

7 PM COMPILATION

January, 2023

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**

Virtual Digital Assets (VDAs): Challenges in Regulation – Explained, pointwise

Topic:- Economic development

Sub topic:- Indian Economy and issues relating to planning, mobilization, of resources

Status of Non-Performing Assets (NPAs) – Explained, pointwise

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Virtual Digital Assets (VDAs): Challenges in Regulation – Explained, pointwise

Introduction

The first meeting of G20's Finance Track was held recently in Bengaluru. Regulation of Virtual Digital Assets (VDAs) emerged as a top priority agenda in the meeting. VDAs are a new evolving technology and are at the intersection of finance, economy and technology. The concerns associated with the exploitation of VDAs as a medium of money laundering and terror financing has necessitated their regulation. The Government of India has been leading efforts at the global level to counter terrorism and its financing. In the recent 'No Money for Terror' Conference hosted by India, 93 participating countries agreed to end all financing of terror, including through the use of emerging technologies such as VDAs. The Government has pushed regulation of VDAs as an agenda of G20 in the year of its Presidency. There are several challenges in regulation of VDAs that requires a coordinated international effort.

What are Virtual Digital Assets (VDAs)?

The Financial Action Task Force (FATF) defines a virtual asset as “A digital representation of value that can be **digitally traded, transferred and used for payment or investment purposes**“. This definition is included in the FATF's global recommendations on **Combating Money Laundering and the Financing of Terrorism and Proliferation**.

Read More: [Countering Terror Financing – Explained, pointwise](#)

According to the US Department of the Treasury, a virtual currency is a “digital representation of value that functions as a: **(a)** Medium of exchange; **(b)** Unit of account; and/or **(c)** Store of value; and is neither issued nor guaranteed by any jurisdiction“. This description fits neatly into the FATF definition of a virtual asset and the idea of a digital representation of value.

The **Finance Act, 2022** introduced a new taxation regime for income arising from transfer of Virtual Digital Asset (VDA) under Income-tax Act, 1961 (the Act). The term Virtual Digital Asset (VDA) has been defined under **Section 2(47A) of the Income Tax Act** to include the following: **(a)** Any information or code or number or token (not being Indian currency or foreign currency) **generated through cryptographic means or otherwise**, by whatever name called, which meets certain conditions; **(b)** Non-fungible token (NFT) or any other token of similar nature, by whatever name called. Further NFT is defined to mean such digital asset as the Central Government may, by notification in the Official Gazette, specify; **(c)** Any other digital asset, as the Government may specify by notification.

The Government **may exclude any asset from the definition of Virtual Digital Asset** by notification.

A Non-Fungible Token (NFT) is a digital asset that exists on a blockchain, allowing anyone to verify its authenticity and who owns it. Digital art, images, videos, text, music and even virtual real estate and in-game items can be bought and sold as NFTs.

While **VDA includes cryptocurrencies**, the definition can cover a **wide variety of digital assets** which is implied by the wording ‘or otherwise’ in the phrase “generated through cryptographic means or otherwise“. The definition is also made exhaustive with the words ‘information’, ‘code’, ‘number’.

Because of the broad definition, VDAs can potentially include vouchers, reward points issued by shopping sites or credit card companies, airline miles etc. Experts have sought clarifications from the Government. They fear the scope of VDA may impact digital assets created by companies.

The **Central Board of Direct Taxes (CBDT) in Notification 74** has excluded certain items from the definition of VDAs. These include gift cards, vouchers (discounts), mileage/reward/loyalty points (promotional programmes) etc.

What steps have been taken to regulate Virtual Digital Assets (VDAs)?

First, The Financial Action Task Force has issued the **Guidelines on Virtual Asset Transactions** (FATF Guidelines) related to VDAs. The Guidelines have been adopted by various jurisdictions, including the EU, Japan and Singapore.

Second, The Finance Bill 2022 has promulgated a new taxation regime for the class of VDAs including cryptocurrencies and non-fungible tokens (NFTs). The gains arising from the transfer of VDAs are proposed to be taxed at the rate of 30%. However, the Act did not have any provision related to legalizing/banning the cryptocurrencies or any other Digital Asset.

Third, Under the presidency of India, G20 Finance Track discussion has put the regulation of VDAs to curb their use in money laundering and terror financing as a top priority.

What are the challenges in regulating Virtual Digital Assets (VDAs)?

First, the technologies behind blockchain and cryptocurrencies **are complex**. It is difficult to determine their governing structure.

Second, the blockchain technologies are **decentralized by design**. They **transcend national jurisdictions** in a digital domain. Hence it is difficult for Governments to regulate them.

Third, Digital Technologies including blockchain are **evolving rapidly**. It is difficult to regulate such technologies without fully comprehending their benefits and drawbacks. It is challenging to come up with a singular and concrete structure to apply to every known and unknown technological development and change in the financial sector.

Fourth, **Lack of reliable data** on VDA transactions allows bad actors to engage in unchecked transactions and defraud investors as happened in the case of FTX bankruptcy, which was the second largest Virtual Digital Asset (VDA) trading platform before its collapse.

Read More: [Cryptocurrencies in India: Ban or Regulation? – Explained, pointwise](#)

What should be done going ahead?

First, A viable approach for India is in taking the industry and the investor into confidence by allowing anti-money laundering (AML) authorities visibility over VDA transactions, and the power to impose controls upon them and prosecute in the event of any misuse.

Second, The concerns around the misuse of VDAs for illicit activities require careful **legislative responses** and forward-looking **regulatory mechanisms**. The present concerns related to VDAs stem from **lack of reporting and transparency norms**, and an **absence of international consensus on regulatory design**. G20 provides a suitable platform to develop an understanding and consensus regarding regulation of VDAs. The Government has taken a positive approach by pushing this matter as a priority for G20 Finance track.

Third, The financial institutions, fintech, regulators, consumers, and government need to join forces to have a fair and comprehensive regulation benefitting every stakeholder.

Fourth, Development of **adequate financial and technology literacy programs** (e.g., through initiatives at different education levels, tailored communication, and outreach programs) should be considered.

Conclusion

The technology surrounding the financial sector (blockchains, cryptocurrencies, VDAs) has been evolving rapidly. While these technologies have several benefits, their misuse (money laundering, terror financing, financial frauds) pose a big threat. Complexity and ever evolving nature of technology makes their regulation a major challenge to the regulatory authorities. A coordinated effort at the global level is necessary for this purpose. India currently has two crypto unicorns operating domestically, and is home to major VDA players and a thriving community with 25+ million people, making it all more important to regulate the sector. In addition to the domestic efforts, the Government of India should take a lead in guiding the discourse on the global regulation of VDAs.

Syllabus: GS III, Indian Economy

Source: [Indian Express](#), [The Hindu BusinessLine](#), [Financial Express](#), [Mondaq](#), [FATF](#)

Status of Non-Performing Assets (NPAs) – Explained, pointwise

Introduction

In the recently released Financial Stability Report (FSR), the RBI has noted that the Gross Non-performing Assets (GNPA) ratio has declined to a 7-year low of 5% in September 2022. It is expected to further improve to 4.9% by September 2023. However, the Report also notes that NPA ratio may worsen to 5.8-7.8% if there are external macroeconomic shocks. Thus, although the NPA Crisis appears to have subsided, the banking sector is still vulnerable amidst geopolitical and economic uncertainties. The Government and the RBI had undertaken several initiatives that helped mitigate the challenge posed by NPAs. However, both need to be cautious in their approach and proactively take corrective steps should the NPAs rise in future.

What are Non-Performing Assets (NPAs)?

A Non-performing Asset (NPA) is a loan or advance for which the principal or interest payment has remained overdue for a period of 90 days.

Banks are required to classify NPAs further into Substandard, Doubtful and Loss assets.

Substandard Assets: Assets which has remained NPA for a period less than or equal to 12 months.

Doubtful Assets: An asset would be classified as doubtful if it has remained in the substandard category for a period of 12 months.

Loss Assets: According to the RBI, “Loss asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted, although there may be some salvage or recovery value.”

What is the current status of NPAs in India?

According to the Reserve Bank of India’s (RBI’s) Financial Stability Report the Gross non-performing assets (GNPA) ratio, has declined to 5% in September 2022. The ratio of Net non-

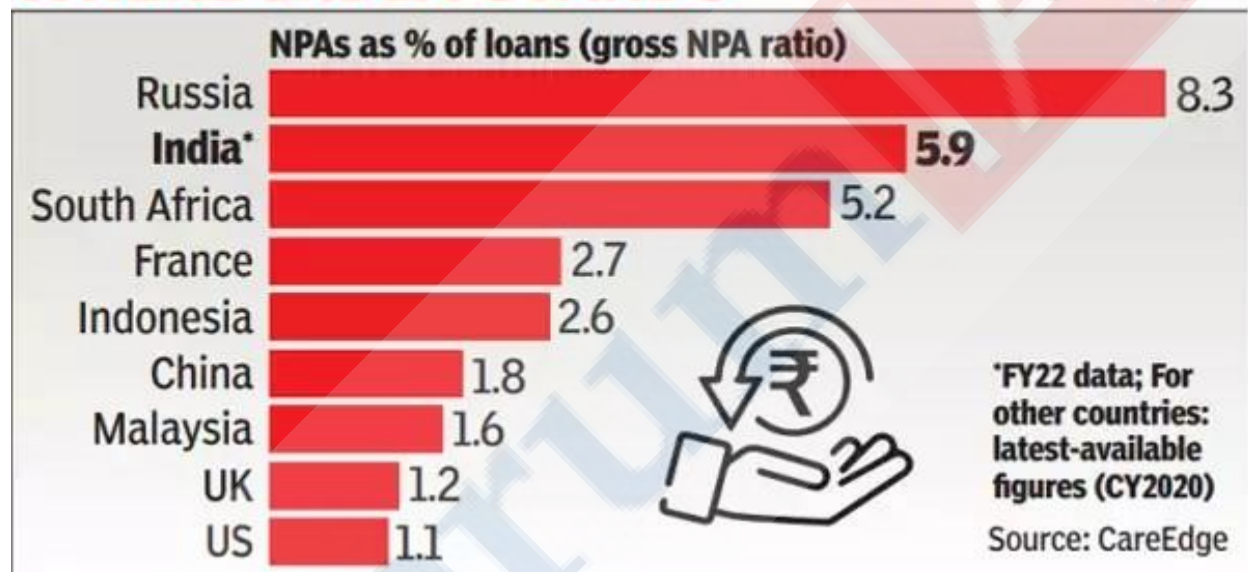
performing assets (NPAs) to net advances ratio has fallen to 1.3% in September 2022 – the lowest in 10 years.

The NPAs had risen from 3.8% in 2014 to 11.4% in 2018. However, since then the NPAs have shown a declining trend. The decline has been achieved on the back of decrease in slippages, increase in write-offs, and pick up in credit growth.

In December 2022, the Government told the Rajya Sabha that loans written off by scheduled commercial banks (SCBs) during the last 5 financial years totalled INR 10.1 lakh crore. Of this, 1.32 lakh crore has been recovered. As a percentage of write-offs, this comes to be about 13%.

Despite the fall in the NPAs recently, the proportion is still high compared to other economies.

WHERE INDIA STANDS IN BAD LOANS



Source: The Times of India

What were the reasons for NPA Crisis?

Global Financial Crisis: The RBI Report on **Trend and Progress of Banking in India** (RTP) had noted that while the Indian banking system had largely withstood the pressures of the crisis, it remained vulnerable to the slowdown in global economic growth and the collapse of global trade following the crisis. The firms with exposure to global slowdown contributed to the NPAs.

Twin Balance Sheet Problems: In the aftermath of slowdown in the Indian economy beginning 2011 both the banking sector and the corporate sector come under severe financial stress. The proportion of non-performing loans (NPAs) in gross loans (GAs) went from about 2% in 2008 to over 11% in 2018.

Forbearance Policies: Between 2010-15, banks resorted to **restructuring of loans** in many cases to **postpone recognition of non-performance**, ('extend and pretend' approach). As a result, until 2016 the restructured assets constituted more than 50% of the stressed assets of all scheduled commercial banks masking the actual extent of NPA crisis.

Stalled Judicial & Legislative Procedures: Many development projects were stalled due to prolonged judicial litigations. This had a particularly bad impact on sectors like mining, power, and steel. In addition, companies encountered difficulties in acquiring land, which resulted in the indefinite postponement of many projects and stalled investments

Other Factors: According to the RBI, **aggressive lending practices, wilful defaults, loan frauds, diversion of funds** and **corruption** also contributed to NPAs. Lack of information about creditworthiness about debtors also resulted in poor loan decisions. **Poor recovery mechanisms** also contributed to rise in NPAs.

What steps were taken to address the NPA Crisis?

RBI

The RBI undertook several measures to remedy the NPA, including the **Prompt Corrective Action** (PCA) framework in 2002 (which was reviewed in 2017 based on the recommendations of the working group of the Financial Stability and Development Council), **Schemes for debt restructuring** (like the **Scheme for Sustainable Structuring of Stressed Assets (S4A)**), **Asset Quality Review**, etc. These efforts culminated in a 12 February 2018 circular by the RBI that granted banks the power to initiate insolvency proceedings and set a timeline of 180 days to formulate plans for a resolution.

Government

4R's Strategy: Government has implemented a comprehensive 4R's strategy, consisting of **Recognition** of NPAs transparently, **Resolution** and **Recovery** of value from stressed accounts, **Recapitalising** of PSBs, and **Reforms** in PSBs and the wider financial ecosystem for a responsible and clean system.

A **National Asset Reconstruction Company (NARCL)** was announced in the Union Budget for 2021-2022 to resolve stressed loans amounting to about INR 2 lakh crore in phases.

Indradhanush plan: The plan envisaged infusion of capital in PSBs by the Government. Capital infusion is aimed at supplementing the achievement of regulatory capital norms by PSBs through their own efforts and, in addition, based on performance and potential, augmenting their growth capital.

Insolvency and Bankruptcy Code, 2016: It is a step towards settling the legal position with respect to financial failures and insolvency. It provides an easy exit with a painless mechanism in cases of insolvency of individuals as well as companies.

Read More: [Issues in the IBC Resolution Process and Possible Solutions – Explained, pointwise](#)

Schemes for Settlement of NPAs

Lok Adalats: In order to address cases of non-performing assets (NPA) with balances of up to INR 20 lakhs of rupees, the Lok Adalats have been established. They take full responsibility for ensuring a speedy recovery . The Lok Adalats are typically not very harsh on those who have defaulted on their loans. Additionally, they are **less expensive** and more straightforward methods of resolving disputes related to loans.

NCLT and the National Company Law Appellate Tribunal (NCLAT): NCLT has replaced the Board of Industrial and Finance Reconstruction (BIFR) and Appellate Authority for Industrial and Financial Reconstruction (AAIFR) that is under IBC. This had been done as the BIFR had

failed to meet its stated objectives. Under the IBC, not only the financial creditors but also the operational creditor can file an application for the purpose to liquidate before the NCLT. The IBC also very well stipulates the complete procedure of resolution, including the litigation that is to be completed within a passage of 330 days.

What should be done going ahead?

First, The government needs to recognise how its decisions independent of the banking sector can adversely impact NPAs in certain sectors and address the impact of those decisions to check the For example, in the power sector, mandated renewable purchase obligations (RPOs) for state power utilities, forcing them to prioritise renewable sources, has affected the performance of non-renewable projects.

Second, Ensuring **time-bound evaluation** process to assess the viability of projects can help shield banks from ministry decisions that could give rise to NPAs as a secondary

Third, The government also needs to ensure a rapid resolution of recognised NPAs. The passage of the Insolvency and Bankruptcy Code (IBC) in 2016 was a welcome first step, but the government must now ensure there are no delays in the timeframe outlined by the law.

Fourth, The government also needs to seriously consider the **Nayak Committee's** recommendations reviewing the governance of boards of banks.

Fifth, While the government has created the Banks Board Bureau, deeper reforms such as setting up of a state-owned Bank Investment Company under the Companies Act for PSBs, or fully moving the selection of bank chairpersons to the Banks Board Bureau, have not yet been implemented. These should be undertaken on priority.

Syllabus: GS III, Indian Economy

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

Fiscal Deficit in India: Trends and Concerns – Explained, pointwise

Introduction

The Union Government had estimated the Fiscal Deficit to be INR 16.61 lakh crore for FY2022-23. As of November 2022, the Government's Fiscal Deficit stood at INR 9.58 lakh crore, which is ~58% of the full-year estimate. The Budget estimate of Fiscal Deficit (INR 16.61 lakh crore) is ~6.4% of India's GDP. The Fiscal Responsibility and Budget Management (FRBM Act, 2003) prescribes the limit of Fiscal Deficit to be 3% of the GDP. However, successive Governments, since 2003-04, have failed to achieve this target due to multitude of justifiable and unjustifiable reasons. The Act itself has been amended 4 times to change the target dates. While the breach of limit seems reasonable based on certain grounds (like COVID-19 pandemic or global macroeconomic developments), the debate regarding freebies and their impact on Governments' finances has reignited debate regarding Governments' obligation to adhere to fiscal prudence and the target of 3% Fiscal Deficit prescribed by the FRBM Act.

What is the meaning of Fiscal Deficit?

Fiscal Deficit is the **difference between the total income (Total Revenue Receipts and Non-debt Capital Receipts) and total expenditure of the Government**. A situation of Fiscal Deficit arises when the total expenditure of the Government exceeds its income. This Fiscal Deficit is

calculated both in absolute terms and also as a percentage of the Gross Domestic Product (GDP) of the country. A recurring high fiscal deficit means that the **Government has been spending beyond its means**.

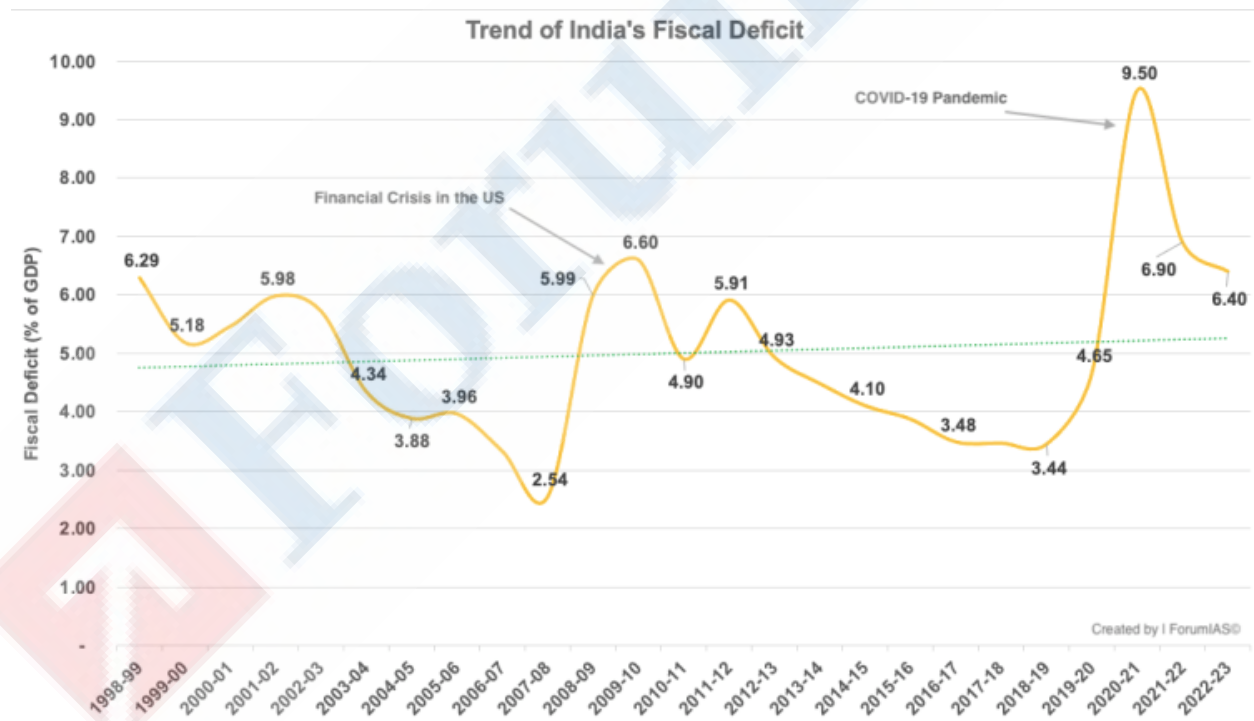
The Gross Fiscal Deficit (GFD) is the excess of total expenditure (including loans net of recovery) over revenue receipts (including external grants) and non-debt capital receipts. The **Net Fiscal Deficit is the Gross Fiscal Deficit less net lending of the Central Government**.

The Parliament had passed the Fiscal Responsibility and Budget Management Act (FRBM Act) in 2003. The Act's goal is to ensure **intergenerational equity in fiscal management, long-run macroeconomic stability**, better **coordination of fiscal and monetary policy**, and **transparency in the Government's fiscal operations**. One of the Key Targets of the FRBM Act is to limit the Fiscal Deficit to 3% of GDP. However, the target date of achieving the target has been pushed forward through successive amendments to the Act.

The Fifteenth Finance Commission has suggested that the Union Government should bring down fiscal deficit to 4% of GDP by 2025-26. For State Governments, it has recommended the fiscal deficit limit (as % of GSDP) of: **(a)** 4% in 2021-22; **(b)** 3.5% in 2022-23; **(c)** 3% during 2023-26.

What has been trend of India's Fiscal Deficit?

For 2022-23, the Government had estimated the Fiscal Deficit to be INR 16.61 lakh crore or 6.4% of the GDP. As of November 2022, the fiscal deficit had touched 58% of the full year budget estimate.



The Fiscal Deficit of the Government had fallen to 2.54% of the GDP in FY2007-08. However, due to the global financial crisis and the consequent fiscal stimulus by the Government to boost growth resulted in fiscal deficit rising to 6.6% of the GDP in FY2009-10 and 5.9% of GDP in FY2011-12.

The deficit had gradually reduced since then, having fallen to 3.44% of the GDP in FY2018-19. However, the COVID-19 pandemic, and the Government's fiscal package to rescue the economy from lockdowns, resulted in Fiscal Deficit of 9.5% in FY2020-21. It was 6.9% in FY2021-22 and 6.4% in FY2022-23 (estimated).

What are the reasons for high Fiscal Deficit in India?

Revenue Side

Tax-to-GDP Ratio: In India, it is low at around 10-11% of GDP and it has stayed at close to that level for the last 20 years. In contrast, Sweden has ratio of ~26%, the UK and France 25%, South Africa 23%. This means Government collects less revenue causing higher fiscal deficit. This has also led to lower rate of investment and lower GDP growth.

Narrow Tax Base: An overwhelming majority of Indians do not pay taxes, Indian tax revenues remain largely **dependent on indirect tax collections** which include all taxes on spending (such as GST). According to Ministry of Finance, only 5.83 crore Income Tax Returns were filed in Assessment Year 2022-23. (~4% of India's population).

Expenditure Side

High Subsidies: Expenditure on food, fertilisers and petroleum, form the largest share of Government's expenditure along with interest payments. The expenditure on these items (Food, Fuel, Fertilizers) soared to ~3% of GDP in FY2020-21. For FY2022-23, the subsidy bill on these three heads is expected to be INR 532,446.79 crore: Food (INR 287,179.34 crore), fertiliser (INR 214,511.27 crore) and petroleum (INR 30,756.18 crore).

Off-budget Financing: Economists and analysts argue that the **actual fiscal deficit figures might be even higher** because some of the government's expenditure is funded by the so-called **"off-budget" items**. (The off-budget borrowings are loans that government does not take directly, but public institutions borrow after the Government's order). This extra expenditure does not figure in the official calculations. This means that the true fiscal deficit is higher than the level presented in the Budget.

Debt-to-GDP Ratio: India's debt ratio is projected to be 84% of its GDP by the end of 2022, which is higher than many emerging economies. Due to this there is **increase in interest payment**. Interest payment of the government has increased to 3.1% of the GDP to INR 7.31 lakh crore in 2021-22.

Others

Poor Bond Market: In the developed economies, the Bond Markets are mature and developed. The Bond Markets judge the sustainability of the borrowing of a Central/State/Local Government and demand higher interest rates when public finance is on an unsustainable path. Such a system is healthy as **fiscal responsibility is rewarded by cheaper debt financing** (i.e., Government can borrow at lower interest rates) and vice versa. Poorly developed bond markets in India lack the ability to act like this check-and-balance. When the government needs to borrow, it forces financial firms (like banks) to lend to it.

What are the reasons for non-adherence to the FRBM Act?

Escape Clause: The term 'Escape Clause' refers to the circumstance in which the Central Government **can deviate from fiscal deficit targets**. The FRBM Act has defined three conditions upon which the escape clause can be invoked: **(a) Over-riding considerations of national security, acts of war, and calamities of national proportion and collapse of agriculture**

severely affecting farm output and incomes; **(b)** Far-reaching structural reforms in the economy with unanticipated fiscal implications; **(c)** A sharp decline in real output growth of at least 3 percentage points below the average for the previous four quarters. Because of this clause, the goal posts for fiscal targets have been moved multiple times over the course of the past two decades.

Amendments to FRBM Act: Amendments to the FRBM Act are permissible through money bills, which include Finance Bills. This makes it easier to amend the Act and shift the target dates e.g., the date of eliminating Revenue Deficit was gradually shifted through amendments in 2004, 2012, 2015 and 2018.

Effectiveness of Fiscal Responsibility Framework: In the US, the Government shuts down when the Budget negotiation is not able to fit within the debt ceiling. In Germany, the **'Federal Debt Brake'** is in the Constitution, and there would be a shutdown of government payments if it were violated. Such overarching clause is missing in the FRBM Act.

What are the harmful impacts of high Fiscal Deficit?

Crowding-out: Due to high fiscal deficit, the Government borrows from financial institutions. This reduces the financing available to private sector. This **reduces private investments, slowing down the economic growth rate.**

Higher Interest Rates: Higher borrowing by Government reduces the financing available in the market (demand exceeds supply). This raises interest rates.

Inflation: To cover its fiscal deficit, the Government also borrows from the Central Bank. When the Central Bank prints money to finance the government, the economy's money supply expands, causing inflationary pressures.

Debt Trap: Persistent fiscal deficit and dependence of borrowing may lead to accumulation of debt. As the debt rises, the interest payments on cumulative debt rise, putting further pressure on Government finance. Ultimately it may create a vicious cycle with the Government entangled in a **debt trap** where it has to **borrow more money to just repay existing debt and interest payments.**

External Dependence: Financing Fiscal Deficit through borrowings from abroad may force the Government to borrow from abroad. This creates dependence on foreign financial institutions and Governments. There is also risk of ballooning of debt in the event of **domestic currency depreciation.**

What steps can be taken to address Fiscal Deficit?

First, The Government should focus on **rationalizing the subsidies.** The tendency to grant 'freebies' should be kept in check. The subsidies can be made **more targeted.** Checking leakages and diversions can also help in rationalizing the spending.

Second, The Government should also improve the tax system. **Tax-to-GDP ratio must be improved** by ensuring better compliance (~4% pay Income Tax). In addition, **introduction of Wealth Tax** and raising the rate of **Property Tax** can reduce the asymmetry with respect to Direct and Indirect Taxes. Laws regarding **tax evasion** must be made more robust and implementation strengthened.

Third, The Government can also enhance revenues through **monetization of assets** especially idle assets like land lying vacant with Government entities.

Fourth, The Government should adhere to the recommendations regarding **fiscal consolidation** given by the **15th Finance Commission**.

Fifth, The amendments to the FRBM Act regarding shifting of target dates should be debated in the Parliament. The Government should adhere to the Act and the costs of deviation from the provisions of the Act should be increased.

Conclusion

The Government had to enhance its spending during the pandemic. Breach from fiscal consolidation targets is justified in such circumstances. However, even during the normal times, the fiscal deficit has never been below 3% since 2007-08. As normalcy returns post COVID-19 pandemic, the Government must focus on fiscal consolidation and bringing down the Fiscal Deficit to more sustainable level at the earliest.

Syllabus: GS III, Indian Economy

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

Supreme Court's Judgment on Demonetisation – Explained, pointwise

Introduction

On 02 January, 2023, a 5-judge bench of the **Supreme Court's Constitution Bench** ruled on a number of petitions challenging the legality of the Union Government's decision in November 2016 to demonetise the currency notes of INR 500 and INR 1,000. The Supreme Court's Judgment on Demonetisation has upheld the decision of the Government and dismissed the petitions.

What is the Supreme Court's Judgment regarding Demonetisation?

In November 2016, the Union Government had demonetised the currency notes of denominations INR 500 and INR 1000. The Supreme Court has upheld the legal aspects of the decision of the Government by a majority vote of 4:1.

The Court adjudicated that the notification from the Government (November 8, 2016) is lawful and that it passes the proportionality test. One Judge (Justice V Nagarathna) has given a dissenting judgment noting that even though demonetization was well-intended and well-thought-out, it still needs to be declared unlawful on legal grounds and not on the basis of objects.

What questions were considered by the Supreme Court Judgment on Demonetisation?

The Supreme Court had identified six issues in the challenge to the government's demonetisation decision.

A. Sub-section (2) of Section 26 of the RBI Act states that, "On recommendation of the Central Board the Central Government may, by notification in the Gazette of India, declare that.....any series of bank notes of any denomination shall cease to be legal tender...specified in the notification". The Supreme Court considered whether the power available under this clause can be restricted to mean that it can be exercised only for "one" or "some" series of bank notes and not "all" series?

Majority view: The majority opinion held that Section 26(2) RBI Act, which empowers Centre to demonetize any series of bank notes of any denomination, **can be used to demonetize the whole series of currency**. It observed ‘restrictive meaning cannot be given to word “any” in Section 26(2) of RBI Act’. The purposes of the Act must be considered while interpretation. The bench added that Section 26(2) cannot be struck down as unconstitutional on the ground of excessive delegation, adding that there are inbuilt safeguards.

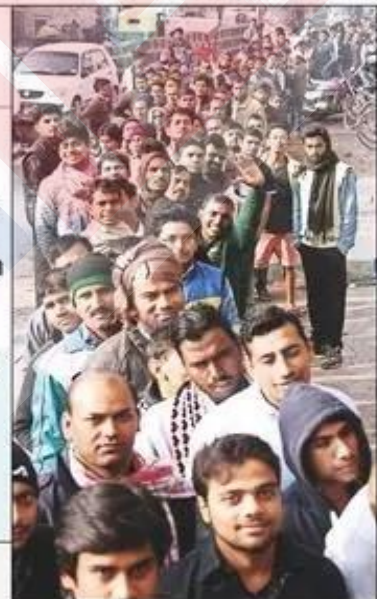
Minority view: The Judge held that “Any series” under Section 26(2) RBI Act cannot mean “all series”. “All Series” would mean that the Government can demonetize all series of all denominations by gazette notification. Such an extensive power can be “exercised only through a plenary legislation, by way of an enactment following a meaningful debate in Parliament”.

2016 DECISION FLAWLESS: MAJORITY ORDER

(The 4:1 majority verdict was authored by Justice BR Gavai on behalf of self and Justices S Abdul Nazeer, A S Bopanna and V Ramasubramanian)

KEY SC OBSERVATIONS

- The central government's **2016 decision** to ban Rs 1,000 and Rs 500 notes **was neither flawed nor hasty** and hardships faced by citizens following demonetisation **cannot be a ground to reverse the decision**
- It had a **reasonable nexus with its objectives**, such as eradicating black money, terror funding etc, and it is **not relevant whether those objectives were achieved or not**
- There was **consultation between the RBI and the govt** for six months before the impugned notification was issued; the **52-day window** provided for **exchanging demonetised notes** with legal tenders was not unreasonable and it **cannot be extended now**
- The court must **defer to legislative judgment in matters related to social and economic policies** and **must not interfere** unless the exercise of **executive power** appears to be **palpably arbitrary**



Six years ago, panicked citizens rushed to banks to exchange the demonetised notes & stood in seemingly unending long queues to withdraw money from ATMs

DISSENTING VERDICT

“The action of demonetisation of Rs 1,000 & Rs 500 currency notes was vitiated and the notification issued in this regard in Nov 2016 was unlawful... Parliament must be taken into confidence because it is the representative of the people of the country... The objective of the Centre may have been sound, just and proper, but the manner in which the objectives were achieved and the procedure followed for the same, in my view was not in accordance with law... — Justice Nagarathna in 124-page separate verdict

Source: *The Times of India*

B. If the power under Section 26 (Question A above) means “all series” of bank notes, whether this power would amount to conferring excessive delegation and as such, liable to be struck down?

Majority view: The decision under sub-section (2) of Section 26 has to be taken by the Central Government on the recommendation of the Central Board. Thus there is an inbuilt safeguard in the RBI Act. It also said that the delegation of power is in any case to the Central Government, which is answerable to Parliament.

Minority view: The Judge held that RBI Act **does not envisage initiation of demonetisation by the Central Government**. As per Section 26(2), the **proposal for demonetisation to emanate from the central board of the RBI**. The Judge further held that if demonetisation is to be initiated by the Central Government, such power is to be **through a legislation or an ordinance derived from Entry 36 of List I** (Currency, Coinage, Legal Tender, and Foreign Exchange).

C. Is there a possibility that the Notification of Demonetisation (issued on November 8th, 2016) could be overturned on the ground of legal flaws in the decision-making process?

Majority view: The majority view relied on the Government's argument that **merely because the process was initiated by the Centre, it could not be struck down**. The ruling notes that the minutes of the RBI Central Board meeting that recommended demonetisation on November 8, 2016 itself stated that the **RBI and the Centre had discussed the idea for over six months before it was notified**.

On the merits of the decision, the majority stated that the **Court cannot determine the effectiveness of economic policy**. However, it agreed with the Centre's contention that the **decision had to be made in secrecy and in haste for it to be effective**.

'NOT RELEVANT WHETHER OBJECTIVES ACHIEVED OR NOT'

MAJORITY VERDICT OF JUSTICES SA NAZEER, BR GAVAL, AS BOPANNA & V RAMASUBRAMANIAN	MINORITY VERDICT OF JUSTICE BV NAGARATHNA
<ul style="list-style-type: none"> ➤ Majority verdict says demonetisation had a "reasonable nexus with its objectives" such as eradicating black money and terror funding and it is not relevant whether those objectives were achieved or not ➤ Says government was in consultation with RBI for six months and it is empowered to take such a decision 	<ul style="list-style-type: none"> ➤ Demonetisation move 'exercise of power' by Union government, contrary to law and vitiated under the RBI Act ➤ Carried out in 24 hours, so central bank had no time to consider it ➤ Parliament, which is "at the centre of our democracy, cannot be left aloof in a matter of such importance" ➤ Around 98% of value of banned currency reported to
<ul style="list-style-type: none"> ➤ No fresh window to exchange notes, 52 days' time given earlier not unreasonable <p>“ There has to be great restraint in matters of economic policy. Court cannot supplant the wisdom of executive with its wisdom...</p>	<p>have been exchanged, so measure may not have been as effective as it was hoped to be</p> <p>“ This (use of phrases such as 'as desired' by the Centre in communication to RBI governor) demonstrates that there was no independent application of mind by the Bank</p>

Source: The Times of India

Minority view: The Judge observed that the statement in the records submitted by the RBI "as desired by the Central Government" demonstrates that there was no independent application by the RBI and merely approved Centre's decision. The entire exercise was carried out in 24 hours. The Judge held it in the violation of Section 26(2) of the RBI Act.

D. Does the Government Notification of Demonetisation (issued on November 8th, 2016) fail the Test of Proportionality and thus be subject to being overturned?

Majority view: The majority decision applies a **four-pronged test of proportionality** to the constitutionality of the decision. The four ingredients of the test to be satisfied are: **(a)** Legitimate purpose; **(b)** Rational connection with the purpose; **(c)** Necessity; **(d)** Whether the action taken is proportional or balanced.

The majority verdict states that curbing fake currency, black money and terror funding are **legitimate interests of the State** and have a rational connection with demonetisation. On the question of necessity, the Court said that it is “**exclusively within the domain of the experts**”, (RBI) to answer this question.

On the question of Proportionality, the Court said “what alternate measure could have been undertaken with a lesser degree of limitation is very difficult to define”.

Minority view: The Judge said that since she had already held the **demonetisation decision unlawful**, this question need not be answered.

E. Whether the period of exchange of notes (after demonetisation) can be said to be unreasonable?

Majority view: The Court cited an earlier instance of demonetisation in 1978 where a 3-day period was provided for exchanging the demonetised notes. This was **upheld by a Constitution Bench of the court**. Relying on this decision, the majority view said, “*we fail to understand as to how the said period of 52 days could be construed to be unreasonable, unjust and violative of the petitioners’ fundamental rights.*”

Minority view: Since the dissent had already held the demonetisation decision unlawful, it did not answer this question.

