Ghar Jal' Status in the country.

Read More: [\[Yojana April Summary\] About Jal Jeevan Mission: Accelerating Socio-Economic Development - Explained, pointwise](#)

Safety and Security: Mission *Shakti*, an umbrella scheme, is implemented by the Ministry of Women and Child Development. This scheme includes setting up of National, State and District level Hubs for empowerment of women, women helplines, one stop centers, *Sakhi Niwas* or working women hostels, *Shakti Sadans* or homes for destitute and troubled women, crèches, etc.

Outcome: The setting up of *Mahila Shakti Kendras* (NM) at district level has provided safety and security to rural women.

Skill Development and Entrepreneurship: *Pradhan Mantri Kaushal Vikas Yojana* (PMKVY) provides several short duration skill training programmes for rural youth and women to earn their livelihood.

Similarly, Rural Self Employment Training Institutes (RSETI) provide several skill training courses. This includes making of homemade incense sticks (Agarbatti), soft toys, papad, pickle, masala powder, beauty parlour management and costume jewellery, etc.

Outcome: Under the RSETI scheme, 10 training courses out of the total 64 are exclusively for women candidates. Under this programme, about 26.28 lakh women candidates have been trained since inception.

Read More: [\[Kurukshetra April Summary\] Women Entrepreneurs – Explained, pointwise](#)

Financial Empowerment: The financial inclusion and accessibility to banking through *Pradhan Mantri Jan-Dhan Yojana* (PMJDY) has boosted prospects of rural women participation in the formal sector.

Outcome: . Since the implementation of this scheme, 43.04 crore accounts have been opened in the country. Further, this constitutes 55.47 percent (23.87 crore) women account holders and 66.69 percent (28.70 crore) are Jan Dhan accounts in rural and semi-urban areas.

What more should be done?

First, the government should ensure that **political representation of women** is duly enhanced by proper implementation of women reservation at local levels. This will help in formulation of more women centric policies and initiatives.

Further focus should also be placed on **tackling the development of Sarpanch Pati syndrome** that undermines the sanctity of elected women candidates.

Second, the government should **collaborate with NGOs like Saheli** in order to sensitize the masses on gender equality. This is needed to tackle son meta preference and ensure equitable distribution of ancestral wealth among the children.

Third, there should be **creation of more women-led Self Help groups** in rural India in order to enhance the economic capabilities of women. It will require proper implementation of schemes like SHG-Bank linkage program and learning from successful examples like *Kudumbashree* model of Kerala.

Read More: [\[Yojana September Summary\] SHG-led Women Empowerment – Explained, pointwise](#)

Conclusion

Rural transformation can be expedited by scaling up programmes for rural women's empowerment. Skill development, access to education, healthcare, safe and secure environment, ownership rights, and new technology can play a significant role in improving the lives of rural women. Empowering women farmers will enhance agriculture productivity and help in building an empowered nation.

Source: Kurukshetra April 2022

Marginal Cost of Funds-based Lending Rates (MCLR) – Explained, pointwise

Introduction

State Bank of India has raised the marginal cost of funds-based lending rates (MCLR) for the first time in three years. SBI raised the MCLR by 10 basis points (bps) across tenures to 7.1% (from 7% earlier). Other public sector and private banks are set to raise MCLR in the coming days. It signals that the soft rates regime that has prevailed since 2019 may be over. As a result, borrowers who have taken home, vehicle, and personal loans will find their equated monthly instalments (EMIs) rising in the coming months.

What is MCLR?

It is the minimum interest rate that a bank can lend at. The final rate of lending also includes **risk premium** and **spread** charged by banks.

MCLR is a tenor-linked internal benchmark, which means the rate is determined **internally by the bank** depending on the period left for the repayment of a loan.

MCLR is closely linked to the actual deposit rates and **calculated based on four components:** (a) The marginal cost of funds; (b) Negative carry on account of cash reserve ratio; (c) Operating costs; (d) Tenor premium.

Under the MCLR regime, banks are free to offer all categories of loans on fixed or floating interest rates.

Fixed-rate loans with tenors of up to three years are also priced according to MCLR. Banks review and publish MCLR of different maturities, every month.

Certain loan rates, like that of fixed-rate loans with tenors above three years and special loan schemes offered by the government, are not linked to MCLR.

Key Terminologies

Repo Rate: It is the rate at which the central bank of a country (Reserve Bank of India in case of India) lends money to commercial banks in the event of any shortfall of funds.

Reverse Repo Rate: It is the rate at which the central bank of a country (Reserve Bank of India in case of India) borrows money from commercial banks within the country.

Standing Deposit Facility: It allows banks to park their excess funds at a higher rate but **without taking any collateral** from the central bank.

Internal Benchmark Lending Rate (IBLR): These are a set of reference lending rates which are calculated after considering factors like the bank's current financial overview, deposits and non performing assets (NPAs) etc. Some of IBLR include Base rate, MCLR etc..

External Benchmark Lending Rate (EBLR): Under this, lending rate is linked to a benchmark rate. RBI has offered banks the option to choose from 4 external benchmarking mechanisms: (a) The RBI repo rate; (b) The 91-day Treasury-bill yield; (c) The 182-day Treasury-bill yield; (d) Any other benchmark market interest rate as developed by the Financial Benchmarks India Pvt. Ltd.

What is the background of MCLR?

The Reserve Bank of India introduced the MCLR methodology for fixing interest rates from 1 April 2016. It replaced the base rate structure, which had been in place since July 2010.

What is the difference between MCLR and Base Rate?

- MCLR is an advanced version of the base rate.
- The base rate uses the average finance cost, but MCLR is based on the **marginal or incremental cost of money**.
- When calculating the base rate, a minimum rate of return/profit margin is used, whereas, for MCLR, banks are required to include tenor premium into the calculation. Tenor is the amount of time left for repayment of the loan. Higher the duration of the loan, higher will be the risk. Thus banks charge a higher rate of interest for long-term loans.

MCLR is applicable to corporate loans and floating rate loans taken before October 2019. RBI had then switched to the external benchmark linked lending rate (EBLR) system where lending rate is linked to benchmark rates like repo or Treasury Bill rates.

The banks failed to reduce the interest rate in spite of lower repo rates under the IBLR regime. This impeded the **monetary policy transmission** and gave way to External Benchmark Lending Rates.

Banks linked their EBLR to the RBI's repo rate, which declined from 5.40% to 4% since October 2019. When the RBI hikes the repo rate, EBLR goes up and vice versa.

MCLR-linked loans had the largest share (53.1%) of the loan portfolio of banks as of December 2021. The share of EBLR loans in total advances was 39.2% in December 2021, according to the RBI.

Why was MCLR introduced?

It ensures that banks must adjust their Interest Rates as soon as the repo rate changes.

It is implemented to bring **transparency and uniformity** in the interest rate on advances given by banks.

It ensures that the interest rate on loans is equally fair and beneficial for the banks and the borrowers. As a result, it helps banks improve their long-run value and become more competitive using marginal cost pricing of loans.

Why has MCLR been hiked?

First, the 'extraordinary' liquidity measures undertaken in the wake of the pandemic, combined with the liquidity injected through various other operations of the RBI have left a **liquidity overhang** of the order of Rs 8.5 lakh crore in the system.

