

7 PM COMPILATION

3rd and 4th February, 2024

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

Index

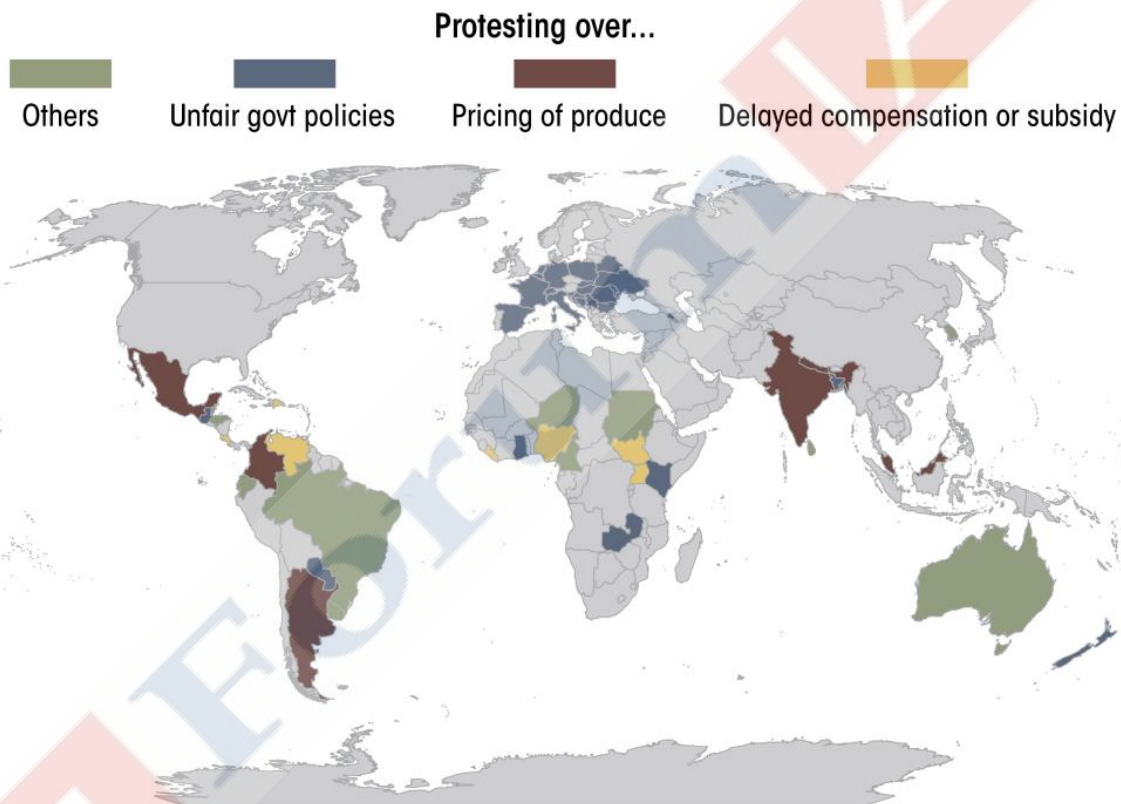
Why are Farmer's Protesting Globally and in India- Explained Pointwise	2
Right to Information- Explained Pointwise	4
[Yojana Feb 2024 Summary] Generative AI (Artificial Intelligence)- Explained Pointwise	7
Standing Committee Report on Fintech Sector in India- Explained Pointwise	10
SC Interim Order on Forest (Conservation) Amendment Act 2023- Explained Pointwise	14
India-Greece Relations- Explained Pointwise	17
Regional Benches of Supreme Court- Benefits and Challenges- Explained Pointwise	21
[Kurukshetra Feb 2024 Summary] Food Storage Infrastructure- Explained Pointwise	25
[Yojana Feb 2024 Summary] Cyber Security Challenges in the Era of AI- Explained Pointwise	28
Primary Agricultural Credit Societies (PACS)- Explained Pointwise	31
All India Household Consumption Expenditure Survey 2022-23- Explained Pointwise	34
Rare diseases in India- Explained Pointwise	38

Why are Farmer's Protesting Globally and in India- Explained Pointwise

Farmer's protest In India is not a standalone phenomenon, as Farmer's Protest has been on the rise globally as well. Farmers in at least 65 countries of the world have rose up in protest since January 2023. The map below demonstrates the instances of Farmer's Protest both Globally and in India.

FARM PROTESTS GLOBALLY

Since 2023, at least 65 countries have reported protests organised by agricultural workers with reasons ranging from minimum support price like in India, to unfair governmental policies — like in Europe — to outright displacement or eviction of farmers as seen in Benin or Sudan in Africa



Source: Media reports

Down To Earth

Source- Down to Earth

What are the reasons behind the Farmer's protest Globally?

South American Nations Protests

1. Better export Exchange rate to counter the economic downturn- Farmers in **67 per cent of countries in South America region** have been protesting over the demand for better export exchange rates for their crops.

2. Unfair competition in the agricultural market due to GM crops- The GM crops have induced unfair competition in the agricultural markets, which have adversely impacted the farmers. **For ex- Brazilian Farmer's Protest against GM crops.**

3. Higher Production costs and low-cost imports- The production costs of agriculture has shot up globally. **For ex- Venezuelan Farmer's Protests demanding subsidised diesel in agriculture.**

4. Vagaries of Climate Change- Climate Change has interfered with the global rainfall patterns and has led to droughts and blizzards, which has impacted agricultural productivity and production. **For ex- Demands of Farmers in Argentina demanding compensation for the devastating drought.**

European Nations Protest

1. Low cost agricultural Imports from Ukraine – The European countries have allowed low cost agricultural imports from Ukraine, which has led to depressed agricultural prices for the domestic farmers in the European countries. **For ex- Farmer's protests in France to limit agricultural imports from Ukraine.**

2. Against European Govt policies making agriculture sector easy target for climate goals- The agriculturalists in developed countries have been protesting against their government's making the farmers and the farming sector 'easy targets' to enforce emissions cut for meeting national climate goals. **For ex- Protest of Ireland farmer's against government's decision to cull some 200,000 cows over the course of three years for meeting the country's climate emission goals.**

3. Tough environmental standards of EU- The tougher environmental standards for agricultural products in EU countries, has hampered the export potential of European farmers.

African Nations Protests

1. Oppressive and unfair Government Policies- The protests in African countries have been mainly centred around the oppressive government policies. **For ex- Cocoa Farmer's protests in Benin,** against the sale of the cocoa plantations to foreign companies. **Protest of Farmer's in Cameroon** against the government ban on cocoa exports to Nigeria. **Protest of Coffee farmers in Kenya** against delicensing of most private millers in the county.

2. Concerns of African women farmers- As there has been increasing feminisation of agriculture in the African countries, **women farmers have taken to the streets** for the fulfilment of their demands. **For ex- The women farmers protest in Nigeria** on the challenges they continue to face across the country in the course of farming.

What are the demands for which farmers are protesting in India?

1. Guaranteed MSP- Farm union leaders want a **MSP Guarantee law** to ensure assured state support in the form of minimum purchase price for crops. Presently, **MSP based purchases benefit just around 7% of farmers.** (Shanta Kumar Committee Report).

2. Implementation of the Swaminathan Committee MSP Formula- The farmers have also been **demanding the determination of MSP in accordance** with the **Dr M S Swaminathan Commission's report.**

3. Withdrawal from WTO- Farmer's in India are **protesting against the WTO's cap on agricultural subsidies.** Farmers are demanding India's withdrawal from the World Trade Organization (WTO) and freeze on all free trade agreements.

4. Enhanced Compensation during farm land acquisition- The farmers are seeking **four times compensation** and **written consent from farmers** before the land acquisition.

5. Increase in MGNREGA wages- Indian Farmers are demanding the **linkage of MGNREGA with farming**. They are also demanding to **increase in number of guaranteed work days** to 200 from 100, and daily wages to Rs 700.

6. Assured Pensions- The farmer's in India have also been demanding assured pensions to farmers, to provide safety income-net during the old age.

7. Withdrawal of cases lodged during the Farmer's Protest of 2020-21- Farmers have also cited the reason of non-withdrawal of cases registered during the last farmer's agitation in 2020-21.

What should be the way forward to handle the issue of Farmer's Protest in India?

1. Implementation of a national Price Deficiency Payment Scheme- Both NITI Aayog and Economic Survey have recommended Price Deficiency Payment schemes, in which the government pays the farmers the difference between modal rate (the average prices in major mandis) and the MSPs. **For ex-** Price deficiency payment schemes of **Madhya Pradesh (Bhavantar Bhugtan Yojana)**, **Haryana (Bhavantar Bharapai Yojana)** can be launched as Central Sector Scheme.

2. Interest free loans to small and Medium Farmers- Interest-free lending to small and medium farmers will help them in **countering the rising cost of production** and will make the **agriculture sector more remunerative**.

3. Promotion of Co-operative Farming- Governments must provide all possible assistance for cooperative farming and cooperative-owned agro-processing industrial units. **For ex- Success of 68,000 landless women's cooperatives operating in Kerala** whose net economic profit is five times more than other agricultural organisations.