F. Is the RBI authorised to continue accepting the demonetised notes beyond the period specified in notifications issued under sub-section (1) of Section 4 of the 2017 Act?

Majority view: The **Specified Bank Notes (Cessation of Liabilities) Act, 2017** prohibits and penalises holding, transferring, or receiving demonetised currency. However, some earlier notifications **allowed a grace period for certain individuals**, like those who were abroad when demonetisation was notified, to exchange their old currency. The petitioners argued that RBI had no independent powers to allow that when the 2017 Act had been passed by Parliament. The majority view stated that the **earlier notifications have to be read as part of the 2017 law, giving it a “contextual and harmonious construction”**.

Minority view: Since the dissent had already held the demonetisation decision unlawful, it did not answer this question.

Conclusion

During the hearing in November-December 2022, the Supreme Court indicated that **demonetization might not be scrapped because “the clock cannot be turned back”**. After six years, the economy and society have finally recovered from the shock of the demonetisation decision. However, the Supreme Court’s Judgment on Demonetisation and arguments may lead it to establish guidelines for future such exercises.

Syllabus: GS II, Government policies and interventions for development in various sectors and issues arising out of their design and implementation; GS III, Indian Economy.

Cleaning of River Ganga – Explained, pointwise

Introduction

The meeting of the National Ganga Council was held recently. National Ganga Council is the apex body for superintendence, direction and control for the initiatives for the cleaning of River Ganga under the *Namami Gange* Mission. At the meeting, National Mission for Clean Ganga (NMCG) informed the Council that the Union Government has spent more than INR 13,000 crore on cleaning the Ganga since 2014. In December 2021, the Director-General of NMCG had informed that large stretches of the Ganga river have been cleaned, but the mission is not over yet. There are several challenges in cleaning of River Ganga. The Government must continue its mission-mode approach till the entire stretch of the river is clean and rejuvenated.

What are the major pollutants polluting the River Ganga?

Industrial Effluents: Industrial effluents from manufacturing and other units are discharged untreated into the river Ganga. Many big and small cities and industrial towns are situated on banks of the Ganga including Kanpur, Prayagraj, Varanasi etc.

Domestic Sewerage: Domestic sewerage waste, especially in large urban centres, is discharged untreated into the Ganga. In addition, the use of detergents by laundry services (*dhobis*) which wash clothes on the river banks contribute to chemical pollution in the river.

Agricultural Waste: Pesticides, herbicides and fertilizers used in farms ultimately reaches the river through run-off. The Indo-Gangetic plains feed ~40% of the Indian population.

Solid and Bio-medical Waste Disposal: Domestic and other solid waste is dumped directly or indirectly into the river throughout the entire stretch. Moreover, the waste from hospitals and nursing homes, which should be appropriately treated, are disposed of untreated into the rivers resulting in polluted water giving rise to several water-borne diseases.

Social and Cultural Practices: Practices like cremation of dead bodies on river banks, and religious offerings in the river also result in local pollution.

Water Extraction: A vast quantity of water is extracted from the Ganga River (through canals, urban water supply systems) which reduce river run-off. Construction of dams (Uttarakhand) have also reduced flow of fresh water. While this does not directly result in pollution, the reduced run-off **increases the severity of pollution** from other sources.

What steps have been taken for the cleaning of River Ganga?

Ganga Action Plan (GAP): It was launched in 1986. The primary purpose of this plan was to clean up the Ganga River by reducing and removing pollution from cities along its banks. The **Central Ganga Authority** was founded in 1985, and a Ganga action plan was launched in 1986 to clean up the Ganga.

Central Ganga Authority (CGA): It was created under the Ministry of Environment. The CGA was **responsible for the implementation of the Ganga Action Plan** and for establishing future policies and programs. It was later renamed the **National River Conservation Authority (NRCA)**.

National Ganga River Basin Authority (NGRBA): The Government constituted the National Ganga River Basin Authority (NGRBA) in February 2009 under Section 3(3) of the **Environment Protection Act, 1986**. The NGRBA was a planning, financing, monitoring and coordinating body

of the Union and the State Governments. The objective of the NGRBA is to ensure effective abatement of pollution and conservation of the river Ganga by adopting a river basin approach for comprehensive planning and management.

Namami Gange Programme: It is an Integrated Conservation Mission (approved as 'Flagship Programme') launched by the Union Government in June 2014 with budget outlay of INR 20,000 Crore to accomplish the twin objectives of **effective abatement of pollution**, and **conservation and rejuvenation of River Ganga**. The **Ministry of Jal Shakti** is responsible for its implementation. The Vision for Ganga Rejuvenation includes restoring the **Aviral Dhara** (Continuous Flow), **Nirmal Dhara** (Unpolluted Flow), **Geologic Entity** (protection of geological features) and **Ecological Entity** (protection of aquatic biodiversity).

The **National Mission for Clean Ganga** (NMCG) and its State counterpart organisations, known as **State Program Management Groups** (SPMGs), are in charge of putting the programme into action. The Main Pillars of the Programme are: **(a)** Sewerage Treatment Infrastructure; **(b)** River-Surface Cleaning; **(c)** Afforestation; **(d)** Industrial Effluent Monitoring; **(e)** River-Front Development; **(f)** Biodiversity **(g)** Public Awareness; **(h)** Ganga Gram.

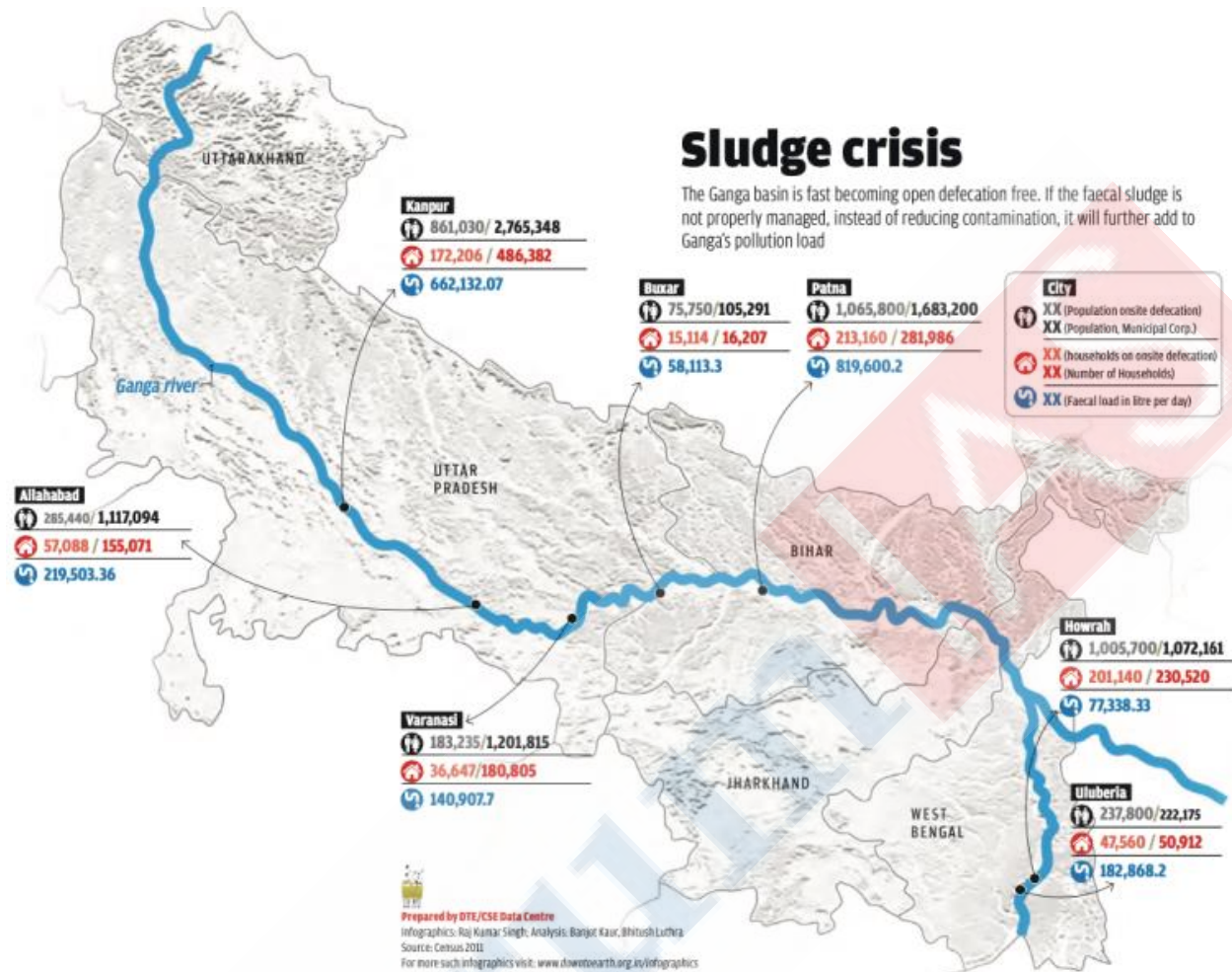
National Mission for Clean Ganga(NMCG): It is a **statutory authority** established under the **National Council for River Ganga (Rejuvenation, Protection and Management) Act, 2016**. In 2016, the Government issued a notification to authorise the National Mission for Clean Ganga (NMCG) to exercise powers under the Environment (Protection) Act, 1986.

What are the challenges in cleaning of River Ganga?

Sewage Treatment: It has been at the centre of Ganga pollution abatement. Despite initiatives, there are challenges like delay in new projects because of land acquisition and other procedural requirements, poor performance of Sewage treatment plants (STPs) and lack of sewerage network in cities. Industries find it easy to dispose their entire waste in the common drain which carries both domestic as well as industrial waste into the river. This is due to lax implementation.

Restoring the Flow: With enough flow, a river acts as **self-purifying system**. However, the Ganga fails this basic test except during monsoons. So it's not just about unclean Ganga. It is about the **existence of Ganga** (or adequate water flow). Due to restrictions and decrease in flow, the velocity of water decreases and siltation increases and the self-purification capacity decreases.

Sludge Control: While the containment of human waste has been largely achieved by Swachh Bharat Mission (SBM) through construction of toilet in Ganga grams, its safe disposal still poses a huge challenge. Faecal sludge is a bigger pollutant than sewerage. While the BOD of sewage is 150-300 mg/l, that of faecal sludge would be 15,000-30,000 mg/l.



Source: Down to Earth

Cost Overruns: The costs of the programme have increased as a result of delays in multiple projects, and ineffective financial management.

Governance Issues: The Ganga Action Plans lacked the coordination of various Ministries. Lack of coordination results in faulty execution, delays and cost overruns.

What more should be done for cleaning of River Ganga?

Autonomous Agency: Experts contend that National Ganga Council (NGC) should be an autonomous agency independent from the Government. Environmental Experts who are familiar with the river should be members of this body rather than bureaucrats because they have more relevant experience.

Improving Flow: The designs of hydroelectric projects can be tweaked in such a manner that they consume less water. Lesser storage will improve water-flow downstream restoring the self-purifying capabilities of the Ganga river. It may raise the cost of the projects but should be done for long-term preservation of the Ganga.

Better Coordination: The National Ganga Council met after ~3 years. More frequent meetings will help improve coordination between Ministries and Union and State Governments.

Decentralisation: Some critics argue that the Programme is centralized, largely driven by the Union Government. Greater involvement of State and Local Governments (bottom-up approach) can help in better implementation.

Initiatives by NMCG: Environment Experts have suggested several steps that NMCG can undertake for Ganga Rejuvenation like decentralised Sewage Treatment Plants (dSTPs), develop local storages (ponds/wetlands), identify and protect 'river corridors', restoring base flow through groundwater recharge etc.



Source: Down to Earth

Conclusion

The Director General of NMCG has said that there has been considerable improvement in the status of cleaning of Ganga river. The Central Pollution Control Board and a special cell have been monitoring real-time water quality of Ganga. In terms of Dissolved Oxygen (DO), the entire stretch of Ganga meets the standards from Uttarakhand to West Bengal. These are measured at nearly 90 stretches. The Biochemical Oxygen Demand (BOD) levels are met in at least 60. The Kanpur BOD used to be 10 at one point and now is 3-4. So, there is significant improvement. Yet, there are many challenges that remain, and Ganga is far from being free of pollution. The Government should build on the success of the programme and scale up its efforts till the River Ganga is restored to its pristine glory.

Syllabus: GS III, Conservation, Environmental Pollution and Degradation.

Source: [Indian Express](#), [Indian Express](#), [Down to Earth](#), [Down to Earth](#), [The Hindu](#), [NMCG](#)

India-Nepal Relationship – Explained, pointwise

Introduction

India and Nepal share deep social, cultural, strategic, political, and economic ties that have been forged over many centuries. However, the relationship has witnessed many ups and downs in recent times. The electoral outcomes in the recent elections in Nepal were on the expected lines. But the post-election developments have created some uncertainties in India-Nepal Relationship. Foreign Policy Experts believe the new developments, a hung-Parliament and the post-election alliance has thrown new challenges for India's Policy.

What are the areas of cooperation in India-Nepal Relationship?

Defence Cooperation: India has been **assisting the modernisation of Nepal Army (NA)** by supplying equipment and providing training. Assistance during disasters, joint military exercises, adventure activities and bilateral visits are other aspects of India's defence cooperation with Nepal. The 'Indo-Nepal Battalion-level Joint Military Exercise SURYA KIRAN' is conducted alternately in India and in Nepal. The **Gorkha regiments of the Indian Army** are raised partly by recruitment from hill districts of Nepal. Currently, about 32,000 Gorkha Soldiers from Nepal are serving in the Indian Army.

Connectivity and Development Partnerships: India's development assistance to Nepal is a broad-based programme focusing on **creation of infrastructure at the grass-roots level**. Various projects have been implemented in the areas of **infrastructure, health, water resources, education** and rural & **community development**.

Two important integrated checks One at Birgunj (Nepal) and another at Biratnagar (Nepal) have been built with Indian assistance.

India has built several hydroelectric projects in Nepal like Pokhra (1 MW), Trisuli (21 MW), Western Gandak (15 MW), Devighat (14.1 MW) etc. Agreements have been signed between Satluj Jal Vidyut Nigam (SJVN) Ltd and the Nepal Electricity Authority (NEA) for development and implementation of **490.2 MW Arun-4 hydropower project**. The project is expected to generate electricity for Nepal, India as well as Bangladesh. The SJVN has 51% share and the NEA has 49% of the project. Nepal has also extended an invitation to Indian businesses to invest in the **West Seti Hydropower Project**.

Power Cooperation: India and Nepal have robust cooperation in the power sector. Three cross-border transmission lines were completed recently with GoI assistance (400 kV Muzaffarpur-Dhalkebar line (2016); 132 kV Kataiya-Kusaha and Raxaul-Parwanipur lines (2017). A total of about 600 MW of power is currently being supplied by India to Nepal through different transmission lines, assisting Nepal to **overcome power shortage**. The Government of India has granted permission to Nepal Electricity Authority (NEA) in November 2021 to **sell its surplus energy** under **Cross Border Trade of Electricity (CBTE) guidelines**.

Trade and Economic Ties: India remains **Nepal's largest trade partner**, with bilateral trade crossing US\$ 7 billion in FY 2019-20. **India provides transit for almost the entire third country trade of Nepal**. India's export to Nepal has grown over 8 times in the past 10 years while exports from Nepal have almost doubled. In FY 2021-22, it constituted 2.34% of India's exports. In fact, exports from India constitute almost 22% of Nepal's GDP.

Indian firms are among the largest investors in Nepal, accounting for more than 33% of the total FDI stock in Nepal, worth nearly US\$ 500 million. India and Nepal have also signed the **Double Taxation Avoidance Agreement (DTAA)** in November 2011. The **bilateral remittance flow** is estimated at approximately US\$ 3 billion (Nepal to India) and US\$ 1 billion (India to Nepal).

New Partnership in Agriculture: In April 2018, the '**India-Nepal New Partnership in Agriculture**' was launched with a focus on collaborative projects in **agricultural research, development and education**.

Water Resources Cooperation: A three-tier bilateral mechanism was established in 2008, to discuss issues relating to **cooperation in water resources, flood management, inundation and hydropower** between the two countries. The arrangement has been working well. There are specialized committees (like the Joint Team of Experts (JTE) on Saptkosi and Sunkosi projects, Joint Committee on Inundation and Flood Management (JCIFM) etc.) which implement the recommendations of the three-tier mechanism and meet more regularly.

Educational, people-to-people and Cultural Exchanges: India and Nepal extend **visa-free entry** in their respective territories to each other's nationals. Nearly eight (8) million Nepalese citizens live and work in India and around 6,00,000 Indians reside in Nepal.

Indians account for about **30% of foreign tourists** in Nepal. With a view to strengthen people to people exchanges, **sister city agreements have been signed** (Kathmandu-Varanasi, Lumbini-Bodhgaya, Janakpur-Ayodhya) & **India-Nepal Ramayana Circuit** have been launched.

International Centre for Buddhist Culture and Heritage: The Centre presents the essence of spiritual aspects of Buddhism. The facility is aimed at catering to scholars and Buddhist pilgrims from all over the world who visit **Lumbini**. **Sampark India-Nepal Alumni network** is an initiative which seeks to bring Nepali alumni and students presently pursuing studies in India together on a common platform to establish a vibrant alumni network.

India has offered to set up a **satellite campus of the Indian Institute of Technology (IIT)** in Rupandehi and has sent some draft memoranda of understanding for signing between Indian and Nepali Universities.

MoUs/Agreements have been signed between: **(a)** Sahitya Kala Akademi (India) and Nepal Academy, **(b)** Doordarshan (India) and Nepal TV, **(c)** Press Council of India and Press Council of Nepal, **(d)** Lalit Kala Akademi (India) and Nepal Academy of Fine Arts, **(e)** GoI and Government of Nepal for twinning of sister cities Kathmandu-Varanasi, Lumbini-Bodhgaya and Janakpur-Ayodhya etc.

The **Swami Vivekananda Centre for Indian Culture** was set up in Kathmandu in August 2007 to showcase the best of Indian culture. The **Nepal-Bharat Library** was founded in 1951 in Kathmandu. It is regarded as the first foreign library in Nepal.

Parliamentary Exchanges: In May 2019, the Federal Parliament of Nepal formed '**Nepal-India Parliamentary Friendship Group**' comprising nine members from both, the House of Representatives (Lower House) and the National Assembly (Upper House) of the Federal Parliament of Nepal.

COVID Assistance: As part of COVID-19 assistance, India had supplied more than 23 tonnes of medicines and medical equipment to Nepal on Grant basis during the first wave of COVID-19.

The total COVID-19 assistance provided to Nepal is more than US\$ 7 million. India also ensure uninterrupted supply of Medical Oxygen to Nepal during the peak of the pandemic.

What the challenges in India-Nepal Relationship?

Economic: (a) The close cultural and family ties between people from both sides of border meant that a lot of India-Nepal trade occurred through network of informal arrangements. Lenders and suppliers offered credit based on family references. Such informal ties and the simplicity of those traditional businesses are now under stress due to transition to formal economy in India. For many small and medium Nepali businesses, it is now easier to trade with China because, the rules have made it harder to do business with India; **(b) Decline in Indian Investments:** Chinese investments are replacing Indian investments. In 2019, for instance, China accounted for approximately 40% of new FDIs against India's 30%.

Territorial Disputes: India-Nepal boundaries had been fixed in 1816 by the British, and India inherited the areas over which the British had exercised territorial control in 1947. While 98% of the India-Nepal boundary was demarcated, two areas, **Susta** and **Kalapani** remained in limbo. In 2019, Nepal released a new political map **claiming Kalapani, Limpiyadhura and Lipulekh** of Uttarakhand and the area of Susta (West Champaran district, Bihar) as part of Nepal's territory.

Read More: [Kalapani territorial dispute between India and Nepal resurfaced](#)

Issues with Peace and Friendship Treaty: The 1950 Treaty of Peace and Friendship guaranteed Nepali citizens **free movement across the border** and **legal employment opportunities** in India. But now, it's seen as a sign of an unequal relationship and something that the Indians imposed. Since the mid-1990s, Joint Statements have sometimes, but not always, talked about the idea of revising and updating

Chinese Interference: Nepal has been moving away from India's sphere of influence in recent years, and China has been filling the void with investments, aid, and loans. China plans to **invest in Nepal's infrastructure** as part of its ambitious **BRI (Belt and Road Initiative)** to increase global trade. Rising cooperation between Nepal and China **threatens Nepal's status as a buffer state between India and China.**

Terrorism: Terrorist organisations and insurgent groups operating in India's northeast take advantage of the **porous and poorly patrolled border between India and Nepal** to smuggle in weapons, ammunition, trained cadres, and counterfeit Indian currency, all of which pose serious security risks to India.

Trust Issues: The trust gap between India and Nepal has grown over time due to India's notoriously slow pace of project implementation. Some Nepalese ethnic groups dislike India because they think that India meddles too much in Nepal's politics and interferes with their political sovereignty.

What should be done to further strengthen India-Nepal Relationship?

Strengthening Economic Relation: With China now a factor directly or indirectly influencing India-Nepal relations, the Government must act swiftly to remove challenges blocking economic engagements. They must allow people across the borders to share in each other's growth just as they did before. There is a need to revitalise the socio-economic network which was the main driver of investments in the past.

Constructive Discussions for Resolving Border Disputes: Rather than engaging in heated rhetoric about territorial nationalism, it is important to **lay the groundwork for a dialogue** in which both parties show respect and consideration for one another while investigating what is realistically possible. For the **Neighbourhood First Policy** to take hold, India needs to be a considerate and generous partner. International law on Trans-boundary Water Disputes will be used to guide diplomatic talks about how to solve the problem. The boundary dispute resolution between India and Bangladesh should serve as a model.

Raising Awareness About Nepal: India needs to step up its interactions with Nepal on all fronts (political, administrative, and interpersonal) in order to better serve both countries. India should stick to its policy of **staying out of Nepal's domestic affairs**.

Investments: India should step up its investments in Nepal. The focus should be on faster completion of projects. Projects benefiting local people will help create goodwill for India. This will also force the Left parties in Nepal to curb their anti-India rhetoric.

Conclusion

India and Nepal share age old civilisational ties. Nepal is crucial for India's economic and strategic interests. A friendly and favorable Nepal will act as a vital buffer between India and an increasingly aggressive China. The Government of India should constructively engage with new regime in Nepal and work towards greater cooperation on multiple dimensions. This will be in favor of India's long term interests.

Syllabus: GS II, India and its neighbourhood relations.

Source: [The Hindu](#), [ORF](#), [The Diplomat](#), [MEA](#)

Green Hydrogen Mission – Explained, pointwise

Introduction

The Union Cabinet has formally approved the **National Green Hydrogen Mission**. The Mission has stated aims of **making India energy independent** and a **global hub for the production of green hydrogen**, along with **decarbonising major sectors of the economy**. The Mission has an outlay of INR 19,744 crore. Green Hydrogen is being considered as one of the vital avenue for energy transition away from fossil fuels, for both the mobility (transportation) and industrial sectors. Many breakthroughs have been made in the Green Hydrogen Technology, yet many challenges remain for scaling-up the utilization and adoption of Green Hydrogen technologies. Hence, a mission-mode approach through the Green Hydrogen Mission is a welcome step.

What is Green Hydrogen?

Hydrogen is the **lightest element** found in nature. In standard conditions it **exists as a gas** of diatomic molecules (H_2). Hydrogen is the **most abundant chemical substance in the universe**, constituting roughly 75% of all normal matter. Stars including the Sun, are mainly composed of hydrogen. (though in the plasma state instead of gaseous state). The hydrogen gas can act as a useful fuel. Its **combustion with oxygen releases a lot of energy** and **produces water as byproduct**. Hence, it is more environment-friendly as it does not produce carbon-dioxide (produced by combustion of fossil fuels) and thus does not contribute to climate change.





There are several ways to produce Hydrogen on industrial scale (large-scale). These include **steam reforming of natural gas**, **oil reforming**, or **coal gasification**. A small percentage is also

produced using more energy-intensive methods such as the **electrolysis of water**. The hydrogen produced via these methods have been given various different names in order to distinguish them in terms of their carbon footprints.

Grey Hydrogen is traditionally produced from methane (CH₄), split with steam into carbon-dioxide (CO₂, Green House Gas) and hydrogen. Grey hydrogen is increasingly being produced from coal, with **significantly higher CO₂ emissions per unit of hydrogen produced**. It is produced at industrial scale today. It has no energy transition value.

Blue hydrogen follows the **same process as grey**, with the **additional technologies necessary to capture the CO₂ produced** (when hydrogen is split from methane (or from coal)) and **store it for long term**. It is not possible to capture 100% of the CO₂ produced and not all means of storing it are equally effective in the long term.

Green hydrogen is defined as **hydrogen produced by splitting water into hydrogen and oxygen using renewable electricity**.

Color	GREY HYDROGEN	BLUE HYDROGEN	TURQUOISE HYDROGEN*	GREEN HYDROGEN
Process	SMR or gasification	SMR or gasification with carbon capture (85-95%)	Pyrolysis	Electrolysis
Source	Methane or coal 	Methane or coal 	Methane 	Renewable electricity 

Note: SMR = steam methane reforming.
* Turquoise hydrogen is an emerging decarbonisation option.

Source: WEF, IRENA

Read More: [Green Hydrogen: Potential, Issues and Solutions – Explained, pointwise](#)

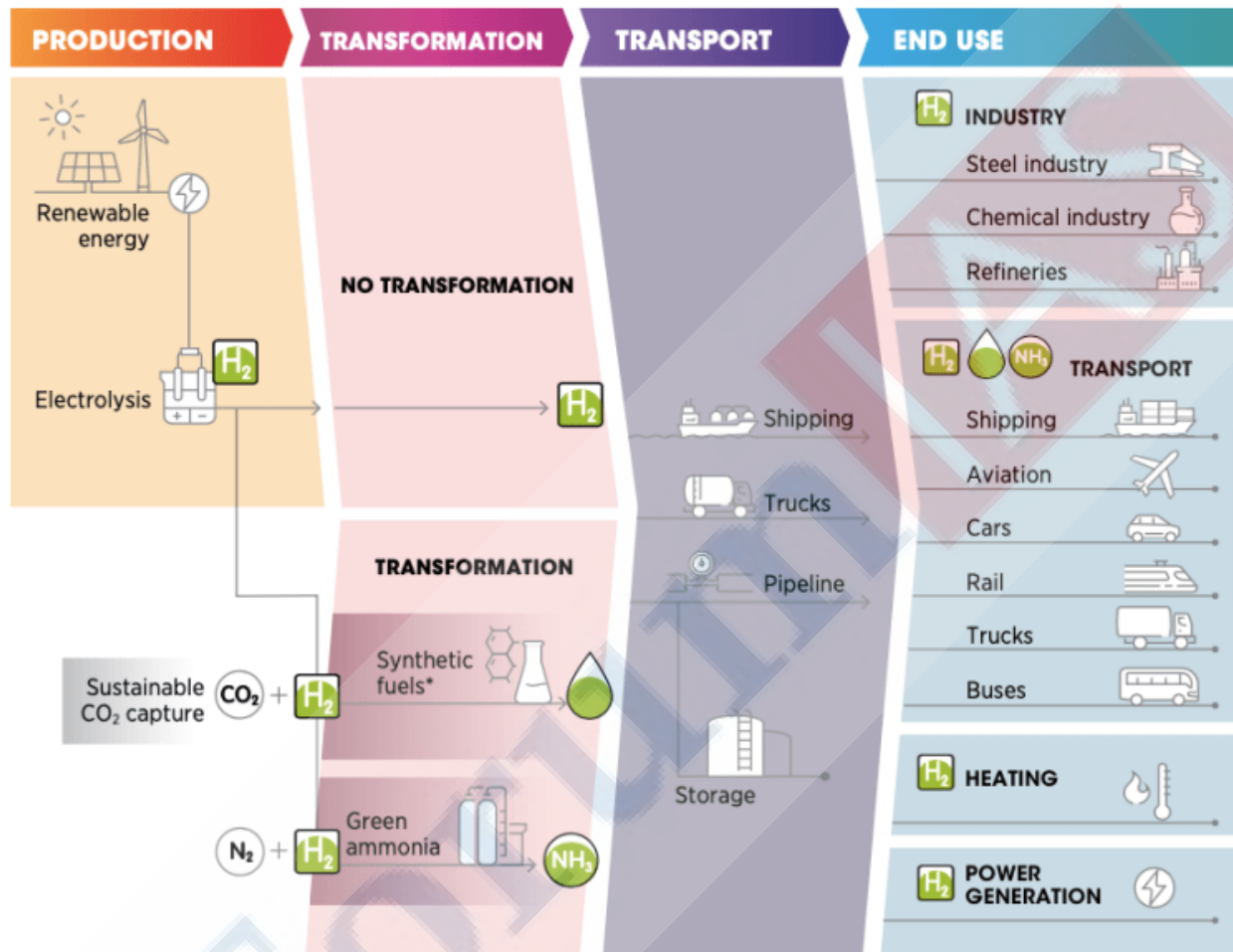
What are the benefits of Green Hydrogen?

Net Zero Transition: The use of hydrogen in combustion has zero GHG emissions. Since, renewable energy is used in producing the Green Hydrogen, the entire chain (production to consumption) has very low GHG emissions (in contrast to Grey Hydrogen). Thus Green Hydrogen is vital to Net Zero transition. It can be utilized to decarbonize the heavy industry, long haul freight, shipping, and aviation sectors. Governments and industry have both acknowledged **Green Hydrogen as an important pillar of a Net Zero economy**.

Clean Energy Solution: (a) Energy Storage Solution: Hydrogen is emerging as one of the leading options for **storing energy from renewables**. Hydrogen-based fuels can potentially transport energy from renewables over long distances; from regions with abundant energy resources, to energy-intensive areas thousands of kilometers away; **(b) Versatility:** Green

Hydrogen can be transformed into electricity or synthetic gas and used for commercial, industrial or mobility purposes.

FIGURE 1.1 Green hydrogen production, conversion and end uses across the energy system



Source: WEF, IRENA

Availability of Water: Green Hydrogen can be produced from water which has abundant availability.

What are the challenges in scaling up adoption of Green Hydrogen?

High Cost: The process of production of hydrogen using electrolysis consumes a lot of energy. The process uses **high end-technological Electrolysers**. Electrolysers are devices that use electricity to split water into hydrogen and oxygen and **are expensive**. Hence, the cost of production of Green Hydrogen is high.

High Energy Consumption: The production of hydrogen in general and green hydrogen in particular requires more energy than other fuels.

Safety Issues: Hydrogen is a **highly volatile** and **flammable element** and **extensive safety measures** are therefore required to prevent leakage and explosions.

What steps have been taken to promote Green Hydrogen?

India

National Green Hydrogen Mission: The intent of the Mission is to **incentivise the commercial production of green hydrogen** and make India a **net exporter of Green Hydrogen by creating opportunities for exports**. The Mission is also aimed at **decarbonisation of the energy sector** and use in **mobility applications** in a bid to **lower the dependence on imported fossil fuels**; and to develop **indigenous manufacturing capacities**. It will also help in creating employment opportunities; and developing new technologies such as efficient fuel cells.

The mission has laid out a target to **develop Green Hydrogen production capacity** of at least 5 MMT (Million Metric Tonne) per annum. This is alongside adding renewable energy capacity of about 125 GW (gigawatt) in the country.

The Government hopes that by 2030, the Mission will help bring in investments worth INR 8 trillion and create over six lakh jobs. With implicit subsidy support and a **Government-backed R&D push**, the plan is to target lower costs of renewable power generation and to **bring down the costs of electrolyzers** to make the production of Green Hydrogen **cost-competitive**.

There are two umbrella sub-missions under the Green Hydrogen Mission: **(a) Strategic Interventions for Green Hydrogen Transition Programme (SIGHT)** will fund the domestic manufacturing of electrolyzers and produce Green Hydrogen; **(b) To support pilot projects** in emerging end-use sectors and production pathways. States and regions capable of supporting large scale production and/or utilisation of hydrogen will be identified and developed as **Green Hydrogen Hubs**.

INR 17,490 crore has been earmarked for the SIGHT programme, INR 1,466 crore for pilot projects and hydrogen hubs, INR 400 crore for R&D and INR 388 crore for other parts of the Mission.

Green Hydrogen Policy: The Government had launched the Green Hydrogen Policy, 2022 in February 2022 that envisages to build a prominent role for clean fuels in the country's fossil fuel-dominated energy mix.

Read More: [Green Hydrogen Policy – Explained, pointwise](#)

Other Initiatives (States/PSUs): **(a)** Kerala has set up a high-level working group for its own **Hydrogen Economy Mission** to devise a strategic roadmap, policy formulations, and implementation plans for facilitating investments in green hydrogen and making the State “a green hydrogen hub”; **(b)** In April 2022, state-owned Oil India Limited commissioned India's first 99.99% pure Green Hydrogen plant in **Jorhat, Assam.**; **(c)** Indian Oil Corporation Ltd has set up an R&D centre, in collaboration with Tata Motor Limited. The Centre had earlier carried out trials of hydrogen fuel cell buses

Private Sector Initiatives: Companies such as Reliance Industries Ltd, Adani Enterprises, JSW Energy, and Acme Solar have plans to tap the Green Hydrogen opportunities. Adani Group has announced in June that it will collaborate with France's Total Energy to jointly create the “world's largest green hydrogen ecosystem”. US-based Ohmium International has commissioned India's first Green Hydrogen Electrolyzer Gigafactory to manufacture Indian-made **Proton Exchange Membrane (PEM) hydrogen electrolyzers** in Karnataka.

Global Initiatives

(a) The **Green Hydrogen Catapult**, a **United Nations** initiative to bring down the cost of Green hydrogen has announced that it will increase its goal for green electrolyzers from 25 gigawatts set last year, to 45 gigawatts by 2027; (b) The **European Commission** has adopted a set of legislative proposals to decarbonize the EU gas market by facilitating the uptake of renewable and low carbon gases, including hydrogen; (c) The **UAE** had declared new hydrogen strategy aiming to hold a fourth of the global low-carbon hydrogen market by 2030; (d) **Japan** announced it will invest US\$ 3.4 billion from its Green Innovation Fund to accelerate research and development and promotion of hydrogen use over the next 10 years.

What more steps can be taken to scale-up production/adoption of Green Hydrogen?

First, To gain access to a consistent supply of components, India must improve the **manufacturing capabilities and skill levels** of its **small and medium-sized manufacturing enterprises** (SMEs).

Second, There is a need to build a **transmission network** capable of delivering hydrogen from supply-spots to industrial centres across the country.

Third, Although India has the potential to become a leading producer of Green Hydrogen, there is a **lack of requisite infrastructure** to fully realise this vision. It is necessary to **build supply chains** in the form of pipelines, tankers, intermediate storage, and last-leg distribution networks etc.

Fourth, Incentives must be announced in order to persuade enough industrial hydrogen users to **switch to Green Hydrogen**.

Fifth, It is imperative to **implement an effective skill development programme** to ensure that lakhs of workers are adequately trained to adapt to a viable Green Hydrogen economy.

Conclusion

Shift to Green Hydrogen based economy requires a mission mode approach to ensure quick transition without any disruption. The Green Hydrogen Mission is a foresighted initiative in this regard. The focus should be on effective implementation with the target oriented approach. The Green Hydrogen Mission may be single biggest initiative in transition of the economy to Net Zero.

Syllabus: GS III, Infrastructure: Energy; GS III, Conservation.

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

Establishing Campuses of Foreign Universities in India – Explained, pointwise

Introduction

The regulator for higher education in India, the University Grants Commission (UGC) has released draft regulations to allow foreign universities to establish campuses in India. The UGC has sought comments and feedback from the public. The regulations are expected to be notified by end of January 2023. The move has been welcomed, with expectations that campuses of foreign universities in India will help in enhancing the quality and standards of higher education in India. However, many experts have opined that previous such moves have failed to achieve desired results. The result of these regulations will depend on several factors including the autonomy granted to foreign universities.

What are the salient features of UGC Regulations on Foreign University Campuses in India?

Eligibility: Two types of Foreign Higher Education Institutions (FHEIs) can apply to establish campuses in India: **(a)** Universities that are in the top 500 global rankings (either overall or subject-specific rankings); **(b)** Institutions of repute in their home countries.

Approvals: The UGC will set up a permanent committee to look into questions about how FHEIs can set up and run campuses in India. The panel will look at each application based on **merits**, including the **credibility of the educational institutions**, the **programmes to be offered**, their **potential to improve educational opportunities in India**, and the **proposed academic infrastructure**. The Committee will make recommendations within 45 days. After the approval, the FHEI has to establish campus in India within 2 years.