Banks expected the repo rate — the main policy rate — to go up from June onwards as the RBI seeks to suck out liquidity from the system to **rein in inflation**. **Therefore banks were apprehensive of an interest rate hike.**

Second, the yield on 10-year benchmark government bonds has reached **7.15%**, rising 24 bps in less than 2 weeks. This indicated an upward pressure on interest rates as a rising yield increases the cost of funds.

Third, On April 8, the RBI's Monetary Policy Committee **restored the policy rate corridor under the liquidity adjustment facility** to the pre-pandemic width of 50 bps. It introduced the Standing Deposit Facility (SDF) at 3.75 as the floor of this corridor.

SDF is an additional tool employed by the RBI to absorb excess liquidity. In essence, overnight rates were hiked to 3.75% and SDF made the reverse repo rate redundant for now.

What impact does an increase in MCLR have?

First, borrowers who have taken home, vehicle, and personal loans will find their equated monthly installments (EMIs) rising in the coming months.

Second, it would be **more costlier to procure loans** as people would now have to pay higher interest rates than the past levels. This may lead to **crowding out** of various potential loan seekers.

Third, according to the SBI research report, deposit rates are likely to "increase meaningfully" over the next one-two months. SBI now offers 5.10% interest in the 1-2-year bucket.

This means a fixed deposit holder is sitting on a negative return of 185 basis points, as inflation is now at 6.95%. However, rising MCLR will help increase deposit rates.

What lies ahead?

First, the RBI is set to **withdraw the accommodative policy** (the willingness to expand money supply to boost economic growth) as retail retail inflation was at 6.95% in March and wholesale inflation at 14.55%. This will increase the lending rates in the coming months.

Second, the US Federal Reserve recently announced a tightening of the policy and raised interest rates. This will create pressure on Indian banks to raise interest rates.

Third, given that the spread between bond yields and repo rate jumps in an increasing interest rate cycle, bond yields could touch 7.75% by September.

Fourth, people who have **sufficient savings can prepay their loans** or atleast enhance their EMI amount in order to reduce the burden of rising MCLR in future.

Conclusion

The next round of rate hikes is expected around May-June 2022. However, the rise in rates is likely to be gradual. The rise in rate is imperative to control the inflation and move up from the historic low levels as both policy rates were last reduced in May 2020, with repo at 4% and reverse repo at 3.35%, and have since been kept at these historic lows.

Source: [Indian Express](#), [Indian Express](#), [Mint](#)

COVID-19 Vaccine and TRIPS IP Waiver – Explained, pointwise

Introduction

The pandemic has tested the resilience of the global community on various fronts such as whether it can unite to ensure the availability of COVID-19 medical products for everyone. In this regard, India and South Africa, in October 2020, gave a clarion call at the World Trade Organization (WTO) demanding that key provisions of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement be temporarily waived. The developed world, especially the European Union (EU), kept dragging its feet on this while the virus raged on. Now, after long discussions, a **deal has been brokered between the EU, the U.S., India, and South Africa** on the issue of the TRIPS IP waiver. This deal will now be presented to the entire WTO membership to be accepted at the forthcoming ministerial meeting. However, this deal is a classic case of too little, too late, and represents a significant climb down from the original proposal of India and South Africa.

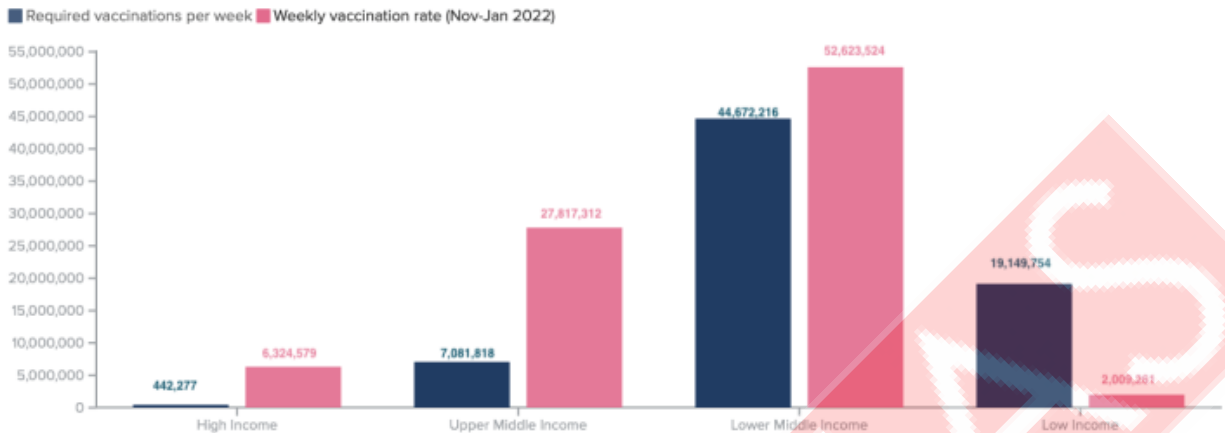
What was the original proposal regarding TRIPS IP Waiver?

India and South Africa contended that the application and enforcement of intellectual property rights (IPRs) were hindering timely provisioning of affordable medical products to the patients. They argued that ‘rapid scaling up of manufacturing globally’ was an obvious crucial solution to address the timely availability and affordability of medical products to all countries in need. To ensure this, **IPRs must be waived for at least 3 years** and medical products should be treated as global public goods.

Why has India demanded a complete TRIPS IP waiver?

First, there are grave inequalities in vaccine availability and access across different countries. Data from Oxfam International reveals that, as of May 2021, people in the G-7 countries were **77 times more likely to have been vaccinated** than those living in the world’s poorest nations. As of 30 January 2022, more than 3 billion people around the world were still waiting to receive their first COVID-19 vaccine dose. (UNDP)

Low income countries are the furthest behind in achieving the 70 percent vaccination target by June 2022.



In case of Low Income Countries, the vaccination rate is only 10% of the target rate. For High Income Countries the vaccination rate is 1430% more than the target rate. (Source: UNDP)

Second, the **ethical principles of non-maleficence and justice** are violated if developed countries deprive other countries of access to vaccines.

Third, the **fundamental rights of life and liberty are basic human rights** and should take precedence over ownership and property rights, especially in times of a health emergency.

Why are the arguments against a complete TRIPS IP waiver?

First, patents **deliver economic growth** by preventing infringement of intellectual property and making inventions profitable. Complete waiver leaves little incentive for producers to innovate and produce that good.

Second, pharma companies are business entities aiming for profit. They cannot be expected to act in a completely altruistic manner.

What are the details of the agreed proposal?

The draft 'compromise outcome' adopts the approach that the EU has been proposing all along — namely, **granting compulsory licences** to enhance vaccine production.

According to the draft, countries are **no longer required to honor Article 31(f) of TRIPS**. Article 31(f) requires countries to ensure that products produced under a compulsory license are predominantly for the domestic market. The draft waiver allows countries to export any proportion of vaccines to eligible countries. However, this waiver is subject to several notification requirements: **(a)** Eligible members are obligated to **prevent re-exportation of COVID-19 vaccines** that they have imported; **(b)** The eligible countries which issue a compulsory license for COVID-19 vaccines have to **notify certain details to the WTO**. These include information about the entity that has been authorized to produce the product, the quantities, duration, and the list of countries to which the vaccines are being exported; **(c)** WTO members would be **able to issue compulsory licences even if their domestic patent laws do not have the provision to issue compulsory license**. Compulsory licences can even be granted using executive orders, emergency decrees, and judicial or administrative orders.