4. Gradual expansion of crops under MSP- The government must gradually expand the list of crops eligible for MSP support, to **encourage crop diversification** and **reduce the dominance of rice and wheat**. This will provide farmers with more choices and promote the cultivation of crops in line with market demand.

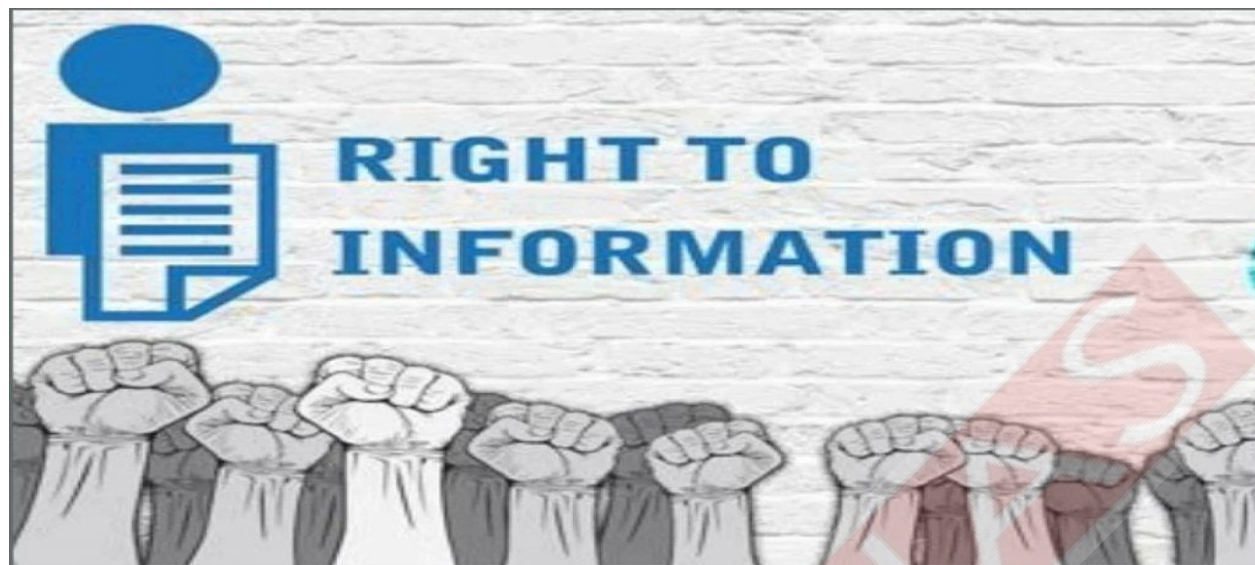
5. Support to the Farmer's Producers Organisations (FPOs)- Adequate financial support to FPOs, would result in better price realisation for farmers. **For ex- Aim to replicating the success of AMUL in agriculture through FPOs.**

Read More- [Down to Earth](#)

UPSC Syllabus- GS 3- Issues related to Indian agriculture

Right to Information- Explained Pointwise

Right to information is in news after the Supreme Court (SC), **stuck down the Electoral Bonds Scheme**, citing the **violation of Right to information under Article 19(1)(a)** of the constitution. SC, through its recent judgement on the Electoral Bonds Scheme, has **reaffirmed the importance** of the principle of **Right to Information Act in India** in **ensuring robust functioning of the Indian democracy**.



Source- The Daily Guardian

What is Right to Information? What is the Philosophical basis of the Right to Information?

Right to Information- The right to information is the right which ensures that the public become 'citizens' rather than becoming 'subjects' in a democratic state, by having unhindered access to the flow of information regarding the functioning of the different arms of the government- legislature, executive and judiciary.

Philosophical Basis of Right to Information- The philosophical basis of Right to Information can be found in the thoughts of Aristotle. According to Aristotle, Liberty and equality, which are the foundational values of Democracy, can be attained only by the citizen's unhindered right to attain information about the functioning of the government. The information available to each person and society at large shapes individual personality, political and social identity, and economic capability.

Recognition in International Law-

a. Recognised as Foundational Principle of UN- The United Nations (UN) recognised this right from the start, in 1946. The General Assembly resolved that Freedom of Information is a fundamental human right and the touchstone for all freedoms to which the United Nations is consecrated.

b. Recognition in the International Covenant on Civil and Political Rights- The right to Information was made a legally binding obligation after its affirmation in Article 19 of the International Covenant on Civil and Political Rights.

As a result, the right to access information has been firmly enshrined in international human rights law.

What is the history of the constitutional recognition of Right to Information in India?

The Right to information has not been mentioned explicitly as a fundamental right in the constitution. SC has held Right to Information (RTI) to be a derivative of Article 19 (1) (a) which grants the freedom of speech and expression. RTI is also linked to the Indian constitution's Right to Life and Personal Liberty (Article 21).

State of U.P. v Raj Narain (1975)	SC held that the right is implicit in the right to freedom of speech and expression, explicitly guaranteed in Article 19 of the Indian Constitution.
S.P. Gupta v. President of India (1982)	SC asserted the right of the people to know about every public act and the details of every public transaction undertaken by public functionaries.

People's Union for Civil Liberties v. Union of India case	SC elevated the status of right to information to a human right and linked it to right to life enshrined in Article 21 of the Constitution.
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Legislative Recognition- The RTI movement by **Mazdoor Kisan Shakti Sangathan (MKSS)**, and judicial emphasis on RTI, compelled the Parliament to enact the **Right to Information Act in 2005**.

RTI Act 2005 aims to provide a practical regime for citizens to obtain information from public authorities, as well as to promote transparency and accountability in the work of all public authorities.

Read More- [RTI Act: Benefits and Concerns – Explained, pointwise](#)

What is the significance of the Right to information?

1. Exposing corruption- RTI has been used as a weapon to expose the issues of corruption, nepotism and favouritism in India. **For ex- CWG scam, coal allocation scams were exposed** through the use of this **right exercised under the RTI Act, 2005**.

2. Ensuring transparency in functioning of the executive- This right has been used to enhance the transparency in the functioning of different government departments. **For ex- Public Distribution System transparency in UP**.

3. Strengthening of Democracy- This right has provided the citizens the **right to ask questions** and **the right to get answers from the public authorities**. This has strengthened democracy in India through active participation of the public.

4. Change in Govt work culture from secrecy to openness- The use of the right to information has mandated officials in every office to change their attitude and duty from **one of secrecy** to **one of sharing and openness**. **For ex- Maintenance of public records**.

5. Teeth to judiciary to invalidate laws encroaching fundamental rights- This right has given more teeth to judiciary to invalidate laws which promote veil of secrecy and encroach fundamental rights. **For ex- Recent invalidation of the Electoral Bonds scheme which promoted anonymity in political funding**, on the grounds of violation of the right to information.

What are the challenges to the right?

1. Misuse of the right- Sometimes the different types of information sought has no public interest and has been used to misuse the law and harass the public authorities. **For ex- Attainment of publicity by filing RTI** and a **vindictive tool** to harass or pressurize the public authority.

2. RTI vs Official Secrets- There are certain Govt functions which demand a veil of secrecy for protection of national interest and maintenance of public order. **For ex- Demand of Right to information about Rafael Aircraft procurement**, which could have led to the public availability of information about its specifications. This could be utilised by hostile neighbours to counter the advantages.

3. RTI vs Right to Privacy- RTI and the right to privacy conflicting to each other in certain cases. This conflict has been used to draft certain contentious legislations and schemes. **For ex- Govt defence of the denial of information in the electoral bonds scheme on the grounds of protection of donor's privacy**.

4. Low awareness level- Awareness level about this right is low, especially among the **disadvantaged communities** such as **women rural population, OBC/SC/ST population**.

5. Executive's apathy- The right has been subjected to executive's apathy in recent times. **For ex- The RTI Amendment Act 2019, which downgraded the powers and position of the CICs and ICs**.

6. Non- application on Political Parties- The right cannot be exercised to seek information from the political parties. Political parties are the pillars of Indian democracy. **The non- application of the RTI on political parties pose a grave threat to Indian democratic setup.**

What should be the way forward?

1. Re-affirmation of the right to information as a cardinal virtue of democracy- The SC through its verdicts, **like in the case of electoral bonds**, must re-affirm the right of information as a cardinal virtue of democracy.

2. Making the information available in local languages- The information associated with the RTI Act and its functioning **must be made available in the local language**, considering the diverse nature of our country.

3. Education about the right- Education about the right to know **should be made mandatory at the school level in our new education policy** to develop a sense of responsibility and vigilant citizenship in the forthcoming generation.

4. Making RTI applicable on Political parties- The parliament **must bring the Political parties under the ambit of RTI** to ensure proper functioning of the Great Indian democracy.