Criteria for Admission and Fees: FHEIs will be **free to set and change their admissions process and criteria**. They can admit both domestic and international students. The **fee structure should be transparent and reasonable**. The institution will have to put the prospectus on its website at least 60 days before the start of admissions. The prospectus will include information about fees, refunds, number of seats in a program, eligibility criteria and admission process etc. Based on an evaluation, the FHEI may give **full or partial need-based scholarships** from funds like endowment funds, donations from the alumni, tuition, and other sources.

Faculty: FHEI will have the **freedom to hire faculty and staff from India and other countries**, as long as they follow the rules for hiring. It may **decide the qualifications** for hiring faculty and staff, their remuneration and other terms of the job. The FHEI has to ensure that the faculty hired **have the same qualifications as the main campus in the home country**. It shall ensure that the foreign faculty appointed to teach at the Indian campus **shall stay at the campus in India for a reasonable period**.

Protecting the Interests of Students: FHEI cannot stop a course or programme or close the campus without first getting permission from the Commission. If a course or programme is interrupted or stopped, it is the **FHEI's responsibility to find an alternative for the affected students**. FHEI shall have a mechanism to address students' grievances. However, the students may appeal to UGC if the Institution does not redress their grievances.

Equivalence with degrees given by Indian HEIs: The qualifications given to students on the Indian campus must be the same as the qualifications given by the FEHI on the main campus in the home country. The qualifications given out under the rules will be the same as any similar degree given out by an Indian higher education institutions.

Securing National Interest: FHEIs must not offer any programme or course that **puts India's national interest or higher education standards at risk**. The way FEHIs work can't go against India's sovereignty and integrity, the State's security, good relations with other countries, public order, decency, or morality.

Working of Finances: The Foreign Exchange Management Act (FEMA), 1999 and its rules must be followed for movement of money across borders, keeping foreign currency accounts and making payments etc. FHEI must submit an annual report with information about the programmes it offers, the number of students enrolled, and the qualifications they receive etc.

What are the benefits of establishing Foreign University Campuses in India?

Internationalisation of Higher Education: Allowing foreign universities to establish campuses in India would aid in the internationalisation of higher education. As stated in the NEP 2020, “A legislative framework will be put in place to facilitate such entry, and such universities will be given special treatment in terms of regulatory, governance, and content norms on par with other autonomous institutions in India”.

Quality of Education: Due to competition between FHEIs and Indian institutions, there will be an enhancement in the quality of education and the overall talent pool.

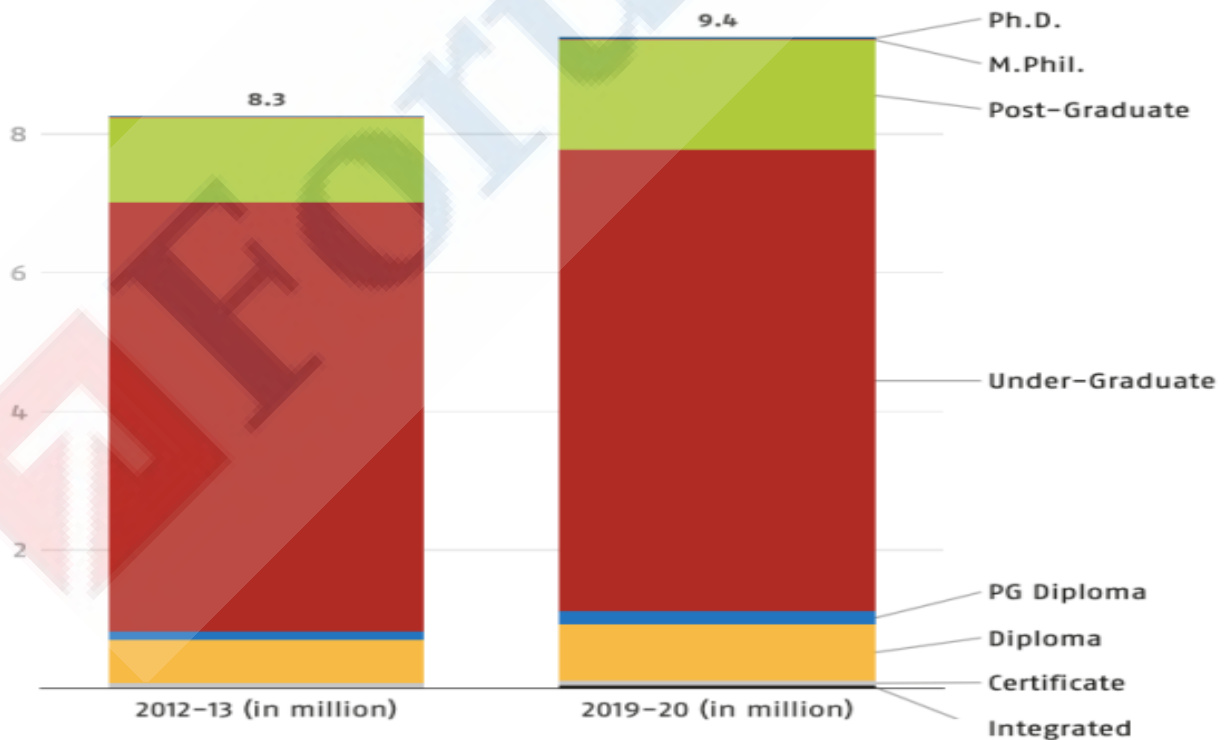
Beneficial for Students: The Government recently told the Rajya Sabha that **11.3 lakh Indian** students were studying abroad. Various reports estimate the annual spending to be between US\$ 13-30 billion every year. One report has estimated that Indians would be spending US\$ 80 billion annually for studies abroad by 2024-25. Presence of campuses of foreign universities may ease the tendency to shift abroad for higher studies. This will help reduce the need for foreign exchange.

Attract Foreign Students: Campuses of reputed FHEIs will attract foreign students. This will help in exchange of ideas and cultures. It will prove beneficial to Indian students helping them to develop a more holistic outlook with global perspectives.

Boost Research: The enrolments in M.Phil and PhD courses is very low. It is expected that campuses of reputed FHEIs will improve enrolments in research courses and help improve the ecosystem in India.

Over 9 million completing their courses every year

Shows number of students across educational segments



Source: Business Standard

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What are the concerns with the UGC Regulations?

First, Some experts contend that the **national security clause is too restrictive in nature**. The FHEIs may be reluctant to enter India because it may impact academic autonomy. However, any aggrieved party will have the right to approach the Judiciary.

Second, Earlier regulations released by the Government (October 2022) regarding **establishing campuses by Foreign Universities in the GIFT City** (Gandhinagar) were exempted from the regulations set by the UGC. Two set of regulations may result in **confusion**.

Third, According to some education experts, the regulations **have not elaborated about certain aspects that are applicable to Indian Universities** like academic bank of credits, multiple entry and exit system, up to 40% online delivery along with the **issue of reservations in admissions**.

Fourth, there are **multiple 'global rankings'** like the QS, Times Higher Education, Financial Times Rankings etc. The regulations have not elaborated which rankings shall be considered for eligibility criteria (top 500).

Fifth, the Regulations will also allow Institutions of repute in their home countries (not in top 500 in Global Rankings). **Repute has a subjective interpretation** and has not been elaborated.

What are the challenges in establishing Campuses of Foreign Universities in India?

Affordability: FHEIs may prefer to hire foreign faculty. Also they have autonomy in deciding the tuition fee. This may impact the affordability, making access to these institutions limited to the elite. Students from non-affluent families may have to rely on education loans.

Infrastructure Funding: The FHEIs may be reluctant to acquire real estate to establish big campuses. Acquisition of land is anyway a contentious issue in India with several instances of **prolonged delays and litigations**. The Government may have to step-in to facilitate land acquisition.

Faculty Restraints: FHEIs have to ensure that the education they impart do not violate India's national interests including on grounds like sovereignty and integrity, public order, decency, or morality etc. Some of the terms like morality and decency are subjective based on cultural differences. This may make foreign faculty reluctant to join Indian campuses.

Attracting Top Universities: FHEIs will set up campuses only if they find it as a lucrative option. Very few top ranked FHEIs have foreign campuses (e.g., very few US Universities have campuses in the EU) even in countries with relative much liberal standards than in India.

Political Interference: Higher Educational Institutions in India are vulnerable to political interference including on issue of appointments to senior administrative positions. It will need to be ensured that FHEIs do not face such issues in India.

Expertise: Some critics argue that UGC Officials lack the experience and expertise in dealing with FHEIs. Issues of yearly review, campus visits, and other forms of monitoring and intervention may pose some challenges.

Level Playing Field: FHEIs can be for-profit institutions and they'll be allowed to repatriate surplus funds abroad. Indian public HEIs are not 'for-profit' and have to reinvest the surplus. This will put FHEIs on a different pedestal than Indian HEIs.

What should be done to improve quality of Higher education in India?

First, As committed in NEP-2020, the Government should cater to the needs of a large section of Indian society termed '**Socio-Economically Disadvantaged Groups-SEDGs**' that include women, transgenders, SCs, STs, OBCs, EWS, differently abled, migrants and geographically disadvantaged groups.

Second, Many private universities from India have shown great potential to innovate and become renowned globally. Such universities should be **given a free hand on par with FHEIs** in regard to autonomy, favourable regulations, taxation etc.

Third, Political interference in Universities must be checked. UGC regulations may be relaxed to grant **greater academic autonomy to Universities**.

Fourth, There is an urgent need for **increased funding**, along with establishing **dedicated funding streams for infrastructure** grants/loans and financial aid. Universities can also be freed up to utilise other revenue streams such as start-up royalties and advertising.

Fifth, **Funding for research needs to rise significantly**, with institutions like the NRF supplementing existing schemes (including those from the Ministry of Science). Funding should also be allocated to enable course-based research experiences for undergraduates

Conclusion

The UGC Regulations on establishing Campuses by Foreign Universities in India is a welcome move. If regulations are successful in attracting FHEIs, it will have several benefits like increased competition, quality and improving R&D ecosystem. However, the real challenge is getting the FHEIs establish campuses in India. Several such initiatives in the past have failed to achieve desired results. India's position (especially in terms of economy) globally has changed a lot in recent times. So FHEIs may find India more favorable than 2 decades ago. However, only time will tell the success or failure of UGC initiative in attracting FHEIs to India.

Syllabus: GS II, Issues relating to development and management of Social Sector/Services relating to Education.

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

The Supreme Court's Judgment on Freedom of Speech of Ministers – Explained, pointwise**Introduction**

In 2016, a Minister in the then Uttar Pradesh Government had made unsavoury remarks against a victim of sexual assault. In the ensuing litigation (*Kaushal Kishore vs State of Uttar Pradesh*), the Supreme Court considered the issue of freedom of speech of the Ministers and Legislators. The Supreme Court's Judgment (regarding Freedom of Rights of Ministers) has now ruled that no further curbs could be imposed on the fundamental right to freedom of speech and expression. The Supreme Court has held that the existing eight "reasonable" restrictions under Article 19(2) of the Constitution are exhaustive. A statement made by a Minister, (including MLAs and MPs), **cannot be attributed vicariously to the Government** even when applying the **principle of collective responsibility**.

What is the Fundamental Right to Freedom of Speech?

The Constitution of India guarantees all **citizens the right to freedom of speech and expression under the Article 19(1)(a)**. In the Preamble of the Constitution, there is a solemn resolve made to secure to all of its citizenry **liberty of thought and expression**.

The right is available only to the citizens of India. Article 19(1)(a) guarantees the right to express one's opinions on any issue through any medium, including speech, writing, printing, pictures, films and movies.

However, the exercise of this right is **not absolute and is subject to reasonable restrictions**, as outlined in Article 19(2) of the Constitution of India. These restrictions are: **(a)** Sovereignty And Integrity of India; **(b)** Security of the State; **(c)** Friendly relations with Foreign States; **(d)** Public Order; **(e)** Decency and Morality; **(f)** Contempt of Court; **(g)** Defamation; **(h)** Incitement to an offence.

The Legislature (Parliament) can **frame laws to impose these reasonable restrictions**. Several provisions of the Indian Penal Code (IPC) have such restrictions like **Section 124A** (Sedition), **Section 153A** (Promoting enmity between groups), **Section 295A** (Hurting religious feelings) etc.

What is the Supreme Court's Judgment regarding Freedom of Speech of Ministers?

The main questions before the Constitution Bench were:

- (A)** Whether the Court can impose restrictions on the right to freedom of speech and expression beyond the present restrictions provided under Article 19(2) of the Constitution?
- (B)** Can a Fundamental Right under Article 19 and Article 21 of the Constitution, can be **claimed against anyone other than the 'State' or its instrumentalities**?
- (C)** Whether the State is under a duty to affirmatively protect the right of the citizens under Article 21 of the Constitution even if it is against a threat to the liberty of the citizen by the acts (or omissions) of another citizen or private agency?
- (D)** Whether the statement of a Minister, traceable to any affairs of the State, should be **attributed vicariously to the Government** itself for not keeping in mind the principle of collective responsibility?

Vicarious Liability is a situation in which **one party is held partly responsible for the unlawful actions of a third party**. The third party also carries their own share of the liability. The word "vicarious" is used to describe the fact that the **liability imposed is indirect**.

- (E)** Whether a Statement made by a Minister, which is inconsistent with the Fundamental Rights granted under Part III of the Constitution, constitutes as a violation of such Fundamental Rights and is actionable as 'Constitutional Tort' (civil wrong)?

A **Constitutional Tort** is a violation of a person's Constitutional rights by an agent of the Government, acting in his/her official capacity. It is a legal tool that allows the State to be held vicariously accountable over the actions of its agents.

Majority Opinion

The majority of the SC Bench (4:1) held that collective responsibility is that of Council of Ministers. Each **individual Minister is responsible for the decisions taken collectively by the Council of Ministers**. The flow of stream in collective responsibility is **from the Council of**

Ministers to the individual Ministers. The **flow is not on the reverse.** (i.e., from the individual Ministers to the Council of Ministers).

The Court also elaborated that: **(a)** The concept of collective responsibility is essentially a **political concept**; **(b)** The collective responsibility is that of the Council of Ministers; **(c)** Such **collective responsibility is to the House of the People/Legislative Assembly of the State.** Such responsibility is related to decisions taken by the Council of Ministers. It is **not possible to extend this concept of collective responsibility to any and every statement orally made by a Minister outside the House of the People/Legislative Assembly.**

Thus a statement made by a minister, even if traceable to any affairs of the State or for protecting the Government, **cannot be attributed vicariously to the government** by invoking the principle of collective responsibility. (Question D).

The Court said that there are **no additional restrictions that can be imposed on people's right to free speech** other than those that are listed in Article 19(2) of the Constitution. (Question A).

The SC also held that a fundamental rights under Article 19 and Article 21 can be enforced **even against persons other than the State or its instrumentalities.** (Question B).

The State is under a duty to affirmatively protect the rights of a person under Article 21 whenever there is a **threat to personal liberty even by a private actor.** (Question C).

A mere statement made by a Minister, inconsistent with the rights of a citizen, **may not constitute a violation of constitutional rights** and become actionable as a constitutional tort. However, if as a consequence of such a statement, any act of omission or commission is done by the officers resulting in harm or loss to a person/citizen, then the same may be actionable as a constitutional tort. (Question E).

'STATE MUST PROTECT RIGHT TO LIFE'

➤ Five-judge bench of unanimous view that **state duty-bound to protect right to life** whenever there is threat from any quarter, including private persons

➤ Majority verdict says **fundamental right to free speech and life can be enforced against private persons** other than state or its instrumentalities

➤ In dissenting verdict, **Justice Nagarathna** says except for habeas corpus (produce the person), **right to free speech and life cannot be enforced against persons other than state**

➤ Majority verdict says mere **statement of a minister may not lead to violation of constitutional rights** and hence not actionable for award of compensation

“ Article 19(1)(a) (right to free speech) serves as a vehicle through which dissent can be expressed. The right to dissent, disagree and adopt varying and individualistic points of view inheres in every citizen of this country – **Justice BV Nagarathna**

Source: The Times of India

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What is the dissenting view?

Justice BV Nagarathna gave a dissenting Judgment. She had a differing view on the collective responsibility. She opined that it possible for a Minister to make statements in two different capacities: Personal and Official (as a delegate of the Government).

In case of statements made in personal capacity, **no vicarious responsibility may be attributed to the Government** itself. If such statements are stray opinions of an individual Minister, and are not consistent with the views of the Government, then they shall be attributable personally and not to the Government.

The statements made in official capacity may be traced to any affair of the State or may be made with a view to protect the Government. If such statements are derogatory, and represent not only the personal views of the individual Minister but also embody the views of the Government, then such statements **can be attributed vicariously to the Government** itself, especially in view of the principle of **collective responsibility**. Thus the attribution is contingent on the statement made in personal or official capacity.

Justice Nagarathna also held that while Constitutional courts can be approached in Habeas Corpus matters, the remedy for violation of other rights by private citizens would lie with the common law courts. She pointed out that the SC had laid down in the past that the remedy for violation of a common law right by a private person lies under the common law and not under the Constitution.

She also observed that it is for Parliament in its wisdom to enact a legislation or code to **restrain citizens**, in general, and **public functionaries**, in particular, from **making disparaging or vitriolic remarks against fellow citizens**. It is also for the **respective political parties to regulate and control the actions and speeches of its functionaries and members**. This could be through enactment of a **code of conduct**, which would prescribe the limits of permissible speech by functionaries and members of the respective political parties

Conclusion

Constitutional experts have praised the Supreme Court's Judgment of Freedom of Speech of Ministers. The Court has done well not to put any additional restrictions on the freedom of speech. However, as observed by Justice Nagarathna, the onus is on the Parliament and the political parties to ensure that the freedom is not violated to indulge in acts of hate speech.

Syllabus: GS II, Indian Constitution: Features, Significant Provisions; GS II, Parliament and State Legislatures: Powers and Privileges and issues arising out of these.

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

Remote Voting: Benefits and Challenges – Explained, pointwise**Introduction**

In the last week of December 2022, the Election Commission of India (ECI) wrote to the major political parties. Through the letter, the Commission invited the parties to attend a demonstration of the prototype Remote Voting Machine (RVM) on January 16, 2023. The Commission has also asked them to send in their comments by January 31, 2023. It is expected that the remote voting facility will improve electoral turn-outs by enabling migrants in different parts of India to vote, without having to physically visit the voting booths in their home

constituencies. At the same time there are concerns related to the integrity of the process, which is absolutely essential to ensure free and fair elections. Hence, it important to take a cautious approach, consult all stakeholders and take them on-board before the launch of the remote voting facility.

What is Remote Voting ?

Remote Voting refers to all means which **allow electors to vote from locations other than the polling station assigned to the location where they are registered to vote**. The remote voting location can be either abroad or from within the country. It comprises both **electronic voting and non-electronic voting mechanisms**.

There have been demands from various political parties that the ECI should ensure that migrant workers and NRIs (Non-Resident Indians) who miss out on voting should be allowed to vote for their constituency from the city they are working in. Many such voters aren't able to visit their home constituency to vote because of multitude of reasons including professional commitments, cost of travelling etc.

How is the Remote Voting proposed to be implemented in India?

The ECI has come up with a prototype Remote Voting Machine (RVM). It is a modified version of the existing Electronic Voting Machine (EVM). The RVM has been developed with the assistance of Bharat Electronics Limited (BEL) and the Electronics Corporation of India Limited (ECIL).

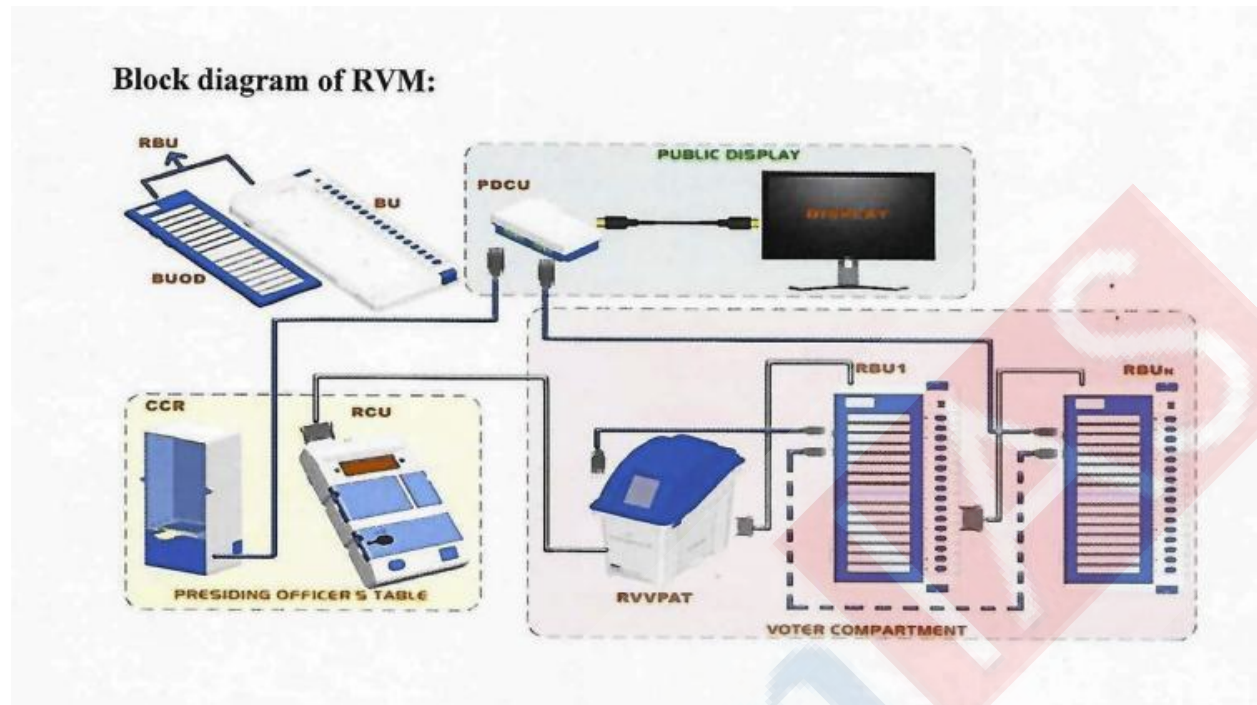
Hardware and Voting Process

The RVMs are **'stand alone, non-networked systems'**, effectively providing the voter the same experience as currently used EVMs. They will be set up in remote locations outside the State under similar conditions as current polling booths.

The unique feature of RVMs is that a **single Remote Ballot Unit (RBU) can cater to multiple constituencies** (up to 72) by using a 'dynamic ballot display board' instead of the usual **printed paper ballot sheet on the EVMs**.

Based on the constituency number read from the voter's Constituency card, the **Ballot Unit Overlay Display (BUOD)** will display the required candidates. These cards will be read using a barcode scanning system.

After verifying a voter's identity, their constituency card will be read with a public display showing the constituency details and candidates. This will also be displayed privately, on the BUOD in the RVM's RBU. The voter will then vote and **each vote will be stored constituency-wise in the control unit of the voting machine**.



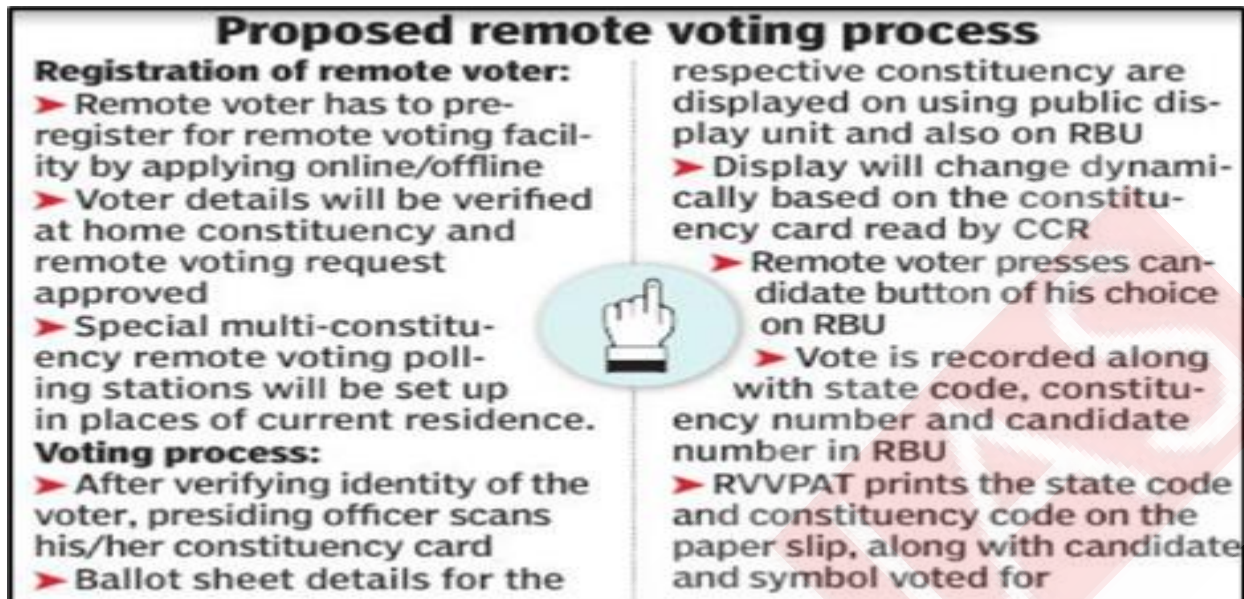
Source: The Hindu

Process of Registration

The **remote voter will have to pre-register for the remote voting facility** by applying online or offline with the Returning Officer of the home constituency. The special polling stations would then be set up in the places of current residence of the remote voters.

Security

According to the ECI, the RVM, like the EVM, **would not be connected to the internet**. The Returning Officer (RO) in the remote location will load the symbols of candidates into the unit using a laptop. These laptops would not be connected to the internet. Representatives of political parties and candidates would be invited to be present when the symbols are loaded onto the unit. The symbols would be visible on a display unit for all to see. This will ensure that the process is transparent and is not susceptible to manipulation.



Source: The Times of India

What are the benefits of Remote Voting?

Disenfranchisement of Voters: There are an estimated 600 million internal migrants as of 2020(450 million according to Census 2011). Approximately 85% of migration is within the States. Internal migration happens for various reasons including employment, education and marriage. Migration is considered to be a major reason behind the disenfranchisement of voters as they are unable to visit home constituency to cast their ballot.

Voting Turnout: The electoral turn-out has improved since the time of the first General Elections. The First General Elections (1951-52) witnessed turn-out of 45.7%. In 1960s-70s, the turn-out used to be between 50-60% (61.3% in 1967). In 2014 and 2019 General Elections, the turn-out touched 66.44% and 67.40% respectively. Yet, almost 33% voters failed to cast their vote. In 2019, this translated to almost 300 million (30 crore) registered voters failing to exercise their democratic right.

Promote Inclusion: Remote voting solutions can help facilitate voting for voters who are unable to travel far because of factors like old age or disability.

What are the challenges associated with Remote Voting?

Legal: (a) Amendments will be needed in Representation of the People Act, 1950 and 1951; Conduct of Election Rules, 1961; and The Registration of Electors Rules, 1960; (b) The 'Migrant voter' will need to be defined in terms of **period and purpose of absence**; (c) The process of Remote voting itself will need to be defined as whether 'remoteness' means outside the **Constituency, District or State**.

Administrative: There are several challenges like: (a) Requirement of **comprehensive migrant database** and enumerating remote voters; (b) Ensuring **secrecy of voting** at remote locations; (c) Preventing impersonation; (d) Deciding number and location of remote polling booths; (e) Appointing polling personnel for remote polling stations; (f) Implementing model code in locations outside the poll-bound State; (g) Creating awareness about the remote voting facility among poor

and illiterate migrant voters; **(h)** Placing remote voting in the electoral concept of territorial constituencies or demarcated areas in States for equal representation of votes.

Technological: **(a)** Familiarising voters with multi-constituency RVM; **(b)** Counting votes cast at remote booths and transmitting results to returning officers in poll-bound State.

What are the major concerns related with Remote Voting in India?

Might favour Big National Parties: Smaller regional parties may lack enough cadre strength to deploy at remote voting locations, for political canvassing as well as monitoring the remote voting process. National Parties are better placed in this regard having nation-wide cadre of political workers. Allowing Remote Voting across the country for State Assembly elections will deny opportunity to regional parties to send in their nominees to booths.

Urban Apathy: Experts attribute low turn-out typically to 'urban apathy', 'youth apathy' and 'migration-based disenfranchisement'. Voting turn-out has been low in urban/metropolitan areas despite low out-migration from these regions. Remote voting will be able to address only the 3rd reason of the above.

Union-State Rights: The ECI plans to bring in a common electoral roll that can be used for elections to the Lok Sabha, State Assemblies, and Local Bodies. Opposition Parties contend that this would impinge on the federal rights of the States since the preparation of electoral rolls come under the exclusive domain of the State Election Commissions.

Concern raised by ECI: ECI has also expressed concern that several things have to be defined like 'migrant voter', 'ordinary residence', 'temporary absence' etc. Procedural issues like Implementation of MCC in remote States need to be sorted.

What should be the approach going ahead?

First, It is critical that any system of remote voting take into account the trust and acceptability of all stakeholders in the electoral system including voters and political parties. Political consensus is a must before the introduction of Remote Voting.

Second, The issue should be properly debated in the Parliament and the relevant laws should be amended.

Third, The ECI has to build confidence among the voters and political parties about the transparency and the integrity of the Remote Voting process.

Conclusion

The ECI is renowned world over for its impeccable record in conducting free and fair elections, at such a grand scale. The ECI has driven unique innovations in electoral processes in India like the EVMs, voting IDs etc. Remote Voting Machines (RVMs) can be a revolutionary development in facilitating enfranchisement of migrant voters. However, the process has to be fool-proof and error free. All political parties should be on-board and be convinced about the transparency and integrity of the process. It should be introduced only after thorough deliberations and political consensus.

Syllabus: GS II, Salient Features of the Representation of People's Act

Source: [Indian Express](#), [The Hindu](#), [The Hindu](#), [The Times of India](#), [The Week](#)

Joshimath Crisis: Causes and Solutions – Explained, pointwise

Introduction

The town of Joshimath in Uttarakhand is witnessing an unprecedented crisis. Wide Cracks have appeared on the roads and on hundreds of residential and commercial buildings in the town. Many structures have been declared unsafe, and the residents have been asked to vacate them. The Authorities have declared Joshimath as a landslide and subsidence-hit zone. The whole town is sinking. While the town is situated in a geologically unstable region, the major reason for sinking is being attributed to large-scale development projects being undertaken in the region. The Government and its agencies have responded to the crisis through various measures, yet they are rightly being criticized for long ignoring the warnings given by various environmental activists and geological experts about uncontrolled development being undertaken in the region.

About Joshimath

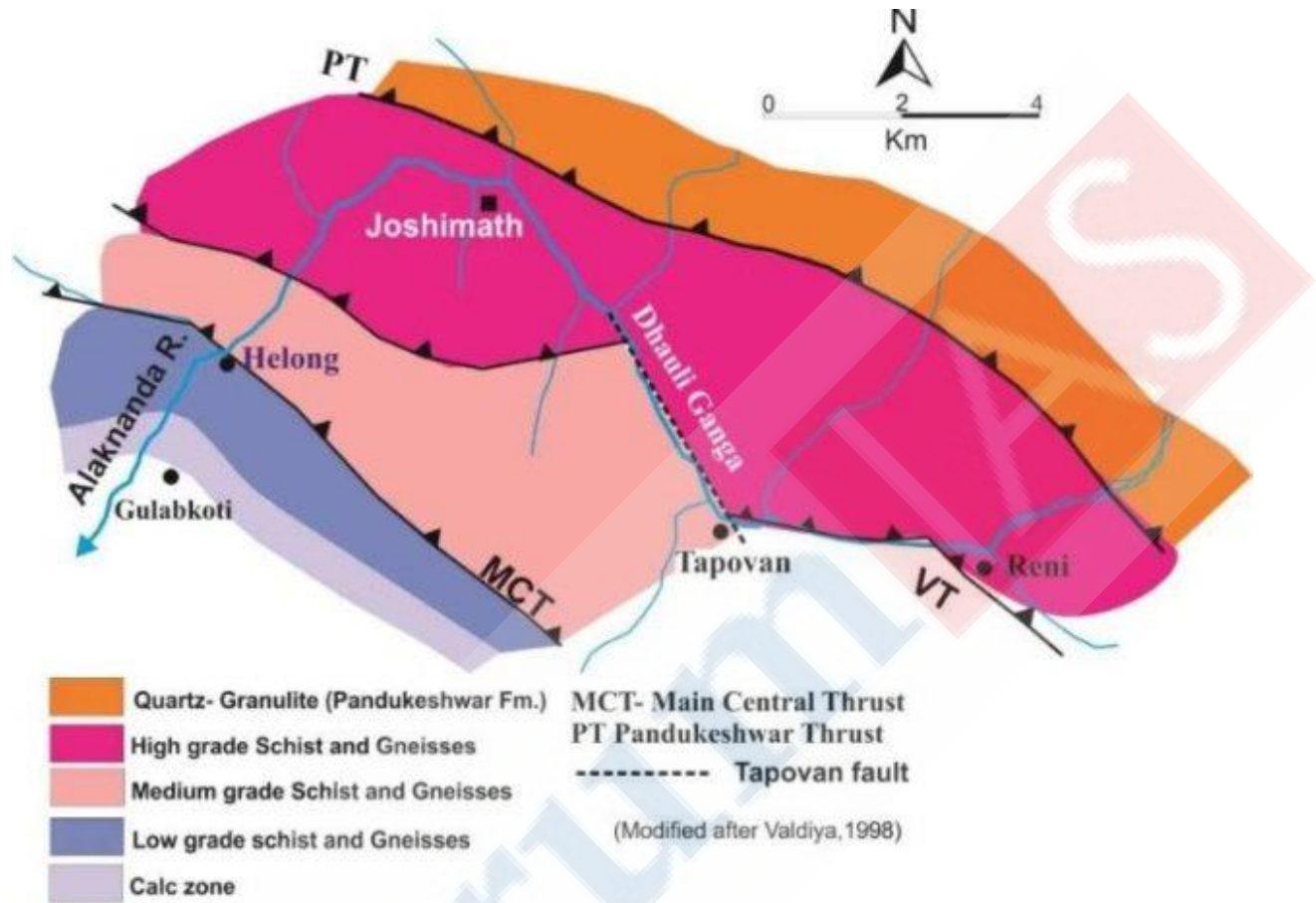
Joshimath, is a town situated in Chamoli District of Uttarakhand. It is located in the Middle Himalayas at an altitude of ~1875 m. Joshimath is a religious and tourist place, and is situated near holy shrine of Badrinath (one of the *Char Dhams* in Uttarakhand). It is also proximal to Valley of Flowers National Park and Shri Hemkund Sahib (a holy shrine in Sikhism).



Source: The Times of India

The Town is situated in a geologically unstable region (Seismic Zone V). It is situated north of Main Central Thrust (of Himalayas) nearby Tapovan Fault. (Vaikrita Thrust and Panduksewar

Thrusts are very close to Joshimath). Its location nearby a fault is one of the reasons making it susceptible to subsidence.

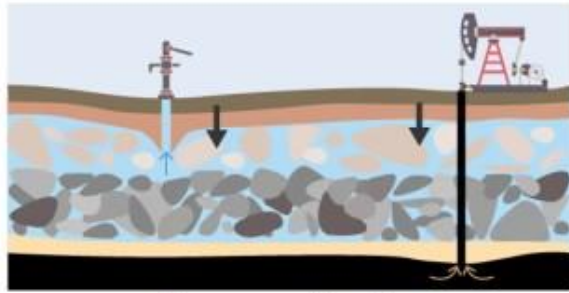


What is Land Subsidence?

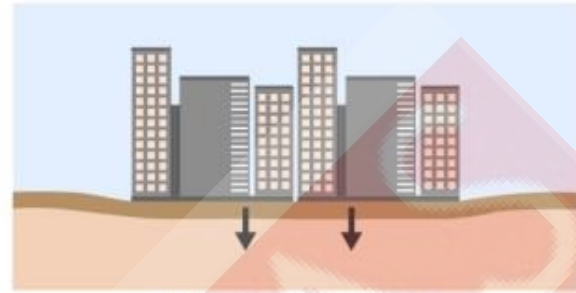
According to National Oceanic and Atmospheric Administration (NOAA), Land subsidence is **sinking of the ground** because of underground material movement. Subsidence can be caused by **gradual settling** or **sudden sinking** of the Earth's surface.

Subsidence is generally caused by: **(a) Resource Extraction:** The removal of water, oil, natural gas, or mineral resources out of the ground by pumping, fracking, or mining etc.; **(b) Natural Causes:** Natural events such as earthquakes, soil compaction, **glacial isostatic adjustment**, erosion, sinkhole formation, and **adding water to fine soils**; **(c) Infrastructural Load:** High load exceeding load-carrying capacity of the underlying soil.