What is Compulsory Licensing?

Compulsory licensing (CL) is a process that allows governments to license third parties (that is, parties other than the patent holders) to produce, use and sell a patented product or process. By that, producers can **manufacture patented drugs without the requirement of consent of patent owners**. The WTO's agreement on intellectual property — **TRIPS** allows countries to issue compulsory licenses to domestic producers.

In India, Compulsory licensing is allowed and regulated under the Indian Patent Act, 1970. **Section 84 of the (Indian) Patent Act, 1970** provides that after three years from the date of the grant of a patent, any person can apply for the compulsory license, on certain grounds: **(a)** The reasonable requirements of the public with respect to the patented invention have not been satisfied; **(b)** The patented invention is not available to the public at a reasonably affordable price; **(c)** The patented invention is not used in the territory of India.

Compulsory licenses can also be granted under exceptional circumstances.

Section 92 of the (Indian) Patent Act, 1970: It authorizes the Union Government to issue a compulsory license at any time after the grant of the patent, in the case of: **(a)** National emergency; **(b)** Extreme urgency; **(c)** Case of public non-commercial use.

What are the shortcomings associated with the new proposal?

First, the draft new waiver **includes only COVID-19 vaccines** and excludes other COVID-19 medical products. This is a major handicap as medicines also play an equally important role in combating the pandemic.

Second, the draft waiver proposes to **waive only patents and not other IP rights**. India's original stand was that all IP rights, not just patents, be waived. The accessibility of COVID-19 medical products will be held up in absence of waiver.

Third, there are **multiple procedural requirements** which the countries need to fulfill with respect to the WTO if they grant a waiver. This will increase the transaction costs and may deter countries from using the system. Moreover, these conditions are over and above those mandated by TRIPS.

Fourth, the **draft waiver is not universal**. Only those developing countries that exported less than 10% of world exports of COVID-19 vaccine doses in 2021 are covered for exportation and importation. There is **no mention of least developed countries**.

Fifth, when compulsory licences are granted, the patent holder receives adequate remuneration, but **"transfer of know-how is not ensured"**. This would make it difficult to scale up production of COVID-19 vaccines, medicines, and medical devices in the developing world. This will constrain their availability at affordable prices.

What other steps have been taken to increase availability of COVID-19 Vaccine?

The Open Covid Pledge: Several companies came together for 'The Open Covid Pledge', which hands out "non-exclusive and royalty-free" licences for covid products.

It provides an open framework under which patent holders can voluntarily pledge not to assert the exclusivity of their rights to manufacture, use, sell, reproduce and import these products.

Covax initiative: It is an initiative led by the World Health Organization, Gavi the Vaccine Alliance and the Coalition for Epidemic Preparedness Innovations. It aims to ensure rapid, fair and equitable access to COVID-19 vaccines for all the countries around the world.

What more should be done?

First, considerable **support should be given to the vaccine manufacturers by government and nonprofit organizations**. For instance, the Indian Council of Medical Research provided funding for covid vaccine development. Similarly, Pune-based Serum Institute of India developed a vaccine for meningitis for use in Africa. Development occurred with help from the Bill & Melinda Gates Foundation and Path, a non-profit group that works for health equity.

Second, governments should **commit to purchase vaccines from manufacturers in advance**, thereby directing research resources at clearly targeted goals and appropriate projects. For instance, **Operation Warp Speed** in the US led to the rapid development and roll-out of COVID-19 vaccine—by assuring pharma companies decent profits.

Third, vaccines could be bought at an international level (say by the United Nations or World Bank) for developing countries. They would pay a single price and then payments could be collected from these countries depending on their income levels. This will help in countering the adverse effects of monopoly pricing.

Fourth, Patent pools can be used to improve vaccine access by coordinating the actions of complementary patent holders. Similarly, **reference pricing** may be used by governments to reduce the prices of branded as well as generic drugs and vaccines.

Fifth, countries can **use their competition laws** to restrict patent abuse. For instance, India's Competition Act of 2002 can be used to examine whether the high price or inadequate availability of a drug is the result of anti-competitive practices or 'abuse of a dominant position'.

Conclusion

Domestic patent laws and international conventions must aim to foster innovation. But at the same time, they should not have the effect of reducing vaccine accessibility in instances of dire need, as experienced during the COVID-19 pandemic. These two should not be looked upon as separate government policies, but must act in a complementary manner, with the balance shifting in accordance with the state of public health in the country.

Source: [Mint](#), [The Hindu](#), [The Hindu](#)

Coal Shortage in India – Explained, pointwise

Introduction

Russia's attack on Ukraine has led to sudden rise in global commodity prices. Russia is the largest exporter of natural gas, fertilizers and wheat. It's the second largest exporter of oil after Saudi Arabia. In terms of coal, it is the third largest exporter globally. The supply of these commodities has been negatively impacted owing to the numerous sanctions imposed by the west on Russia. This includes coal with the prices going up big time. Countries dependent on coal imports will be impacted, including India, where coal shortage is becoming acute.

About Coal Reserves in India

It is the most important and abundant fossil fuel in India. It accounts for 55% of the country's energy needs. The country's industrial heritage was built upon indigenous coal. The Coal resources of India are mainly available in older Gondwana Formations of peninsular India and younger Tertiary formations of north-eastern region.

Coal is India's most abundant fossil fuel. As of 1 April 2020, **the total geological reserves of coal in India stood at a little over 344 billion tonnes.**

Hard coal deposits spread over 27 major coalfields, are mainly confined to eastern and south central parts of the country. The lignite reserves stand at a level around 36 billion tonnes, of which 90 % occur in the southern State of Tamil Nadu.

What is the current status of coal stocks?

India is the 2nd largest producer and consumer of coal in the world after China. Coal stocks at power plants across the country are down in comparison to their normal levels. The insufficient stocks of coal are reflected in data released regularly by the **National Power Portal (NPP)**, which tracks the coal stocks at thermal power plants across the country.

As of April 21, the thermal power plants across the country had **a total stock of 21.9 million tonnes (MT) of coal.** The daily usage of coal at these plants stood at 2.7MT.

This means that the power plants have **enough coal for eight days.** This is much better than the stock of four to five days that these plants held in October but significantly lower than their

long-term average in April which is 17 days. NPP data suggests that the stock levels in 108 out of the 173 power plants are at critical levels. As of 1 April, the stock levels at 80 power plants were in a critical situation. The stock level at a thermal power plant is deemed to be critical if coal stock is less than 25% of normative coal stock. India is thus facing an acute coal shortage.

How has the coal dynamics changed over the years?

COAL CONUNDRUM

Over the years, both domestic coal production and imports have risen. However, coal imports have risen at a much faster pace.