Read More- [India Today](#)

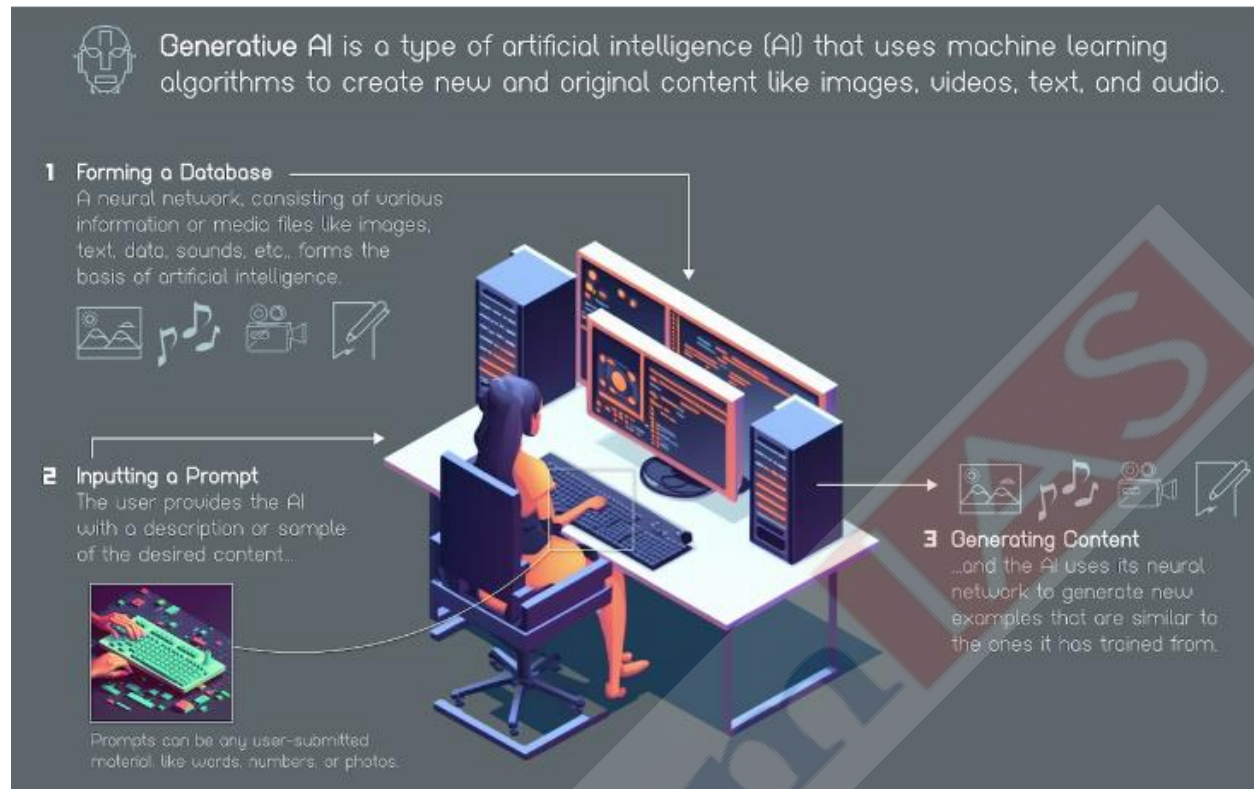
UPSC Syllabus- GS 2- Governance- Issues related to transparency and accountability

[Yojana Feb 2024 Summary] Generative AI (Artificial Intelligence)- Explained Pointwise

After the introduction of ChatGPT, the **focus of numerous governments, corporations, and businesses** has shifted towards Artificial Intelligence, particularly in the **realm of generative AI**. The mainstream recognition of generative AI technology began to gain traction in November 2022 with the launch of ChatGPT by OpenAI. As per various reports, the market for generative AI is likely to **double every two years** in the coming decade.

What is Generative AI? Where does Generative AI fit in the AI discipline?

Generative AI- Generative AI is a **type of artificial intelligence technology** that can produce various types of content, including text, imagery and audio. The **term 'Generative'** refers to the **ability of the models to create new data** based on certain input parameters. **For ex-** A generative model is used to generate facial images by providing a set of parameters such as the eyes, hair, or skin colour etc.



Source- WEF

Relation between AI, Machine Learning, Deep Learning & Generative AI

Artificial Intelligence (AI)	AI is a discipline which focuses on formulating theories and methodologies for constructing machines that emulate human thought processes and behaviours.
Machine Learning (ML)	Machine learning is a subfield of Artificial Intelligence. ML involves the development of programs that train models using accessible data from sources such as webpages, articles, books, etc. These trained models are then used to make useful predictions for new and never-seen before data . The most common ML method to train the models is the supervised learning method .
Deep Learning	Deep learning is a subset of Machine Learning. Deep learning is a type of machine learning that uses artificial neural networks . These multilayered and interconnected neurons (inspired by the human brain), are used to process complex data and make predictions.
Generative AI	Generative AI is a subset of deep learning. It uses artificial neural networks to process data using supervised learning methods . This large-scale supervised learning technology is termed the Large Language Model (LLM) .

What are the advantages of Generative AI?

- 1. Writing and advertising-** Generative AI is being used as a **brainstorming companion** by the writers. **For ex- Drafting press releases, language translation, creating new advertisements** based on existing ones.
- 2. Reading-** Apart from writing, this technology is used as a reading tool. **For ex- Auto Reading customer mails and segregating them based on complaints.**
- 3. Chatting-** Generative AI is also used for many special-purpose chatbot tasks. **For ex- Government chatbots** to help citizens get access to the right information on various schemes and policies.

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4. Security Services- This AI technology can create front-on photos from photos taken at different angles and vice versa. This can be used in **face identification systems** to secure the **airports, international border check-points** etc.

5. Enhanced capability of Search Engine Services- Generative Artificial Intelligence has the capability to take search engine services to the next level. **For ex- Text to Image translation** to provide search results.

6. Improving Healthcare System- This technology has the potential to revolutionise the healthcare sector by improving the accuracy of diagnosis. **For ex- Conversion of X-ray or any CT scan images to real images** can improve the accuracy of diagnosis.

What are the Challenges with the Technology?

1. Increased Biases- Generative Artificial Intelligence systems can perpetuate and amplify existing biases. These systems can generate biased outputs like offensive language, demeaning imagery, and prejudicial content, if they are trained on biased, non-inclusive data. **For ex- US rights group observation** about an AI-based generative imagery programme showing **images of only white men for the prompt 'CEO'**.

2. Threat of Job Losses- There are fears of job losses as this technology can prove to be more cost-efficient and productive to firms as compared to human capital. **For ex- Customer service jobs are under threat from the AI chatboxes (Zomato's Zia).**

3. Use for Malicious Purposes- Generative AI systems can be used to create content for malicious purposes, such as **deepfakes**, disinformation, and propaganda. Nefarious actors may use AI-generated media to manipulate people and influence public opinion, like **use for Post Truth Doctrine.**

4. Concern over Data Privacy- There are emerging concerns in regard to data privacy in using generative AI technology. **For ex- Use of AI in healthcare involves collecting private information about individuals**, which raises concerns about data privacy.

5. Issues Related to Copyright and plagiarised contents- Generative AI technology has been associated with copyright violations and production of plagiarised content. **For ex- Getty Images has sued Stable Diffusion (Generative AI Company), accusing them of copyright violations.**

6. Limitations in Creativity- Generative AI systems lack creativity, originality and human ingenuity as **they use past data as a template** for future work.

7. Environmental Concerns- AI systems require a lot of computing power, which have grave implications for the environment. **For ex- According to analysts, training a transformer model just once with 213 million parameters can emit carbon emissions equivalent to 125 flights between New York and Beijing.**

What should be the way Forward?

1. De-biasing while training the AI- We must ensure fairness of the information which is being fed into the system, to ensure that AI **doesn't perpetuate** or amplify social biases, like **gender** and **racial biases**.

2. Transparency of information- Users should have transparent information about the limitation and risks of AI.

3. Privacy protection- The user data and confidentiality must be protected to ensure user privacy. **For ex- Strict implementation of data protection laws.**

4. Ethical use of AI- We must ensure that AI is used only for beneficial purposes. The push must be made towards **universal adoption of the Bletchley Declaration** by all the countries.

AI has the potential to give society intelligent guidance on how to approach some of the biggest problems, like climate change and pandemics. In the coming times, AI will contribute to longer, healthier, and more fulfilling lives worldwide if used responsibly.

Read More- [The Indian Express](#)

UPSC SYLLABUS- GS 3- Development in the field of IT

Standing Committee Report on Fintech Sector in India- Explained Pointwise

Recently, the report of Parliamentary Standing Committee on Communications and Information Technology, has **raised certain concerns over the Fintech Sector in India**. The committee has raised concerns about the dominance of fintech apps owned by foreign entities in the Indian ecosystem. It has also **recommended** the **promotion of fintech apps owned by local players**.