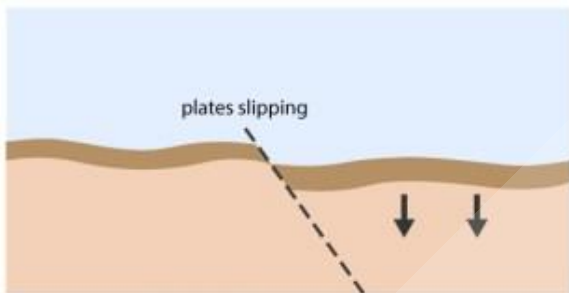
WHAT CAUSES LAND SUBSIDENCE?



Resource extraction
e.g. groundwater, oil and gas



Infrastructural load
the weight of buildings causes compaction



Tectonic movements
e.g. earthquakes



Melting ice sheets
the ground around the melting ice sheet shifts

Source: Earth Observatory of Singapore

What are the reasons for Joshimath Crisis?

Anthropogenic

Development Projects: Various development projects are being undertaken nearby the sinking region. These include NTPC's 520 MW **Tapovan-Vishnugad Hydro Power Project** and widening of roads under the **Char Dham Project**. While NTPC has denied the role of the power project, earlier incidents related to the project indicate the possibility that the project may have a role to play in the current crisis. A tunnel being bore under the town of Auli (near Joshimath) had **punctured an aquifer** in 2009 leading to large-scale seepage and **drying-up of water resources in nearby regions**. Water has been seen pouring out from cracks in several locations in the present crisis. 6-km Helang-Marwari bypass (under Char Dham Project) may have **weakened slopes** and **further destabilising the local topography**. Studies are being undertaken, but experts have blamed these large-scale projects for the current crisis.

Tourism: Joshimath has become overnight stopover for pilgrims and tourists visiting Badrinath, Shri Hemkund Sahib or Valley of Flowers. Skiing resort of Auli is located nearby. As such large number of hotels have come up in the town. The underlying soil may lack the load-carrying capacity of the ever-expanding infrastructure.

Unplanned Urbanisation: Most of the buildings have been constructed without proper studies about the underlying soil.

Water Withdrawal: Subsidence occurs when large amounts of groundwater are withdrawn from specific types of rocks, such as fine-grained sediments. The rock compacts because the water helps to keep the ground in place. When the water is removed, the rocks collapse in on themselves. Increased withdrawal of water due to rising population (tourism) may have contributed to sinking.

Absence of Proper Drainage: It leads to landslides. The existence of soak pits, which allow water to slowly soak into the ground, is responsible for the creation of cavities between the soil and the boulders. This leads to water seepage and soil erosion.

Natural

First, Joshimath is located in **seismic zone V** which is more **prone to earthquakes** besides **gradual weathering** and **water percolation** which reduce the cohesive strength of the rocks over time.

Second, The **Mishra Committee Report** states that Joshimath is **situated on a sand and stone deposit**. A majority of the town has been constructed on the **debris of landslides**, leading to smooth and eroded rocks and **loose soil on the surface**. These slopes can be destabilised even by slight triggers. Hence such slopes are not suitable for a township.

Third, The Mishra Committee Report has also pointed out that subsidence in Joshimath might have been triggered by the **reactivation of a geographic fault** where the Indian Plate has pushed under the Eurasian Plate along the Himalayas.

Fourth, Undercutting by Alaknanda and Dhauliganga river currents is also contributing to landslides in the region.

What were the major recommendations of the Mishra Committee in the context of Joshimath Crisis?

Joshimath has been sinking for a long time. The Union Government had appointed MC Mishra (Collector of Garhwal at that time) to find out the reasons for sinking. The 18-member Committee had submitted the report in 1976.

The Report had pointed out several factors for sinking like location on ancient landslide, erosion of river banks by Dhauliganga and Alaknanda, increased construction activities, lack of proper drainage facilities (water seepage and soil erosion) etc.

The Committee had given several recommendations:

First, The most important preventive measure suggested was **restriction on heavy construction** in the region.

Second, Construction should only begin after the **soil's weight-bearing capacity** and **site stability** have been assessed. It's also important **not to dig too deep into slopes**.

Third, When repairing roads or building structures, it was recommended that the **boulders not be removed by digging or blasting the hillsides**. In landslide areas, stones and boulders should **not be removed from the bottom of the hill** because this would remove toe support, increasing the likelihood of landslides.

Fourth, It is necessary to fill in any cracks that have appeared on the slopes.

Fifth, It has also recommended that **extensive plantation** work be done in the area, particularly between Marwari and Joshimath, to **conserve soil and water resources**, and has cautioned against cutting trees in the landslide zone.

Sixth, there should be **strict regulations on tree cutting** for the township's timber and firewood needs, and that the locals would be required to have access to alternative fuels.

Seventh, It is imperative that **slopes not be used for agricultural purposes**.

Eighth, Water seepage is abundant in the area. To prevent future landslides, **open rain water seepage must be stopped** through the construction of a **pucca drainage system**. Water should not be allowed to accumulate in any depression; instead, drains should be built to transport it to safe areas.

Ninth, Roads should be metalled and free of scuppers, which drain water from the road surface.

Tenth, Cement blocks should be positioned in areas of the river bank that are susceptible to erosion in order to stop the bank from eroding.

Eleventh, In order to **prevent erosion and train rivers**, measures should be taken, and the hanging boulders at foothills should be given the appropriate support they need. (River training is the construction of structures to direct the flow of a river).

What steps have been taken to address the Joshimath Crisis?

First, the Government has halted all construction activities in the region.

Second, An expert panel consisting of 8 people has made the recommendation that homes in the area that sustained the most damage be demolished, that areas that have become inhabitable be identified, and that people be moved to safer areas as a matter of priority. The Government has already declared certain buildings as unfit for inhabitation. People are being relocated. Interim compensation has been provided to the affected families.

Third, controlled demolition of most vulnerable buildings is being undertaken.

Fourth, A group of specialists from the National Disaster Management Authority (NDMA), the National Institute of Disaster Management (NIDM), the Geological Survey of India (GSI), the Indian Institute of Technology Roorkee (IITR), the Wadia Institute of Himalayan Geology, the National Institute of Hydrology, and the Central Building Research Institute (CBRI) will investigate the situation and offer their recommendations.

What should be the approach going ahead?

First, There is need to balance development needs of the region with the protection of the environment. Development is necessary but not at the cost of local environment or population. Ensuring sustainability should be the top priority.

Second, The natural assets of the Himalayas, such as biodiversity, local ecology and environmental balance should be at the centre of any development plan for the area.

Third, Instead of focusing on massive dam construction, attention should be given to smaller projects that can help meet the energy needs of the community.

Fourth, Taking precautions to protect people's well-being ought to be the top priority right now. The State government ought to set up a communication channel that is both transparent and continuous with the individuals who have been impacted.

Fifth, Mishra Committee Recommendations should be implemented for all development projects. No activity should be undertaken on unstable slopes unless structural stability can be ensured.

Conclusion

The Joshimath Crisis brings out harmful impacts of uncontrolled development in geologically unstable and environmentally sensitive region. The multiple crisis in the region (Kedarnath 2013, Chamoli 2021) necessitate a relook at the present development model. An immediate adjustment is imperative that puts sustainability as the top priority. Otherwise, such crisis will become more frequent and disastrous.

Syllabus: GS III, Conservation; Environmental Degradation; Disaster and Disaster Management.

Source: [Indian Express](#), [The Hindu](#), [The Times of India](#), [MoneyControl](#)

Child Mortality in India: Status, Challenges and Way Forward – Explained, pointwise

Introduction

The Report *Levels and Trends in Child Mortality* was released recently by the United Nations Inter-agency Group for Child Mortality Estimation (UNIGME). The Report estimates that globally, 5 million children died before their fifth birthday (under-five mortality) in 2021. Of these, 2.3 million deaths occurred in the first month (neonatal deaths). India's share in under-five deaths is 709,366 (~0.7 million, 14% share) and the share in neonatal deaths is 441,801 (~0.4 million, 19% share). Many of these deaths are preventable. Moreover there are wide variations in the child mortality in India, between various States, and between rural and urban areas. The Government has taken several steps to reduce child mortality in India. While there have been visible benefits of these measures, efforts should be continued to bring the child mortality level to that of the developed countries.

What is Child Mortality and its status in India?

Child Mortality is the death (mortality) of children under 5 years of age. According to UNICEF, Child Mortality or **Under-5 Mortality Rate** refers to the probability a newborn would die before reaching exactly 5 years of age, expressed per 1,000 live births.

Infant Mortality Rate (IMR) refers to the probability of dying between birth and **exactly 1 year of age**, expressed per 1,000 live births.

Neonatal Mortality Rate (NMR) refers to the probability of dying during the **first 28 days of life**, expressed per 1,000 live births.

Trends in India: According to the **Sample Registration System (SRS) Statistical Report, 2020** released in September 2022, India's **Under-5 Mortality Rate stood at 32** while **Infant and Neonatal Mortality Rates were 28 and 20 respectively**.

INDICATOR	SRS 2014	SRS 2019	SRS 2020
Crude Birth Rate (CBR)	21.0	19.7	19.5
Total Fertility Rate	2.3	2.1	2.0
Early Neonatal Mortality Rate (ENMR) – 0- 7 days	20	16	15
Neonatal Mortality Rate (NMR)	26	22	20
Infant Mortality Rate (IMR)	39	30	28
Under 5 Mortality Rate (U5MR)	45	35	32

Source: Economic Times

The NMR ranges from 23 in rural areas to 12 in urban areas. The IMR ranges from 31 in rural areas to 19 in urban areas.

According to the SRS 2020 Report, **6 States/ UTs have already attained SDG target of NMR** (≤ 12 by 2030). These are Kerala (4), Delhi (9), Tamil Nadu (9), Maharashtra (11), Jammu & Kashmir (12) and Punjab (12).

11 States/UTs have already attained SDGs target of U5MR (≤ 25 by 2030). These are Kerala (8), Tamil Nadu (13), Delhi (14), Maharashtra (18), J&K (17), Karnataka(21), Punjab (22), West Bengal (22), Telangana (23), Gujarat (24), and Himachal Pradesh (24).

What are the reasons for high Child Mortality in India?

Poor Infrastructure: There are structural issues like **lack of appropriate facility at primary healthcare centres**, delays in referring patients [to specialists] and **lack of transportation** (especially in rural and remote areas) which lead to high infant deaths.

Poor Nutrition: A significant proportion of population lives below the poverty line. Pregnant women in poor families lack access to adequate nourishment during pregnancy which results in complications in pregnancy and child-birth. Poor nutrition during pregnancy also leads to nutrition deficiency in the child.

Lack of Skilled Personnel: There is shortage of doctors, nurses, and other staff, especially in rural areas. This hinders **regular supervision** and **timely referral** of women to emergency obstetric care when complications are diagnosed.

Education and Awareness Deficit: Women in poor families lack awareness about nutrition requirement. They may also be unaware of other precautions required during and after childbirth. They rely more on traditional midwives in comparison to modern healthcare

Child Marriage: Child Marriage is still prevalent in many parts of India. It leads to early pregnancy (younger age) and more frequent pregnancies etc. Children born to early pregnancies are more vulnerable to death at early age.

Read More: [The Issue of Child Marriage in India – Explained, pointwise](#)

Premature Births: Premature birth refers to child born before 37 weeks of pregnancy. Premature or 'Preterm Babies' are two to four times at higher risk of death after birth in comparison to those born after 37 weeks of gestation.

What steps have been taken to reduce Child Mortality?

National Rural Health Mission: The launch of **facility-based newborn care** under the National Rural Health Mission has created **Newborn Baby Care Corners** at every point of childbirth, **Newborn Stabilisation Units** at First Referral Units (Community Health Centres) and **Special Newborn Care Units** at District Hospitals across the country.

The Integrated Child Development Services (ICDS) Scheme: The beneficiaries under the Scheme are children in the age group of 0-6 years, pregnant women and lactating mothers. Among its various objectives are to **improve the nutritional and health status of children in the age-group 0-6 years** and to **reduce the incidence of mortality, morbidity, malnutrition** and school dropout.

Capacity Building of Health Care Providers: Various trainings are being conducted under National Rural Health Mission (NRHM) to train doctors, nurses and ANM for early diagnosis and case management of common ailments of children. These trainings are being undertaken under the **Integrated Management of Neonatal and Child Illness, Navjat Shishu Suraksha Karyakram** (NSSK) etc. Funds and technical support are provided by the Government of India under NHM to the States for conducting these trainings.

Management of Malnutrition: Malnutrition reduces resistance of children to infections thus increasing mortality and morbidity among children. National Health Management is emphasising management of malnutrition to reduce child mortality. **(a) Nutritional Rehabilitation Centres (NRCs)** have been established for management of severe acute malnutrition; **(b) Exclusive breastfeeding for first six months** and appropriate infant and young child feeding practices are being promoted in convergence with Ministry of Woman & Child Development; **(c) Ministry of Health & Family Welfare** launched '**MAA-Mothers' Absolute Affection**' programme in August, 2016 for **improving breast feeding practices (Initial Breastfeeding within 1 hour, Exclusive Breastfeeding up to 6 months and Complementary Breastfeeding up to 2 years)** through mass media and capacity building of health care providers in health facilities as well as in communities; **(d) National Nutrition Mission:** It is the government's flagship programme to **improve nutritional outcomes for children, pregnant women and lactating mothers**. It aims to reduce stunting and wasting by 2% per year (total 6% until 2022) among children and anaemia by 3% per year (total 9% until 2022) among children, adolescent girls and pregnant women and lactating mothers; **(e) Management of Anaemia in Children: National Iron Plus Initiative (NIPI)** was launched which was based on the life-cycle approach and covers all age-groups.

Home Based Newborn Care (HBNC): As 57 % of child deaths take place in the first 28 days of birth, home based newborn care through ASHA is being provided. The purpose of Home Based Newborn Care is to **improve newborn practices at the community level and early detection and referral** of sick newborn babies. The schedule of ASHA for Home Based Newborn Care consists of 6 visits in case of institutional deliveries.

Universal Immunisation Program (UIP): It was first introduced in 1985. Immunization is one of the key area under the **National Health Mission (NHM)**. Under UIP, immunization is provided free of cost against 12 vaccine-preventable diseases; Nationally against 9 diseases: Diphtheria, Pertussis, Tetanus, Polio, Measles, Rubella, Hepatitis B, and Meningitis and Pneumonia; Sub-

nationally against 3 diseases: Rotavirus diarrhoea, Pneumococcal Pneumonia, and Japanese Encephalitis. **Mission Indradhanush** (2014) and **Intensified Mission Indradhanush** (IMI)-2017 (recent version 4.0) have been launched to strengthen and re-energize the programme and achieve full immunization coverage for all children and pregnant women at a rapid pace.

Protecting Mothers: Paalan 1000: Journey of the First 1000 Days', focuses on the cognitive developments of children in the first 2 years. PAALAN 1000 parenting app provides caregivers with practical advice on what they can do in their everyday routine and helps resolve the various doubts of parents and directs efforts in the development of a child.

Matritva Sahyog Yojana: It is a **conditional Maternity Benefit** (CMB) Scheme. The scheme is being implemented by the Ministry of Women and Child Development as the centrally sponsored scheme. It was launched for pregnant and lactating women to improve their health and nutrition status by providing cash incentives to pregnant and nursing mothers.

Policy Targets: In the National Health Policy (NHP) of 2017, the Government had committed to investing 5% of the GDP on health by 2025. Child Health Goals under SDG include Goal 3.2: By 2030, end preventable deaths of newborn and children under 5 years of age, with aim to reduce neonatal mortality to at least as low as 12 per 1000 live births and under-5 mortality to at least as low as 25 per 1000 live births. India's own NHP targets NMR of 16 and U5MR of 23 by 2025.

What more steps can be taken to further reduce Child Mortality?

First, Since ~50% of all under-5 deaths are among newborns, many can be prevented by **reaching higher coverage of good quality antenatal care, skilled care at birth, postnatal care for the mother and the baby, and care of small and sick newborns.** Focus should be on both antenatal and postnatal care.

Second, many child deaths are preventable through cost-effective interventions such as **kangaroo care** (where babies are kept in skin-to-skin contact with the mother), thermal control, breastfeeding support and basic care against infections and breathing difficulties. Enhancing awareness about these techniques in new mothers can help avoid these preventable deaths.

Third, The Government should **address the neglected challenges** like Stillbirths and preterm births. Both are highly sensitive 'tracer indicators' of the quality of maternal and child health services in particular, and overall health services in general.

Fourth, India's health system needs **more Government funding.** At present, it is ~ 1.5% of the GDP. Children continue to die from preventable causes; pregnant women do not receive good quality care; aggregate mortality hides the inequities in health outcomes and the primary healthcare system is underfunded. The poorest and marginalised families bear the brunt of these inequities. Enhancing spending on healthcare can rectify these shortcomings..

Fifth, The States should cooperate with each other and **share the best practices amongst themselves** in the spirit of cooperative federalism, e.g., the practices of Kerala can be replicated in other states like West Bengal, Bihar, Assam etc.

Sixth, The Government should provide **greater incentives to ASHA workers** who can raise awareness among the masses about the modern healthcare systems. Further, the government can enter into agreements with private medical colleges and induce greater numbers of doctors to serve in rural areas.

Conclusion

Child Mortality has improved a lot in last 2 decades. However, there is still a scope for lot of improvement. Learnings from successful interventions must be used in designing future interventions. Healthcare spending must be enhanced. ASHA workers are a crucial lever in the rural healthcare set-up. Their concerns should be adequately addressed, including enhancing their remuneration. Their role will be crucial in ensuring the achievement of the healthcare targets under the SDGs.

Syllabus: GS II, Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; GS II, Issues relating to development and management of Social Sector/Services relating to Health.

Source: [The Hindu](#), [Economic Times](#), [NewsOnAir](#), [National Health Mission](#)

[Kurukshehra January 2023 Summary] [Cooperation, Cooperatives] Realising Sahkar Se Samridhhi – Explained, pointwise

Introduction

Cooperation has remained the philosophy of our nation for centuries. India strives for a cooperative-led all encompassing socioeconomic progress. The Cooperative sector has always played a **significant role in the overall economic development** of the country with its member driven and **all-inclusive approach**. Cooperation embodies two important principles of human civilisation: 'Sah' and 'Karya' which means accomplishment of **outcome-oriented activities** following an **all-inclusive method**. It has the required capability to ensure equitable and concerted efforts towards **enhancing the flow of timely, adequate and door-step commodity and service supports** to various critical infrastructure such as agriculture and industrial input services, irrigation, marketing, processing and community storages, etc., and also for other activities such as poultry, fisheries, horticulture, dairy, textiles, consumer, housing, health etc.

Cooperatives are universally accepted as an **essential instrument of social and economic policy** and have inherent advantages in strengthening the efforts **leading to overall economic prosperity** with **enhanced livelihood security and employment**. These have immense potential to deliver required goods and services at the grass-roots and to ensure a sustainable and quality growth environment. Cooperatives are governed by **Seven Golden Principles**.

Seven Golden Principles of Cooperation

- ✓ **Voluntary and Open Membership:** Cooperatives are voluntary organisations where membership is open to all persons **without any discrimination**.
- ✓ **Democratic Member Control:** Cooperatives are member-driven and member-controlled **democratic units**. Members **actively participate** in setting their policies and making decisions. In primary cooperatives, members have **equal voting rights** conforming to the norm of '**one member - one vote**'.
- ✓ **Member Economic Participation:** Members contribute equitably to and control and utilise the capital of their cooperative to support their economic activities.
- ✓ **Autonomy and Independence:** Cooperatives are autonomous organisations and believe in self-help for maintaining their cooperative autonomy through democratic controls.
- ✓ **Education, Training and Information:** Cooperatives provide education and training for their members, elected representatives, managers and employees to **support development drives** of their units.
- ✓ **Cooperation Among Cooperatives:** Cooperatives extend efficient service support to their members and strengthen cooperative movement by working together through local, national, regional and international structures.
- ✓ **Concern for Community:** One of the major aims of cooperatives is to **ensure sustainable development** for their communities through adoption of appropriate policy measures.

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Creation of a New Ministry

India has a rich history of cooperatives. **Sardar Vallabhbhai Patel used to follow the basic ideology of cooperation** while solving various critical problems on the ground. He sowed the seeds of **Anand Milk Union Limited (Amul)** through Shri Tribhuvandas Patel by **forming farmer cooperatives, production and marketing of milk through collectivised efforts**. Amul has now become a global dairy brand.

The freedom movement tried to create a new economic model against the British government in some places with cooperation. The Cooperative Movement spread across the country after independence, especially with Sardar Patel's help. However, the Cooperative Movement stagnated around the 1960-70s. Also, the growth of the cooperative sector across the States was not uniform which led to **high concentration of cooperatives in some areas**.

National Cooperative Union of India (NCUI) 2018 data indicates that there are **8.54 lakh cooperative units** spread across 739 districts. On an average, there are **1,156 cooperative units per district**. Seven States viz. Maharashtra, Gujarat, Andhra Pradesh, Telangana, Karnataka, West Bengal and Kerala have more than the national average cooperative spread. States viz. Bihar, Jharkhand, Uttar Pradesh, Madhya Pradesh, Assam, Chhattisgarh and Odisha record below national average spread of cooperatives. This opens up **opportunities for these States to realise the power of collectives**. Cooperatives can help to gear up activities of **rapid social mobilisation through registration of diversified activity-based cooperatives**. This can actualise the collective socioeconomic benefits right at the community and to be an active catalyst in achieving the greater goal of **Sahkar Se Samriddhi**.

In July 2021, India's first **Ministry of Cooperation was set up** to help the cooperative movement grow and spread across the country. The objective of Ministry of Cooperation is to provide a supportive and enabling policy framework to cooperatives. Cooperation has been central to work in all major economic sectors. The cooperatives have also **created an economic model for rural development** and provided dignified jobs for the poor.

Ensuring Equitable Spread and Outreach

The Mission '*Sahkar Se Samridhi*' seeks to **ensure equitable and widespread cooperative growth**. The initial efforts should be made to ensure that **every village in India has a primary society, a primary cooperative credit society, and is linked to a nearby cooperative bank**. Cooperatives should have a broader reach whenever possible, and they should be promoted, formed, and nurtured wherever there is potential. There is a significant opportunity to promote a greater number of cooperatives in sectors such as **fishing, agricultural processing, primary production, housing, and construction, health, medicine, insurance, and textiles**. The cooperative business model has the potential to **revitalise the khadi and village industries**, as well as to **achieve parity in income and employment growth** between developed and developing States.

The co-operative movement's skewed distribution across States makes it possible to classify them as **developed, developing, or weak**. In the Developed States, the cooperative sector has made some progress but there is scope of improvement to address some inherent disadvantages. Developing States have stopped the deterioration of cooperatives but need more policy support to move forward. In **Weak States the presence of cooperatives is negligible and most institutions are weak**. Odisha, Jharkhand, Bihar, Uttarakhand, Assam, and others need to expand their cooperative base and analyse their past growth models and activities to maximise social and economic welfare.

In this context, the Government should affirm concentrated efforts to deepen the mass movement. The Government's efforts should help cooperatives boost the nation's economy over the next two decades. Only cooperatives can benefit all members. Cooperative business models allow shareholders to **receive the most surplus profits with the least management cost**.

Cooperation and Economic Empowerment

The Cooperative model can boost economic growth and prosperity for economically disadvantaged groups. *Lijjat Papad, Amul*, and other milk cooperatives in southern states like Karnataka and others have helped millions of marginalised people. Late Shri Tribhuvandas Patel's dairy society, Amul, has changed millions of women's lives. Through Amul, INR 60,000 crores are remitted directly to the bank accounts of the women dairy farmers thus empowering them.

Venturing New Areas Through Cooperation

There is a need to ensure the formation of a large number of cooperatives in **new and emerging sectors such as insurance, health, tourism, processing, storage, industrial and service sectors** etc. The Prime Minister has urged all Ministries to set goals for themselves in the Amrit Mahotsav year. The Ministry of Cooperative should set a goal of having a **viable and functional milk society and credit society in every village** within the next 10 years.

If India can achieve this, these units will be able to significantly contribute to the national economy while also improving the lives of millions of poor and marginalised people who are frequently left behind.

Meeting Challenges for Effective Cooperation

While cooperatives are the best route to address empowerment issues, these units should be prepared for the meeting modern-day challenges.

The bottlenecks of growth within the sector have to be addressed and this would demand several policy level and administrative changes. The first and foremost in this regard is **fostering a culture of transparency**. This will restore the trust of small farmers in cooperatives.

There is a need to adhere to the law and cooperative principles to strengthen the cooperatives. This also calls for **holding fair and regular elections**.

There is a need to **abide by the democratic values** to ensure that the best people are inducted to the cooperative platform. The democratic ways and means in conducting cooperative activities like elections need to be implemented more strongly, firmly and rigorously.

The cooperatives sector needs to **move towards professionalism** and should **conduct itself on the principle of corporate governance**. There are many such models in our country like **IFFCO, Amul** etc. which have kept the cooperative spirit intact and imbibed the strengths of corporate governance values.

There is need to build such models which conform to a judicious blend of cooperative values and corporate governance. This will ensure **transparency, accountability, professionalism and sound governance**.

The cooperative institutions **need better infrastructure** and **access to business loan** and working capital and for meeting their plant and machinery needs.

Cooperative Federalism – the Only Way

The provisions in the current constitutional framework facilitate promotion and nurturing of cooperatives in an all-inclusive way. **'Cooperation' is a State Subject**, and State Cooperative Societies are governed by State legislation. The **Union Government is in charge of managing Multi-State Cooperatives**.

India can accomplish a lot through **constructive and continuous dialogue** between the Centre and the States, and can instil cooperation principles in the work and actions. **Greater uniformity in cooperative legislation across all States** can be achieved through a continuous dialogue and consultation process. It shall be the Ministry of Cooperation's responsibility to engage in such dialogues, discussions, and deliberations with States and to **develop an enabling legal framework for cooperatives**.

The Union Government must play an enabling role to transform the cooperative movement. The jurisdiction of both the Centre and the States must remain clear and consistent with the fundamentals of the Constitution.

Planning New Cooperation Policy

India has 8.5 lakh cooperative units out of which **20% [1.77 lakh units] are credit cooperatives**. Remaining 80% are non-credit cooperatives involved in diverse activities viz. Fishery, Dairy, Producer. Processing, Consumer, Industrial, Marketing, Tourism, Hospital, Housing, Transport, Labour, Farming, Service, Livestock, Multi-purpose Cooperatives, etc.

Out of about 96,000 Primary Agricultural Credit Cooperatives (PACs) spread across 91% of total villages of India, 63,000 **[65%] are viable and active**. Technology development in cooperatives is the need of the hour. Computerisation of PACs is a must.

About **13 crore farmer households are directly connected to cooperatives**. It shows the strength of the cooperative movement. Government policies can leverage on this huge network

of institutions for the benefit of the sector and empower them through suitable schemes, policy support and provision of technology.

The **share of cooperative agriculture finance to total is about 25%**, fertiliser distribution 35%, fertiliser production 25%, sugar production 31%, milk procurement, production and marketing about 25%, wheat procurement 13%, paddy 20%, fish production 21% etc.

There is a need to build a vibrant and resilient cooperative sector on this strong foundation. All the hurdles and bottlenecks need to be addressed through the new cooperation policy and suitable government interventions. Important policy parameters [4 Ps + 3 Es] for attaining **Sahkar Se Samridhi** are shown below.

Table 3: Prosperity through Cooperation: The Seven Vital Parameters	
4 Ps	3Es
1. People Cooperating People	1. Ease of Doing Business
2. Production by People	2. Ease of Living
3. People before Profit	3. Ease of Cooperation and Access to Opportunities
4. Profit with Purpose	

Source: Kurukshetra January 2023.

Dimensions of New Cooperation Policy

The National Cooperative Policy has been in effect for 20 years and time has come to review the Policy. The Ministry of Cooperation is expected to finalise a new cooperation policy within 8-9 months. The policy should take into account the requirements of all cooperative societies, from the PACs to Apex Cooperatives. The policy should help cooperatives grow in novel ways. There is a need to work in cooperative manner with TEAM Spirit (“T” – “Transparency,” “E” – “Empowerment,” “A” – “Aatma Nirbhar” (‘Self-reliance,’ “M” – “Modernization”). To improve efficiency, Government must now computerise the entire cooperative sector.

TEAM Cooperation

- ✓ **Transparency:** Cooperatives to adopt best practises for their governance with accountability and rise above politics.
- ✓ **Empowerment:** Empowering persons engaged in farm and non-farm activities.
- ✓ **Aatma Nirbhar (Self-Reliance):** Self reliance through community and collectivised action.
- ✓ **Modernisation:** Bringing right technology and quick adoption there of to enhance productivity and efficiency.

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The possible dimensions of the new cooperation policy could be the following: **(a)** Laying out processes for hassle-free registration; **(b)** Bringing in transparency within administration, recruitment and also within training of trainers and training of employees; **(c)** Ensuring transparency in cooperative elections; **(d)** Addressing issues of cooperation and coordination amongst different cooperative institutions; **(e)** Establishing proper linkages to all societies at village level like dairy, PACs, FPO, women cooperative etc.; **(f)** Bringing in uniformity and parity of cooperative law within the States.

Road Ahead

The clarion call by the Prime Minister '**Sahkar Se Samridhi**' requires quick, time-bound and an all-inclusive consultative action. There exists a need to identify and address suitably various issues which may limit the progress of cooperatives. Some of the vital issues which require immediate attention are: **(a)** Regional/State level and sectoral imbalances in the cooperative movement; **(b)** Regulatory complexities; **(c)** Governance, leadership and operational issues; **(d)** Lack of professional management in cooperative units; **(e)** Need of time-tested structural reform measures; **(f)** Lack of cooperation amongst cooperatives etc.

Other critical dimensions of cooperative movement which require adequate attention are: **(a)** Establishing an **effective dialogue and coordination mechanism** between the Central Registrar and State Registrars of Cooperatives; **(b) Adhering to cooperative principles and democratic values**, procedures of transparency, strengthening basic infrastructure including equity structure, diversification; promoting entrepreneurship, branding, marketing, and adopting technology, training, exchange of education and training of members; **(c)** Formation and promotion of new cooperative societies and promotion of social cooperatives. .

Cooperatives will multiply the vision of a US\$ 5 trillion Indian economy and enhancing farmer income. To make it happen, India must first empower and revive community-level primary cooperatives. PACs must be made active and vibrant. While the Ministry of Cooperation plans to computerise PACs and increase technology in the cooperative sector, the new cooperation policy should aim to reach every village with PACs. Cooperation policy should aim to strengthen the village and double cooperative members' income. The Policy should also make all cooperative institutions financially stable.

Conclusion

Expanding reach of cooperatives may seem difficult but is attainable. This won't be achieved only by the Union Government and State Governments' noble intentions and interventions alone. There is a need to draw inspirations from the Maha Upanishad's *Vasudhaiva Kutumbakam*, meaning all living beings on this earth are a family. The leaders of the cooperative movement and

the federal heads will have to rise to the occasion, make extra efforts to visit their districts, talk to members and infuse hope in them for the betterment of the sector. These cumulative efforts would bring all of stakeholders closer to achieving the goal of 'Sahkar Se Samridhi'.

Syllabus: GS II, Welfare schemes for vulnerable sections of the population by the Centre and States.

Source: Kurukshetra January 2023

Decarbonization of Agriculture Sector – Explained, pointwise

Introduction

India has set 2070 as the target year for achieving the Net Zero transition. The Government has also declared the **Long-Term Low-Carbon Development Strategy (LT-LEDS)** for the long-term decarbonization of the economy. Agriculture sector is also a significant contributor to the Green House Gas emissions. Although, the Government has not included Agriculture in the long-term decarbonisation strategy document and has opposed various aspects of the Koronivia Joint Work on Agriculture (KJWA), it has taken several steps for the decarbonization of the agriculture sector. Several agri start-ups are working in the field of carbon markets for agriculture. In the long term, Decarbonization of Agriculture sector can prove to be a vital level in achieving the Net Zero target.

What is the contribution of Agriculture Sector to Carbon Emission?

According to the United Nations' Food and Agriculture Organization (FAO), agriculture and related land use emissions accounted for **17% of all Greenhouse Gas (GHG) emissions** from all sectors in 2018.

The Agriculture, Forestry, and other Land Use (AFOLU) sector, as defined by the United Nations (UN) International Panel on Climate Change (IPCC), **accounts for 24% of global GHG emissions**, with agriculture representing the majority of them.

According to the Third Biennial Update Report submitted by the Government of India in early 2021 to the United Nations Framework Convention on Climate Change (UNFCCC), the **agriculture sector contributes 14% of the total GHG emissions** (Energy 75.01%; Industrial Process and Product Use 8%; and waste 2.7%, (2016 data)). Within the sector, 61.3% of GHG emissions are linked to the livestock sector, followed by 19.1% from fertiliser applied to agricultural soils, 17.5% from rice cultivation and 2.2% due to field burning of agricultural residues.

What are the methods for Decarbonization of the Agriculture Sector?

Decarbonization of Agriculture can be undertaken through:

Agriculture Methods and Practices: Best practices, such as cover crops and **regenerative farming**, help to reduce synthetic nitrogen inputs. **Precision farming**, including the use of drones, can monitor soil and plant health, ensuring that the **right amount of nitrogen fertilizer is applied** at the **right rate and right time**. **Fertile soil** enhances farm yields and incomes apart from **being a carbon sink**. Healthy soil **holds more moisture** and soil conservation methods reduce erosion.

Read More: [Precision Farming: Technologies, Benefits and Challenges – Explained, pointwise](#)

Carbon Farming: It is a system of agricultural management that helps the land store more carbon and reduce the amount of Greenhouse Gases (GHGs) that it releases into the atmosphere. (also known as carbon sequestration).

Decarbonizing Livestock Farming: It includes: **(a) Capturing the methane** and producing bioenergy; **(b) Breeding low CH₄ (methane) producing breeds;** **(c) Plant-based alternatives and lab-grown meat** have the potential to significantly reduce emissions associated with the meat industry.

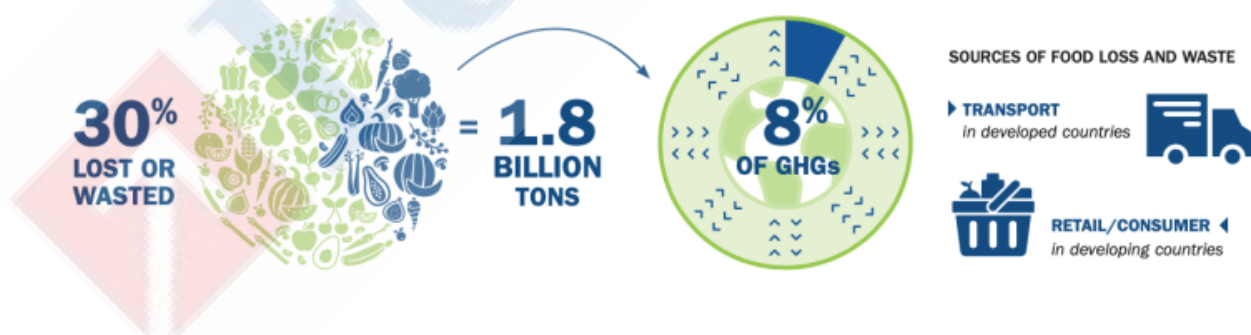
Alternate Cropping: This contributes to GHG mitigation and is an emerging area in climate-smart farming. For example, seaweed cultivation as additive to cattle feed **reduces biogenic methane emissions**, improves feed quality, and enhances milk production.

Freshwater: Agriculture consumes over 80% of freshwater in India, making conservation critical. **Micro-irrigation** with automation and **adoption of low water-intensive species** and farming practices are critical for reducing water consumption and carbon footprint. Areas under water intensive crops must be reduced through **crops diversification**, examples being oil seeds, pulses, horticulture, and forage crops.

Agro-forestry: Trees act as windbreaks, reduce soil erosion, enrich soil, and filter water. Studies suggest that 5% increase at 5 yearly intervals to the existing 16 million hectares area can help mitigate India's projected emissions.

Bio-energy from Farm Waste: It offers immense potential for **mitigating emissions** as well as growth in non-farm economic activity. **Manure-based community biogas plants** can support clean cooking and distributed power. IEA's India Energy Outlook 2021 estimates the potential being of 30 million tonnes Bio-CNG. **BECCS (Bio Energy with Carbon Capture and Storage)** involves capturing CO₂ from bioenergy plants and permanent storage. This will lead to **carbon removal** as well as negative emissions.