Chart 1: **Coal production and coal Imports**

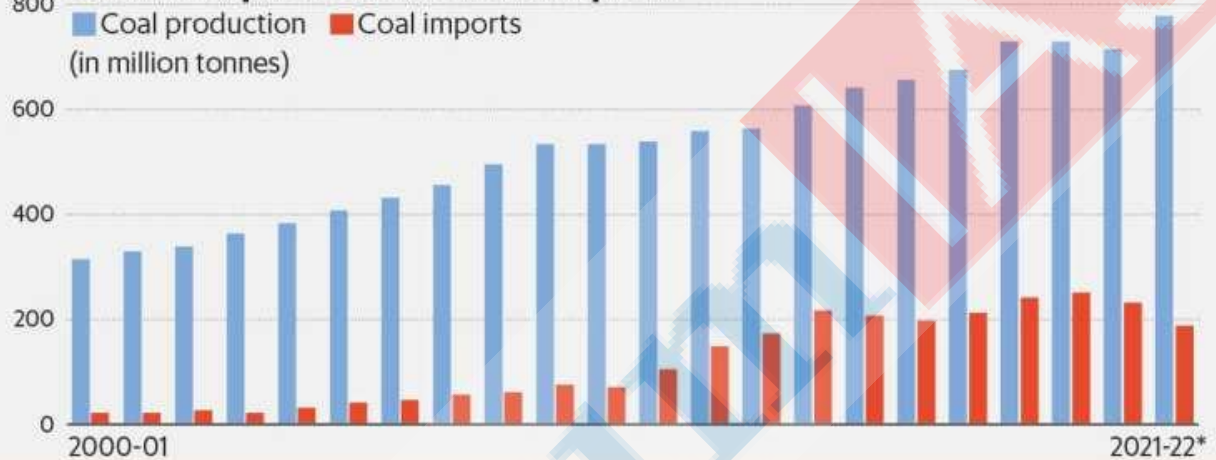


Chart 2: **Coal imports**

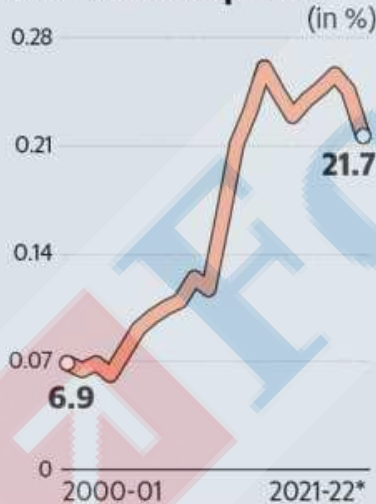
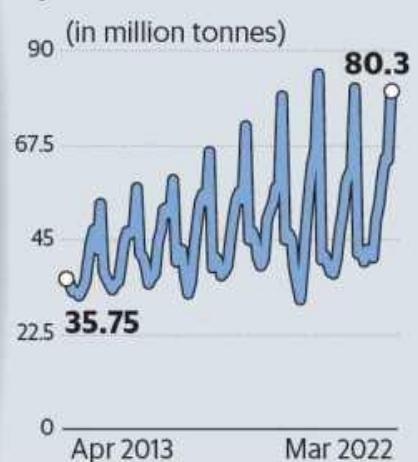


Chart 3: **Coal price**



Chart 4: **Coal production by Coal India**



*April 2021 to February 2022

Source: Centre for Monitoring Indian Economy, Author calculations

Source: Mint

Chart 1 shows that over the years, both domestic coal production and imports have risen. Chart 2 on the other hand shows that imports have been rising as a proportion of total coal consumption in India.

More than two decades back in 2000-01, coal imports formed just 6.9% of the overall coal consumption. Over the years, they have increased to around one-fourth of the overall coal consumption, peaking in 2014-15 at 26.1%. In 2021-22, for the period from April 2021 to February 2022, coal imports made up around 21.7% of the overall coal consumption during the period.

What are the reasons behind the rise in imports?

Increase in Coal Based Thermal Power plants: As of March 2001, the total installed capacity of these plants had stood at 60,935 MW. By February 2022, this had gone up to 235,929 MW, an increase of close to 300%. The plants demanded more coal for electricity generation.

Demand from other sectors: Coal is also used for manufacturing steel and cement, among other things. The production of finished steel (alloy and non-alloy) has gone up from 29.3 MT in 2000-01 to 113.6 MT in 2021-22. The production of cement is also expected to go up to 379 MT in 2021-22.

Slow growth in Domestic Production: Since 2001, the coal production within the country has increased at the rate of 4.4% per year. However this increase was unable to meet the rising demand.

What are the reasons behind the current coal shortage in India?

Fall in Imports: The imports in 2021-22 (April 2021 to February 2022) have come down. They had stood at 198.9 MT during April 2020 to February 2021. They came down by 5% during April 2021 to February 2022 to 188.8 MT. This was primarily on account of coal prices going up dramatically, making coal imports unviable. The situation got even more troublesome post the onset of the Russia-Ukraine conflict.

Reduction in Domestic Supply: It has been disrupted due to the reduced availability of railway rakes to transport coal. Further, historical data between 2013 and 2021 tells us that on an average, Coal India produced 67.5 MT of coal in March. In April, the average production was 40.6 MT or only around three-fifths of the production level in March.

Rising Demand: There has been an increase in the demand for electricity as the economy has recovered. Further, the early onset of summer has led to an increased usage of air conditioners, fans, coolers and refrigeration.

During a period of 15 days ending 10 April, the demand for electricity went up by 9.5% in comparison to the same period in 2021.

What steps have already been taken to address coal shortage and augment supply?

Improved Auctioning Mechanism: Auction of commercial mining on **Revenue Sharing Mechanism** was launched in 2020. Further, in order to expedite the process for conducting auctions and to carry out more rounds of auction in a year, a mechanism of **rolling auctions** of coal mines has been planned.

Single Window Clearance: It was launched in 2021 for the coal sector to speed up the operationalisation of coal mines. It is a unified platform that facilitates grant of clearances and approvals required for starting a coal mine in India.

Allowed sale of excess coal production: The government amended the Mines and Minerals (Development & Regulation) Act in 2021. The amendment paved the way for releasing of additional coal in the market by greater utilization of mining capacities of captive coal and lignite blocks. These were being only partly utilized owing to limited production of coal for meeting only their captive needs.

Coal India Ltd. has envisaged a coal production programme of one Billion Tonne from CIL mines by the year 2023-24. CIL has taken the following steps to achieve the target of augmentation of coal production capacity: **(a)** 15 Projects identified with a Capacity of about 160 MTPA (Million

Tonnes per Annum) to be operated by Mine Developer cum Operator mode; **(b)** Capacity addition through special dispensation in Environment Clearance under clause 7(ii) of Environmental Impact Assessment (EIA) 2006; **(c)** CIL has taken steps to upgrade the mechanized coal transportation and loading system under 'First Mile Connectivity' projects.

What lies ahead?

First, the coal shortage might result in **more power outages in summer** and a diversion of coal away from non-power sectors (e.g., aluminium, cement, steel), weighing on industrial output and increasing electricity costs.

Second, the coal shortage **could become another stagflationary shock**. The word stagflation is a combination of stagnation and inflation. It typically refers to an environment of high inflation and slow economic growth. Some of **this shock can be lessened if railway rakes can be made available quickly**.

Third, Coal fuelled power generation plants which are under the corporate insolvency resolution process can be allowed to commence operations immediately, regardless of the stage of the proceedings at NCLT. This will save the coal transport time and quantity limitations in coal transportation to non-pit head coal plants.