- » The recent report of Parliamentary Standing Committee on Communications and Information Technology, has raised certain concerns over the Fintech Sector in India



Status

- » **Dominance of foreign entities** owned fintech companies, apps and platforms
- » Walmart-backed PhonePe (**46.91%**) and Google backed Google Pay (**36.39%**), dominate the Indian fintech sector
- » **Low adoption of Indian fintech apps** with the NPCI's BHIM UPI's share being **0.22%**.
- » **Fraud to Sales Ratio** has remained around **0.0015%** over the last five years



Concerns

- » **Use of Fintech apps for Money Laundering-** Instances of fintech platforms being used for illegal activities, like the **Abu Dhabi-based Pyppl app** involved in money laundering.
- » **Regulatory Challenges-** The dominance of foreign apps makes it challenging for regulatory bodies like RBI and NPCI
- » **Market Imbalance-** UPI commands a high-volume share (**73.5%**) in digital payments but a low value share (**6.67%**)



Recommendations

- » **Implementation and strict enforcement of NPCI's 30% transaction volume cap** for Fintechs
- » **Strengthened regulations** that encompass both local and foreign fintech applications
- » **Multifold penetration of the Digital Payment Market** to achieve overall market equilibrium
- » **Maintain the low fraud to sales ratio** to sustain consumer trust in digital transactions

What is the summary of the Parliamentary Standing Committee Report on Fintech Sector in India?

Major observations of the report

- 1. Dominance of foreign entities owned fintech companies, apps and platforms-** Walmart-backed PhonePe and Google backed Google Pay, dominate the Indian fintech sector. PhonePe commands 46.91% of the market share in volume terms, while Google Pay commands 36.39% of the market share in volume terms.
- 2. Low adoption of Indian fintech apps-** Indian fintech apps are not preferred by the customers for payments. NPCI's BHIM UPI's market share in terms of volume stands at a mere 0.22%.
- 3. Use of Fintech apps for Money Laundering-** Scammers have been using these financial companies to dupe people and launder illegitimate money. For ex- Abu Dhabi-based app called Pyppl, operated by the Chinese investment scammers was used for money laundering in India.
- 4. Fraud to Sales Ratio-** Fraud to Sales ratio represents the total number of fraudulent transactions in comparison to the total number of transactions in a financial year. This ratio has remained around 0.0015%, despite the increase in volume of transactions over the past five years.
- 5. Feasibility of Regulatory Bodies to control local apps over foreign apps-** The committee has also pointed to the feasibility of regulatory bodies such as RBI and NPCI to control local apps as compared with foreign apps. Foreign apps operate in multiple jurisdictions, which makes their regulation challenging.

Major Recommendations of the Report

- 1. 30% volume cap on transactions-** The total number of transactions initiated by any third-party app (like PhonePe and Amazon Pay) individually, should not exceed 30% of the overall transactions made using the interfaces cumulatively over three preceding months. This recommendation is in line with the NPCI's guideline issued earlier.
- 2. Effective regulation of Digital Payment apps-** The committee has recommended effective regulation of Digital payment apps due to the rise of digital platforms to make payments in India.
- 3. Multifold penetration of the Digital Payment Market-** The committee has recommended that existing and new players (banks and non-banks) must scale-up their consumer outreach for the growth of UPI payments through their platforms. This will help us to achieve overall market equilibrium.

What is Fintech? What is the Status of Fintech Sector in India?

Fintech- The term "FinTech" is a contraction of the words "Finance" and "Technology". It refers to businesses that use technology to enhance or automate financial services and processes.

Different Types of Fintechs in India, classified according to their functions

Payment Fintechs	These offer digital payment solutions, such as mobile wallets, online payment gateways, and peer-to-peer (P2P) payments. Ex-Phonepe
Lending Fintechs	These offer digital lending solutions, such as personal loans, business loans, and credit cards. Ex-Lending Kart
Insurance Fintechs	These offer digital insurance solutions, such as health insurance, life insurance, and car insurance. Ex-Policy bazaar
Investment Fintechs	These offer digital investment solutions, such as stock trading, mutual funds, and cryptocurrency trading. Ex-Zerodha

Status of Fintechs in India

- 1. World's 3rd largest FinTech ecosystem-** India is the 3rd largest FinTech ecosystem. **17 Indian Fintech companies** have gained '**Unicorn Status**' as on Dec 2021.
- 2. Highest Fintech Adoption rate-** India's **Fintech adoption rate of 87% is highest in the world**. The world's average Fintech adoption rate is around 64%.
- 3. Growth of Unified Payments Interface (UPI)-** Total UPI transactions **crossed 100 billion mark in 2023** and **commanded a share of 73.5% share of the total digital payments** in terms of volume in FY 2022-23.
- 4. Government's initiatives propelling the Fintech Growth-** The Indian Govt initiatives such as the **JAM trinity, India Stack**, Open Network for Digital Commerce (**ONDC**), Unified Payments Interface (**UPI**), and Central Bank Digital Currency (**CBDC**), have the growth of Fintechs in India.

What are the benefits of the Fintech Sector?

- 1. Promotion of Financial Inclusion-** Innovation driven by Fintech has widened citizen's access to financial services. **For ex- Use of UPI has improved the financial inclusion of small vendors in India.**
- 2. Improved Credit availability-** Lending Fintechs have improved credit availability options for the financially marginalised sections in India. **For ex- Fintechs providing hassle-free loan options to the MSMEs.**
- 3. Improved Customer Experience-** Fintechs have improved the customer service experience in financial sector by employing leveraging big data, machine learning tools. **For ex- Ease of investment in share markets by investment fintechs like Zerodha.**
- 4. Increased FDI inflows and employment opportunities-** The growth of Fintech sector in India has attracted **huge FDI inflows in India**, with 17 fintech companies crossing the valuation of \$1 bn mark. These fintech startups have enhanced formal sector employment opportunities in the Country.
- 5. Social Change and Justice-** Fintech startups have been used as a tool to bring social change and justice. **For ex- Crowdfunding apps like Keto have helped in raising funds for various social causes like health care treatment of poors.**

What are the Challenges with the Fintech Sector In India?

- 1. Increase in Cyber-Attacks on Fintech-** The Fintech startups are vulnerable to cyber-attacks and hacking. According to the CERT-In data, a **total of 13.91 lakh cases of cyber-attacks were reported in India.**
- 2. Data Privacy Issues-** Fintechs face the challenge of maintaining data privacy to prevent the misuse of personal information and financial data. Fintech startups **have not fully complied with the provisions of Digital Data Protection Act.**
- 3. Money Laundering-** There have been reports of Fintechs indulging in Money Laundering activities. **For ex- Abu Dhabi-based payments app called Pyppl, operated by the Chinese investment scamsters was used for money laundering in India.**
- 4. Indulgence in Unethical Financial practices-** The fintech sector in India has been found to be indulged in unethical financial practices like **Illegal Digital Lending, mis-selling of financial products, opaque lending practices, brutal collection methods and customer harassment.**
- 5. Infrastructural Issues-** The sector is marred by infrastructural inadequacies like **slow internet connectivity in rural areas.**

6. Lack of Comprehensive regulatory guideline- Due to the **diverse and dynamic nature** of FinTech Sector, the formulation of a comprehensive regulatory guideline for its regulation and development, has become a major challenge. **For ex- Lack of comprehensive regulatory guidelines for cryptocurrencies based fintechs.**

Read More- [Stocktaking on the fintech revolution](#)

What are the government steps for regulation of Fintech In India?

PSS Act 2007 (Payment and Settlement Systems Act)	It forbids the establishment and operation of any 'payment system' in India without the prior approval of the RBI.
Peer-to-Peer Lending Platform Directions 2017	It defines the lender exposure rules and borrowing restrictions regarding the activities of P2P lending platforms in India.
NPCI Regulations on UPI Payments	NPCI acts as a Quasi regulatory for UPI and Rupay. According to this framework, banks must create money transfer services using UPI platforms.
RBI Regulatory Sandbox Framework 2019	It allows FinTech companies to test their products and services in a controlled environment. This helps in fostering innovation while maintaining regulatory oversight.
RBI Guidelines on Digital Lending 2022	It aims to bring unregulated digital lending players within the RBI's ambit and create a comprehensive framework to protect consumers' data.

What Should be the way Forward?

- 1. Comprehensive legal framework for Fintech Regulation-** RBI must adopt a comprehensive approach to Fintech regulation. **Fragmented and reactionary approach** to regulation **stifles development of fintech sector.**
- 2. Strengthening of Cybersecurity Infrastructure-** Fintech companies must **collaborate with local law enforcement agencies** to address cyber threats specific to the region. Also, **reporting mechanisms for cybercrimes** must be established to encourage users to report any suspicious activities.
- 3. Addressing the Infrastructural issue of slow internet connectivity-** Fintech companies should **enable offline access to financial services** so that users can perform essential transactions with limited or no internet connectivity.
- 4. Compliance Program for Fintechs-** Fintechs should develop a compliance program to ensure their regular compliance with all applicable laws and regulations like the **Personal Data Protection Act.** This will help them avert any crisis in the future like the **PayTM crisis.**
- 5. Increase in customer awareness-** Customer awareness and digital literacy must be increased to help the customers in **making informed choices.**

Read More- [The Hindu](#)

UPSC Syllabus- GS 3- Indian Economy

SC Interim Order on Forest (Conservation) Amendment Act 2023- Explained Pointwise

Supreme Court (SC), in its **interim Order** on the PIL challenging the constitutionality of the Forest (Conservation) Amendment Act 2023, has asked the States and Union Territories (UT) to ensure compliance with the '**definition of Forest**' as laid down in the **TN Godavarman Thirumalpad v. Union of India judgement 1996**.