Checking Food Waste: About 30% of food produced each year is lost or wasted. Properly storing and more effectively distributing food in developing countries while educating retailers and consumers in developed countries **could avoid 8% of global GHG emissions attributed to waste.**



Source: Batten Report | Path to 2060: Decarbonizing the Agriculture Industry

Carbon Markets in Agriculture: Carbon markets tailored to farming and agricultural activities are emerging with increasing interest from farmers, private sector and governments. However, their size and scale is much smaller compared to carbon markets for industries.

Other Measures: Greater consumer demand for sustainable alternatives; public-sector incentives for **effective land management** and R&D investment; expansion of carbon sinks can help in decarbonization. **Gene editing** holds promise to turn commodity crops into **nitrogen-fixing plants**, and **indoor vertical farms** are gaining in popularity for their ability to go soilless while ensuring food safety and meeting demand for local food.

What steps have been taken by the Government for Decarbonization of the Agriculture sector? The Government has launched multiple programmes like the **National Mission on Sustainable Agriculture** (NMSA) under the National Action Plan on Climate Change (NAPCC), **National Initiative on Climate Resilient Agriculture** (NICRA), and National Adaptation Fund for Climate Change (NAFCC) which are related to low carbon transition.

The **Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan** (PM-KUSUM) scheme of the Government aims to improve irrigation access and raise farmers' income through solar-powered irrigation. Setting up of solar power plants on farmlands, wherever possible, and **solarising existing grid-connected pumps**, could earn additional income to farmers, besides making them **net energy producers**. Reducing energy usage from fossil fuel sources and moving towards renewables, will **reduce carbon footprints in the agriculture sector** and enhance livelihoods of smallholders.

The **Soil Health Card Scheme** aims to rationalize the use of fertilizers. Soil-testing of over 100 million samples and suitable advice to the farmers have **promoted less-carbon-intensive agriculture** by rebalancing the use of crop nutrients, such as nitrogenous fertilisers.

In terms of Land Use, the key elements for decarbonization are halting deforestation, rejuvenating degraded forests, and accelerating afforestation. The Government has launched **National Mission for Green India** and aims to create 2.5-3 billion tonnes of carbon sinks by 2030. The total forests carbon stock has been estimated to be 7204 million tonnes.

The **National Policy for Biofuels/ SATAT** scheme set a medium-term target of 15 million tonnes of bio-CNG.

Read More: [Amendments to the National Policy on Biofuels – Explained, pointwise](#)

What are the challenges in Decarbonizing Agriculture?

Poor and Marginal Farmers: A vast majority of farmers in India are poor and marginal. They lack the ability to invest in decarbonization measures.

Competing Choices: Decarbonisation will require a balance between competing choices such as farmers' livelihoods as well as food security and drawing down on carbon-heavy agricultural practices. Shift to low-carbon agriculture practices may impact food security in the short term.

Size of Livestock: India has the world's largest cattle population at 535.78 million livestock, according to the 20th Livestock Census, 2019. Contribution of livestock sector in total agriculture emissions exceeds 60%. Reducing emissions from such a grand scale is a challenging task.

Uncertain Techniques: Low carbon options are full of uncertainties, high transaction costs with no clear modalities for payments in the near future. In addition, a technology such as organic farming can be counterproductive if practiced falsely e.g., a field flooded continuously after application of organic matter in organic rice production can emit huge amounts of GHGs.

Awareness and Incentives: Lack of proper incentives for scaling up low carbon technologies, Inadequate knowledge amongst policy makers and farmers, financial complications for marginal and small farmers pose significant challenges in adoption and scaling-up of low carbon agriculture.

Challenges to Carbon Markets: Climate mitigation projects in the agriculture sector, particularly those focused on storing carbon in soils, are increasingly being tied to carbon markets. But the impact of these initiatives is highly questionable: **(a)** Agricultural offsetting schemes can be damaging e.g., some markets incentivize specific practices and can **transform agricultural land into tree plantations** (mono-plantations). Such plantations (based on single plant) may end up doing greater damage; **(b)** Many of these offsetting initiatives also have very **uncertain benefits** for the climate, because their **impacts are both extremely difficult to quantify**, and **highly vulnerable to changes over time** e.g., carbon stored in soil may get released due to extreme weather or a change in land management practices. In addition, some **projects generate carbon credits while allowing for an overall increase in emissions**, because they only measure the carbon intensity of an activity, rather than absolute emissions; **(c)** Such offsetting schemes tend to lock in agricultural models that are detrimental to climate goals. They have **high implementation costs** and **distract from more sustainable, cheaper, and proven options**, such as incentivizing agroecological practices. Also, nearly all projects aim to reduce emissions at the farm-level, even though **half of agricultural emissions take place outside of the farm** and are **largely driven by agri-businesses**, e.g. through the manufacturing of synthetic fertilizers and pesticides. This puts the blame on individual farmers **instead of focusing on corporate and agribusiness-led emissions**.

Read More: [Carbon Markets: Benefits and Challenges – Explained, pointwise](#)

What more steps should be taken for decarbonization of Agriculture Sector?

First, Government policies must reorient to reduce agriculture's power subsidy bills and divert the money towards **sustainable farm sector investments** like solar power that could address challenges arising from rising use of wasteful energy in agriculture.

Second, Climate finance need to be **enhanced for agriculture sector** to address issues having longer gestation period, viz biogenic methane mitigation, agro-forestry etc.

Third, There is need to generate high integrity, real-time data on status of forests. Suitable studies are needed on a dynamic basis. There is a need to undertake conservation, restoration, and regeneration under an **integrated forest management framework**.

Fourth, the Government should **develop a strategy to transition towards agroecology** and enable the private sector to contribute to the transition without opening the door for **greenwashing through offsetting mechanisms**.

Fifth, At the global level, countries should **exclude the land sector from international carbon markets** under Article 6 of the Paris Agreement, and should instead focus on **contributing to climate finance transfers** and ensuring existing tools are used as levers for the **agroecological transition**, e.g., through the Green Climate Fund.

Sixth, Carbon sequestration currently offsets about 20% of global agriculture emissions. **Increasing carbon sinks** while working to mitigate agriculture emissions could lead to a significant reduction in global carbon footprint.

Conclusion

Globally, many countries have set ambitious targets to achieve net zero by 2050. IntHdia has also set a target of 2070. The Governments are moving aggressively for decarbonizing sectors like energy and transportation. However Net Zero may not be possible without the decarbonization of the agriculture sector. The onus is more on developed countries. Yet, the Government of India should also take possible steps for decarbonization of agriculture, without compromising food security and livelihoods and incomes of farmers. This will accelerate India's transition to Net Zero.

Syllabus: GS III, Conservation, Environmental Pollution and Degradation.

Source: [Mint](#), [Financial Express](#), [Down to Earth](#)

Sutlej-Yamuna Link and Inter-State Water Disputes in India – Explained, pointwise**Introduction**

A meeting was held between the Chief Ministers of Punjab and Haryana in the presence of the Union *Jal Shakti* Minister. The agenda of the meeting was to resolve the Sutlej-Yamuna Link Canal dispute. The dispute between Punjab and Haryana has been festering since the 1960s, and various efforts to resolve the issue have failed. This dispute is not an isolated case. A lot of Inter-State Water Disputes have been festering among various States for a very long time without a possible solution in sight. There are multiple Constitutional and Statutory arrangements to address such disputes. However, these mechanisms have failed due to various institutional and political factors. Prolonged Inter-State Water Disputes do not augur well for the national unity and security. Hence, all stakeholders should engage constructively with each other for the settlement of such disputes.

What is the Sutlej-Yamuna Link (SYL) Dispute between Punjab and Haryana?

1955: The waters of the the Ravi and Beas rivers were calculated at 15.85 million acre feet (MAF), and divided among Rajasthan (8 MAF), Undivided Punjab (7.2 MAF) and Jammu and Kashmir (0.65 MAF).

1966: The water dispute started in 1966, when the **Punjab Reorganisation Act** divided erstwhile Punjab into the states of Punjab and Haryana. The Sutlej Yamuna Link Canal, a 211-km-long proposed canal connecting Sutlej and Yamuna, was planned in 1966 after Haryana was carved out of Punjab. 121 km stretch of the canal was to be constructed in Punjab, and another 90 km in Haryana.

1980: Haryana completed the project in its territory by June 1980, the work in Punjab, though started in 1982, was shelved due to protests by the opposition led by Shiromani Akali Dal (SAD).

1982: The construction work for the SYL canal was launched by then Prime Minister in April 1982 near Kapoori village of Punjab's Patiala district.

1985: In July 1985, amidst the insurgency in Punjab, the then Prime Minister signed an accord with SAD, agreeing to set up a new tribunal to assess the sharing of water. The **Eradi Tribunal** headed by Supreme Court Judge V Balakrishna Eradi was set up to reassess availability and sharing of water.

1987: The tribunal recommended an increase in the shares of Punjab and Haryana to 5 MAF and 3.83 MAF, respectively.

Militancy in Punjab: In August 1985, the chief of SAD was killed by militants, less than a month after signing the accord. In 1990, the Chief Engineer and a Superintending Engineer were killed by militants. The construction came to a halt.

1996: The Haryana government moved the Supreme Court over the issue.

2002-04: In 2002, the Supreme Court directed Punjab to continue work on the SYL and complete it within a year. The Punjab Government, however, moved a review against the SC order but the petition was rejected. In 2004, following orders by the SC, the Central Public Works Department (CPWD) was appointed to take over the canal work from the Punjab Government. The Punjab Assembly passed the **Punjab Termination of Agreements Act (PTAA)**, which abrogated all its river water agreements with neighbouring States. The then President (Dr. A.P.J. Abdul Kalam) referred this Act to the Supreme Court to decide on its legality in the same year.

2016: The Supreme Court says that as Punjab backed out of its promise to share river water and the PTAA is invalid.

2020: The SC asked the Chief Ministers of Punjab and Haryana to negotiate and the Union Government to mediate between the States.

What are the arguments of two States regarding the Sutlej-Yamuna Dispute?

Punjab: Punjab was against sharing waters of the two rivers with neighbouring Haryana, citing **riparian principles**, which state that the owner of land adjacent to a water body has the right to use the water, besides arguing that it had no water to share.

According to a study by the State Government, many areas in Punjab may run dry by 2029. The State has already **over-utilized its groundwater for irrigation purposes**, as it a major contributor of Wheat and Paddy to the food reserves (worth INR 70,000 crore each year). According to reports, 79% of the state's water is over-exploited. There are 109 **'over-exploited'** blocks out of 138, 2 **'critical'** blocks, 5 **'semi-critical'** blocks, and only 22 **'safe'** blocks. The Government claims that sharing water with any other state is impossible in such a situation.

Haryana: Haryana has been staking claim to the Ravi-Beas waters through the SYL Canal on the plea that providing water for irrigation was a tough task for the State. In southern parts, where underground water had depleted up to 1700 feet, there is a problem of drinking water. Haryana has been citing its contribution to the central food pool and arguing that it is being denied its rightful share in the water as assessed by a tribunal.

What are the arrangements to settle Inter-State Water Disputes?

Constitutional Arrangements

Schedule 7 of the Constitution: It distinguishes between the use of water within a State and the purpose of regulating interstate waters. **Union List:** Entry 56, It gives the Union Parliament the power to formulate laws and mechanisms for regulating Interstate rivers. **State List:** Entry 17, States retain autonomy regarding water utilisation for purposes such as water supply, irrigation and canals, drainage and embankments, water storage and water power subject to provisions of Entry 56 of List 1 (Union List).

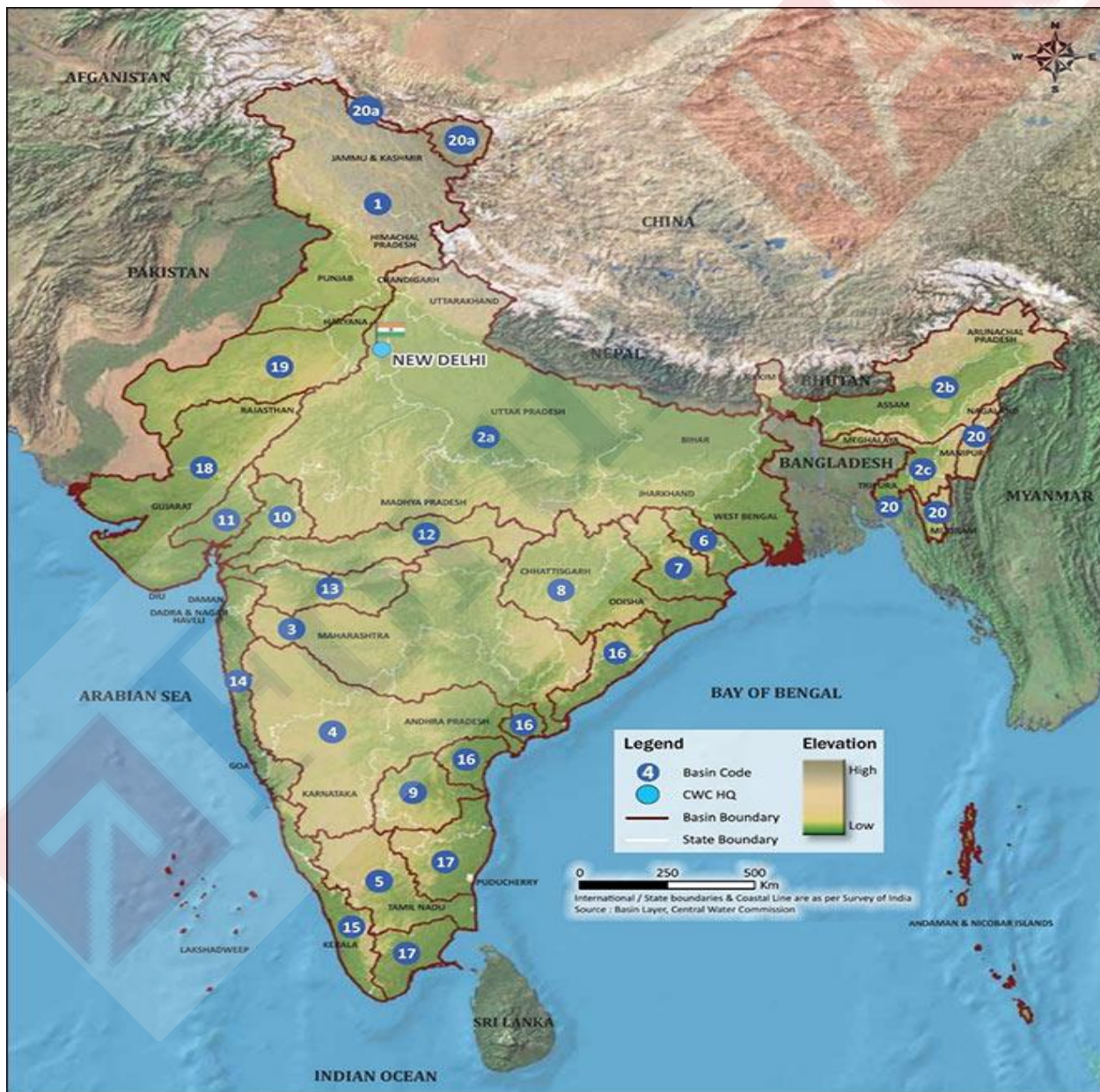
Article 262: In case of disputes relating to waters, Parliament may by law provide for the adjudication of any dispute or complaint with respect to the use, distribution or control of the waters of, or in, any inter-State rivers. Parliament may, by law also provide that neither the

Supreme Court nor any other court shall exercise jurisdiction in respect of any such dispute or complaint as mentioned

Statutory Arrangements

River Board Act, 1956: The river Boards are supposed to advise on the Inter-state basin to prepare development scheme and to prevent the emergence of conflicts. Till date, no River Board has been created.

Inter-State Water Dispute Act, 1956: If a particular State or States approach the Union Government for the constitution of the tribunal: **(a)** Central Government should try to resolve the matter by consultation among the aggrieved States; **(b)** In case, consultation does not work, then the Union Government may constitute the tribunal.



Basin Code (CWC)	Basin Name (CWC)	Interstate or Intrastate	Total Live Storage Capacity (MCM)
1	Indus (Up to border)	Interstate	16,568.4
2 a	Ganga	Interstate	60,660.4
2 b	Brahmaputra	Interstate	11,680.6
2 c	Barak and others	Interstate	
3	Godavari	Interstate	31,330.4
4	Krishna	Interstate	49,547.5
5	Cauvery	Interstate	8,867.0
6	Subernarekha	Interstate	2,322.2
7	Brahmani and Baitarni	Interstate	5,523.7
8	Mahanadi	Interstate	14,207.8
9	Pennar	Interstate	4,820.1
10	Mahi	Interstate	4,984.0
11	Sabarmati	Interstate	1,367.5
12	Narmada	Interstate	23,604.6
13	Tapi	Interstate	10,255.8
14	West flowing rivers from Tapi to Tadri	Mostly Intrastate	14,732.4
15	West flowing rivers from Tadri to Kanyakumari	Mostly Intrastate	11,553.7
16	East flowing rivers between Mahanadi and Pennar	Interstate	3,026.4
17	East flowing rivers between Pennar and Kanyakumari	Interstate	1,906.9
18	West flowing rivers of Kutch and Saurashtra including Luni	Interstate	5,524.2
19	Area of inland drainage in Rajasthan	Intrastate	-
20	Minor rivers draining into Myanmar (Burma and Bangladesh)	Interstate	312.0

Map Source: ORF

What are the reasons for persistence of Inter-State Water Disputes?

First, the legislative powers concerning water have been distributed between the Union and the State Governments. The idea has been to ensure optimum utilisation while balancing the interests of the States. However, this approach of imprecise distribution of power between the Union and the States, has created a **Federal-Jurisdictional ambiguity**.

Second, a big limiting factor is the **lack of effective authority for enforcing the orders of tribunals**. The Tribunal can only make an award and **cannot make it binding**. The Tribunals also lack the ability to **punish for 'contempt'**.

Third, Article 262 provides that the Parliament may by law prevent the Supreme Court or any other Court from exercising jurisdiction in inter-State water disputes. However, under Article 136, the Supreme Court can hear appeals against the orders of Tribunals. Thus, the Supreme Court remains the adjudicatory body along with the tribunals, **creating an institutional ambiguity** regarding which body is the ultimate adjudicatory power on inter-State water disputes in India.

Fourth, critics of the system argue that the members of tribunals created for adjudicating the inter-State water disputes have been predominantly from the Judiciary. This has led to lack of a multi-disciplinary approach to dispute settlement. They say there is not much difference between the tribunal and the bench of the Supreme Court.

Fifth, There have been **excessive delays in establishing tribunals and making awards**. The right to have a dispute referred to a tribunal under the IWSDA (Inter-State Water Dispute Act) is contingent on the Union Government's determination that the matter cannot be resolved through negotiations. The provision of negotiations inevitably delays the constitution of a tribunal.

Sixth, Given that agriculture constitutes the primary economic activity in many parts of the country, water is a contentious issue. Inter-State disputes are exploited for political mobilization and electoral benefits. State Governments have rejected the awards of Tribunals.

Seventh, There is a lack of data regarding water flows, seasonal variations etc. which results in ambiguities regarding availability of water, surplus water for sharing etc. In addition, seasonal variations in monsoonal rainfall sometimes create shortage of water. State Governments than argue that there is no surplus water to be shared.

Tribunal	States Concerned	Date of Constitution	Current Status
Godavari Water Disputes Tribunal	Maharashtra, Andhra Pradesh, Karnataka, Madhya Pradesh, Orissa	April 1969	Report and decision given in July 1980.
Krishna Water Disputes Tribunal - I	Maharashtra, Andhra Pradesh, Karnataka	April 1969	Report and decision given in May 1976.
Narmada Water Disputes Tribunal	Rajasthan, Madhya Pradesh, Gujarat, Maharashtra	October 1969	Report and decision given in December 1979. Narmada Control Authority (NCA) was constituted to implement the decision.
Ravi & Beas Water Tribunal	Punjab, Haryana, Rajasthan	April 1986	Report and decision given in April 1987. Further Report is pending.
Cauvery Water Disputes Tribunal	Kerala, Karnataka, Tamil Nadu, Puducherry	June 1990	Report and Decision given on 5 February 2007. Supreme Court modified the decision on 16 February 2018. The Cauvery Water Management Authority (CWMA) and Cauvery Water Regulation Committee (CWRC) were constituted to implement the modified decision.
Krishna Water Disputes Tribunal -II	Karnataka, Andhra Pradesh, Maharashtra, Telangana	April 2004	Report and decision given on 30 December 2010. SLPs filed pending in the Court. The term of the Tribunal has been extended after the bifurcation of Andhra Pradesh. The matter is under adjudication in the Tribunal.
Vansadhara Water Disputes Tribunal	Andhra Pradesh, Odisha	February 2010	Report and decision submitted on 13 September 2017. Further Report is pending.
Mahadayi Water Disputes Tribunal	Goa, Karnataka, Maharashtra	November 2010	Report and decision submitted on 14 August 2018. Further Report is pending.
Mahanadi Water Disputes Tribunal	Chhattisgarh, Odisha	March 2018	Under adjudication by the Tribunal. Report and decision are awaited.

Source: Adapted from ORF

What should be the approach towards settling Inter-State Water Disputes?

First, The Sarkaria Commission has suggested that the **awards of the tribunals be given the same weight as a Supreme Court Judgment.**

Second, The Government's inability to properly handle water-related disputes is reflected in the high number of appeals to the Supreme Court. Some experts suggest that the **appeal to the Supreme Court should only on procedural aspects.** The awards based on expert opinions shouldn't be questioned in the Court.

Third, there is a need to establish a time frame for constituting the Tribunal by the Union Government. Tribunals should also try to avoid unnecessary delays in giving the award.

Fourth, the **Inter-State Council** can be rejuvenated to enable it to play a **more active role in settlement of such disputes.**

Fifth, Some experts have suggested that **mediation**, (a third party acts as an intermediary between the parties in conflict), can also be **explored as a possible option** for successful resolution of disputes. Example of role of the World Bank as a mediator in the Indus Water Treaty between India and Pakistan is quoted as a success of this model.

Sixth, infrastructure should be created for better collection of the data related to inter-State river basins. Better data will provide clear picture regarding availability of waters, seasonal variations and help in the equitable distribution of water among the States.

Conclusion

The Inter-State Water Disputes have been allowed to linger on for a long time. The politics of electoral mobilization has been one of the major factor, along with institutional infirmities in the arrangements. The Union and State Governments should put national interest above narrow

parochial interests. As the pressures of climate change become evident through water stress in various regions, it becomes imperative that such disputes are settled in order to ensure optimal use of nation's water resources.

Syllabus: GS II, Functions and responsibilities of the Union and the States, Issues and challenges pertaining to the Federal structure; GS II, Dispute redressal mechanisms and institutions.

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

India's Toy Industry: Growth and Challenges – Explained, pointwise

Introduction

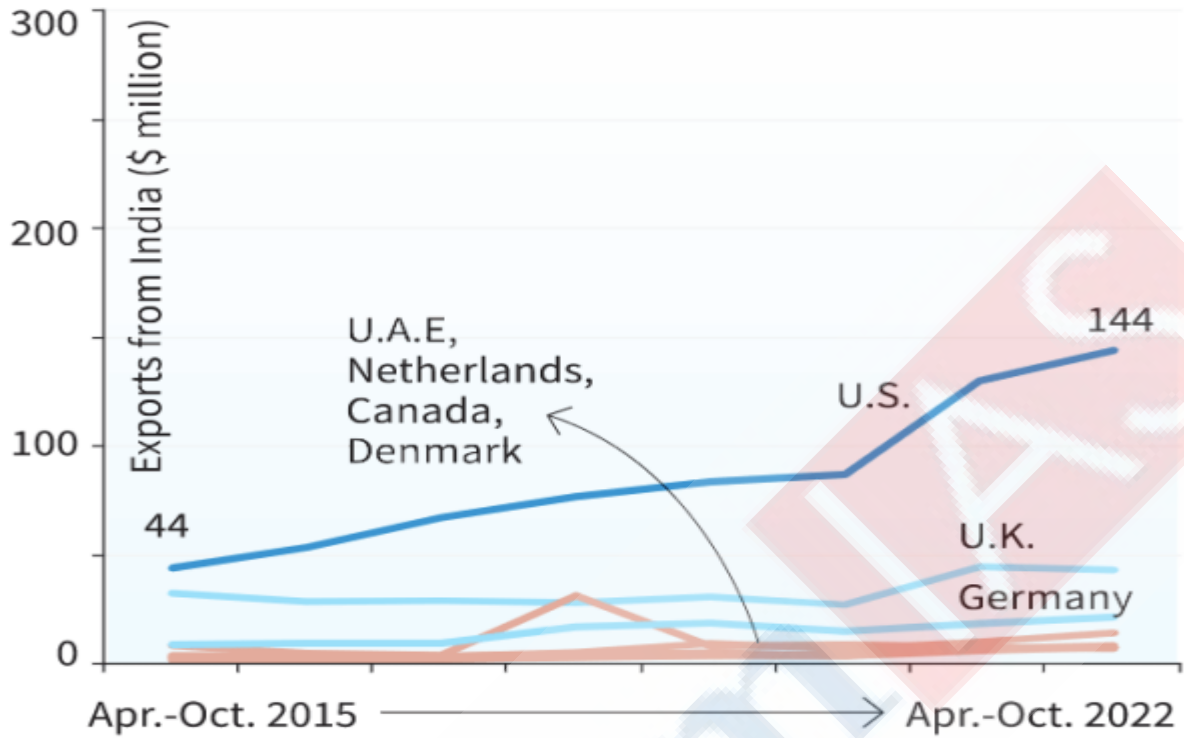
In August 2020, amid the COVID-19 pandemic, the Prime Minister had exhorted that India can become a global hub in Toy Industry manufacturing and exports. In July 2021, the PM had said that India imports 80% of toys. He called on people of India to be '**vocal for local toys**'. By July 2022, India's exports of toys had surged from INR 300-400 crore to INR 2,600 crore. Imports had fallen from INR 3,000 crore, making India a net exporter of toys. The turnaround in the toy industry showcases the success story of focused approach by Government in supporting domestic manufacturing. The learning from the success of toy industry can be implemented in other sectors to enhance India's exports and reduce dependence on imports.

What has been the growth of India's Toy Industry?

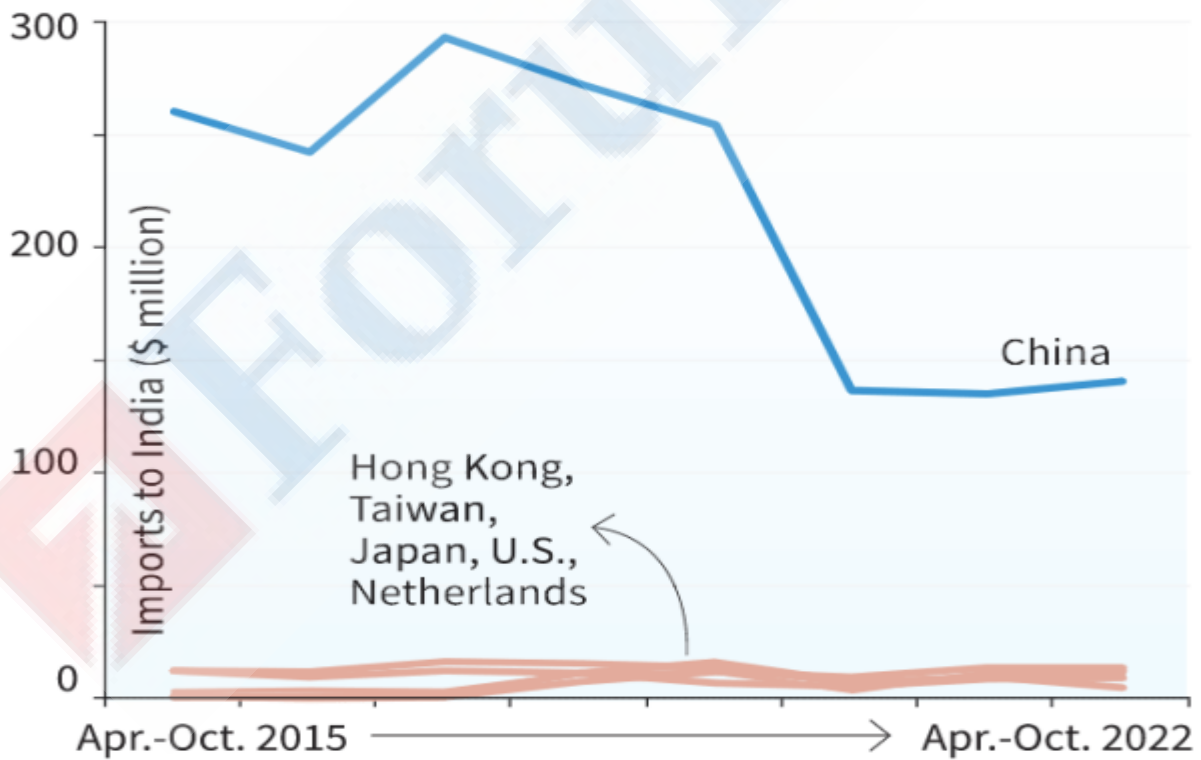
Indian Toys Industry is estimated to be US\$ 1.5 billion making up 0.5% of global market share. The toy manufacturers in India are mostly located in the NCR, Maharashtra, Karnataka, Tamil Nadu and clusters across central Indian States. The sector is fragmented with 90% of the market being unorganized and 4,000 toy industry units from the MSME sector.

According to a joint report by industry body FICCI and KPMG, the India's toy industry is expected to double from US\$ 1 billion in 2019-20 to US\$ 2 billion by 2024-25. A share of 0.5% of the global toy industry shows indicates large potential growth opportunity. The domestic toy demand is forecasted to grow at 10-15% against the global average of 5%.

According to the Ministry of Commerce & Industry, the import of toys into India has declined sharply from US\$ 304 million in 2018-19 to US\$ 36 million in 2021-22. On the other hand, exports have increased from US\$ 109 million in 2018-19 to US\$ 177 million in 2021-22.



India's Toy Exports to major Countries. Source: The Hindu



India's Toy Imports from major Countries. Source: The Hindu

What are the factors driving growth of India's Toy Industry?

Huge Consumer Base : India's population today stands at ~1.4 billion or 17.7% of the global population. In 2019, ~26.62% of the Indian population fell into the 0-14 age category. Such a large young population is likely to offer potential for the toy industry's growth.

Rising Disposable Income: India has exhibited strong GDP growth rates for the last several years and now, represents one of the world's largest economies. Driven by this trend, the middle-class population has experienced strong growth. On an average, every Indian is earning 30% more than that six years ago. Consumers have more disposable incomes and their spending patterns have also changed. This has resulted in a **major shift from traditional** and medium-to low- end battery-operated toys **to innovative electronic toys**, intelligent toys, and upmarket plush toys.

Rise in Online Purchases: Online sales channels have also witnessed boom in India with the evolution of smartphones and other digital media. As quality and features of products can be discussed among shoppers and prices can be compared on various platforms, online sales channels have appeared to be one of the fastest-growing distribution channels for toys in India.

Shifting Preference: According to the Toy Association report in 2018, 67% parents believe in **STEM-focussed toys** as their primary way to encourage science and math development in young children. Shifting preference from conventional toys towards modern and hi-tech electronic toys is strengthening the market growth.

Going Global: Toy sector is also going global, as manufacturers are scouting new markets and increasing exports to the Middle East and African countries.

India's Protectionist Strategy: In addition to increasing the basic customs duty on toys from 20% to 60%, stringent conditions have also imposed on the quality of toys that are imported. This has reduced availability of imported toys and enhanced demand for domestic toy industry.

What steps have been taken by the Government to aid growth of Toy Industry?

Call to the Start-ups: The Government has called upon start-up entrepreneurs to explore the toy sector. The Government has also urged industry players to support local toys and reduce reliance on foreign goods. Educational institutions have been asked to organise hackathons for students to innovate in toy technology and design, including online games, to reflect Indian ethos and values.

Increase in Custom Duty: The Government has increased basic customs duty from 20% to 60%. It is likely to result in toy importing brands to explore manufacturing in India, especially for the Indian market. It has also increased demand of toys manufactured by domestic toy industry.

Mandatory Quality Certification: The Government has made toy **quality certification mandatory** to revive the indigenous industry. The Government began enforcing quality control for imported toys from September 1, 2020, to ensure that only products conforming to standards enter the country.

Programmes Boosting the Toy Industry: The Government has chalked out a plan to **promote traditional toys** manufactured in the country by creating **Toy Labs** (a national toy fair for innovative Indian-themed toys). A plan to establish networks of toy labs such as **Atal Tinkering Labs** is also in the works to provide support for physical toys and for children to learn, play and

innovate. Such labs will also be a way of specialised toy marking for quality certification and original design.

Involvement of Various Sectors: (a) The Government has invited the Ministries of Education, Textiles, I&B, Commerce, Women and Child Development, Culture, Tourism, Railways, Urban Development, Science and Technology and IT to give their inputs for betterment of the toy industry. The Department for Promotion of Industry and Industry Trade (DPIIT) has explained how various industries can contribute towards the toy sector; (b) The Ministry of Education has been asked to look at inclusion of indigenous **toys as a major learning resource activity**, as part of the recently announced **National Education Policy**. The plan also includes developing kits for *Ek Bharat, Shreshta Bharat*, a flagship scheme of the Ministry of Education; (c) IITs will be roped in to look at the technology aspect of toys. The National Institute for Design and the National Institute for Fashion Technology will study the concept of **'Toys and National Values'**. Using non-hazardous materials and creating toys that will help in **mainstreaming children with learning disabilities** will also be a top focus; (d) The Ministries of Science and Technology and IT will look at how 'India's indigenous games can be featured in the digital space and creating a digital repository archiving description of history', while the Ministry of Culture could work on an **'Indian Toy Museum'**.

Consolidating and Up-skilling the Unorganised Sector: The Government is also deliberating forming **toy producer clusters** and **linking all such clusters with artisans**. The Government is also looking at addressing **skill upgrades** and **credit needs** of the toy clusters and facilitating their **engagement with foreign investors**.

Educating Consumers: The Government is gradually introducing a new norm in the minds of consumers to purchase safe and good-quality 'Made in India' toys as against cheap and poor-quality imported toys. Adverts are also being gradually designed in a manner to target children and parents as influencers in building the Made in India brand loyalty.

What are the challenges facing India's Toy Industry?

Highly Fragmented: The toy industry is still highly fragmented, dominated by local producers. 90% of the market is unorganized and 4000 toy industry units being from the MSME sector. They **lack innovation, and resources to invest** in equipment and technology. They do not have the capital to scale-up production. Supply chains are still highly fragmented.

Impact of Import Duties and Quality Certification: After the duty hike, customers started to cancel orders, some held their orders back in hope that the duties will be reduced. The 200% increase in duties led to price hikes, making toys more expensive. Quality Certification has increased **challenges for traditional craftsmen**. They cannot afford to get these certifications. It is better for the Government to step in and club units or allow distributors to get the certification.

Labour Laws: Toy making is labour intensive. The life of a toy is limited. For instance, a 'Transformers' Toy sells well when the movie releases and the off-take dies down soon after. Therefore, the demand for a product changes rapidly and **each toy requires a different skillset**. These factors not only **rule out mechanisation**, but also **call for flexible staffing**. Indian laws do not permit recruitment or retrenchment based on demand if the organisation grows beyond a certain size in terms of employee strength. Hence, most units in the toy sector are very small and no major corporates have forayed into the industry despite the low capital investment needs.

Foreign Dependence for Sourcing Raw Materials: Indian manufacturers specialise in board games, soft and plastic toys and puzzles etc. Companies have to import materials from South Korea and Japan to manufacture these toys.

Fall in Free Trade amidst Geopolitical Uncertainties: Many economies are imposing restrictions on free trade to boost their local economies. The US government is taking a more protectionist stance and renegotiating many trade agreements, including NAFTA (North America Free Trade Agreement) and increasing tariffs on Chinese manufactured goods. These changes could set off a wider trade war, reversing the recent trend towards greater global free trade. For example, according to a report by the International Monetary Fund, rise in trade barriers could increase import prices by 10% and decrease exports by 15% during the forecast period, affecting growth of the toy manufacturing market, which relies on easy and cheap movement of goods between countries.

What steps can be taken going ahead?

First, In order to stimulate growth in the domestic toy industry, it is necessary to devise a specific manufacturing policy for toys.

Second, To become a major player in the global toy manufacturing industry, reducing the amount of imported toys may not be the best way to move forward. Instead, the Government should focus on enhancing India's reputation as a reliable location for the production of high-quality toys.