Fourth, India can also **enter into an agreement with Russia for buying coal** at lower prices. It has already bought discounted oil from the nation amidst western sanctions.

Fifth, in the long term focus should be placed on **enhancing solar, wind and other renewable sources of power**. This will reduce dependence on coal and improve pollution levels in the country.

Conclusion

India needs to augment its domestic production capacity and enter into long term contracts with major coal producing nations for ensuring a steady supply of coal. The country must acknowledge its huge dependency on coal and gradually scale up its clean sources of power in the spirit of the UN's sustainable development goals.

Source: [Mint](#), [PIB](#)

India-UK Relationship – Explained, pointwise

Introduction

India and the United Kingdom have shared historic ties for several centuries. India-UK have a Strategic Partnership since 2004. The India-UK relationship is multi-faceted spanning across trade and economy, health, science & technology, defence & security, people-to-people relations, climate change and close cooperation on multilateral issues. The Prime Minister of the UK visited India on April 21-22, 2022. In the bilateral talks, the Prime Ministers of India and the UK appreciated the progress made on the Roadmap 2030 launched at the Virtual Summit in May 2021. Both the leaders reiterated their commitment to pursue a more robust and action oriented cooperation across the full spectrum of bilateral relations.

What are the key outcomes of the bilateral meeting?

The PMs appreciated the progress in ongoing FTA negotiations and implementation of the Enhanced Trade Partnership.

Cyber Cooperation: Both sides issued a **Joint Statement for further intensifying cooperation on Cyber Security** particularly in the areas of cyber governance, cyber deterrence and safeguarding critical national infrastructure.

MoUs: The visit resulted in signing of several MOUs: **(1) Government to Government MOUs:** **(a)** MoU on Implementation of Global Innovation Partnership; **(b)** MoU on Cooperation on Global Centre for Nuclear Energy Partnership; **(2) Non Governmental MOUs:** **(a)** MoU on establishment of short term Chair at Birmingham City University between ICCR and Birmingham City University; **(b)** Joint Declaration of Intent for cooperation in the field of Offshore Wind Development; **(c)** Memorandum of Understanding on the creation of The Chevening/Adani Scholarships on Artificial Intelligence; **(d)** MoU on satellite launch programme between New Space India Limited (NSIL) and OneWeb

Strategic Technology Dialogue: Ministerial-level dialogue on new and emerging communication technologies such as 5G, AI etc.

Collaboration on Integrated Electric Propulsion: Co-development of technology between the two Navies.

What progress has been made in the India-UK relationship?

Economic: During 2019-20, trade between the two countries stood at US\$ 15.45 billion with the balance in favor of India. Between April 2021-February 2022, Indian exports to the UK stood at US\$ 9.4 billion (2.5% of India's exports). The imports in the corresponding period were US\$ 6.59 billion (1.2% of India's imports). There is a scope for significant improvement. Both countries expect that the bilateral trade can reach US\$ 100 billion by 2030.

Defense and Security: India and the UK signed the Defence and International Security Partnership (DISP) in November 2015. It provides a strategic roadmap and direction to the evolving India-UK Defence Relations. At present some 70 companies in the UK supply goods for aircraft and related equipment besides supporting platforms like the Jaguar, Mirage and Kiran aircraft.

Indian Diaspora: Around 1.5 million people of Indian origin live in Britain. Indian diaspora are making significant contributions to the British Society. This includes 15 Members of Parliament, three members in Cabinet, and two in high office as Finance and Home Ministers.

Education: The UK-India Education and Research Initiative (UKIERI) was launched in 2005. A new 'UKEIRI Mobility Programme: Study in India' was also launched in 2019. Under this Britain's universities collaborate with Indian partners and send UK students to India.

Health: The successful partnership between Oxford University, AstraZeneca and SII on COVID-19 vaccine demonstrated the potential of Indian and UK expertise working together to solve international challenges. The two sides are also working on pandemic preparedness, Antimicrobial Resistance (AMR), digital health, Ayurveda and alternative medicines, as well as health worker mobility.

What is the significance of India-UK Relationship?

Regional and global issues of mutual interest: A healthy relationship between the two is imperative for enhancing cooperation in the Indo-Pacific, Afghanistan, UNSC, G20 and Commonwealth. For instance, India welcomed the UK's accession in the Indo-Pacific Ocean's Initiative under the Maritime Security pillar.

Tackling Climate Change: The cooperation between them can be helpful to achieve the goals of the Paris Agreement and in implementing the Glasgow Climate Pact. For instance, the countries have agreed to work for early operationalisation of the **Global Green Grids-One Sun One World One Grid** Initiative (OSOWOG) under ISA. They are also working on the IRIS platform under CDRI which was jointly launched by India and UK at COP26.

Read More: [GGI-OSOWOG project – Explained, pointwise](#)

Supporting 3rd World Countries: Through the [Global Innovation Partnership](#), India and UK have agreed to co-finance up to £ 75 million to support the transfer and scale up of climate smart

sustainable innovations to third countries. The novel GIP Fund created under this Partnership will also aim to raise additional £ 100 million from the market to support Indian innovations.

Strategic Considerations: India can engage with the UK to counter China's rise in the Indian Ocean Region. The UK on other hand can use India as an alternative destination to China and its companies can invest in India as part of **China plus one strategy**. It is the business strategy to avoid investing in China and diversify business into other countries.

What are the challenges in the India-UK Relationship?

No Free Trade Agreement: Despite a good bilateral relationship and occurrence of BREXIT, both the countries have not been able to conclude a Free trade agreement. This is required to take the relationship to the next level.

Different stand on Russia Ukraine conflict: The U.K has openly criticized the Russian invasion while the same is not being done by India. This hasn't impacted their bilateral relationship till now but it may emerge as a future bottleneck.

Extradition Rigidities: Both the countries have an extradition treaty between them but still speedy expedition doesn't take place. For instance, India hasn't been able to extradite Vijay Mallya, Nirav Modi and other fugitives from London.

Security concerns: Indian concerns include the presence of Khalistani elements and their activities in the UK, and the country's political views on Jammu and Kashmir.

Illegal Migrants: There are more than 1 lakh of illegal Indian immigrants in the UK. The UK government has put pressure to send them back but both the countries have not yet signed the migration and mobility agreement.

Concerns in Neighborhood: The growing partnership between India and UK may not be welcomed by China who may create more tensions on borders. Further, China's hostility is **preventing India from participating in initiatives like AUKUS**.

Read More: [AUKUS Security Alliance - Explained, pointwise](#)

What lies ahead?

First, the leaders have **agreed to conclude a comprehensive and balanced trade deal** by the end October 2022. The FTA would result in big jump in the bilateral trade.

Second, India and Britain may explore an agreement on "migration and mobility" to facilitate the legal movement of Indians into Britain.

Third, the UK should live up to its commitment to the extradition of Indian fugitives e.g., Nirav Modi should be extradited as his extradition process is almost completed.

Fourth, India should unequivocally convey its stance on initiatives like AUKUS in order to avoid any border tensions or deterioration of neighborhood relations.

Conclusion

As the world recovers from the COVID-19 Pandemic, both the countries need to focus on sustained economic recovery and work towards building national resilience and trusted partnerships to mitigate external disruptions.