Rule 16 of the **Forest (Conservation) Amendment Rules, 2023**, mandates the states and UTs to prepare records on forest land, within a year from its notification. **Till the time the records are not prepared**, SC has directed the States and UTs to ensure compliance with the 'definition of Forest' as enunciated in the Godavaram Judgement.

Note- According to the **1996 Godavarman Judgement**- "forest" would include-

(i) any land recorded as "forest" in government records;

and

(ii) any land that satisfied the dictionary definition of forest.

(Oxford Dictionary defines forest as "a large area covered with trees and undergrowth")



SC Interim Order on Forest (Conservation) Amendment Act 2023

- » Supreme Court (SC), in its **interim Order** on the PIL challenging the constitutionality of the Forest (Conservation) Amendment Act 2023, has **asked the States and Union Territories (UT) to ensure compliance with the 'definition of Forest'** as laid down in the **TN Godavarman Thirumalpad v. Union of India judgement 1996**.



SC Interim Order Explained in Detail

- » **Petitioner's Contention-1- Rule 16 of the Forest (Conservation) Rules, 2023**, require the preparation of records on forest land by the states and UTs. **This process of preparation of records is still underway**. The petitioners raised the **apprehension about lands- which are 'forests' as per the Godavarman judgement**- getting diverted for non-forest use in the meantime

SC Order-

(1) **Till the time the records on forest land is not prepared, the States and UTs must ensure compliance with the 'definition of Forest' as enunciated in the Godavaram Judgement.**

(2) Centre has to **submit to a comprehensive record of land registered as 'forest' by expert committees constituted by states and UTs as per the guidelines laid by the TN Godavarman judgement**. The record has to be submitted within a period of two weeks.

(3) The **Expert Committees which have been constituted as per Rule 16 of the 2023 Rules** shall duly bear in mind, the work carried out by the previous expert committees, formed as per the Godavarman judgement. They have the liberty to expand the ambit of forest lands which are worthy of protection.

- » **Petitioners Contention-2-** The petitioners had highlighted apprehensions about the misuse of **Section 5 of the Forest (Conservation) Amendment Act, 2023**. This section **exempts the Zoos and safaris**, from the definition of 'forests'.

SC Order- Any proposal for the establishment of zoo/safaris **shall not be finally approved without the permission of the SC.**

What are the Petitioner's contention and the SC interim order?

Petitioner's Contention-1- Rule 16 of the Forest (Conservation) Rules, 2023, require the preparation of records on forest land by the states and UTs. This process of preparation of records is still underway. The petitioners raised the apprehension about lands- which are 'forests' as per the Godavarman judgement- getting diverted for non-forest use in the meantime.

SC Order-

(1) Till the time the records on forest land is not prepared, the States and UTs must ensure compliance with the 'definition of Forest' as enunciated in the Godavaram Judgement.

(2) Centre has to submit to a comprehensive record of land registered as 'forest' by expert committees constituted by states and UTs as per the guidelines laid by the TN Godavarman judgement. The record has to be submitted within a period of two weeks.

Note- T.N. Godavarman Thirumulpad judgement brought in the concept of 'deemed forests,' or tracts. These tracts were not officially classified as such in government or revenue records. States were asked to constitute expert committees to identify such 'deemed forests.'

(3) The Expert Committees which have been constituted as per Rule 16 of the 2023 Rules shall duly bear in mind, the work carried out by the previous expert committees, formed as per the Godavarman judgement. They have the liberty to expand the ambit of forest lands which are worthy of protection.

Petitioners Contention-2- The petitioners had highlighted apprehensions about Section 5 of the Forest (Conservation) Amendment Act, 2023. This section exempts the Zoos and safaris referred to in the Wild Life (Protection) Act, 1972, from the definition of 'forests'.

SC Order- Any proposal for the establishment of zoo/safaris shall not be finally approved without the permission of the SC.

Read More- [States/UTs must adhere to the forest definition from the Godavarman judgment-SC](#)

What is the Forest (Conservation) Amendment Act 2023?

The Forest (Conservation) Amendment Act, 2023, amended the Forest (Conservation) Act, 1980. Its objective is to promote sustainable development while conserving India's forests and biodiversity.

Land under the purview of the Act- The Act provides two types of land that will be under the purview of the Act-

- (i) land notified as a forest under the Indian Forest Act, 1927 or under any other law,
- (ii) land not covered in the first category but notified as a forest on or after October 25, 1980 in a government record.

Exempted categories of Forest land- Certain types of forest land are exempted from the provisions of the Act, such as:

- (i) Forest land along a rail line or a public road maintained by the government providing access to a habitation, or to a rail, and roadside amenities up to a maximum size of 0.10 hectare.
- (ii) Forest land situated within 100 km from international borders, Line of Control, or Line of Actual Control, for construction of a strategic linear project of national importance and concerning national security
- (iii) Forest land, up to 10 hectares, for constructing security-related infrastructure.
- (iv) Forest land proposed to be used for constructing defence related projects, camps for paramilitary forces, or public utility projects up to five hectares in a left-wing extremism affected area.

Permitted activities in forest land- The Amendment Act adds more activities to the list of permitted activities in forest land, such as:

- (i) zoos and safaris under the Wild Life (Protection) Act, 1972
- (ii) ecotourism facilities,
- (iii) silvicultural operations and
- (iv) any other purpose specified by the central government.

Power to issue directions- The amendment added that the central government may issue directions for the implementation of the Act to any authority/organization under or recognised by the centre, state, or union territory

Read More- [Amendment Act 2023- Provisions](#)

What was the Govt's rationale for the Introduction of Forest (Conservation) Amendment Act 2023?

1. Clarity in Interpretation of Forest Land- With the SC judgement in **Godavarman case**, ambiguities arose in the applicability of FCA to lands that looked like forests, private forest lands, and plantations. The amendment makes the FCA applicable **only to notified forests and lands that were identified as 'forest' in government records.**

2. Fastening of Approval Process- The Forest Conservation Act, 1980 required **consent from numerous authorities at the state and national levels** before engaging in any non-forest activity in an area designated as 'forest.' This approval process was very **difficult and challenging.**

3. Creation of additional carbon sink- There were concerns about the applicability of Forest Conservation Act 1980, on private plantations, after the expanded definition of forest in the **Godavarman Case**. This was **impeding afforestation and tree plantation efforts outside official forest areas**, and was an obstacle in the creation of additional carbon sinks.

4. Development of Security Infrastructure- The amendment will expedite the development of essential security infrastructure, **particularly along international border areas** like the Line of Actual Control (LAC) and Line of Control (LoC), as well as in **notified Left-Wing Extremism regions.**

5. Promotion of Agroforestry- The Amendment encourages private forests and agroforestry projects because these **would not be considered forests under the FCA 1980.**

6. Better forest management- The **inclusion of additional activities** in the forest land, such as **creation of infrastructure for frontline forest staff**, will facilitate a swift response to natural hazards in forested areas.

What are the Concerns with the Forest Conservation Amendment Act 2023?

1. Exclusion of Forest areas from the purview of the original Act- **Section 1A** inserted by the 2023 amendment has **narrowed the expansive definition of 'forest'** given in the **Godavarman judgement**. This amended FCA is only applicable to notified forest land and the land classified as forest as part of Govt record. The Joint Parliamentary Committee (JPC) and the critics have pointed to the **potential exclusion of 28% of India's forests** that lie outside Recorded Forest Areas from the purview of the amended FC Act.

2. Exclusion of fragile ecosystems which require protection- The Amended Act excludes some of India's most delicate ecosystems, by exempting the requirement for forest clearances for security-related infrastructure within 100 km of international borders. These include globally recognized biodiversity hotspots such as the **forests of northeastern India and high-altitude Himalayan forests and meadows.**

3. Concerns about the exemptions granted in Forest Areas- The additional exemptions in the Amended FCA like **construction of Zoo safaris** and **eco-tourism facilities**, raise concerns about potential exploitation of forest resources without adequate environmental scrutiny.

4. Concerns regarding Centralization of Power- The Amended Act has raised serious concerns regarding the enhanced powers of the Central Govt in diversion of forest land for strategic purposes. **States like Nagaland and Sikkim have expressed serious worries** over the potential impact on their territories.

5. Disenfranchisement of local Forest Dwellers- The Amended Act has excluded certain forest areas and **simplified the diversion process of forests for non-forestry use**. This might lead to the disenfranchisement of **local forest dwellers**, who were **provided consultation rights** in case of any forest land diversion by the **Forest Rights Act,2006**.

What Should be the Way Forward?