Third, To foster an environment that is more conducive to healthy competition, the Government should: **(a)** Assist the industry in the formation of additional clusters; **(b)** Offer export subsidies and production-linked incentives for the manufacture of their products; **(c)** Ensure that toys are included in India's Free Trade Agreements (FTAs). Support from the Central Government in the form of Incentives, as well as Inputs on the Upgrading of Technology, can go a long way towards assisting in the rapid growth of the domestic toy industry.

Fourth, Re-skilling the 7 million artisans in the country to help them meet the evolving demands of the industry while framing labour laws and regulations that protect workers' rights can also help reap rich dividends.

Fifth, there is a shift towards intelligent toys and video games, away from traditional wooden/plastic toys. Domestic toy manufacturers should tap into India's expertise in information technology to offer games that capture the imagination of the children. The Prime Minister has also asked the start-ups to help achieve this transformation.

Conclusion

The success of India's toy industry in the last few years shows that focused interventions by the Government can help a great deal in creating conducive manufacturing ecosystem. Measures facilitating exports help in reducing dependence on imports and save valuable foreign exchange. This can help in achieving the vision of Atmanirbhar Bharat. The Government should adopt this approach to achieve self-sufficiency in critical sectors like EVs, batteries, Semiconductor Manufacturing etc.

Syllabus: GS III, Indian Economy and issues related to growth and development.

Source: [The Hindu](#), [IBEF](#), [MoneyControl](#), [Economic Times](#), [PIB](#)

The Conflict Between Forest Rights and Forest Conservation – Explained, pointwise

Introduction

In June 2022, the Supreme Court had directed that every national park and wildlife sanctuary in the country will have a mandatory Eco-Sensitive Zone (ESZ) of at least one kilometre starting from its demarcated boundaries. The decision was made in response to a petition to protect forest lands in Tamil Nadu's Nilgiris district. However, the creation of these zones has provoked protests in Kerala and some other areas. Rights activists have criticized this **rights-negating 'fortress conservation model'**, as such models of forest conservation tend to deny the rights of traditional forest-dwelling communities. Critics argue that powers given to conservation authorities under the Forest Conservation Act has led to **labelling of traditional forest dwellers as 'encroachers'** in their own areas and denied them equitable access to forests' resources. Forest Rights Act was enacted to recognize the rights of traditional communities. Yet there has been a conflict between the Forest Rights and Forest Conservation because of lacunae in the implementation of these laws. Hence, there is a need to balance the two aspects, in order to ensure sustainable conservation while preserving rights of the tribals.

What is the SC Judgment regarding Eco-Sensitive Zones (ESZs)?

In June 2022, a 3-Judge bench of the Supreme Court heard a PIL regarding protection of forest land in the Nilgiri Hills (Tamil Nadu). The Supreme Court passed a Judgment regarding the creation of Eco-Sensitive Zones (ESZs) around protected areas. The salient aspects of the rulings were:

First, The Supreme Court directed that no permanent structure will be allowed within the eco-sensitive zone.

Second, Mining within a national wildlife sanctuary or national park cannot be permitted.

Third, If the existing eco-sensitive zone goes beyond the 1 km buffer zone or any statutory instrument prescribes a higher limit, then such extended boundary shall prevail.

Fourth, the SC said that the MoEFCC guidelines are also to be implemented in the area proposed in the draft notification *awaiting finalisation* and within a 10-km radius of *yet-to-be-proposed* protected areas. The Guidelines were released in July 2022.

Read More: [Forest Conservation Rules, 2022: Provisions and Concerns – Explained, pointwise](#)

Fifth, The Court also allowed States to **increase or decrease the minimum width of ESZs** in the **public interest**.

Sixth, The Court vested the powers to **ensure compliance** with the **Principal Chief Conservator of Forests** (PCCF) and the Home Secretary of the State/UT. Within three months, the PCCF was supposed to make a list of all structures in the ESZs and send it to the Supreme Court (this is yet to be done) within 3 months.

What are the benefits of Eco-Sensitive Zones (ESZs)?

Reduce Human-Animal Conflict and Forest Depletion: ESZs help in reducing human-animal conflict by creating buffer zones. Moreover prohibition of certain activities in ESZs helps in better conservation. The local communities in the surrounding areas are also protected and benefited from the protected areas thanks to the core and buffer model of management that the protected areas are based on.

Reduce Externalities of Development Activities: ESZs as buffer zone help in protection of areas adjacent to the protected areas and help mitigate the negative effects of urbanisation and other development activities.

Minimize Damage to Fragile Ecosystems: Declaring certain areas around protected areas to be environmentally sensitive serves the purpose of **developing a 'Shock Absorber'** for the protected area. They also **serve the function of a transition zone** between areas with higher levels of protection and areas with lower levels of protection.

Conservation: ESZs are also helpful in conservation of endangered species. Restriction of activities in ESZs effectively expand the area available to the threatened species and reduce their vulnerability.

What is the conflict between Forest Conservation and Forest Rights?

Critics argue that the powers granted to Forest Authorities under Forest Conservation has led to their misuse resulting in undermining of the rights of traditional forest dwelling communities (recognized in the Forest Rights Act, (FRA) 2006).

First, critics argue that the Union and State Governments have attempted a series of **'backdoor' policy changes** in an attempt to roll back the achievements of the FRA e.g., the Governments of Maharashtra and Madhya Pradesh notified the rules for the administration of "village forests" in 2015. These rules sought to provide a **parallel, forest department-dominated procedure** by which villages could secure rights over common and collectively managed forests, and, in practice, the forest department would use pressure and monetary incentives to ensure that this process, **rather than the statutory procedure under the FRA**, would be followed. The guidelines issued in 2015 **allowed private companies to take over patches of forestland for growing tree or bamboo crops**, with rights arbitrarily limited to 15% of the leased areas.

Second, The Compensatory Afforestation Fund Act was passed in 2016. It provided for the spending of a fund of more than INR 50,000 crore on forestry-related activities that had a direct impact on forest dwellers. **The Act didn't contain the words 'Forest Rights'**. The Government had assured that the rules formulated under the Act will address Forest Rights, but that hasn't happened.

Third, The **Forest Right Act, 2006 was challenged in the Supreme Court by forest conservation groups** like Wildlife First and Wildlife Trust of India. They had argued that the FRA facilitates deforestation and illegal encroachment. Critics argue that the Union Government didn't defend the FRA vigorously. In 2019, the SC ordered the States to summarily evict or take other appropriate legal action against individuals whose land claims have been rejected. The SC stayed the decision after nationwide protests, but hasn't addressed the fundamental conflict between Forest Rights and Forest Conservation.

Fourth, in 2019, amendments were proposed to the Indian Forest Act, 1927 which, among other things, would empower forest officials to use firearms and to **take away forest rights merely through the payment of monetary compensation**. These amendments would destroy the essence of Forest Rights.

Fifth, The new **Forest Conservation Rules were notified in 2022**. The wording of new rules **implies that it is not mandatory to take the consent of Gram Sabha** before diversion of forest. Moreover, the new rules allow the Union Government to permit the **clearing of a forest before consulting its inhabitants**. This is akin to **forced consent**, the inhabitants will have no choice

but to accept. The National Commission for Scheduled Tribes has asked to put [these rules on hold](#), however the Ministry of Environment hasn't agreed to this proposal.

Forest Rights Act: Consent of Communities

Vedanta's Mining Project in Odisha

- In 2013, the Supreme Court asked the Gram Sabha's consent on the Vedanta group's US\$ 1.7 billion bauxite mining project in Odisha's Niyamgiri Hills.
- All 12 Gram Sabhas unanimously rejected mining in the hills.
- It affirmed the decision-making power of the village councils of Rayagada and Kalahandi under the Forest Rights Act.

Hydel Project in Himachal Pradesh

- In 2016, the National Green Tribunal (NGT) invoked the Forest Rights Act.
- It asked for consent of people of Lippa (Kinnaur, Himachal Pradesh) regarding the proposed Hydel Power Project.
- The project would have led to submergence of forestland and also caused heavy siltation in the river. The Gram Sabha did not approve the project.

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Read More: [About Tribal Rights: How We Treat Our First Citizens](#)

Sixth, the SC ruling regarding the ESZs has meant that all the activities permitted by the guidelines and which are already being carried out can continue **only if the PCCF grants permission**, and that too within six months of the SC's order. This period has already expired. Additionally, the SC's directions have put the lives of many people in the hands of the PCCF, **whose authority now extends beyond the forest to revenue lands falling within an ESZ**. This has led to protests in Kerala.

What can be done to resolve the conflict between Forest Conservation and Forest Rights?

First, The Government and the Judiciary need to reconcile laws, reaffirm democratic governance, and protect the environment and as well as livelihoods.

Second, A **flexible and area-specific minimum limit boundary provision** is required. Many environmentalists across the country expressed concern about the mandatory implementation of the Eco-Sensitive Zone (ESZ) for each national park and sanctuary, which appears to be fine, but a fixed minimum limit of one kilometre raises some concerns. The **physiography of an area should also be considered for the eco-sensitive zone notification**.

Third, The mandated eco-sensitive boundary should be extended to national parks and sanctuaries and to forest patches with better forest cover, good species composition, and a significant presence of wild species.

Fourth, **Data must be collected** at the ground level. Even though the establishment and upkeep of buffer zones around ecologically sensitive areas are considered to be of the utmost importance, the process is frequently **hindered by a lack of trustworthy data** collected at ground level. The

vast majority of micro-level land use statistics are based on conjecture, with very little input from the ground.

Fifth, A meeting of all States, the Union Government, and the Judiciary is required before the recent judgement is carried out, so that **genuine concerns raised by the State Governments can be addressed** appropriately, reducing future conflicts.

Sixth, The mining companies must strictly adhere to environmental regulations and **practise sustainable mining**. At the same time, no mining permits should be issued if any mineral extraction jeopardised the **carrying capacity of the protected areas**. This should be the approach for all development activities around the protected areas.

Conclusion

The Supreme Court's Judgment regarding the provision of ESZs around protected areas has led to protests in many parts of the country, especially in Kerala. This has reignited the debate regarding Forest Rights and Forest Conservation. Both the dimensions are important in the context of protection of forests and sustainable and inclusive development. The Government must take all possible steps for economic development, but such development shouldn't be at the cost of rights of the poor tribals as well as destruction of forest ecosystems. Hence the effort should be to establish a balance between the two.

Syllabus: GS II, Welfare schemes for vulnerable sections of the population by the Centre and States; GS III, Conservation.

Source: [The Hindu](#), [The Hindu](#), [The Hindu](#), [EPW](#), [SCOobserver](#)

[Yojana January 2023 Summary] India's Wealth: Millet For Health – Explained, pointwise

Introduction

In 2021, the Government of India had proposed at the United Nations for declaring 2023 as the International Year of Millets. India's proposal was supported by 72 countries and United Nations General Assembly declared 2023 as the International Year of Millets (IYM 2023) in March 2021. To take forward this declaration, the Government of India has decided to celebrate IYM 2023 by **making it a peoples' movement or 'Jan Andolan'** to enhance awareness regarding millets and health benefits and promoting millets as a healthy option for the food basket. Activities are also being taken up to **propel demand creation of millets** at both global and local levels, for **better remuneration to the farmers** for its production, to provide protection of sources (soil and water), and **creation of direct and indirect employment**.

India produces more than 170 lakh tonnes of millets per year and is the largest producer of millets in the world; accounting for **20% of global production** and 80% of Asia's production. India's average yield of millets (1239 kg/hectare) is also **higher than global-average yield** of 1229 kg/hectare. Major millet crops grown in India and their percentage share of production are Pearl Millet (*Bajra*, 61%), Sorghum (*Jowar*, 27%), and Finger Millet (*Mandua/Ragi*, 10%). The Prime Minister has also tried to promote millets through his various speeches. He has highlighted that millets have been part of India's tradition, culture and ancient civilization, their relevance being cited in sacred texts like *Vedas* and *Tolkappiyam*.

What are Millets?

Millets, popularly called 'Mota Anaj' in Hindi, are a collective **group of small-seeded annual grasses** that are grown as grain crops, primarily on marginal land in dry areas of temperate, sub-tropical, and tropical regions. They are one of the **ancient foods** dating back to the Indus Valley Civilisation, around 3000 BC. They are grown in almost 131 countries today. Currently, millets constitute the traditional food for 59 crore people across Asia and Africa.

In India, millets can be clubbed into major, minor, and pseudo categories.

Major Millets: Sorghum (*Jowar*), Pearl Millet (*Bajra*), Finger Millet (*Ragi/Mandua*).

Minor Millets: Foxtail Millet (*Kangani/Kakun*), Proso Millet (*Cheena*), Kodo Millet, Barnyard Millet (*Sawa/Sanwa/ Jhangora*), Little Millet (*Kutki*).

Pseudo Millets: Buck-wheat (*Kuttu*) and Amaranth (*Chaulai*).

The top five states producing Millets are Rajasthan, Karnataka, Maharashtra, Uttar Pradesh, and Haryana.

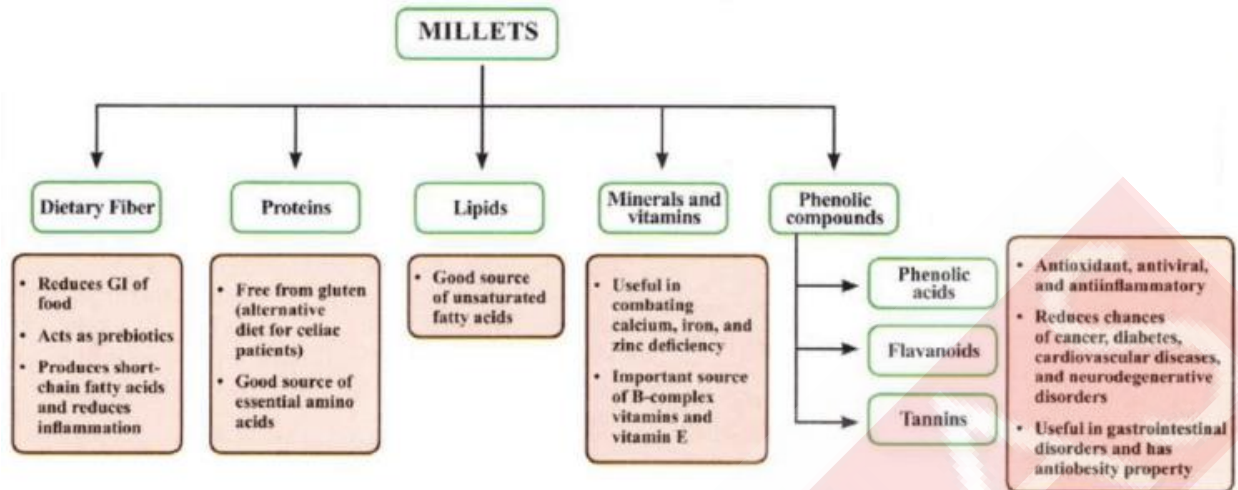
Read More: [Millet Production in India – Explained, pointwise](#)

What is the importance of Millets?

Climate-friendly Crop: Apart from health benefits, millets are: **(a)** Resilient to climate change as they are pest free; **(b)** Adapted to a wide range of temperatures and moisture regimes; **(c)** Demand less input of chemical fertilisers to grow; **(d)** Have **low carbon and water footprints**; **(e)** Require minimum rainfall for their growth, hence they can **sustain in drought-prone areas**. These benefits make them **bio-diverse and climate-smart crops**.

Viable options for Small Farmers: Due to the low investment needed for the production of millets, they prove to be a sustainable and viable income source for small and marginal farmers.

High in Nutrition and Health Benefits: **(a) Storehouse of nutrition :** Millet are known to be a storehouse of nutrition as they are good sources of calcium, zinc, magnesium, phosphorous, copper, vitamin, iron, folate, carbohydrates, micronutrients, antioxidants and phytochemicals with nutraceutical properties. They can help provide ; **(b) Addressing Modern Lifestyle Diseases:** They can help fight many modern-day, lifestyle diseases like Diabetes Mellitus & Heart Disorders, Cancer and Brain Disorders; **(c)** Around 70% fatalities around the world are attributable to non-communicable diseases caused due to modern lifestyles and changed consumption patterns. Health Experts say that dietary habits are causing 'oxidative stress' leading to cancer and DNA damage. Millets have antioxidants which can address the 'oxidative stress' and help cure these lifestyle diseases; **(d) Tackling Malnutrition:** They are **gluten-free** and considered good for **celiac patients** (*Celiac disease is an immune reaction to eating gluten, a protein found in wheat, barley and rye. For patients suffering from celiac disease, eating gluten triggers an immune response in small intestine. Over time, this response prevents the intestine from absorbing some nutrients (malabsorption). The intestinal damage often causes diarrhea, fatigue, weight loss, bloating and anemia*). The promotion of millets can be an effective strategy for tackling malnutrition in the country.



Phytochemicals present in Millets. Source: Yojana January 2023

Economic and Food Security: Under India's National Food Security Mission the area and production of millets have increased. Over the years, the production of millets has increased from 14.52 million tonnes (2015-16) to 17.96 million tones in 2020- 21 (Department of Agriculture and Farmers Welfare). Its exports are increasing exponentially as the demand for millets is increasing at a fast rate With the growing demand for millets, it is creating more business opportunities for all stakeholders.

Millet as a part of the Food basket

The Government of India has initiated the revival of millets in the past few years and declared 2018 as the 'National Year of Millets' to raise awareness about its health benefits and boost millet production. They are labelled as 'Nutri-cereals' due to their high nutrition quotient. Millets have been included under **POSHAN Abhiyan** in 2018.

The Government has also launched **Mission POSHAN 2.0** in 2021 to tackle malnutrition and leverage traditional knowledge systems and popularise the incorporation of millets in local recipes in order to enhance the quality of supplementary nutrition.

Under the POSHAN Abhiyan every year, September is celebrated as **Rashtriya Poshan Maah** or National Nutrition Month across the country. The Ministry of Women and Child Development has encouraged all States and the UTs to **incorporate millets in the recipes** to enhance the nutritional quality of the meal provided under the **Supplementary Nutrition programme of Anganwadi centres**. Millets are being mandatorily supplied at least once a week.

Balanced diets based on locally available low-cost nutritious foods and benefits of consuming millets are being shared with mothers' groups through the Anganwadis. Millets are being incorporated in **supplementary nutrition** in several States and Union Territories such Odisha, Telangana, etc.

Initiatives towards making IYM 2023 a success

The Government has embarked on a nationwide *Jan Andolan* to enhance awareness and highlight the nutritional benefits of millets, positioning it as a modern-day healthy food that is easy to cook and quick to prepare.

Various **creative campaigns on several forums** such as radio, print, social media, offline events, and activities are being taken up to break the stigma of millet being the ‘food of the poor’ showcasing it as a superfood, combating misinformation, reviving lost recipes, thus making it as an essential part of the mainstream food basket.

Millets have been **showcased in various reputed events** like India International Trade Fair, Dubai Expo and Surajkund Mela etc.

Over 500 startups are working in millet value chain while the **Indian Institute on Millet Research has incubated 250 startups under RKVY-RAFTAAR**. More than INR 6.2 crores has been disbursed to over 66 startups while about 25 startups have been approved for further funding.

Food Safety and Standards Authority of India (FSSAI) is actively spreading awareness of the health benefits of the miracle crop by celebrating ‘Recipe *Ravivar*’ every Sunday on social media platforms where each month is dedicated to a specific variety of millets.

Seven Sutras

The Government of India has launched a set of seven *sutras* in the run-up to IYM 2023 and has allocated different government departments for the same. The seven sutras outline areas in: **(a)** The enhancement of production/productivity; **(b)** Nutrition and health benefits; **(c)** Value addition; **(d)** Processing, and recipes development; **(e)** Entrepreneurship/startup/collective development; **(f)** Awareness creation-branding, labelling and promotion, international outreach; **(g)** Policy interventions for mainstreaming.

Of the seven sutras, nutrition and health benefits will focus on: **(a)** Generating awareness regarding health and nutrition benefits by developing mass campaigns such as **Eat Right Campaigns**; **(b)** Enhancing steps to avail technology support for Indian Agricultural Research Institute (ICAR), SAUs and others like Indian Council of Medical Research (ICMR), National Institute of Nutrition (NIN), AYUSH, Indian Institute of Millets Research (IIMR), Central Food Technological Research Institute (CFTRI) and International Crops Research Institute for Semi-arid Tropics (ICRISAT) to research and collate evidence; **(c)** Promoting bio-fortification of millets; **(d)** Giving more focus on the digital publication of papers on millets; **(e)** Encouraging commissioning of studies by National/International reputed organisations, spreading awareness among mothers through *Anganwadis*.

The Government also plans to establish **Centres of Excellence** on millets across the length and breadth of the country and link industries with these centres.

Conclusion

Due to various activities and efforts of different Departments and Ministries of Government of India and the States and UTs, momentum has kickstarted for popularising millets and turning it into a revolutionary movement. In line with Prime Minister’s vision for a healthier India, at a time when the country is entering ‘*Azadi ka Amrit Kaal*’, there is a strong focus on *Jan Bhagidari* or people’s movement to bring the spotlight on this superfood and for bringing this ancient food to the centerstage.

Source: *Yojana* January 2023

[Kurukshehra January 2023 Summary] Cooperative Entrepreneurship – Explained,
pointwise

Introduction

To achieve the objective of inclusive development, many different approaches to community development have been advocated by development planners and policy makers. Many of these approaches have been put into practise by State Governments and Union Administrations. Among these, one powerful strategy has been to **tap the potential of cooperatives and to promote cooperative entrepreneurship in order to run community businesses that are efficient and profitable**. Cooperatives are based on **triple tenets of democracy, economic development and social mobilization**. Based of this basis of tenets, the Cooperatives are able to successfully and independently mobilise resources and utilize them productively. Even though cooperatives all share similar qualities, there are many different ways in which they can be organised and run.

The broad classifications of cooperatives include: **(a) Short-term credit cooperatives** like State Cooperative Banks (SCBs), District Central Cooperative Banks (DCCBs) and Primary Agricultural Cooperative Societies (PACS); **(b) Long-term credit cooperatives** like Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) and State Cooperative Agriculture and Rural Development Banks (SCARDBs); **(c) Commodity cooperatives** in different products like dairy, oil, sugar, textiles ,etc. and service cooperatives like housing, transport, tourism, hospital cooperatives,

In India, one of the first examples of financial inclusion was the adoption of Cooperative Societies Act, 1904. Since then a long way has been traversed and with the setting up of the new **Ministry of Cooperation** by the Union Government in July, 2021, the continued significance of the cooperative movement has been underscored.

The **4-fold guiding principles** of this movement are: **(a) Sahkar se Samriddhi; (b) Inclusive Growth; (c) Aatma Nirbharta** through community entrepreneurship; **(d) Cooperation: Beyond Cooperatives**.

Cooperative Entrepreneurship

Entrepreneurship is defined as the creation of an innovative economic organization for the purpose of gain or growth under conditions of risk or uncertainty. In this context, cooperatives can be called community enterprises being managed by diverse member entrepreneurships. Studies have indicated that local participation in development activities has positive impact on shaping communities. Local Participation also ensures progression of low-income communities into the mainstream.

Legal Framework

The legal framework of cooperatives is governed by **Cooperatives Society Act, 1912; Mutually Aided Cooperative Thrift Society Act; and Multi-State Cooperative Societies Act, 2002**. Cooperative societies with members from one State are registered under the provisions of **State Cooperative Societies Act** concerned and are regulated by the **State Registrars of the Cooperative Societies** concerned.

Cooperative societies with members from more than one State are registered by the **Central Registrar of Cooperative Societies** under the Multi State Cooperative Societies (MSCS).

It is estimated that there are **54 lakh cooperative societies** with a membership of **29 crore people**. As many as 1,509 Multi-State Cooperative Societies are registered in the country under the provisions of MSCS Act, 2002.

Read More: [\[Kurukshetra January 2023 Summary\]](#) [\[Cooperation, Cooperatives\]](#) [Realising Sahkar Se Samriddhi – Explained, pointwise](#)

Strengthening the Cooperative Structure

Multiple initiatives have been launched to strengthen the cooperative sector.

First, A pan-India project for **computerisation of 63,000 PACS** has been launched. The estimated total cost is INR 2,516 crore. Digitalisation of PACS will **ensure efficiency of their operations, speedy disbursement of loans, lower transition costs, faster audits**, reduction in imbalances in payments and accounting with SCBs and DCCBs, **enhanced transparency** and trustworthiness, and a positive and emphatic transition towards **financial inclusion** and **providing digital literacy to farmers**.

Second, Draft model bye-laws are being prepared. These bye-laws will help transform the PACS into multipurpose and multidimensional vibrant economic entities.

Third, Formulation of scheme '**Cooperation to Prosperity**' will **map the growth catalysts** in the economy and encourage rolling out of a **coordinated approach of cooperative development** to enhance income and growth.

Fourth, Formulation of a scheme for **modernising and professionalising the cooperative education** and training will take care of capacity building needs of the sector and will ensure that the cooperative sector **attains required competitiveness** in the changed economic scenario.

Fifth, A new **National Cooperative Policy is being formulated** and the 2-decade old policy is being reviewed. New and sustainable growth pathways through cooperation is being explored.

Sixth, A **National Cooperative Database** is being created. It will help in identifying the areas where cooperative movement could be expanded. Accordingly, it will facilitate the framing of appropriate policy.

Steps Which May Be Taken Going Ahead

There are some more steps which may be taken to strengthen the cooperatives.

Awareness and Access to Information

A major awareness programme entailing all forms of media is required. School children and fresh graduates need to be made aware that entrepreneurship, especially in the cooperative sector, is a full-fledged career option available to them.

In this context, some universities have started running undergraduate entrepreneurship programmes. The **National Cooperative Development Corporation (NCDC)** under the Ministry of Cooperation is implementing **Yuva Sahakar**– Cooperative Enterprise Support and Innovation Scheme. At present, a proposal to set up a National Level University dedicated for the cooperative sector is under the consideration of the Ministry of Cooperation.

A **common interactive portal** with all information for cooperatives, including potential employee-employer mapping, access to information, credit etc. should be created.

Training and Skill Development

Training is an integral part of upgradation of skills and for forming the basis of entrepreneurship. Such trainings are conducted by various institutes including NCDC, Bankers Institute of Rural Development, National Council for Cooperative Training (NCCT)'s Regional Institutes of Cooperative Management, Institutes of Cooperative Management, National Institute of Cooperative Management, National Cooperative Union of India, etc.

For capacity building, customised special schemes may be explored. In this context, entrepreneurs among cooperatives and aspiring entrepreneurs can avail benefits of Ministry of MSME's Entrepreneurship and Skill Development Programme.

Technological Upgradation

In the fast changing world today keeping abreast of technological developments has become an absolute necessity and a reiteration of Schumpeter's theory that new innovations replace existing ones which become obsolete with time. Accordingly, special schemes for cooperatives, with a **focus on digitalisation** may be required.

Finance

Cooperatives can develop new business concepts and expand existing units. They need **timely, sufficient, and affordable financing** and services to use it. Collateral-free loans must be **accessible, affordable, and timely**. Cooperatives may also need a **dedicated fund**.

Procurement and Marketing

Marketing of products and services have remained a challenge for the cooperatives. Recently, in June 2022, cooperatives have been allowed to register on Government e-Marketplace (GeM) as 'buyers'. The objective of this initiative is to enable cooperatives to procure goods and services from 40 lakh vendors on the GeM portal, thereby improving transparency in the procurement system and helping cooperatives to make some savings.

A **preference policy for cooperatives as 'sellers'** may ensure the much needed boost to them.

Subsidized participation in fairs may help them in **showcasing their products** and **forging business tie-ups**. In this context, a **holistic approach** helping cooperatives in overcoming tariff, non-tariff and other trade barriers will help them in gaining market access overseas and become competitive.

Mentoring

Cooperation among Cooperatives is one of the **7 Principles of Cooperation** as defined by the **International Cooperative Alliance**. Effective cooperative cooperation and coordination would benefit cooperatives business initiatives and maximise community development by expanding member-driven cooperative activities. Thus, larger cooperatives should mentor smaller ones to keep them competitive in the market.

Seven Golden Principles of Cooperation

- ✔ **Voluntary and Open Membership:** Cooperatives are voluntary organisations where membership is open to all persons **without any discrimination**.
- ✔ **Democratic Member Control:** Cooperatives are member-driven and member-controlled **democratic units**. Members **actively participate** in setting their policies and making decisions. In primary cooperatives, members have **equal voting rights** conforming to the norm of '**one member - one vote**'.
- ✔ **Member Economic Participation:** Members contribute equitably to and control and utilise the capital of their cooperative to support their economic activities.
- ✔ **Autonomy and Independence:** Cooperatives are autonomous organisations and believe in self-help for maintaining their cooperative autonomy through democratic controls.
- ✔ **Education, Training and Information:** Cooperatives provide education and training for their members, elected representatives, managers and employees to **support development drives** of their units.
- ✔ **Cooperation Among Cooperatives:** Cooperatives extend efficient service support to their members and strengthen cooperative movement by working together through local, national, regional and international structures.
- ✔ **Concern for Community:** One of the major aims of cooperatives is to **ensure sustainable development** for their communities through adoption of appropriate policy measures.

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Coping up with the Repercussions of the Pandemic

Cooperatives need policy and financial support from the Government. While the Ministry of Cooperation designs policies and procedures to spread cooperatives through enterprise and entrepreneurship development, NCDC finances sectoral cooperatives through loan and subsidy assistance to reduce their financial burden and risk. NCDC disbursed INR 28,272.51 crore in loans and subsidies in 2018-19, INR 27,703.43 crore in 2019-20, and INR 24,733.24 crore in 2020-21.

In 2021-22, NCDC increased financial assistance by 38% to INR 32,221.08 crore and restructured loans worth INR 203.78 crore and INR 369.68 crore for Sugar and Textiles Cooperatives respectively.

Budget 2022-23 has reduced the Minimum Alternate Tax rate for cooperatives from 18.5% to 15% and the surcharge on cooperative societies with a total income of more than INR 1 crore and up to INR 10 crores from 12% to 7%.

More such financial incentives need to be provided to further strengthen the Cooperatives.

Recommendations

The cooperative movement in India is not uniform across the nation. As per the information available, **Goa, Gujarat, Maharashtra, Karnataka, Kerala and Tamil Nadu witness larger spread of cooperatives** (National Cooperative Union of India, (2018). There is a need to work towards **deepening the cooperative movement** in **Northern, North-eastern and Eastern States** where the cooperative spread is low.

For cooperative entrepreneurship to effectively contribute to community development, the following are some recommendations:

First, Efforts are needed to **ensure convergence of schemes**, to **facilitate the ease of doing business** and to actually go beyond cooperatives, as envisaged in the term cooperation' vis-à-vis 'cooperatives'.

Second, There is an urgent need to **smoothen registration processes** of cooperatives in diverse areas. *Udyam* certification of MSME for smaller cooperatives may be considered for them to avail benefits of programmes for cooperatives instead of any additional documentation.

Third, The possible tenets of the National Policy for Cooperatives which is being drafted may stress on **universal coverage** and providing a single unique identity to each cooperative; on being **technology-driven**; a single portal and identity number for registration and all other business affairs; **integration/convergence with other Ministries' programmes**, portals and efforts; and promoting and setting up of sector-specific export-oriented Multi-State and State Cooperatives.

Fourth, An all-pervasive **awareness programme** about the cooperative movement and related model of socio-economic growth may be undertaken through a pan-India network of cooperative capacity building institutions.

Fifth, For capacity building of those working in the cooperative sector, **sector-specific customised and specialised programmes** may be developed.

Sixth, Special schemes for cooperative, with a focus on digitalisation may be adopted.

Seventh, An exclusive **fund for cooperatives** may be explored to not only **finance credit risks** but to support **brand development, technology adoption, marketing, advertisement and marketing research** etc.

Eighth, A preference policy for cooperatives as 'sellers' on GeM may be considered to attract more cooperatives as sellers.

Ninth, Subsidised participation in National, Regional and State fairs may be considered.

Tenth, Bigger cooperatives may mentor the weaker and smaller ones.

Source: Kurukshetra January 2023

India-Maldives Relationship – Explained, pointwise

Introduction

The External Affairs Minister of India recently visited Maldives. In a bid to strengthen the India-Maldives Relationship, the two countries signed pacts on several development projects. The EAM's visit comes at a crucial time. Presidential elections are set to be held in Maldives in September 2023. The elections are important for India as well, because the trajectory of India-Maldives relationship will depend on the outcome of the elections. Domestic politics of Maldives have come about to be the most vital aspect of the India-Maldives Relationship. The increasing Chinese influence in Maldives's domestic politics poses a new challenge to Indian diplomacy.

What is the significance of Maldives to India?

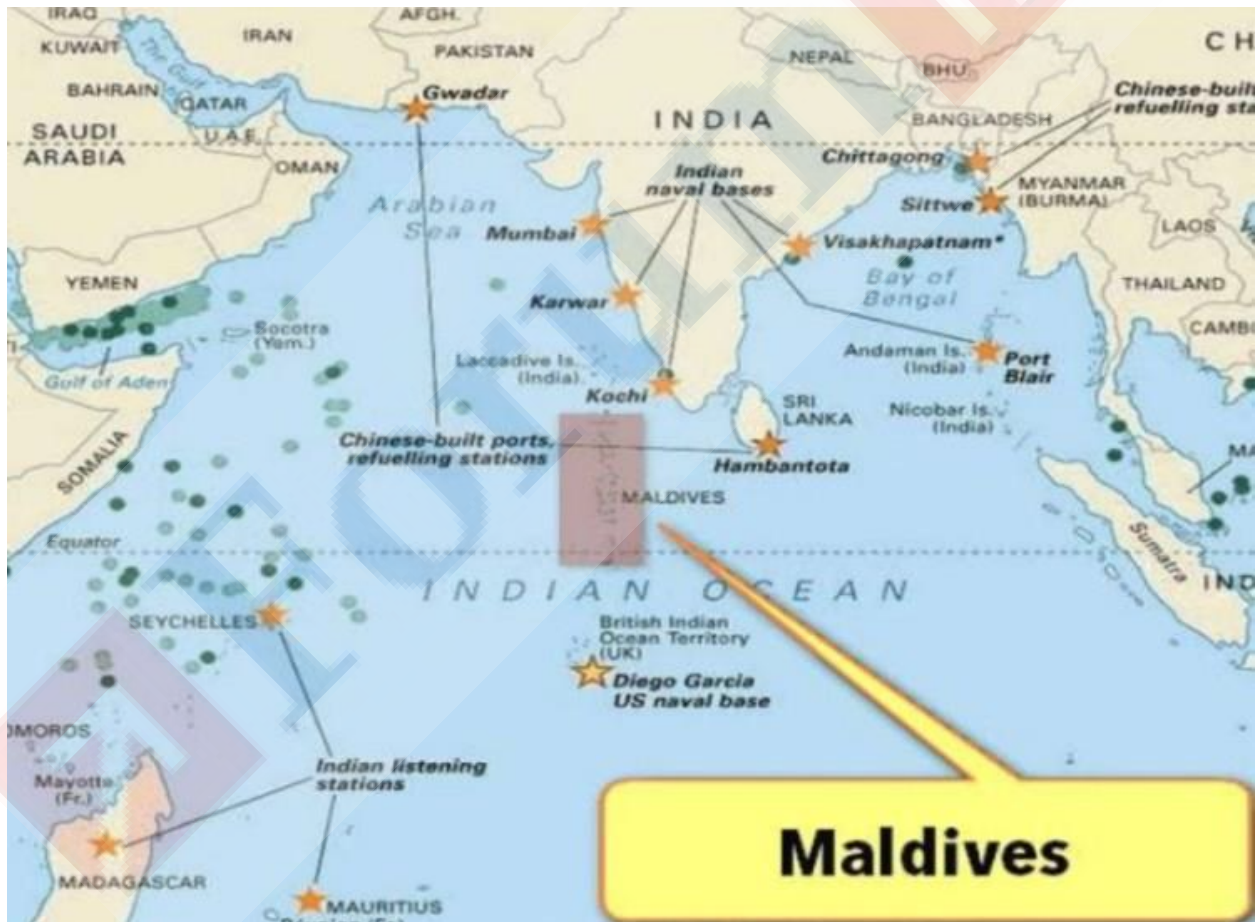
Geographical Location: Maldives is geographically located in a position that makes it resemble a 'toll gate' between the chokepoints of the western Indian Ocean (Gulf of Aden and the Strait of Hormuz), and the eastern Indian Ocean (Strait of Malacca).

Economic Significance: It is strategically located at the crossroads of several **important trade routes** that run through the Indian Ocean. Through this region passes more than 97% of India's total international trade by volume and 75% by value.