Source: [Indian Express](#), [CNBC](#), [MEA](#), [MEA](#)

Palm Oil Crisis and its Implications for India – Explained, pointwise

Introduction

Indonesia, the world's biggest producer, exporter, and consumer of palm oil, will ban all exports of the commodity and its raw materials from April 28. The objective behind this decision is to reduce domestic shortages of cooking oil and bring down its skyrocketing prices. India is already grappling with record-high wholesale inflation. The export controls exercised by Indonesia in late January has led to a 38% rise in the landed cost of CPO (Crude Palm Oil) in India. The current palm oil crisis is going to make the situation worse for India which is the biggest importer of palm oil in the world.

What is Palm Oil?

Oil palm is a low maintenance, high yield, perennial plantation crop. It is one of the essential food items and widely used by a majority of Indians. Palm oil is widely used for **blending refined oils**. It is used as a cooking oil and is omnipresent in packaged and processed foods. It has widespread usage, in everything from cosmetics to processed food to cleaning products.

Palm oil **accounts for over a third of India's edible oil consumption**. Overall, India imports 60% of its requirements.

What is Palm Oil's status in the Global Supply Chain?

Palm oil is the **world's most widely used vegetable oil** with its global production in 2020 exceeding 73 million tonnes (MT), as per the United States Department of Agriculture (USDA). Output is estimated to be 77 MT for the current year. Palm oil is **preferred by many people across the globe as it is inexpensive** in comparison to other edible oils.

Indonesia and Malaysia together account for almost 90% of the global palm oil production, with Indonesia producing the largest quantity at over 43 MT in the 2021 crop year.

Palm oil makes up 40% of the global supply of the four most widely used edible oils: palm, soybean, rapeseed (canola), and sunflower oil. Indonesia is responsible for 60% of the global supply of palm oil.

What factors forced Indonesia to ban exports leading to the palm oil crisis?

Rise in Price of Palm Oil: The price of CPO (Crude Palm Oil) rose from an already high rate of \$1,131 per metric tonne in 2021 to its highest ever price of \$1,552 in February this year. The prices of palm oil rose this year due to: **(a) Short supply of alternative vegetable oils:** The production of soybean oil, the second most-produced oil, is expected to take a hit this year due to a **poor end soybean season in major producer Argentina**. The production of **canola oil was hit in Canada** last year due to drought; and supplies of **sunflower oil, 80-90% of which is produced by Russia and Ukraine**, has been badly hit due to the ongoing conflict; **(b) Impact of Pandemic:** The pandemic brought a series of lockdowns and reduced mobility of labor that impacted production of palm oil and increased global edible oil prices to record highs; **(c) Global Food inflation:** Food prices rose by almost 13% globally in March according to the United Nations. The rise in global prices pushed the price of palm oil as well.

Ineffectiveness of Price Capping and Export Quotas: Price Capping was 14,000 Indonesian Rupiah (IDR) for branded oil and 11500 IDR for local products. Further, the government introduced a two-litre-per-person rule for buying cooking oil. Later on, export limits were also imposed. However, hoarding by consumers and sellers was witnessed. Further, rising global prices and low domestic prices of palm oil induced exporters to obtain illicit export permits amid the export restrictions. All this **created an acute shortage of cooking oil in Indonesia**.

Growing Demand of Palm Oil in other Sectors: The cooking oil shortage could in part also be attributed to Indonesia using **large quantities of CPO to make biodiesel**. In late 2019, the country increased the palm oil content to be used in biodiesel to 30%. Reuters reported that it

used over 7 MT of palm oil out of its total national output of 41.4 MT in 2020, on biodiesel. The diversion has exacerbated the palm oil crisis.


What are the possible implications of the palm oil crisis?

Increase in Price of other edible oils: After the ban, the global prices of other vegetable oils saw spikes. The price of soybean oil jumped 4.5%, taking it to a record high of 83.21 cents per pound on the Chicago Board of Trade. Soy oil prices have already seen a 50% rise so far this year.

Impact on India: India is the **biggest importer of palm oil** which makes up 40% of its vegetable oil consumption, as per the USDA. India meets half of its annual need for 8.3 MT of palm oil from Indonesia. Despite the rising prices of the commodity, India's palm oil imports jumped 21% in March from the previous month as traders moved to secure alternatives to sunflower oil that could no longer be bought from Ukraine.

INDIA'S IMPORTS OF PALM OIL (IN LAKH TONNES)						
Fiscal (Apr-Mar)	Crude palm oil		Refined palm oil		Total palm oil	
	Indonesia	Malaysia	Indonesia	Malaysia	Crude	Refined
2015-16	37.09	33.76	21.48	4.24	71.12	25.72
2016-17	33.37	19.61	23.15	6.27	53.56	29.43
2017-18	45.85	17.21	23.57	4.16	67.50	27.73
2018-19	41.57	17.13	16.78	7.17	64.15	25.21
2019-20	42.72	14.89	3.71	17.9	61.76	25.02
2020-21	40.95	27.99	1.13	0.05	73.92	1.32
2021-22*	21.27	28.43	6.93	2.15	59.78	11.19

*Apr-Jan. Source: Department of Commerce



Source: Indian Express

The export ban is expected to **push the prices even further**. It will also create additional **forex burden** and **enhance the already high Fiscal Deficit** of the country.

Further the **inflation level** in the country will also increase, creating trouble for the Monetary Policy Committee to keep CPI in the range of 2-6%. Inflation will occur as palm oil is used in a variety of products which are directly consumed by the masses including packaged foods, cosmetics etc.

The inaccessibility of affordable cooking oil may **enhance the level of hunger and malnutrition** in the country. India has already slipped to 101st position in the Global Hunger Index (GHI) 2021 of 116 countries, from its 2020 position of 94.

What steps have been taken by the Government to enhance oil palm production?

Since 1990s, the Government has taken several steps for palm oil production.

A comprehensive Centrally Sponsored Scheme named **Oil Palm Development Programme (OPDP)** was taken up during the Eighth & Ninth Plan (1992-2002).

During the Tenth and Eleventh Plan (2002-2012), the Government of India had provided support for oil palm cultivation under the Centrally Sponsored **Integrated Scheme of Oilseeds, Pulses, Oil Palm and Maize (ISOPOM)**.

To boost oil palm cultivation, the Government of India had implemented a **Special Programme on Oil Palm Area Expansion (OPAE)** under RKVY from the year 2011-12 to 2014-15.

During the 12th Five Year Plan, a new **National Mission on Oilseeds and Oil Palm (NMOOP)** was launched under which Mini Mission – II (MM – II) was dedicated to oil palm area expansion and productivity increases. MM – II of NMOOP was implemented in 12 States viz; Andhra Pradesh, Telangana, Chhattisgarh, Tamil Nadu, Kerala, Gujarat, Karnataka, Odisha, Mizoram, Nagaland, Assam and Arunachal Pradesh w.e.f. 01.04.2014.

In 2021, the government announced a **National Mission on Edible Oils- Oil Palm**. This mission, with a total outlay of INR 11000 crores, aims at making the country self-sufficient, by boosting the production of domestic oil palm. The mission plans to raise oil palm cultivation to one million hectares by 2025-26 and 1.7-1.8 million hectares by 2029-30. The mission has a special focus on the **North-eastern region and the Andaman and Nicobar Islands**.