1. Earliest completion of ground surveys by the expert committee- The **expert committee constituted under Rule 16 of the Act** must ensure to complete its report of recording the forest areas at the earliest.

2. Balance development and conservation- We must try to maintain a balance between development projects and forest conservation. **Environment & social cost of Project should be in line with forest conservation**.

3. Respecting the rights of Indigenous and forest community rights- The **consent of local forest dwellers must be sought** in case of diversion of forest land for non-forest purpose.

4. Specified Definition of Forest- A specified definition of forest must be made **on the lines of Kyoto protocol definition of forests**, which is currently being used for ISFR report.

Read More- [The Hindu](#), [The Indian Express](#)

UPSC Syllabus- GS 3- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment

India-Greece Relations- Explained Pointwise

India-Greece Relations is in news, with the **recent visit of Greek PM Kyriakos Mitsotakis to India**. This is the first visit by a Greek prime Minister to India since 2008.

In August 2023, **after the conclusion of BRICS Johannesburg Summit**, PM Narendra Modi visited Greece, which was any Indian PM's first visit to the country since Indira Gandhi last visited the country in September 1983. **During the visit of the Indian PM, India and Greece elevated their cooperation to strategic partnership**.

Outcomes of the Recent Visit of Greek PM

1. India-Greece **aim to double their bilateral trade** to nearly **\$4 bn by 2030**. The bilateral trade between the two nations stood at \$1.9 bn in 2022-23.
2. Identification of **pharmaceuticals, ports, chemicals, shipping, food, communications** and **defence** as key sectors to help double their bilateral trade.
3. **Establishment of a joint working group** on defence, maritime security, counterterrorism and cybersecurity **to bolster the defence collaboration**.



India-Greece Relations

India-Greece Relation is in news, with the **recent visit of Greek PM Kyriakos Mitsotakis** to India. This is the first visit by a Greek prime Minister to India since 2008.

India-Greece Relations

Historical Phase

1. **Alexander's campaign** started India-Greece Interaction.
2. 2nd century BCE marked a new era of **Indo-Greek cultural exchange** with cultural exchanges in the fields of art, sculpture and architecture.
3. **Bamiyan Buddha, Gandhara school and Greco-Buddhist art** are some prominent examples.

Modern Phase

1. India-Greece established diplomatic relations in **1950**
2. Elevation of relations to **strategic partnership** in **2023**

Areas of Cooperation

Political Cooperation

- a. Regular Exchanges between Heads of State
- b. Greece support to **India's inclusion in multilateral Fora like MTCR**
- c. **participation** of Greece in **India led ISA**

Economic cooperation

- a. Increasing Indian investments in Greece with **GMR bid** to develop **Heraklion airport at Crete Island**.
- b. Consistently increasing bilateral trade. The current bilateral trade stands at **\$1.9 bn in 2022-23**.
- c. Regular interactions between Indian and Greek entrepreneurs at the **Thessaloniki International Fair**.

Defence and security Cooperation

- a. MoU on defence cooperation in **1998** after India's nuclear test
- b. Defence exercise collaboration like '**Blue Flag**', **INIOCHOS-23**

Cultural Cooperation

- Participation in Greek dance and Musical Festivals

Significance

- » **Geo-strategic-** Greece is **India's Gateway to Europe**, Important to counter the rising Chinese Influence in the Mediterranean.
- » **Geo-political-** Cooperation on issues such as **counter-terrorism**, India's bid for **UNSC permanent membership** and **rule based order in seas**.
- » **Economic-** Development of **Indian Shipping Industry**, boost to **India's defence exports** and support of **EU-India Bilateral Trade and Investment Agreement**

Challenges

- » **Global Geopolitical volatility-** Recent escalations of tensions in **Red Sea** disrupts the trade route between India and Greece.
- » **Triad of Turkey, Azerbaijan, and Pakistan in Mediterranean** region challenges the deepening of India-Greece Relations.
- » **Low bilateral trade and investment** challenges the deepening of India-Greece economic relations

Way Forward

- » **Early finalization of Mobility and Migration Partnership Agreement (MMPA)** will facilitate **skilled migration** between the two countries
- » **Extensive Military Cooperation memoranda** will lay the basis for **joint exercises, technology** and **intelligence sharing**
- » **Robust Connectivity** by establishment of **more direct flights** between the two countries

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What is the history of India-Greece diplomatic relations?

India and Greece have a long history of cultural and political interactions that dates back to ancient times. There has been gradual evolution in relations from the ancient to the present times.

<h3>Historical Phase</h3>	<ol style="list-style-type: none"> 1. India-Greece ancient interactions, started with Alexander's campaign in the 4th century BCE. 2. Edicts of Ashoka mention the diplomatic, trade and cultural relations between Seleucus I and Chandragupta Maurya. 3. 2nd century BCE marked a new era of Indo-Greek cultural exchange with the establishment of rule of Greek rulers Demetrius I and Menander I in the northwestern India.
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	4. Indo-Greek Period witnessed cultural exchanges in the fields of art, sculpture and architecture . Bamiyan Buddha, Gandhara school and Greco-Buddhist art are examples of ancient cultural exchanges between India and Greece.
Modern Phase	1. India and Greece established diplomatic relations in May 1950 . India opened its resident Embassy in Athens in March 1978. 2. India and Greece elevated their cooperation to strategic partnership in 2023 .

What is the significance of India-Greece relation?

Greece holds a lot of significance for India. Hence, there has been a constant push to deepen the relationship between India and Greece.

Geostrategic Significance

- 1. Gateway to Europe-** Greece with its **Piraeus port** in the **Aegean Sea**, offers **locational advantage** to become a key Player in the **recently launched IMEC corridor** and serve as India's gateway to Europe
- 2. Countering Chinese Influence in the Mediterranean-** India's growing connections with Greece serve as a countermeasure against China's expanding influence in the Mediterranean region.
- 3. Countering trilateral alliance of Azerbaijan, Pakistan and Turkey in the Mediterranean-** India's deepened relationship with Greece and Armenia will help in the formation of a new trilateral alliance to **counter** the threats posed by the increasing dominance of the **trilateral alliance of Azerbaijan, Pakistan and Turkey**.
- 4. Interconnected Regional Stability-** The security of the East Mediterranean and the Indian Ocean regions are interlinked, emphasizing the importance of the Greece-India partnership in global stability.

Geopolitical Significance

- 1. Anti-Terrorism Stand-** Greece has stood firmly with India on the **issue of Kashmir** and **Pakistan-sponsored terrorism**.
- 2. Common vision on International Political Issues-** India and Greece share common approach on many initiatives, including **UN reforms** and the **Cyprus issue**.
- 3. Shared vision of Rule based order in the seas-** Both India and Greece, share the same vision of a **free, open and rules-based** Mediterranean Sea and Indo-Pacific, in accordance with the provisions of the UNCLOS.

Geo-Economic Significance

- 1. Development of Indian Shipping Industry-** According to the International Trade Administration, Greece shipowners **own roughly one-fifth of the world's shipping fleet**. India's partnership with Greece in the shipping domain, will help **India in modernizing its shipping industry** and will create investment opportunities for Indian firms in Greek Ports.
- 2. Support for Economic Cooperation with EU-** Greece's support of **EU-India Bilateral Trade and Investment Agreement**, will help India in furthering its economic cooperation with EU.
- 3. Boost to India's Defence exports-** With Greece's plans of **upgrading its military arsenal by investing €10 billion** in the procurement of sophisticated aircraft and armaments, has created an opportunity for India to emerge as a major defence supplier.

What is the present area of Cooperation between India and Greece?

Political Cooperation

1. Regular Exchanges between Heads of State- India and Greece have maintained cordial diplomatic ties by regular diplomatic engagements. Recent visits of premier of both the countries within the span of a year.

2. Support to India's inclusion in multilateral Fora- Greece has supported India's bid for inclusion in the NSG in 2008 and for inclusion in the MTCR, Wassenaar arrangements and Australia Group in 2016.

3. Participation in India led ISA- Greece has **ratified** the **Framework Agreement** on the **International Solar Alliance** (ISA).

Economic Cooperation

1. Increasing Indian investments in Greece- Indian investments have increase in Greece's program of privatization of public assets. **For ex- GMR Group** has tendered a bid for upgradation and management of **Heraklion airport** at **Crete Island**.

2. Increasing Bilateral Trade between India and Greece- The bilateral trade between the two nations has been increasing consistently, with the bilateral trade standing at \$1.9 bn in 2022-23.

a. Main items of export from Greece to India are cotton, scrap (mostly aluminium, ferrous, copper and lead), marble and granite and calcium carbonate.

b. Main items of exports from India to Greece comprise petroleum products (jet fuel), automobile components and automobiles (cars and SUVs), flat rolled steel items etc.

3. Regular interactions between Indian and Greek entrepreneurs- Indian entrepreneurs, assisted by ITPO and Ministry of MSME, regularly participate in the **Thessaloniki International Fair** held every year in northern Greece.

Defence and security Cooperation

1. MoU on Defence Cooperation- India and Greece have signed MoU on defence cooperation in 1998, after India's nuclear weapon test.