Strategic Significance: The significance of the Maldives has steadily increased since **China's naval expansion into the Indian Ocean**. Maldives is now at the centre of geopolitical affairs on a global scale. The Republic of Maldives is a party to the South Asian Association for Regional Cooperation (SAARC) and the **South Asia Subregional Economic Cooperation (SASEC)**.

Security: Under the Presidency of Abdullah Yameen, there was a rapid **increase in radicalization**. It was frequently said that the archipelago was responsible for one of the highest numbers of foreign fighters in Syria in terms of the number of fighters per capita. Yameen's Government (2013-18) also had a very prominent pro-China tilt which was detrimental to India's interests in Maldives and the Indian Ocean Region.

Indian Diaspora: There is a sizeable population of people descended from India living in Maldives. There are numerous Indians employed in the Maldives' education and medical care systems, as well as in the tourism and hospitality sector.



Source: Asia Times. Strategic Location of Maldives.

How has the India-Maldives Relationship evolved?

India and Maldives have close cultural relationship since ancient times. The name Maldives is believed to be of Sanskrit origin (*Mala* (garland) + *Dweep* (Island)). There is reference of Maldives in ancient texts like *Mahavamsa*. The islands are believed to have been inhabited as early as 5th century BC by settlers from Sri Lanka and Southern India. The origins of *Dhivehi* (the Maldivian language) traces back to Sanskrit and Pali, which are also the roots of many southern Indian languages. There were close trade relationships between India and Maldives during ancient and medieval times.

After Maldives gained independence from British rule in 1966, both countries moved quickly to establish diplomatic relations. India was one of the earliest countries to acknowledge Maldives' status as an independent nation. Since then, India and the Maldives have developed close military, economic, and cultural relationship.

India's relationship with the Maldives has largely remained free of any politically contentious issues. The one-time claim to Minicoy Island by Maldives was resolved by the **Maritime Boundary Treaty of 1976** between the two countries, whereby **Maldives has recognized Minicoy as an integral part of India**.



Source: Asian Times

India and Maldives signed comprehensive trade agreement in 1981.

In 1988, there was an **attempt to overthrow the Government of Maldives**. The coup attempt was made by local Maldivians assisted by mercenaries from a Tamil secessionist group from Sri Lanka, the People's Liberation Organisation of Tamil Eelam. The Indian Armed Forces moved swiftly, launched **Operation Cactus**. The swift action by the Indian Forces coupled with accurate intelligence prevented the coup from succeeding.

India was the first to **assist Maldives after the 2004 Tsunami** as well as the **water crisis in Malé in December 2014**. India's timely interventions to support Maldives at the time of crises has laid the foundation of a strong India-Maldives Relationship. There has been a notable expansion in the level of cooperation between India and Maldives since the 1990s. In Malé, the capital of the Maldives, India built the Indira Gandhi Memorial Hospital. Additionally, India increased the number of scholarships available to Maldivian students and expanded both telecommunications and air links.

During the COVID-19 crisis, India offered Maldives assistance in the form of vaccines, financial, material, and logistical support etc.

What are the areas of cooperation in India-Maldives Relationship?

Both India's policy of 'Neighbourhood First' and the Maldives' policy of 'India First' appear to be perfectly coordinated with one another.

Security Cooperation: Maldives relies heavily on trilateral maritime security cooperation with India and Sri Lanka. The purpose of such collaboration is to counter common maritime security threats and challenges such as **illicit trafficking, piracy, and illegal and unreported (or unreported) fishing**. India and Maldives have agreed on energizing cooperation in **maritime security, maritime domain awareness, Humanitarian Assistance and Disaster Relief (HADR)** through the implementation of underway projects and capacity building initiatives.

Military Cooperation: (a) India has donated Landing Assault Craft and 24 Utility Vehicles to Maldives in order to bolster maritime security; (b) A grant assistance of US\$ 50 million Line of Credit facility has also been approved for carrying multiple defense projects; (c) To establish new horizons in the defence ecosystem, Maldives hosted the 5th Meeting of **Colombo Security Conclave** in Male' in **March 2022** which witnessed membership expansion as well as addition of a new pillar (Humanitarian Assistance and Disaster Relief, HADR); (d) A comprehensive **Action Plan for Defence** was signed in April 2016 to consolidate defence partnership. India also provides the largest number of **training opportunities for Maldivian National Defence Force (MNDF)**, meeting around 70% of their defence training requirements.

Economic Cooperation: (a) India and the Maldives have also signed multiple bilateral agreements in recent years, including US\$ 500 million in grants and financing to support **maritime connectivity**, a US\$ 800-million **line of credit** from the Export-Import Bank of India, and an agreement on exchanging information on the movement of commercial maritime vessels; (b) From 4th in 2018, India has become Maldives' 2nd largest trading partner; (c) In 2021, there was a rise of 31% in bilateral trade compared to the 2020; (d) The Maldives' economy is almost entirely dependent on the tourism sector. Maldives is an important tourist destination for many Indians.

Infrastructure Cooperation: (a) India is the partner for the ambitious **Greater Male Connectivity Project**. This is one the largest project infrastructure project in Maldives. The project aims to connect Male to Villingili, Gulhifalhu and Thilafushi islands through a **series of**

bridges, causeways and roads. The project is crucial for the proposed Gulhifalhu Port, and will be a major catalyst for the Maldivian economy in the future through jobs and economic activity; **(b)** Buyers Credit Agreement has been signed for design and construction of 61 police infrastructures across Maldives. This will contribute to improved access to policing and to ensure the safety and security of the communities in the islands; **(c)** Indian-Maldives are carrying strategic harbour projects viz Uthuru Thila Falhu. The island has been selected for the development of a dockyard facility and a harbor for the coast guard of the Maldives National Defence Force; **(d)** India is also undertaking **Airport Redevelopment Project** at the **Hanimaadhoo International Airport**.

Humanitarian Assistance: **(a)** In 2019, an MoU for grant assistance for High Impact Community Development Projects (HICDPs) was signed. A number of **socio-economic development projects** are planned to be implemented throughout the country under this funding; **(b)** India provided 100,000 Covishield vaccines to Maldives in January 2021, during the peak of the pandemic; **(c)** India has handed over the two **sea ambulances** to the Ministry of Defence of Maldives; **(d)** The main government-affiliated hospital in the Maldives, the Indira Gandhi Memorial Hospital in the capital, was built with aid from the Government of India; **(e)** India provided **assistance to Maldives** during recovery efforts after the **2004 Tsunami**. India also helped address the **shortage of drinking water in 2014**; **(f) Water and Sanitation in 34 Islands:** The project seeks to improve water supply and sewerage facilities in 34 identified islands by installing proper water supply distribution network, ensuring protection of ground water aquifer and sustainable water source management. The project was awarded as 6 packages to 4 Indian contractors after a tendering process. Work has commenced on all islands.

Education and Technology Cooperation: **(a)** The **National Knowledge Network** is a multi-gigabit national network for research and education. It has recently established connections with the academics and research institutions of the Maldives. The National Informatics Centre is in charge of its operation (NIC); **(b)** Both countries have signed the **Peering Agreement**, which will now help over 1,500 Indian institutes and a host of universities and centres of learning from Singapore, Europe and the United States are now connected to Maldives; **(c)** India has helped Maldives in establishing the **National College for Policing and Law Enforcement (NCPLE)** at Addu City which was inaugurated in March 2022; **(d)** India has support for the development of a sports complex in Gahdhoo. Cochin University of Science and Technology and the Maldives National University are collaborating in the academic field; **(e)** India will send 10,000 school books to be distributed in 260 schools in Maldives.

What are the challenges in the India-Maldives Relationship?

Political: **(a)** While the incumbent President Ibrahim Mohamed Solih has a very prominent pro-Indian approach, the political opposition under former President Abdulla Yameen is seen as **anti-India**. Abdulla Yameen had allotted lot of development projects to China during his tenure; **(b)** Abdulla Yameen also led the **'India Out'** Campaign. He is opposed to India's military presence in Maldives.

Radicalisation: A large number of Maldivian citizens had joined violent extremist organisations such as the Islamic State (IS). There has been a steady rise in recruits joining jihadi groups in Pakistan over the last decade. There is now a greater risk that terrorist organisations based in Pakistan will use the Maldives as a staging ground for attacks on India and Indian assets.

Chinese Influence: China has enhanced its influence in Maldives (and in Indian Ocean). Maldives is an essential 'pearl' in China's 'String of Pearls' initiative in South Asia.

What can be done to enhance India-Maldives Relationship?

First, India should increase development assistance to Maldives. India should target projects that have larger impact on general population of Maldives. This will enhance India's goodwill among the people of Maldives.

Second, India should also engage with political opposition of Maldives. The concerns of the opposition can be addressed through suitable discussions. India should also convey that the projects being undertaken are for the general good of the people of Maldives e.g., the US\$ 136.6-million development of the airport at Hanimadhoo includes the development of a 2.46-km runway that can accommodate large aircraft, and a terminal with an annual capacity for 1.3 million passengers. This will improve tourist inflow, which is the mainstay of economy of Maldives.

Third, It should be ensured that India is not seen as interfering in the internal politics of Maldives including Presidential elections. Political interference by India will be exploited by opponents to India's detriment.

Fourth, As part of India's Neighbourhood First policy, the exemplary bilateral cooperation between India and Maldives could serve as a useful template for developing our ties with other This would be in keeping with India's commitment to putting its neighbours first. The Maldives have always benefited from India's assistance and development.

Conclusion

Maldives is vital to India's interests due to its strategic location in the Indian Ocean. India-Maldives Relationship has a strong foundation based on India's historic assistance to Maldives during multiple crises. However, the relationship has seen new challenges in recent times, especially since China's rising influence in the Indian Ocean Region. India must give a rigorous push to ties with Maldives while being mindful of Maldives' sensitivities.

Syllabus: GS II, India and its neighbourhood relations.

Source: [Indian Express](#), [Indian Express](#), [The Times of India](#), [MEA](#), [MEA](#), [ORF](#), [Carnegie Endowment](#)

Issues Related to Prisons and Prison Reforms – Explained, pointwise**Introduction**

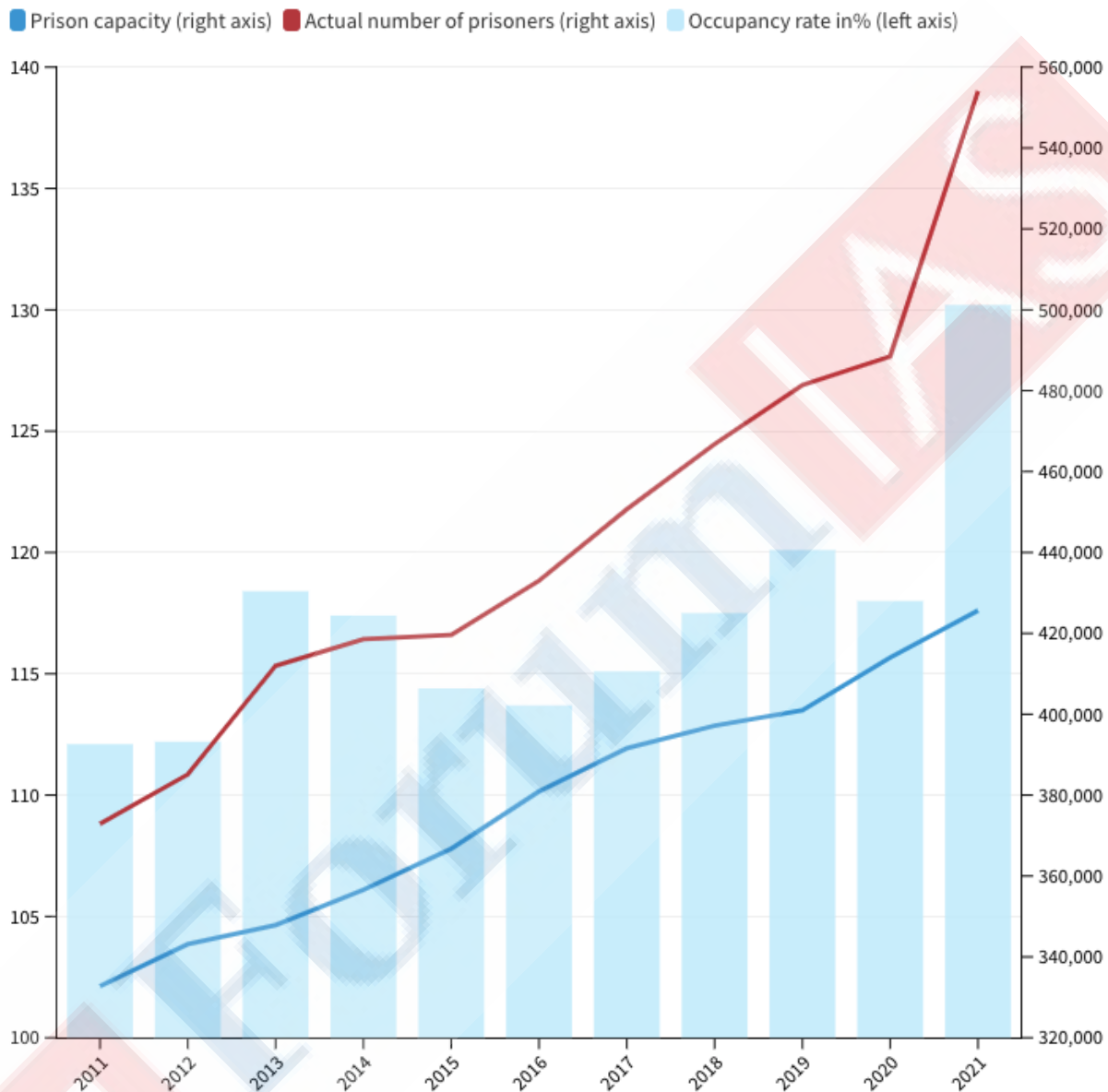
While addressing the Annual Police Meet, the Prime Minister called for Prison Reforms to improve jail management in India. Earlier, on the occasion of the Constitution Day (November 26, 2022), the President of India had expressed concerns over overcrowding of prisons. She had suggested decongesting of prisons and the need for the Legislature, the Executive and the Judiciary to have 'one thinking' for the country and its people. There are several issues facing the prisons in India, and the issues have persisted for a long time. There is need for Union and State Governments to coordinate with each other to address the issue of overcrowding. Simultaneously the Government should work together with the Judiciary to reduce the pendency of cases as well as the number of undertrials languishing in jails.

What are the issues associated with Prisons in India?

Overcrowding: According the latest data available (till 2021), the occupancy rate of prisons stood at 130% in 2021. The prison capacity has expanded from ~3.3 lakhs in 2011 to ~4.25 lakhs in 2021. The number of prisoners have expanded from ~3.72 lakhs in 2011 to ~5.54 lakhs in 2021.

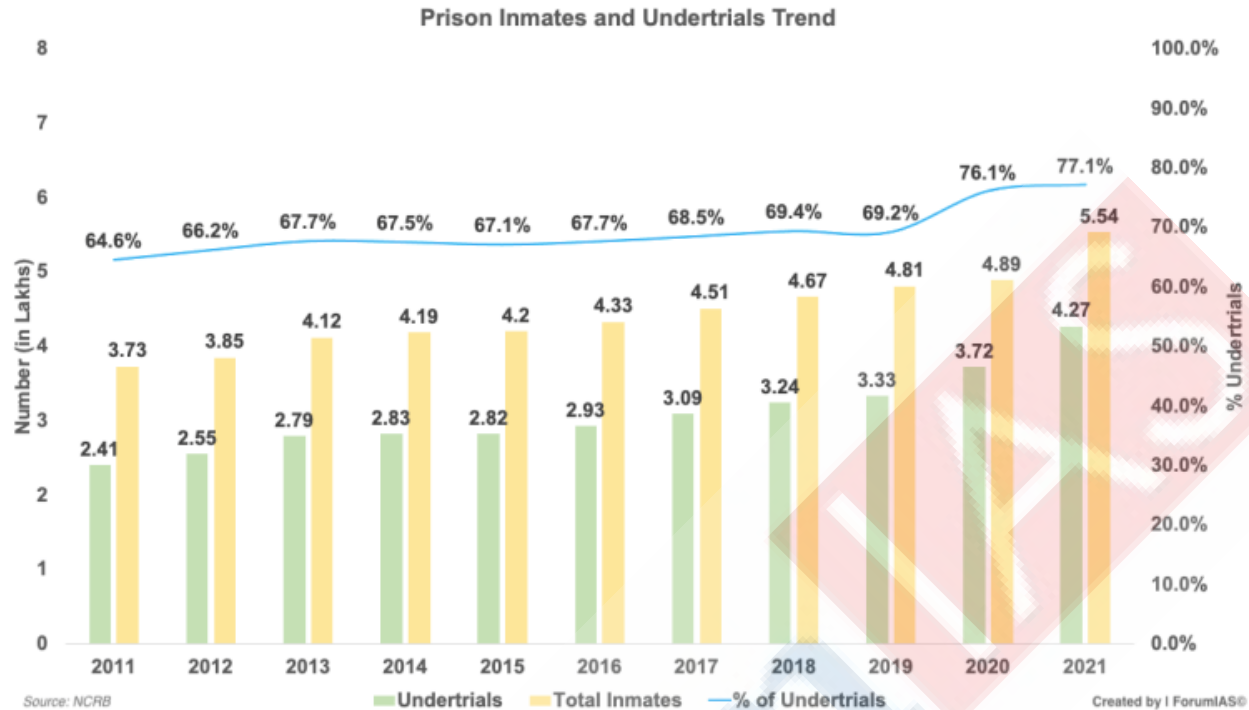
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Due to overcrowding, it is difficult to keep serious and habitual criminals and minor offenders apart. Prolonged intermingling can have detrimental impact on minor offenders and they might become professional criminals.



Source: The Hindu

Rising Undertrials: The number of undertrials in prisons has reached 77% in 2021. The proportion has consistently increased from 64% in 2011 to 77% in 2021. Prolonged incarceration without trial is violative of basic rights.



Read More: [Issue of Undertrials in India – Explained, pointwise](#)

Rising proportion of undertrials is a major factor in overcrowding of prisons. Moreover, as highlighted by the NCRB data, people from disadvantaged sections have higher proportion in jails compared to more affluent sections. Legislations such as the Habitual Offenders Act and Beggary Laws allow the police to target SCs/STs for reported crimes.

Mistreatment and Torture: The prisoners, including undertrials, are forced to do hard work without pay or for very meagre compensation against the law. Many prisoners are subjected to torture. The cases of deaths while in custody are also increasing. Women inmates face harassment.

Shortage of Staff: According to one estimate, ~33% of the total requirement for jail authorities remains unfilled. The number of prison staff to prisoners is about 1:7. (i.e., one prison officer for every 7 prisoners). In the UK, there are 2 prison officers for every 3 prisoners. Without enough prison staff, overcrowding in the prisons leads to incidence of violence and other illegal activities.

Poor Hygiene: Most prisons tend to be dirty and unhygienic. There is lack of adequate medical facilities. Women inmates face further challenge due to poor hygiene and lack of adequate facilities. Often there is lack of appropriate facilities to take of extreme weather (hot or cold days/nights).

Social Issues: Prisoners are denied opportunity to periodically interact with their families. Prolonged separation from families can lead to mental health issues.

Psychological Issues: Prolonged incarceration without trial can lead to depression in undertrials. Convicts lodged in overcrowded cells may suffer from panic attacks, stress, anxiety and claustrophobia among others. This can cause them to hurt others or inflict self-injury including suicide. The prison thus worsens the situation rather than reforming the convict.

International Covenants Related to Prisons/Prisoners

✔ The Universal Declaration of Human Rights (1948)

It lays down principles of administration of justice.

- No one should be subjected to torture or to cruel, inhuman or degrading treatment or punishment.
- No one shall be subjected to **arbitrary arrest, detention or exile**.
- Everyone charged with a penal offence has the right to be **presumed innocent until proved guilty according to law** in a public trial at which he has had all the guarantees necessary for his defence.

✔ The International Covenant on Civil and Political Rights (ICCPR)

- It is the core international treaty on the protection of the rights of prisoners.
- India ratified it in 1979 and is bound to incorporate its provisions into domestic law and state practice.

✔ The International Covenant on Economic, Social and Cultural Rights (ICESR)

- It states that prisoners have a right to the highest attainable standard of physical and mental health.
- It sets civil, economic, social and human rights for the prisoners.

✔ Declaration on Protection from Torture (Adopted by the UNGA, 1975)

- This declaration acts in tandem with the human rights principles of an individual and protects that person from any kind of torture, or inhuman and cruel behaviour.

✔ General UN directives

- The Body of Principles for the Protection of All Persons under Any Form of Detention or Imprisonment (1988) and the the Basic Principles for the Treatment of Prisoners (1990).

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What has been the Judicial view regarding Prison Reforms?

The Higher Judiciary has played a significant role in ensuring safety and security of the inmates and the people in custody.

Sunil Batra v. Delhi Administration (1978): The Supreme Court held that **prisoners are entitled to all fundamental rights** which are consistent with their incarceration. Emphasizing the **need for humane treatment of prisoners** and protection of their basic human rights, the Supreme Court in **Sunil Batra II (1983)**, observed: (a) “Fundamental rights do not flee the persons as he enters the prison although they may suffer shrinkage necessitated by incarceration.”; (b) The SC outlined the substantive and procedural rights to which the prisoners are entitled; (c) “Pushing the prisoner into a **solitary cell, denial of necessary amenities**, transfer to a distant prison where visits or society of friends or relations may be snapped, allotment of **degrading labour**, assigning him to a desperate or tough gang and the like, may be **punitive in effect**. Every such affiliation or abridgment is an **infraction of liberty or life** in its wider sense and cannot be sustained.”

Rudal Shah v. State of Bihar (1983): It was held that, if the trial against a prisoner concludes into acquittal the prisoner is entitled as a matter of right to be released forthwith. **After an order of acquittal, the person cannot be detained behind the prison walls.**

Sheela Barse v. State of Maharashtra (1983): The SC (on a complaint of custodial violence to women prisoners in jails) directed that those helpless victims of prison injustice should be provided **legal assistance at the state cost** and **protected against torture and maltreatment.**

Sanjay Suri v. Delhi Administration (1988): The SC held that the prison authorities should change their attitude towards prison inmates and **protect their human rights.**

DK Basu v. State of West Bengal (1997): It was held that, the **information of arrest** is required to be given to the friend or relative of accused immediately, while he is arrested. The purpose is very clear that, by this communication the relative or friends of accused can start the efforts to

know the facts of accused, to **obtain the legal advice** and take the defense against an application for remand and do the **necessary preparation for bail**.

Dharambir v. State of U.P (2010): The SC directed the State Government to allow family members to visit the prisoners and for the prisoners at least once a year, to visit their families under guarded conditions.

Re Inhuman Conditions in 1382 Prisons (2016): The Counsel for the Petitioner filed before the Supreme Court of India under Article 32 of the Indian Constitution to address the status of Prison reforms in India and to issue directions for prison reforms. The SC delivered a landmark judgment which regard to the legal and constitutional rights of prisoners in India especially the under trial prisoners. The Prisoners are no less human than others and therefore must be treated with dignity. In compliance of the SC's directions, the **Model Prison Manual 2016** provides for **establishment of Under-trial Review Committee** among others.

What are the challenges to Prison Reforms?

First, Prisons are a state subject, this creates difficulty in having uniform prison management. The Union Government can only frame models for the States to incorporate and help in coordinating between States, encouraging them to adopt best practices. However, ultimately it is the obligation of State Governments to undertake the reforms.

Second, Prisons in India are still governed by the **Prisons Act, 1894**. It is a colonial legislation which treats prisoners as sub-par citizens, and **provides the legal basis for punishment to be retributive, rather than rehabilitative**.

Third, There is a **lack of political will** to undertake the reforms. Some experts argue that the provisions of the **Representation of People's Act exclude prisoners from the right to vote** . This disincentivizes the political leadership from taking concrete action for prison reforms.

What are the various Committees and Recommendations regarding Prison Reforms?

Justice Mulla Committee (1983): (a) All India cadre for prison staff and bringing prison under the concurrent list; (b) Government should form a **National Policy on Prisons**; (c) Government to use alternatives to imprisonment such as community service etc.

Justice V. R. Krishna Iyer Committee on Pomen prisoners (1987): (a) Separate institutions with women employees alone for women offenders; (b) Necessary provisions to restore the dignity of women even if convicted.

Committee under the Chairmanship of Director General, Bureau of Police Research and Development (BPR&D) (2005): It used the reports of Justice Mulla Committee Report and Justice Krishna Iyer Committee and made several additional and new recommendations. It also drafted a **National Policy on Prison Reforms and Correctional Administration, 2007**.

Justice Amitava Roy Panel on Prison Reforms: The panel was appointed by the Supreme Court in 2018. The Committee submitted its report on February 2020. (A) **Overcrowding:** (a) Special fast-track courts should be set up to deal with petty crimes; (b) **Lawyers – Prisoners Ratio:** There should be at least one lawyer for every 30 prisoners; (B) **Understaffing:** (a) The Supreme Court should pass directions to start the recruitment process against vacancies; (b) There should be use of video-conferencing for trials; (C) **Prisoners:** (a) Every new prisoner should be allowed a free phone call a day to his family members to see him through his first week in jail; (b) Alternative punishments should be explored.

What should be the approach to Prison Reforms going ahead?

First, It is imperative that **non-incarceration-based solutions** be found to **address the overcrowding** in prisons. These could include: **(a)** Releasing inmates who are sick or elderly; **(b)** Lowering penalties; **(c)** Allowing bail to be set at prices that are affordable; **(d)** Employing non-carceral methods of holding people accountable for their crimes; **(e)** Speeding up the trial process.

Second, the criminal justice need to be reformed as well. Additionally, there is a need to enact a bail law to make the provision of bail more objective, reducing subjectivity practiced by lower courts.

Read More: [The Need for a Bail Law – Explained, pointwise](#)

Third, there is a need to make the police forces more sensitive and training them in emerging technologies as suggested by the PM in recent conference.

Fourth, there should be enhanced cooperation between the State Police and Central Agencies to leverage capabilities and share best practices.

Fifth, Important judicial decisions have broadly defined the contours of the human rights of prisoners, which must necessarily be ensured in practice.

Conclusion

The status of prisons in India remains dismal on multiple counts. The Supreme Court has pronounced some progressive Judgments on the issue of rights of Prisoners. Multiple Committees have provided some effective recommendations to undertake prison reforms. However, the lack of political will by Union and State Governments has stalled the process. While Judiciary can also play a role in reducing the number of undertrials, broad prison reforms have to be undertaken by the Governments. The trend of rising proportion of undertrials and overcrowding of prisons indicate that the process of reforms can no longer be delayed.

Syllabus: GS II, Important aspects of Governance, Accountability.

Source: [The Hindu](#), [The Hindu](#), [The Hindu](#), [Lok Sabha Reference Note](#)

Issues Related to the Office of Governor – Explained, pointwise

Introduction

The role, powers, and discretion of the Office of Governor have been the subject of Constitutional, Political, and Legal debate for decades. The relationship between the Office of Governor and the elected Government has been strained and tense in multiple States in recent times. Critics argue that the recent political controversies between Governors and State Government pose challenge to the functioning of the federal structure as envisaged in the Constitution, and also tarnish the standing of the dignified Constitutional post. Constitutional Experts contend that to avoid such developments, Governors should stick to their Constitutional mandate.

What are the recent controversies associated with the Office of Governor?

Tamil Nadu: In January 2023, the Governor refused to read some parts of the Governor's address at the beginning of the session of the State Legislative Assembly. He introduced some of his own words into it. The Governor also walked out of the House after the Assembly passed a resolution to put on record only the original speech that was prepared by the State Government for the Governor.

In January 2022, the State Government had taken exception to Governor's Republic Day speech articulating the benefits of NEET, the medical entrance exam. Tamil Nadu Assembly had passed a Bill to exempt the State from NEET; the Governor had sent it back to the Legislative Assembly.

West Bengal: There was a public spat between the Governor and the Chief Minister. The Chief Minister went to the extent of blocking the Governor on social media. The Governor and the CM had differences on several issues, including the the administration and appointments in State run universities. The West Bengal Assembly (June 2022) passed a Bill paving the way for making the Chief Minister the Chancellor of State Universities replacing the Governor from the position.

Kerala: Kerala's Governor sought the resignation of 9 Vice-chancellors following a Supreme Court judgement setting aside the appointment of the Vice-Chancellor of a technology university. The Governor had also said that the statements of individual ministers that lower the dignity of the office of the Governor, can invite action including 'withdrawal of pleasure'.

Article 164(1): The Chief Minister shall be appointed by the Governor and the other Ministers shall be appointed by the Governor on the advice of the Chief Minister, and the Ministers shall hold office **during the pleasure of the Governor.**

Jharkhand: The Governor of Jharkhand didn't act on the advice of the Election Commission of India to disqualify the Chief Minister of Jharkhand for violation of electoral norms. The delay by Governor resulted in prolonged political uncertainty in the State.

What are the reasons for controversies associated with the Office of Governor?

Appointment and Removal of Governor: The Governor is appointed by the President and holds the Office during the pleasure of the President. There are no specified qualifications for appointing a person as the Governor (apart from being a Citizen of India and being above 35 years of age). The President appoints and removes the Governor based on the recommendations of the Union Government. Thus the Governor tends to act according to the liking of the Union Government.

Article 155: The Governor of a State shall be appointed by the President by warrant under his hand and seal.

Article 156(1): The Governor shall hold office during the pleasure of the President.

Article 157: No person shall be eligible for appointment as Governor unless he is a citizen of India and has completed the age of thirty five years.

Constitutional Discretion: According to Article 163, there is a Council of Ministers to aid and advise the Governor to exercise her functions. However, the Constitution provides certain discretionary powers to the Governor, where she can act without the advice of the Council e.g., **(a)** The Governor can **reserve a Bill** passed by the State Legislative Assembly for the consideration of the President of India; **(b)** Exercising her power under Article 356 to recommend President's Rule in the State; **(c)** The Governor can appoint Chief Minister when no political party has a clear majority; **(d)** The Governor can dismiss the Council of Ministers if **unable to prove confidence** in the State Legislative Assembly etc. among others. The exercise of the discretion sometimes result in political differences between the Governor and the State Government (e.g., reservation of a Bill).

Political Reasons: The conflict between the Office of Governor and the Council of Ministers/Chief Minister is more common when different political parties are in power at the Union and State level. This shows that the conflict is largely due to political differences e.g., in

West Bengal, Kerala, Tamil Nadu, Jharkhand are ruled by different political parties than the Centre.

What are the SC Judgments regarding the Office of Governor?

Shamsher Singh vs. State of Punjab (1974): The Supreme Court held that the **Governor is bound to act in accordance with the aid and advice of the Council of Ministers** headed by the Chief Minister. Article 154(1) makes it clear that the executive power of the State is vested in the Governor, but shall be **exercised by him in accordance with the Constitution**.

SR Bommai vs. Union of India (1994): The case was concerned with the use of Article 356 and the Governor's power to dismiss a State Government. The Supreme Court ruled that whether the State Government has the majority should be tested on the floor of the House. It shouldn't be based on the subjective assessment of the Governor.

Rameshwar Prasad vs. Union of India (2006): The Supreme Court held the Governor's decision to dissolve the Assembly as unconstitutional and mala fide.

Nabam Rebia vs. Deputy Speaker (2016): The Governor had **went against the advice of the State Cabinet** and called the session of the Legislative Assembly at an earlier date (against the recommended date). The SC confirmed that the **Governor does not enjoy broad discretionary powers** and is always subject to Constitutional standards. The Court concluded that the **Governor's discretion did not extend to the powers conferred under Article 174**. Hence, he could not summon the House, determine its legislative agenda or address the legislative assembly without consultation. (*Article 174 is related to the Sessions of the State Legislature, prorogation and dissolution*).

What are recommendations of Bodies/Commissions regarding the Office of Governor?

The Administrative Reforms Commission (1969): The Commission recommended that **non-partisan persons** having long experience in public life and administration should be appointed as the Governors of a State.

Sarkaria Commission (1988): (a) **Appointment of Governor:** (i) The Governor should be appointed after **consultations with the Chief Minister of the State;** (ii) The Governor should be eminent in some walk of life and from **outside the State;** (iii) The person should be a **detached figure without intense political links**, or should not have taken part in politics in the recent past; (iv) The person should not be a member of the ruling party; (b) **Removal of Governor:** (i) The Governor should be removed before the end of the term (5 years) **only on the grounds specified in the constitution** or if doubts are raised about his morality, dignity, constitutional propriety etc.; (ii) In the process of removal before the end of the term, the State Government may be informed and consulted; (c) **Use of Article 356:** This article should be **used very sparingly and as a matter of last resort**. It can be invoked only in the event of political crisis, internal subversion, physical breakdown, and non-compliance with the Constitutional directives of the Centre.

National Commission to Review the Working of the Constitution (NCRWC): The Governor should be appointed by a Committee comprising the Prime Minister, Home Minister, Speaker of the Lok Sabha, and the Chief Minister of the State concerned.

The Second Administrative Reforms Commission (ARC): The Inter-State Council needs to come up with some guidelines for governors to follow when they are using their discretionary power.

Punchhi Commission (2010): (a) It proposed giving Governors a fixed term of 5 years and removing them through an impeachment process (similar to that of the President) by the State Legislature. The doctrine of pleasure (for removal of Governors) should be deleted; (b) It reiterated the recommendation of the Sarkaria Commission regarding appointment of Governors. The person shouldn't be active in politics; (c) The convention of making the Governors as chancellors of universities should be done away with; (d) **Article 355 and 356 should be amended** to allow the Union Government to bring specific troubled areas under its rule for a limited period, instead of the whole State.

What should be the approach going ahead?

First, Multiple Commissions have provided very pragmatic recommendations regarding functioning of the Office of Governor. These recommendations should be implemented in right earnest especially those related to the appointment and removal of Governors.

Second, Both the Punchhi and Sarkaria Commissions had recommended that the **Governors should not be burdened with the positions and powers that were beyond their constitutional domain.** This was done with the intention of shielding the high office of the Governor from needless public controversies. In addition, the Punchhi and Sarkaria Commissions both agreed that this would be in the best interest of the State. A conflict with the State Government could thus be avoided by taking such an action.

Third, The Governors should also act in the best interests of the State as well as the Union. The Governor should not act as the agent of the political party in power at the Centre. The Governor should act as a link between the State and the Union Government.

Fourth, The Governor's discretion and Constitutional mandate should be guided by certain 'norms and principles', which can be defined in a 'Code of Conduct'. Discretion must be a decision that is guided by reason, motivated by good faith, and tempered by caution.

Fifth, Certain codification can be undertaken regarding discretionary powers as well e.g., determining the areas in which they have discretion, establishing a time frame within which they must act, and stating unequivocally that they are required to follow the advice of the Cabinet when dealing with Bills etc.

Conclusion

The recent controversies surrounding the Office of Governor are avoidable and unnecessary. Such controversies malign the dignity of the high Constitutional Office. The Union and State Governments should abide by the spirit of the Constitution as well as the Supreme Court's Judgments in this regard. The implementation of recommendations of various Commissions can ensure that such needless controversies do not arise in future. The Governors should also act according to their Constitutional mandate, rather than acting as political agents. An active but unbiased Office of Governor can strengthen the Union-State relationship and the federal structure.

Syllabus: GS II, Issues and challenges pertaining to the federal structure; GS II, Structure, organization and functioning of the Executive; GS II, Appointment to various Constitutional posts.