What are impediments in boosting oil palm production in India?

Long gestation period and high level of investments: A palm is a monoculture crop with a long gestation period and requires a high level of investments. However, corporate sector investments in oil palm are limited compared to Malaysia and Indonesia.

Small landholding: Indian farmers generally have very small farm holdings which makes it non viable to produce oil palm. More than 80% of farmers have land holding of less than 2 hectare.

Environment Degradation: Production of oil palm sometimes requires clearing a vast tract of forest land which leads to environmental degradation and protests by environmentalists.

Exploitative Labor Practices: The labour working in Oil palm plantations are subjected to numerous hardships like poor pay, long working hours etc. due to the colonial hangover of plantation owners.

What lies ahead?

First, India must engage in diplomatic talks with Indonesia to get a special exemption for importing palm oil. It should also approach Malaysia and enter into a long term purchase agreement with the second biggest player.

Second, India must diversify its edible oil mix which is mainly composed of soy and palm oil. Together, imported palm and soy oil (12 MT) account for close to half of India's annual edible oil consumption.

Read More: [Why Palm won't fix India's edible oil woes](#)

Third, focus should be placed on enhancing domestic production by duly implementing the newly launched National Mission on Edible Oils- Oil Palm. Further, the government should give greater subsidies and support to oilseeds that are indigenous to India and suited for dryland agriculture. This can help achieve self-reliance without dependence on oil palm.

Fourth, India should cooperate with other big buyers of Palm oil so as to create a **collective pressure** on Indonesia for expeditiously removing the export ban.

Conclusion

The palm oil crisis and India's high degree of import dependence for Oil palm is a wake up call for the nation to diversify its edible oil mix and significantly boost the domestic production. This is imperative for tackling any future disruption in oil palm supply and attain self reliance.

Source: [Indian Express](#), [The Hindu](#)

Sedition Law in India (Section 124A IPC) – Explained, pointwise

Introduction

The Supreme Court will take up for final hearing the petitions challenging the constitutional validity of Section 124A of the Indian Penal Code dealing with the offence of sedition. The bench headed by the Chief Justice has asked the Union Government to file its reply by the end of the week and said the petitioners can provide their counter to the Centre's affidavit after its submission. It is expected that the ambiguity over the validity of Sedition Law (Section 124A) will get settled after the Supreme Court's Judgment.

What is Sedition?

Sedition was incorporated into the Indian Penal Code (IPC) in 1870. It is defined as any action that brings or attempts to bring contempt or hatred towards the Government of India. Sedition cases are punishable with a maximum sentence of life imprisonment. It categorizes four sources of seditious acts: **(a)** Spoken words; **(b)** Written words; **(c)** Signs; **(d)** Visible representations.

It is classified as 'cognisable' (No need of Court warrant to arrest the person) and a 'non-bailable' and 'non-compoundable' offence.

What has been the history of Sedition Law in India?

Sedition laws were first enacted in 17th century England. Later it was inserted into IPC in 1870. The section was introduced initially to deal with **increasing Wahabi activities** between 1863 and 1870. These activities posed a challenge to the colonial government.

Some of the most famous sedition trials of the late 19th and early 20th century involved Indian nationalist leaders. The first among them was the **trial of Jogendra Chandra Bose** in 1891. He was the editor of the newspaper, *Bangobasi*. He wrote an article criticizing the Age of Consent Bill for posing a threat to the religion and for its coercive relationship with Indians.

It was also used to prosecute **Bal Gangadhar Tilak** (for his writings in *Kesari*) in 1897. The other well-known case was **the sedition trial of Mahatma Gandhi** in 1922. Gandhi had called Sedition 'the prince among the political sections of the IPC designed to suppress the liberty of the citizen'.

What are the key judgements under the Sedition Law after Independence?

In 1951, the **Punjab High Court** had ruled Section 124A to be unconstitutional. A similar ruling was passed in 1959 by the Allahabad High Court, which also concluded that it struck at the very root of free speech.

Kedar Nath Singh v State of Bihar, 1962: The Supreme Court has upheld the constitutionality of Section 124A (sedition) on the basis that this power was required by the state to protect itself. However, it said that every citizen has a right to say or write about the government by way of criticism or comment.

A citizen can criticize the government to the extent it **does not incite violence** against the government or with the intention of creating public disorder.

P. Alavi vs State of Kerala, 1982: The Supreme Court held that sloganeering, criticising Parliament or Judicial setup does not amount to sedition.

Balwant Singh v State of Punjab, 1995: The Supreme Court acquitted persons from charges of sedition for shouting slogans such as 'Khalistan Zindabad'. The Court held that mere raising of slogans by two individuals alone cannot be said as sedition. Further, it is also not considered as an attempt aimed to excite hatred or disaffection against the government.

What are the arguments in favour of the Sedition Law?

First, Freedom of speech is **protected through Article 19 (1) but it is not absolute**. Sometimes speech is used as a tool to destabilise country's polity and to promote enmity in the society.

Second, It protects the elected government from attempts to overthrow the government with violence and illegal means. The continued existence of the government established by law is an essential condition of the **stability of the State**.

Third, Maoist insurgents and rebel groups openly advocate the overthrow of the government by revolution. Thus keeping section 124A is important for **national security**.

Fourth, if contempt of court invites penal action, contempt of government should also attract punishment.

What are the arguments against the Sedition Law?

First, the law has been **misused** with rising frequency by the Union and State Governments to muzzle free speech and dissent. This **undermines Article 19** of the Indian Constitution. The misuse is fuelled by **vague definitions of 'disaffection towards government'** and other provisions of the section.

The governments have invoked the section against activists, detractors, writers and even cartoonists seeking to silence political dissent by accusing dissenters of promoting disaffection. The recent reports show that the number of cases of sedition under Section 124A increased by 160%. On the other hand, the **rate of conviction dropped to 3.3% in 2019 from 33.3% in 2016**.

Read More: [Misuse of Sedition law in India](#)

Second, it creates **dissonance between its international commitments and domestic practice**. For instance, the section is at odds with the 'Open Societies' statement which is signed by India. It commits signatories to freedom of expression, both online and offline.

Third, there has been a **growing legal constituency for scrapping this law**. For instance, in February 2021, a Delhi court said the sedition law could not be invoked to quieten the disquiet under the pretence of muzzling miscreants. The Chief Justice of India has also raised questions about the need of a colonial-era law, that subjugated people, in Independent India.

Read More: [Sedition law has no place in a modern democracy](#)

Fourth, political leaders and security agencies have applied **an increasingly expansive interpretation** to the *Kedarnath versus State of Bihar* Judgment. This subjective interpretation has converted the section into a **political weapon to silence the opposition voices**.

Fifth, many experts believe that **provisions of IPC and Unlawful Activities Prevention Act are sufficient for protecting national integrity**. Thus there is no need for a separate provision on sedition law.

Sixth, Sedition does not take into consideration disaffection towards **(a) the Constitution, (b) the Legislatures, and (c) Administration of justice**, all of which would be as disastrous to the security of the State.

What lies ahead?

First, the Supreme Court directed that the matter be listed for final disposal on May 5 and underlined that there will be no adjournments. A conclusive decision can be expected on the validity of the section.