2. Defence exercise collaboration- Indian and Hellenic Air Forces (Greece Airforce) participated in the '**Blue Flag**' exercise held in Israel in 2021. Indian Air Force has also participated in the **multinational air exercise INIOCHOS-23** hosted by the Hellenic Air Force with four Su-30 MKI and two C-17 aircraft.

Cultural Cooperation

1. Participation in Greek dance and Musical Festivals- Cultural groups sponsored by **ICCR** regularly **participate in Greek dance** and **music festivals**. ICCR also offers one scholarship every year to the Greek students to study in India.

2. Promotion of Indian Culture in Greece- Several organizations like **Indo-Hellenic Society for Culture and Development (ELINEPA)**, **Shantom Indian Dance Center**, **Art of Living Hellas**, **Brahma Kumari Center**, are active in propagation and promotion of Indian culture in Greece.

Read More- [Factors responsible for strengthened relationship between Greece and India](#)

What are the Challenges in India-Greece Relations?

1. Global Geopolitical volatility- The deepening of India-Greece relations is challenged by the recent global geopolitical volatilities. **For ex- Recent escalations of tensions in Red Sea**, which disrupts the trade route between India and Greece.

2. Triad of Turkey, Azerbaijan, and Pakistan in Mediterranean region- India's growing ties with Greece face the challenge of triad of Turkey, Azerbaijan, and Pakistan, who have been **working to extend** their **geopolitical influence** in **the Mediterranean, Middle-east and Central Asian region**.

3. Low bilateral trade and investment- The low bilateral trade and investment between India and Greece challenges the deepening of India-Greece economic relations.

What should be the way forward for India-Greece Relations?

India-Greece geostrategic and geopolitical relation must be taken forward in the following way, so that India becomes a **major pole of the emerging new international order** uniting **three major seas** (**Mediterranean Sea, Red Sea and Gulf**) and **three continents** (**Europe, Asia and Africa**).

1. Mobility and Migration Partnership Agreement (MMPA)- Early finalization of **Mobility and Migration Partnership Agreement** (MMPA) will facilitate skilled migration, between the two countries.

2. Extensive Military Cooperation memoranda- Extensive military cooperation memoranda will lay the basis for **joint exercises, technology and intelligence sharing**.

3. Robust Connectivity- The connectivity between India and Greece must be enhanced by the **establishment of more direct flights** between the two countries.

4. Educational exchange programmes and Academic collaborations- The university student exchange programmes, cultural exchanges and scholarships must be increased for **increasing the P-P connect** between the two countries.

Read More- [Livemint](#)

UPSC Syllabus- GS 2- India's Bilateral Relations- International Relations

Regional Benches of Supreme Court- Benefits and Challenges- Explained Pointwise

The **debate over the establishment of regional benches of Supreme Court** has been reignited once again. The **Parliamentary Standing Committee** on Personnel, Public Grievances, Law and Justice apprised the Lok Sabha, that the **Law Ministry has accepted its recommendation to establish regional benches of the Supreme Court** across India.

However, the standing committee report also pointed out that the **Supreme Court** has been **"consistently" rejecting the idea** of establishment of regional benches. The matter of regional benches is sub judice with the SC.



Regional Benches of Supreme Court

- » Parliamentary Standing Committee apprised the Lok Sabha, that the Law Ministry has accepted its recommendation to establish regional benches of the Supreme Court across India. However, the SC of India has consistently opposed the idea of regional benches.

Basis of Regional Benches

- » **Constitutional Provision**- The recommendations regarding establishment of regional benches find their root in **Article 130** of the Constitution of India
- » **Recommendations of 18th Law Commission**- It suggested that a Constitutional Bench be set up at Delhi and four Cassation Benches be set up in the **Delhi, Chennai/Hyderabad, Kolkata and Mumbai**.



Benefits

- » **Fulfilment of Constitutional Mandate of Article 39A**- To secure equitable access to justice for all
- » **Reduction of Judicial Pendency**- More than **80,000 cases** are pending adjudication.
- » **Enhanced Focus on Constitutional matters**- SC judges at the Principal court will get **adequate time to pronounce impactful judgments**
- » **Democratisation of the SC Bar**- Will secure greater opportunities for lawyers belonging to different geographical regions. For ex- **Division of the jurisdiction of the Tis Hazari Court** into three different district courts of **Saket, Rohini, and Karkardooma**, has increased opportunities for young judges.

Reasons Behind Demand

- » **Geographical Bias in cases filed before the SC**- The majority of cases are from **High Courts close to Delhi**.
- » **Geographical barrier hindering citizen judicial activism**
- » **Disproportionate impact on Lawyer's careers** who cannot relocate to Delhi
- » **Legal Marginalization of the Underprivileged**
- » **Expensive Affair**- Travelling to New Delhi or engaging in expensive Supreme Court counsel is costly
- » **International examples**- **France, US** have separated the court of appeal and courts of cassation



Objections

- » **Dilution of sacrosanct nature of the Supreme Court**
- » **Issue of Territorial jurisdiction and divergent views of Justice**
- » **Increase in frivolous litigations**
- » **Huge infrastructural Cost**

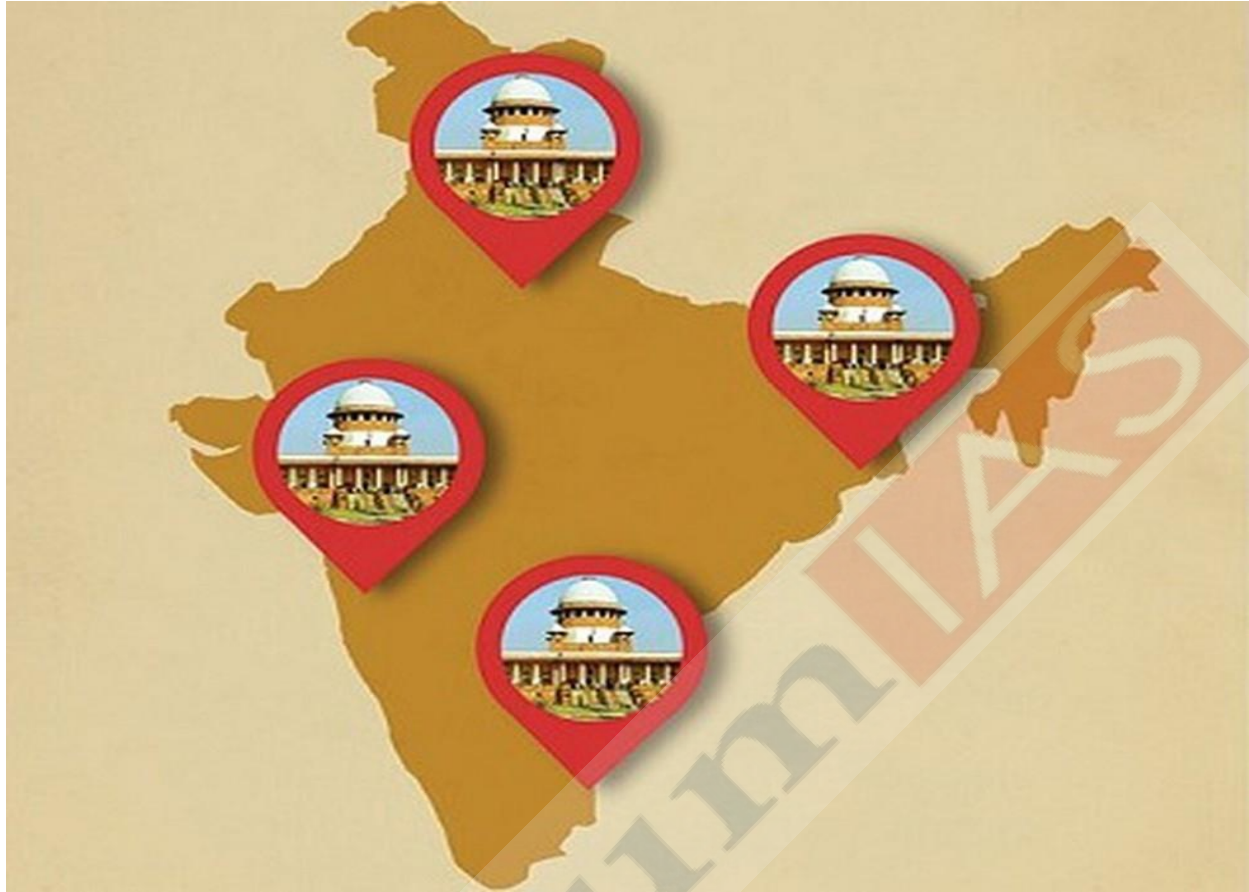


Way Forward

- » **Mechanism for Virtual Hearing in SC**
- » **Mechanism for Filing SLPs**- Admit only **certified SLPs from HC**
- » **Improving the efficiency of the existing courts**
- » **Mechanism for Scrutiny of cases**- **Transfer petitions, arbitral appeals** must be transferred to the HCs

What is the Constitutional Provision for the establishment of regional benches?