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

Ken-Betwa Link Project: Benefits and Challenges – Explained, pointwise

Introduction

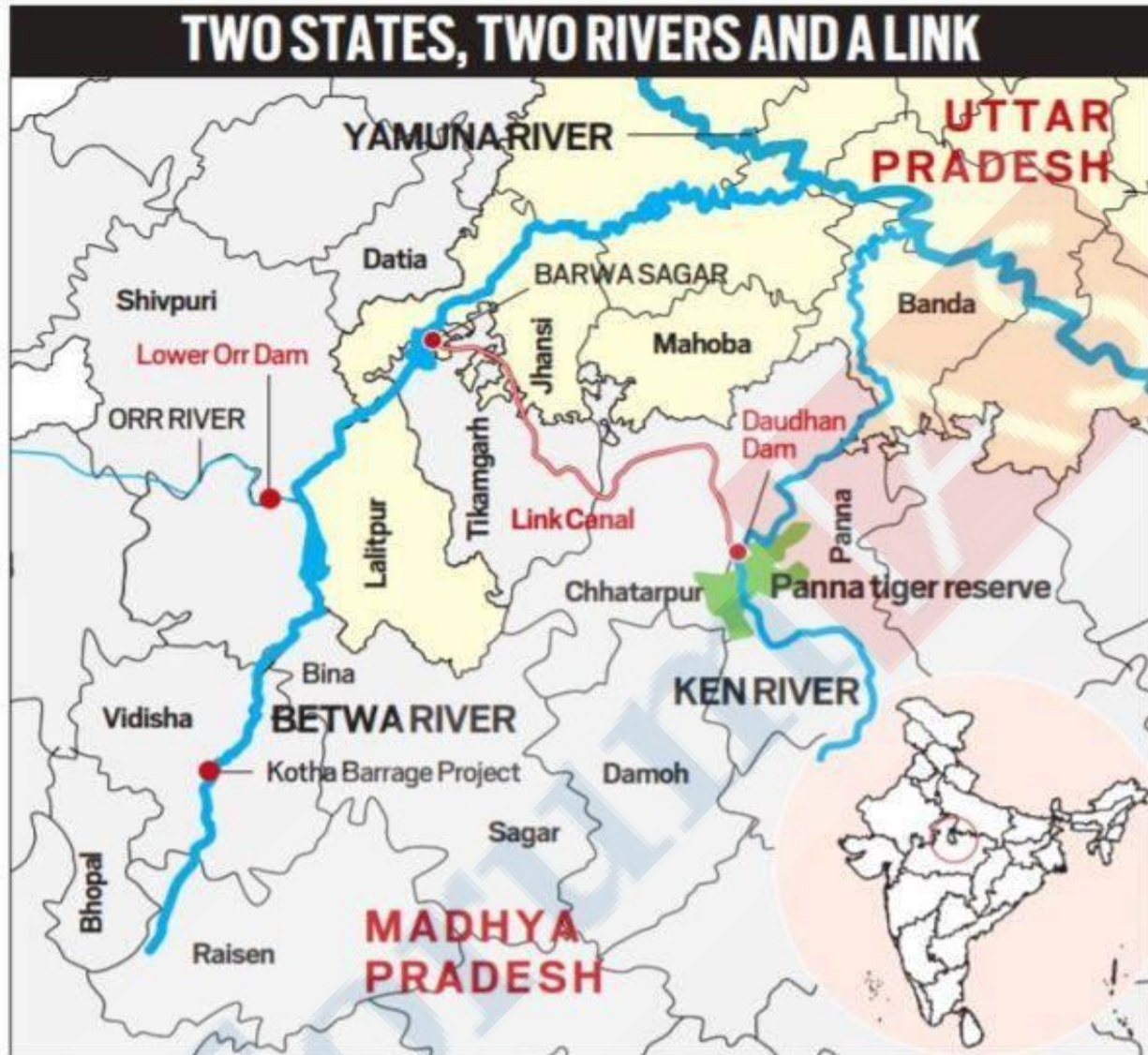
The Steering Committee for the Ken-Betwa Link Project recently held its 3rd meeting in New Delhi. The Chairperson of the Committee (Secretary, Department of Water Resources) remarked that the Ken-Betwa Link Project is a 'flagship' project of the Government and 'it is critical for the water security and socio-economic development of Bundelkhand region'. The project was approved in December 2021 by the Union Government. The Ken-Betwa Link project is expected to cost INR 44,605 crore. While the project is expected to benefit local population, experts have questioned the utility of the project citing its environmental impact especially on the Panna Tiger Reserve and its tiger population. They recommend a more cautious approach before undertaking projects of such scale.

What is the Ken-Betwa Link Project?

The Ken-Betwa Link Project (KBLP) is the first project under the **National Perspective Plan for interlinking of rivers**. Under this project, water from the Ken river will be transferred to the Betwa river. Both these rivers are tributaries of river Yamuna.

Read More: [Interlinking of Rivers Project in India – Explained, Pointwise](#)

The Ken-Betwa Link project was conceptualised in the 1980s. However, the water-sharing agreement could not be reached between the States of Madhya Pradesh and Uttar Pradesh. The work on the project was originally slated to begin in 2015 but got delayed. The project got a fresh push in 2020-21, with the Union Government making a revised deal with the two states (Madhya Pradesh and Uttar Pradesh).



Source: Indian Express

The Project has two phases.

Under **Phase-I**, **Daudhan Dam** complex (along with Low and High Level Tunnels) and Ken-Betwa Link Canal and Powerhouses will be completed. The Daudhan Dam will be built on the Ken river within the Panna Tiger Reserve. The dam will generate 103 MW of hydroelectric power.

Under **Phase-II**, there are 3 components. Under this, Lower Orr dam, Bina Complex Project and Kotha Barrage will be constructed.

This project will benefit people across the districts of MP and UP i.e. Tikamgarh, Panna and Chhatarpur districts in MP and Jhansi, Banda, Lalitpur and Mahoba districts in UP.

A Special Purpose Vehicle (SPV) called **Ken-Betwa Link Project Authority** (KBLPA) will be set up to implement the project.

What are the benefits of Ken-Betwa Link Project?

Address Water Scarcity: Droughts are common in the Bundelkhand region, particularly during the non-monsoon season. Because of the hard rock and marginal alluvium terrain, the region is also **deficient in groundwater**. As a result, there is a need for a large-scale project to assist in **harnessing flood water during the monsoon season** and stabilising water availability in the region during the lean season, particularly during drought years.

The project will also **rejuvenate all the tanks** in the route area of the link canal by feeding through the link canal, wherever possible and would help in **groundwater recharge**.

The **use of micro-irrigation** is also planned in about 5 lakh hectares command of the project for better **water-use efficiency**.

Socio-Economic Development: The project envisages to provide enormous benefits to the region covering an annual **irrigation of 10.62 lakh hectares, drinking water supply** to a population of about 62 lakh. It will also generate 103 MW of hydropower and 27 MW of solar power, utilising about 4,909 million cubic metres (MCM) of water.

The project will definitely **bring economic prosperity** to this backward area due to increased agricultural activities and the arrest of migration of people from the region. It can help **check distress migration** from the region.

Comprehensive Landscape Management Plan (LMP) is being prepared by the Wildlife Institute of India (WII) for the **conservation of wildlife and biodiversity**, not only in the Panna Tiger Reserve (PTR) area but also in the surrounding area to offset the impact of the Daudhan

This project will establish a **precedent for future river-linking initiatives** and demonstrate India's innovative spirit and forward-thinking.

What are the challenges associated with the Ken-Betwa Link Project?

Environmental: (a) The project will partly submerge the Panna Tiger Reserve in Madhya Pradesh and affect the habitat of multiple species including tigers, jackals and vultures etc.; (b) There will be destructive impact of the proposed dam on the flow of water into and outside of the **Ken Gharial Sanctuary**. The Supreme Court Central Empowered Committee (CEC) has mentioned in its report that "*the Standing Committee of the National Board of Wildlife has not considered the impact of the project on the downstream gharial sanctuary*"; (c) According to a report of the **Forest Advisory Committee**, an estimated 6 million trees will be cut down for the project which will **adversely affect the rainfall** in the already dry Bundelkhand region; (d) The **Environmental Impact Assessment** of the project, based on which the project was given environmental clearance in 2017, has been **tagged as inadequate with factual errors** by a number of official agencies, including the **Forest Advisory Committee** within the Ministry of Environment; (e) An expert body formed by the **Standing Committee of the National Board for Wildlife (NBWL)** suggested that "*an independent hydrological study of river Ken is required*" but the suggestion was ignored.

Legal: (a) As far as the legal issues are concerned, mere **approval by the Standing Committee of the National Board for Wildlife (NBWL) for the KBLP is not sufficient**. According to the CEC, the **project is not 'crucial'** and hence required for enhanced and improved management of the wildlife, as conferred in Section 35(6) of the Wildlife Protection Act, 1972. According to the Sections 29 and 35(6) human activities within National Parks and Wildlife sanctuaries are restricted without prior approval. Diversion of, stopping or enhancement of the flow or water into or outside of them is not allowed unless **doing so is deemed to be necessary to improve and**

better manage the wildlife within a sanctuary or a national park. And in the case of the Panna Tiger Reserve, the CEC has found such diversion to not be necessary to improve and better manage wildlife in the park; **(b)** The CEC also observed that the wildlife approval conferred by the Standing Committee of the NBWL in August 2016 was **ultra vires**; **(c)** The CEC had submitted its report to the Supreme Court in August 2019, and the matter remains **sub judice**. The project is also reportedly still to receive full forest clearance; **(d)** A **challenge to environment approval** to the project is also pending **before the National Green Tribunal**, presumably because the tribunal believes the project must first secure forest clearance.

Political: The water-sharing issue between UP and MP has not been resolved completely. The States have not been able to agree on water-sharing during non-monsoon months.

Social: There will be a social cost associated with the **reconstruction and rehabilitation** that will be necessary as a result of the displaced people that the implementation of the project will cause. Experts are worried that the project could threaten Panna's access to clean water.

Economic: The project is expected to cost upward of INR 45,000 crore. Experts contend that the benefits from the project may not be commensurate with the project cost.

What should be done going ahead?

First, all the concerns raised by the Supreme Court appointed CEC about the Ken-Betwa Link Project should be addressed.

Second, the project should be built on **verified and up-to-date data**. Aside from that, a proper Environmental Impact Assessment should be performed.

Third, The government should ensure that adequate compensation is provided for the resettlement of those who will be displaced as a result of the project.

Fourth, the Government should ensure that the provisions of the Compensatory Afforestation Fund Act (CAMPA, 2016) are effectively implemented. There should be quality afforestation equivalent to the diverted forest land.

Fifth, Experts have called for new detailed report and landscape management plan. The Government should address the concerns highlighted by various bodies and explore this option.

Sixth, Experts have argued that **restoring Bunderlkhand's former Chandel-period lakes and ponds**, as well as replicating the successful **field-pond schemes**, will be more cost-effective, faster and environment-friendly. The Government should promote the use of traditional knowledge in water conservation to address the issue of water scarcity.

Read More: [\[Kurukshestra July Summary\] Jal Shakti Abhiyan and Traditional Knowledge in Water Conservation – Explained, pointwise](#)

Conclusion

According to the Government, the Ken-Betwa project can address the issues related to water scarcity in the region. Irrigation and hydropower projects will contribute to prosperity of the region. However, there are legitimate environment concerns vis-a-vis benefits of the project. The Government should address these concerns and ensure that the adverse impacts on the local population and biodiversity are minimized. The Government is promoting traditional knowledge in water conservation through the rejuvenation of traditional water bodies under the *Jal Shakti Abhiyan*. Such sustainable initiatives should be scaled-up.

Syllabus: GS III, Conservation.

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

[Kuruksheetra January 2023 Summary] Cooperatives to FPOs: A Paradigm Shift – Explained, pointwise

Introduction

The cooperative movement is a voluntary movement of the people. The movement has been carried out democratically by **pooling together of resources** for completing a given activity. The purpose is to achieve or secure certain benefits or advantages that people cannot get individually. Cooperative Movement also aims to **promote specific virtues and values** such as self-help, mutual help and general goods of all. The history of cooperatives in India is more than a century old. In agricultural development, the cooperatives have **contributed significantly to the Green and White Revolutions**. However, the cooperative experience in India has been varied over space and time, as they have largely been **State-sponsored**, with a focus on welfare. Indian agriculture is **dominated by small and marginal farmers** accounting for nearly 86.66% of the total operational land holdings (Agricultural Census, 2015-16). The challenges faced by the small and marginal farmers are multi-fold that can be addressed through farmers' collectives in the form of **Farmer Producer Organisations (FPOs)/ Farmer Producer Companies (FPCs)**. FPOs are presently being viewed as a **beneficial alternative to cooperatives**, with the main goal of encouraging smallholder commercialisation and **boosting farm incomes**. The primary objective of this initiative is to **increase the collective negotiating power of small and marginal farmers**.

Cooperatives

A cooperative is “an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs, and aspirations through a jointly owned and democratically-controlled enterprise”. The salient features of Cooperatives are:

First, Cooperatives are **people-centred**, enterprises owned, controlled and run by and for their members. Cooperatives bring people together in a **democratic and equal way**.

Second, Cooperatives are based on the values of self-help, self-responsibility, democracy, equality, equity, and solidarity.

Third, Cooperatives are **democratically managed** by the ‘one member, one vote’ rule; members share equal voting rights regardless of the capital they put into the enterprise.

Fourth, Cooperatives with the principles of **fairness, equality, and social justice** allow people to work together to create sustainable enterprises that generate long-term jobs and prosperity.

Cooperative Movement

Cooperative is one of the most significant social innovation since the 18th century. The first documented cooperative was started in 1769 at East Ayshire in Europe. However, with the establishment **Rochdale Principles** in 1844 (Seven Golden Principles of Cooperatives), modern cooperatives developed and spread across the globe encompassing all the sectors of the economy.

Seven Golden Principles of Cooperation

- ✔ **Voluntary and Open Membership:** Cooperatives are voluntary organisations where membership is open to all persons **without any discrimination**.
- ✔ **Democratic Member Control:** Cooperatives are member-driven and member-controlled **democratic units**. Members **actively participate** in setting their policies and making decisions. In primary cooperatives, members have **equal voting rights** conforming to the norm of '**one member - one vote**'.
- ✔ **Member Economic Participation:** Members contribute equitably to and control and utilise the capital of their cooperative to support their economic activities.
- ✔ **Autonomy and Independence:** Cooperatives are autonomous organisations and believe in self-help for maintaining their cooperative autonomy through democratic controls.
- ✔ **Education, Training and Information:** Cooperatives provide education and training for their members, elected representatives, managers and employees to **support development drives** of their units.
- ✔ **Cooperation Among Cooperatives:** Cooperatives extend efficient service support to their members and strengthen cooperative movement by working together through local, national, regional and international structures.
- ✔ **Concern for Community:** One of the major aims of cooperatives is to **ensure sustainable development** for their communities through adoption of appropriate policy measures.

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Pre-Independence: Indian cooperative movement started during the pre-independence period (1890) as a Maharashtra farmers' movement against the money lenders. With the enactment of the **Cooperative Credit Societies Act, 1904**; the **Cooperative Societies Act, 1912**; the Government of India Acts 1919 and 1935 and the **Multi-Unit Cooperative Societies Act, 1942**, the structured development of cooperative societies was shaped through the provincial independence.

Post-Independence: Cooperatives were made an **integral part of the Five-Year Plans (FYPs)**. Indian planners considered **cooperation as an instrument of planned socioeconomic development**. Indian constitution has enacted provisions for cooperative development through **Article 43 of Directive Principles of State Policy**, Article 14 (right to equality) and Article 19(1)(c) as right to form associations or unions.

Task Force on '**Revival of Cooperative Institutions**' in 2004 by the RBI (under the Chairmanship of A. Vaidyanthan) was an important landmark in the history of cooperatives in India. The Indian cooperative sector has completed 118 years of its existence in 2022 (since its first legislative enactment in 1904). In all these years, the legislative environment and framework has been one of the most important dimensions of cooperative sector's development. The government is formulating a new national level policy for cooperatives.

Agricultural Cooperatives

An agricultural cooperative, commonly referred as a **farmers' cooperative**, is a cooperative through which farmers pool their resources for their farming activities. There are two types of agriculture cooperatives.

Agricultural Production Cooperatives: They are classified into three types viz., Cooperative Tenant Farming Societies, Cooperative Joint Farming Societies, and Cooperative Collective Farming Societies.

Agricultural Service Cooperatives: They are classified into two types viz., Supply Cooperatives and Marketing Cooperatives. **Supply Cooperatives** supply their members with inputs (seeds,

fertilisers, fuel, and machinery services) for agricultural production. Activities like transportation, packaging, pricing, distribution, sales and promotion of farm products (both crop and livestock) are looked after by the **Marketing Cooperatives**.

The agricultural service cooperatives play a useful role by maintaining a constant flow of essential agricultural services like: **(a)** Supply of farming requirements in terms of improved seeds, fertilisers, implements etc.; **(b)** Supplying and maintaining the agricultural machinery on hire; **(c)** Providing essential household needs; **(d)** Encouraging thrift and savings among the members to make them self-sufficient.

The National Commission on Agriculture (1976) had recommended the setting up of Farmers Service Cooperative Societies with the active collaboration of the nationalised banks.

Development of Credit Cooperatives: Farmers also rely on credit cooperatives for both working capital and investments. In India, credit cooperatives have evolved hierarchically into a three-tiered structure with: **(a)** Primary Agricultural Credit Societies (PACS) at the base/ village level; **(b)** District Central Cooperative Banks (DCCB) at the district level; **(c)** State Cooperative Banks (SCB), at the State level.

The broad aim of PACS is achieved by: **(a)** Promoting savings among members; **(b)** Providing loans to the members; **(c)** Supplying agriculture and domestic requirements; **(d)** Arranging for the marketing of their agriculture produce.

National Cooperative Development Corporation (NCDC) Act, 1962 guides the planning and promoting programmes for the production, processing, marketing, storage, export and import of agricultural produce, foodstuffs, industrial goods, livestock, certain other commodities and services on cooperative principles. Since inception till March 2021, NCDC has disbursed INR 1.77 lakh crore to cooperatives for their development. Finance schemes of NCDC cover activities like agro-processing, credits, inputs, computerization, storage, cold chain, sugar, dairy, livestock, renewable energy, rural housing etc.

Farmer Organisations (FO)

Several organisational prototypes have emerged from integrating marginal and small farmers into the value chain to **decrease transaction costs and increase incomes**. One such alternative is Producer Organisations/ Farmer Organisations (FOs), which enable farmers to organise themselves as collectives. There are many types of FOs.

Community-Based, Resource-Orientated FOs: They are village-level cooperatives or associations dealing with inputs needed by the members and the resource owners to enhance the productivity of their businesses based on land, water or animals. These organisations are generally small, have **well-defined geographical areas**, and are predominantly **concerned about inputs**. However, the client group is highly diversified regarding crops and commodities.

Commodity-Based, Market-Orientated FOs: This type of FOs are specialised in a **single commodity and opted for value-added products**, expanding markets. They are designated as **output-dominated organisations**. Their members are generally regional growers of that commodity who are interested in investing some share capital in acquiring the most recent processing technology and professional human resources. These FOs are generally large and operate in a competitive environment. Research, input supply, extension, credit, collection of produce, processing, and marketing are all integrated to maximize the returns on the investments of the members who invested in the collective enterprise. The profits generated are

used to provide supplementary and supportive services at a reduced cost to encourage members to use them. Common examples include Grape growers' associations, Onion Growers' associations, Mulkanoor cooperative marketing society, Amul Milk and other Dairy FOs etc.

Farmer Producer Organisations (FPOs)

In India, agricultural production involves a number of risks for small and marginal farmers. FPO/FPC is a new aggregation model for smallholders that **replaces cooperatives**. FPO links small and marginal farmers to markets by strengthening forward and backward linkages.

FPOs are distinguished from Cooperatives in terms of membership, governance, and business strategy. Due to a **hybrid business model** (between a private company and a cooperative), the institutional structure of **FPOs restricts membership to only primary producers** who **contribute equally to the FPO's operating capital** and democratically govern it by sharing equal voting rights.

The Board of Directors is elected or appointed by the FPO's general body for a specified term. The Board directs the hired outside experts to run the day-to-day operations.

The primary goal of an FPO is to organise small and marginal farmers for **(a) Backward** linkages of inputs like seeds, fertiliser, credit, insurance, information, and extension advisory services; **(b) Forward** linkages for things like collective marketing, processing, market-led agricultural production, etc.

Promotion of FPOs: FPOs emerged as farmer collectives in 2003 under the provisions of the Companies Act. Based on the recommendations of the **Y.K. Alagh Committee**, the Government of India passed the **Producer Companies Act** in 2002 by inserting a new section IXA into the **Indian Companies Act, 1956**. The Producer Companies Act instils in management a professional attitude while enshrining the cooperative culture and fundamental principles.

During 2011-12, the Department of Agriculture, Cooperation, and Farmers' Welfare (DAC&FW), Ministry of Agriculture and Farmers' Welfare (MoA&FW) launched a pilot programme to promote FPOs through two sub-schemes of the **Rashtriya Krishi Vikas Yojana (RKVY)**, namely the **National Vegetable Initiative for Urban Clusters** and the **Pulses Development Programme** for 60,000 rained villages.

In 2013, the Government of India developed and issued a national policy and process guidelines for FPOs. However, FPOs have faced challenges such as a lack of market access and credit connections, insufficient financial support, managerial skill etc.

The Government of India has developed a special central sector initiative called '**Formation and Promotion of 10,000 FPOs**' for nationwide implementation during the year 2021, with a total budgeted outlay of INR 6,865 Crores. According to the plan, establishment and promotion of FPOs is based on Produce Cluster Area Approach and the strategy based on specialised commodities. FPOs will be formed using a **cluster-based strategy** with the motto '**One District, One Product**' to foster product specialization. This scheme allows FPOs to register under Companies Act, 1956 or under the State's **Cooperative Society Act**. Professionally managed Cluster Based Business Organizations (CBBOs) will provide five years of handholding.

Formation and promotion of FPO will be based on **produce cluster area** which includes geographical area where product is grown. To qualify for this scheme, minimum 300 farmers in plains, and 100 farmers in North-Eastern and hilly areas must be members of an FPO.

FPOs will promote processing, branding, marketing, and product export for better price realisation. FPOs will adopt a cluster-based approach for **produce/product mix** and 'One District One Product' approach for **product specialisation**. FPOs can federate at the district, state, or national level to process, brand, and market produce/commodities for scaling up, survival, and growth in a competitive environment.

Formation and development of FPOs is the responsibility of 3 agencies; The **Small Farmers' Agribusiness Consortium** (SFAC), the **National Cooperative Development Corporation** (NCDC), and the **National Bank for Agriculture and Rural Development** (NABARD).

FPOs formed and promoted by the SFAC and the NCDC are registered under the Companies Act and the States' Cooperative Societies Act respectively. FPOs promoted by NABARD are registered under either Act. It helps FPOs get financial institution credit for projects and working capital for business growth. The dedicated Credit Guarantee Fund (CGF), managed by NCDC and NABARD, provides adequate credit guarantee coverage to speed up institutional credit to FPOs by relieving financial institutions loaning to

Activities of FPOs: FPOs are formed to leverage collectives through economies of scale in production and marketing of agricultural and allied sector produce. FPOs provide **value-added services** like cleaning, assaying, sorting, grading, packing, storage, farm-level processing, and transportation facilities based on user-charges at a reasonable rate.

They also encourage seed production, mushroom cultivation, beekeeping, aggregation, value addition, and marketing smaller quantities of member farmers' produce for better marketability. For strengthening marketing channel, they provide market information for production and marketing decisions and shared-cost logistics services like storage, transportation, loading/unloading, etc.

FPOs/PCs are gaining popularity among farmers/producers and promoting agencies due to their many advantages over producers' cooperatives.

According to the SFAC report on State-wise progress of FPOs (2021), approximately 900 FPOs have involved approximately 9 lakh farmers. However, the numbers vary greatly across States. **Madhya Pradesh and Maharashtra have the highest number of farmers mobilised per FPO. 6 states account for more than half of all farmers mobilised** (Karnataka, Madhya Pradesh, Maharashtra, West Bengal, Rajasthan, and Uttar Pradesh). Madhya Pradesh, Karnataka, and Maharashtra are also at the top of the list in terms of the number of FPOs, accounting for more than 33% of all FPOs promoted by SFAC. Through the recently approved central sector scheme, the Government of India has given a strong push to form and promote 10,000 new FPOs over the next five years.

Way Forward

One of the most efficient methods to address agriculture's various issues is to group producers, particularly small and marginal farmers, into producer organisations. This improves farmers' access to investments, technologies, inputs, and markets. FPOs have the potential to be the most suitable institutional structure for energising farmers and enhancing their ability to pool their production and marketing resources. Productivity and income of farmers are increased through efficient, cost-effective, and sustainable resource use and realising higher returns for their produce. However, a high calibre of representative and enlightened leadership is required among the grower members. It is challenging and demanding to conceive, design, build, and nurture it.

Sustainability of FPOs is vital; group dynamics and effectiveness at different stages of development and their determinants hold significance. Through government-supported collective action, productive cooperation with academic, research organisations, civil society, and private sector, Cooperatives and FPOs will be key for building a prosperous and sustainable agriculture sector.

Source: Kurukshetra January 2023

Groundwater Use and Governance in India – Explained, pointwise

Introduction

India has nearly 18% of the world's population and occupies about 2.4% of the world's geographical area. India consumes 4% of total water resources. A World Bank report has noted that India is the largest groundwater user. As India's economy and population grow, the groundwater use is expected to rise further. It has further strained the groundwater resources in India. Groundwater is the backbone of India's agriculture and drinking water security in rural and urban areas. Groundwater is pivotal to India's water security. Experts argue that there are several gaps in the groundwater governance in India which hampers the efforts related to conservation. Groundwater governance reforms and promoting judicious use of groundwater can address the depleting groundwater levels in India.

Read More: [Water Crisis in India – Explained, pointwise](#)

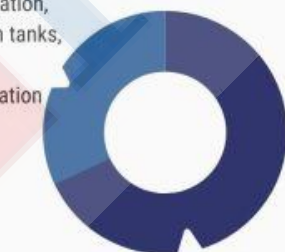
What is the current status of Groundwater Use in India?

According to a Report by the **Ministry of Jal Shakti (Dynamic Ground Water Resource Assessment Report 2022)**, the total annual groundwater recharge is 437.60 Billion Cubic Metres (BCM). The quantity of groundwater extracted stood at 239.16 BCM. The extraction has been the lowest since 2004, when the extraction was 231 BCM. The major user for groundwater is for irrigation (208.49 BCM), followed by domestic (27.05 BCM) and industrial use (3.64 BCM).

Groundwater Sources

Others

32% Canal seepage, Return flow from irrigation, Recharge from tanks, ponds and water conservation structures.



Rainfall

68% Direct ingress of Rainwater into ground.

Source: Ministry of Jal Shakti

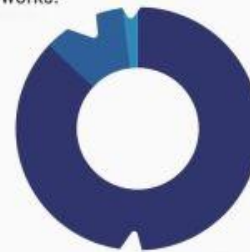
Groundwater Usage

Domestic

11% Second-highest usage for household works.

Industrial

2% Lowest share of Industrial sector.



Agriculture

87% Highest usage for irrigation in agriculture sector.

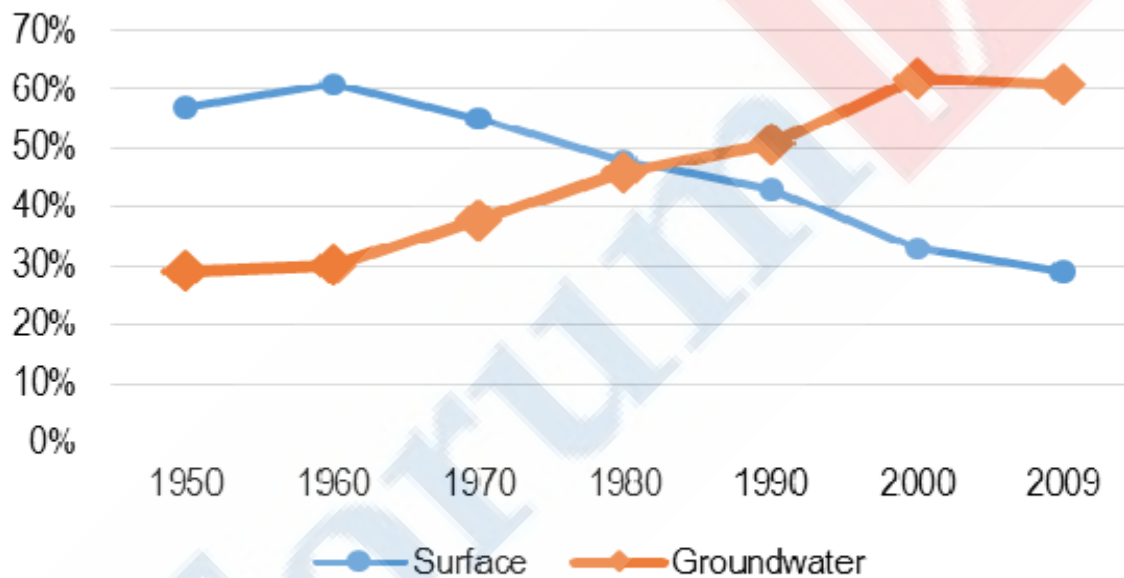
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According to a **Report by the CAG** (2021), groundwater extraction in India increased from 58% to 63%, between 2004-17, exceeding the groundwater recharge rate.

The **Central Groundwater Board of India** estimates that about **17% of groundwater blocks are overexploited** (rate of extraction exceeds the rate of recharge of aquifer) while 5% and 14% blocks are at critical and semi-critical stages, respectively. The situation is particularly alarming in three major regions: North-western, Western, and Southern peninsular. According to the Groundwater Resource Assessment (2022), there has been a 3% reduction in the number of 'overexploited' groundwater units and a 4% increase in the number of 'safe' category units as compared to 2017. There was an improvement in groundwater conditions in 909 units.

According to **India water portal**, India uses 25% of all groundwater extracted globally, ahead of USA and China. ~70% of the water supply in Indian agriculture today is groundwater.

Increase in ground water utilization for irrigation



Sources: Agricultural Statistics at Glance 2014, Ministry of Agriculture; PRS.

Source: PRS

What are the challenges associated with Groundwater Use in India?

Rising Population: Rapid rise in population increases demand for water. Rise in urban population increases load of management of waste and polluted water. India is the largest user of groundwater accounting for ~25% of the total global withdrawal. Indian cities cater to about 48% of their water supply from groundwater. With rise in population, groundwater use is expected to rise further.

Unplanned urbanisation: Increase in the built-up and paved area eliminates infiltration of water into the ground. Absence of green cover reduces evapotranspiration. Increases in surface runoff causes urban flooding. Groundwater recharge is reduced. A study in the United States indicated

that for every 1% increase in the impervious surface area, there is a 3.3% increase in the urban flood magnitude.

Transformation of the natural landscape, watershed and flow direction by urban sprawl often modifies the groundwater cycle and may result in a sharp decline or rise of groundwater levels, reduced well yields and deteriorating quality.

Agriculture Practices: Irrigation is increasingly shifting to tube-wells. Combined with faulty crop cycles due to farm subsidy and subsidy on electricity has resulted in over-use of groundwater, especially in the Northwest India. Regions with the most blocks with critical groundwater levels are in Punjab, Haryana, Delhi and western Uttar Pradesh.

Institutional, Management Framework Vacuum: (a) Various bodies are associated with regulation of groundwater resulting in **fragmented regulation** and **absence of an 'integrated and comprehensive' approach to regulation**; (b) There is **lack of legal provisions regulating extraction of groundwater** resulting in overexploitation. Groundwater rights are still determined by the archaic **Indian Easement Act, 1882**. These rights **tyed to land ownership rights** exclude a large part of the society that has no land rights and gives landowners the **liberty to withdraw limitless water**. There is a large number of **unaccounted and unregulated private water wells**; (c) The various organisations that manage India's groundwater lack accountability and responsibility; (d) There is **lack of comprehensive data on groundwater** e.g., there is a lack of clarity on the **aquifer boundaries** (invisibility of groundwater). This makes it difficult to formulate clear guidelines for proper management of groundwater.

Major central level water institutions responsible for ground water management

Institution	Role
Central Water Commission	Initiating and coordinating schemes for the conservation and utilisation of water resources in the country in collaboration with state governments; and monitoring water quality
Central Ground Water Board	Developing and disseminating technology related to sustainable use of ground water; monitoring and implementing policies for the sustainable management of ground water resources; estimating ground water resources
Central Ground Water Authority	Constituted under Section 3(3) of the Environment (Protection) Act, 1986 to regulate and control development and management of ground water resources; can resort to penal actions and issue necessary regulatory directives
Central Pollution Control Board	Implementation of the Water (Prevention and Control of Pollution) Act, 1974 which seeks to restore water quality

Sources: Ministry of Water Resources; Lok Sabha Question 2157, March 10, 2015; PRS.

Source: PRS

Groundwater Pollution: Infiltration and seepage from roads, industrial sites, waste dump sites, effluent drains with heavy metals and micro-pollutants are contaminating groundwater aquifers. Microbiological contamination occurs through the sewage system. Nitrate, arsenic, fluoride are some of the major elements responsible for groundwater pollution.

Climate Change: Climate shocks are exacerbating the groundwater crisis. Intermittent rainfall and prolonged droughts are reducing groundwater recharge resulting in falling water tables in many regions.

What steps have been taken to improve status of Groundwater Use in India?

Model Groundwater Bill: The Union Government has released Model Groundwater Bills in 1970, 1992, 1996, 2005, 2011 and 2016-17. Through the Bills, the Government has sought to foster a

minimum level of control, among other things by recommending the **setting up of State groundwater authorities**. Various versions proposed **registration of existing groundwater structures** and a **permit-based system**, though actual restrictions would apply only to new wells, fitted with electrical pumps.

The Model Groundwater (Sustainable Management) Bill, 2017, addresses some of the major concerns in the existing regulatory framework and offers a holistic way forward. The major highlights include: **(a)** Strong environmental perspective in protection and prevention of damage to the aquifers; **(b)** Bottom-up institutional structure; **(c)** Drinking water as highest priority and the right to water, health, and environment; **(d)** Decentralization and subsidiarity principles; **(e)** Local bodies to form committees for groundwater management

Integration of Union Ministries: The Ministry of Jal Shakti was formed after the merger of the erstwhile Ministries of Water Resources, River Development and Ganga Rejuvenation along with Drinking Water and Sanitation. This has given impetus to the management of water resources with special focus on demand and supply management.

Initiatives: **(a) Atal Bhujal Yojana (ABY)** and the **National Project on Aquifer Management (NAQUIM)** have been launched with the goal of 'participatory groundwater management'. ABY looks to inculcate behavioural change made possible by incentivisation. NAQUIM envisages the mapping of sub-surface water bearing geological formations (aquifers) to help gather authentic data and enable informed decision-making; **(b) Jal Jeevan Mission:** It has been launched to provide safe drinking water to all rural households by 2024; **(c)** Through the **India-Groundwater Resource Estimation System (IN-GRES)** dynamic groundwater assessments will be done annually. A software, 'India-Groundwater Resource Estimation System (IN-GRES)', has also been developed; **(d)** Realising the importance of community participation, the **Jal Shakti Abhiyan** has been launched subsequently to transform *Jan Shakti* into *Jal Shakti* through asset creation, rainwater harvesting ('**Catch the Rain**' campaign) and extensive awareness campaign.

What steps can be taken to improve Groundwater Use and Governance in India?

First, Mihir Shah Committee Recommendations should be implemented: **(a)** The Central Water Commission (CWC) and the Central Ground Water Board (CGWB) should be **restructured and unified** to form a new **National Water Commission (NWC)**. A unified body will help in the collective management of ground and surface water. The NWC will be responsible for water policy, data and governance in the country. It should be an adjunct office of the Ministry of Water Resources and **function with full autonomy**; **(b)** The NWC should have eight divisions: Irrigation Reform Division, River Rejuvenation Division, Aquifer Mapping and Participatory Ground Water Management Division, Water Security Division, Urban and Industrial Water Division, Water Quality Division, Water Data Management and Transparency Division, Knowledge Management and Capacity Building Division; **(c) Participatory Groundwater Management:** Ground water needs to be recognised as a common pool resource and its continuous, unchecked extraction needs to be stopped. Corrective measures such as establishing required drilling depth, distance between wells, cropping pattern that does not require over-withdrawal of the resource should be adopted.

Second, For planning and management of groundwater, there is a need to focus on the **Integrated Water Resource Management** framework. It promotes the coordinated development and management of water, land and related resources.

Third, water-sensitive urban design and planning should be adopted. This can help maintain the water cycle by managing groundwater, surface water and rainwater for water demand and supply.

Fourth, there is need to adopt **Blue-Green Infrastructure** approach. Green (trees, parks, gardens, playgrounds and forests) and the blue (rivers, lakes, wetlands and water utilities) spaces can play a vital role in waterbody and aquifer rejuvenation.

Fifth, Public awareness and participation as well as trust-building between formal water sector institutions and communities will fill the void in groundwater management.

Sixth, Policies in the agriculture sector should be reviewed. The cropping pattern should be according to the local agro-ecology. Farm subsidies on electricity should be scrapped. These steps can help rationalize groundwater use in agriculture.

Conclusion

The situation of groundwater use in India has improved marginally as shown by the latest assessment. However, the pressure on groundwater resources is expected to rise further with rising population, urbanization and the uncertainties driven by Climate Change. Hence there is a need to adopt a more proactive approach to groundwater management in India. The governance framework related to water management in India must be reformed. Judicious and sustainable use of groundwater should be promoted through awareness campaigns and people participation (*Jan Bhagidari*).

Syllabus: GS I, Distribution of key natural resources across the world; GS III, Conservation.

Source: [The Hindu](#), [World Resources Institute](#), [India Water Portal](#), [Down to Earth](#), [PRS](#)