Second, the decision on sedition will open gates to review other acts like Unlawful Activities Prevention Act (UAPA) and the National Security Act. Critics argue that these acts are being increasingly activated to silence critics of the State.

Third, if **the section is not scrapped**, then police personnel should be duly trained in application of the section. In this regard, **arrest shouldn't be made below the rank of a high level officer like the Superintendent of Police. Guidelines issued in the Kedarnath case** should be placed in every police station. Further, **Kedarnath Judgment should be inserted into Section 124A** by amending IPC.

Conclusion

Every irresponsible exercise of the right to free speech and expression cannot be termed seditious. While it is essential to protect national integrity, it should not be misused as a tool to curb free speech. Dissent and criticism are essential ingredients of a robust public debate on policy issues as part of a vibrant democracy. Therefore, every restriction on free speech and expression must be carefully scrutinized to avoid unwarranted restrictions.

Source: [Business Standard](#), [Indian Express](#), [New Indian Express](#)

Relevance of Nature for Human Health – Explained, pointwise

Introduction

Nature is all the animals, plants, and other things in the world that are not man-made. It also includes all the events and processes that are not caused by people. It plays a pivotal role in the overall development and wellbeing of an individual. It provides multiple resources to humans as well as help in managing their stress and anxiety levels. However nature is being destroyed and neglected by mankind for fulfilling their myopic desires. This warrants a proactive approach towards preservation and conservation of nature.

Why is the relevance of nature for Human health?

First, Harvard Medical School scientists find **spending time in nature lowers cortisol**, the stress-exacerbating hormone. Scientists researching the Japanese practice of '*Shinrin-yoku*' or '**forest bathing**' found that walking through woods, looking, touching and smelling leaves results in 12.4% lower cortisol and a 5.8% lower heart rate.

Second, The USDA finds green spaces boosts **cognitive development in children** and childhood access to nature strengthens cognitive health in old age. Experts believe that **even a short walk in a park or viewing a tree outside** an office window has a measurable effect on our cognitive function. It improves our ability to concentrate, recall, process maths and put ideas together in a creative way.

UNEP finds **exposure to pollutants causes developmental delays** and lower IQs in children, exacerbating Alzheimer's and Parkinson's diseases in older people.

Third, the mere existence of nature around human beings helps them to **tackle emotional and psychological stress**. Spending time in nature, from a small park to a large reserve, lifts people out of the troubles that cause them to ruminate. In psychology, 'rumination' refers to repetitive negative and self-referential thoughts. The USDA estimates individuals **with just 10% green space** near their home **face a 25% greater risk of depression** and a 30% higher chance of anxiety disorders.

Fourth, it helps us understand the **evolutionary process** by studying different species found in nature. For instance, studying chimpanzees can help understand various aspects of human biology as both of them have 98% common genetic material.

Fifth, there are **many crucial functions that are performed by leaves** due to which they are called **building blocks of life**. They absorb carbon dioxide and release oxygen that we need to breathe. They help settle dust which we would otherwise inhale, damaging our lungs. They **absorb the polluting and toxic gasses** released from vehicles and factories.

Many of them are **edible** — spinach leaves are nutritious, tender tamarind leaves give a tanginess to lentils and curry leaves add flavour to so many dishes.

We also use palm leaves to **thatch homes and many houses** have aloe vera and tulsi leaves with medicinal properties — part of our in-house drugstore used to treat colds, coughs and skin ailments.

They become **fodder for sheep, goats and cows**, are used to make nests by birds, ants and squirrels, get nibbled on by caterpillars that become pollinating butterflies.

Why does nature have such a deep impact on Humans?

First, Like all species on Earth, human beings are also the children of nature and strongly connected to nature at every level.

Second, Our brains have been honed over millennia learning from nature — climbing trees, foraging for food, preserving water, building shelters. As nature taught us, we grew.

What are the factors enhancing separation of Nature from humans?

First, the desire to become developed is inducing every country to focus on **industrialization**. Greater number of factories emit large scale pollutants like Sulfur Dioxide, Carbon Monoxide etc. that results in air and water pollution.

Second, the **rapid urbanization** has resulted in large scale deforestation and concrete has replaced the tree canopy in cities. People in cities are suffering from much higher rates of mental illness, stress, depression and other challenges.

Third, the **digital revolution has enhanced access** to more screens and more electronic devices. This has reduced interaction of humans with the physical world and devoid them of multiple benefits arising out of such interaction.

Fourth, the **class inequality** also restricts access to nature and its services. It's easier for rich people and much harder for the poor to experience the green spaces.

What steps have been taken for preservation of nature?

Domestic

Nagar Van Udhyan Yojana: It aims to increase forest cover in urban areas by developing 200 Urban Forests across the country in the next five years.

Various Acts: Wildlife Protection Act (1972), Environment Protection Act (1986), Biological Diversity Act (2002) and others play a pivotal role in nature conservation.

National Green India Mission: It is one of the eight missions launched under the National Action Plan on Climate Change (NAPCC). It aims to increase green cover in India to the extent of five million hectares (mha) and improve the quality of existing green cover on another 5 mha.

International

The World Bank, the Asian Development Bank (ADB) and the Inter-American Development Bank (IADB) have **pledged to mainstream nature into all their policies**, analyses and investments in human development by 2025.

The ADB and IADB have established a **Natural Capital Lab**, formally recognising nature as an asset and acknowledging the high costs of overlooking this.

UN Sustainable Development Goals: These goals induce countries to work in such a way that development takes place without damaging the environment and without compromising the needs of future generations.

UN Convention to Combat Desertification: It was established in 1994 and is the sole legally binding international agreement linking environment and development to sustainable land management.

The Convention addresses specifically the arid, semi-arid and dry sub-humid areas, known as the dryland, where some of the most vulnerable ecosystems and peoples can be found

What more can be done?

First, there is a need to understand the enormous contribution of nature to human wellbeing and bring this into **policy, planning and financial investment**.

Second, human well-being involves **reconnecting with natural experiences**. Government can **collaborate with NGOs like GreenPeace** to spread awareness about nature interaction. Masses can be encouraged to adopt simple practices like just hearing birdsong at dawn that can have a very deep effect on people.

Third, there should be **greater research using state of art technology** in order to find out the impact of nature on human beings. For instance, we can use accelerometry or consumer wearables which give us granular, minute-level data of whether people become more vigorous in green spaces than built-up ones.

Fourth, there **should be equitable access to nature** for every human being. Countries can use innovative concepts like the **'3-30-300' strategy**. Under this every home should have a view of three trees, every neighborhood should have thirty percent canopy cover and three hundred meters distance to the nearest green space.

Fifth, the **teachers should encourage students** to create an effective bond with nature using many fun activities. This includes Painting on leaves and stringing them together to make colorful decorations, making toys from leaves, like a whistle or a doll from coconut leaves etc..

Conclusion

Humans can and must rebuild their bond with nature. They must understand that a stable natural ecosystem is a sine qua non for long term survival of planet earth. Further, any future discourse must be guided keeping in mind the saying of Mahatma Gandhi – **'There is enough for everyone's need but not for anyone's greed'**.

Source: [The Times of India](#), [The Times of India](#), [The Times of India](#)