Constitutional Provision- The recommendations regarding establishment of regional benches find their root in **Article 130** of the Constitution of India. **Article 130** provides that the **Supreme Court shall sit in Delhi or in such other place or places** as the **Chief Justice of India may, with the approval of the President**, from time to time, appoint.



Source- Governance Now

Recommendations of the Law Commission- The **Eighteenth Law Commission** in its 229th Report suggested that a **Constitutional Bench** be set up at **Delhi** and **four Cassation Benches** be set up in the **Delhi** (Northern region), **Chennai/Hyderabad** (Southern region), **Kolkata** (the Eastern region) and **Mumbai** (Western Region). The cassation bench deals with all appellate work arising out of the orders/judgments of the High Courts of the particular region.

Note- Court of Cassation- Many countries around the world have instituted Courts of Cassation that decide cases involving non-Constitutional disputes and appeals from the lower level of courts. These are courts of last resort that have the power to reverse decisions of lower courts. (Cassation: annulment, cancellation, reversal).

Recommendations of Standing Committees of Parliament- Standing Committees of Parliament in **2004**, **2005**, and **2006**, also **recommended** the establishment of regional benches.

What are the reasons behind the demand for Regional Benches of Supreme Court?

- 1. Geographical Bias in cases filed before the SC-** There exists a geographical bias in cases filed before the SC, as **the majority of** cases before the Supreme Court **are from High Courts close to Delhi**.
- 2. Geographical barrier hindering citizen judicial activism-** Citizen judicial activism has increased in recent years, with more citizens approaching the SC with PILs against the arbitrary or unjust actions of the state. However, the seat of SC only at Delhi, **has created geographical barriers for many citizens to directly approach the Supreme court**.

3. Disproportionate impact on Lawyer's careers- The location of Supreme Court at Delhi has disproportionately impacted the legal careers of lawyers **who cannot afford to relocate to Delhi**.

4. Legal Marginalization of the Underprivileged- The location of SC makes it difficult for extensively underprivileged people living in the remotest areas of the country, as **travelling to New Delhi or engaging expensive Supreme Court counsel** to pursue a case is beyond the means of most litigants.

5. International examples- France, US have **separated the court of appeal and courts of cassation**, which has reduced the burden on their top-most judiciary.

What will be the advantages of these regional benches of Supreme Court?

1. Fulfilment of Constitutional Mandate of Article 39A- Article 39A of the constitution provides for **the state to secure equitable access to justice for all**. The regional benches will help in ensuring that justice reaches the doorsteps of citizens.

2. Reduction of Judicial Pendency- **More than 80,000 cases** are currently pending adjudication in the **overburdened Supreme Court**. The establishment of regional benches will increase the number of judges as well as lawyers in the SC and will boost the rate of case disposal.

3. Enhanced Focus on Constitutional matters- The **principal bench in Delhi can exclusively focus on constitutional matters**, while the regional benches can discharge appellate functions. The SC judges at the Principal court **will get adequate time to properly scrutinise and pronounce impactful judgments** in constitutional matters.

4. Democratisation of the SC Bar- The setting up of regional benches of SC, would lead to democratisation of the SC Bar by securing greater opportunities for lawyers belonging to different geographical regions. **For ex-Division of the jurisdiction of the Tis Hazari Court** into three different district courts of **Saket, Rohini, and Karkardooma**, has **increased opportunities for young judges**.

What are the arguments against the idea of Regional benches?

1. Dilution of sacrosanct nature of the Supreme Court- Critics argue that the idea of setting up regional benches will lead to Balkanization of the Supreme Court and **lessen the binding force of the decisions** of the Supreme Court.

2. Issue of Territorial jurisdiction and divergent views of Justice- The regional benches can create conflict by **interfering in the territorial jurisdiction of the HCs**. Also, there are challenges of **emergence of divergent views** which may adversely affect our justice system.

3. Increase in litigations- There are concerns regarding the increase in litigation due to **frivolous petitions** being filed with easier access to justice.

4. Huge infrastructural Cost- The establishment of regional benches of SC entails huge infrastructural cost in terms of **Money and Human resources**.

What should be the way forward?

Since the matter of regional benches is sub-judice, in the meantime we can adopt the following measures to enhance citizen's accessibility to Justice from the SC.

1. Mechanism for Virtual Hearing in SC- Virtual hearings by can well be an alternative to regional benches. A mechanism for virtual hearing in the SC can be put in place, where **preliminary and admission hearings** are conducted virtually, while the **final hearings are conducted physically**.

2. Mechanism for Filing SLPs- Special Leave Petitions (SLPs) constitute over 90% of the Supreme Court's case docket. A mechanism should be put in place where the Supreme Court would admit only those SLPs, which have been certified by the concerned High Courts.

3. Improving the efficiency of the existing courts- The judicial vacancies, Judicial infrastructure and Judicial Processes must be streamlined, would reduce the problem of Judicial pendency. For ex- All-India Judicial Service to boost the quality of judicial appointments.

4. Mechanism for Scrutiny of cases- The SC must also put in place a mechanism for scrutinising the types of petitions that are permitted to be admitted in the top court. Transfer petitions, arbitral appeals must be transferred to the respective HCs.

5. Retain the exclusive jurisdictional powers with the Principal SC- The principal bench of SC at Delhi must retain its original jurisdiction under Article 131, its advisory jurisdiction under Article 143, and its writ jurisdiction under Article 32 of the Constitution, even if the regional branches are established.

Read More- [The Hindu](#)

UPSC Syllabus- GS 2- Issues related to Judiciary

[Kurukshetra Feb 2024 Summary] Food Storage Infrastructure- Explained Pointwise

A resilient food storage infrastructure holds the key to agri-food systems sustainability in India. It will ensure food and nutrition security for our future generations, and also help us achieve our socio-economic, and environmental development goals.



Source- Yojana

Table of Contents

What is Food Storage Infrastructure Systems?
 What is the importance of Food Storage Infrastructure System?
 What are the Govt Initiatives for Food Infrastructure in India?
 What are the Challenges in the Food Storage Infrastructure?
 What should be the way forward?

What is Food Storage Infrastructure Systems?

Storage Infrastructure- Storage infrastructure plays a critical link in the whole system of food grains procurement to its distribution for consumption.

Types of Storage Infrastructure in India

Traditional Storage Structures	Storage	Kanaja, Kothi, Sanduka, earthen pots, Gummi and Kacheri are different types of traditional storage infrastructure in India. 60-70% of grains are stored on the farm in these traditional structures.
Modern structures	storage	Warehouses and farm silos are the modern storage structures used in India. These are scientific in nature, especially constructed for the protection of quantity and quality of stored products.

What is the importance of Food Storage Infrastructure System?

- Avoiding the Post Harvest Losses-** As per **NABARD study**, there are large post harvest losses in the agricultural and allied sectors (**Cereals~4-6%**, **Pulses~6%**, **Fruits~6-15%**). The use of scientific food storage methods can reduce the post harvest losses to as **low as 1%-2%**.
- Food Security for the large Indian Population-** India's population is projected to **grow to 1.64 billion by 2047**. Strengthened storage infrastructure will help to meet the food demand of the population and **creation of sustainable food system**.
- Preventing Collapse of Food Supply System-** Resilient food storage system will help in preventing a collapse of the food system in the advent of **natural calamities (flood, droughts)** and outbreak of pandemics like **COVID-19**.
- Economic Support to farmers-** The storage infrastructure provides economic support to farmers by ensuring better prices for their produce by **reducing the need for distress sales**.
- Employment generation-** The construction and operation of these storage facilities help in generating **local rural employment**, thereby boosting rural economies.

What are the Govt Initiatives?

Integrated Cold Chain and Value Addition Infrastructure scheme	The cold storage capacity of 8.38 lakh MT has been created under this scheme.
National policy on Handling, Storage and Transportation of Food Grains (2000)	This policy promoted the participation of the private sector in building warehouses and storage infrastructures.
Food Corporation of India (FCI) schemes	FCI schemes like private Entrepreneurs Guarantee (PEG) Scheme, Hiring of godown through Private Warehousing Scheme (PWS) have helped in the creation of 1923 warehouses (Owned/Hired) with a capacity of 371.93 LMT for storage of Central Pool food grains.
World's Largest Grain Storage Plan in Cooperative Sector	The plan entails creation of various agri infrastructure at the Primary Agricultural Credit Societies (PACS) level, like setting

	up decentralised godowns, custom hiring centres, processing units, Fair Price Shops etc. through convergence of various existing schemes of the Government of India (GoI) under different Ministries.
Primary Agricultural Credit Societies (PACS)	PACS has a huge member base of more than 13 crore farmers. NABARD is extending financial support to PACS to create agriculture infrastructure.
Tax Benefits	The Income Tax Act, 1961 allows for a deduction of up to 150% on expenditures incurred towards setting up cold storage . The setting up of cold storage is also exempt from service tax and excise duty.

What are the Challenges in developing Storage Infrastructure?

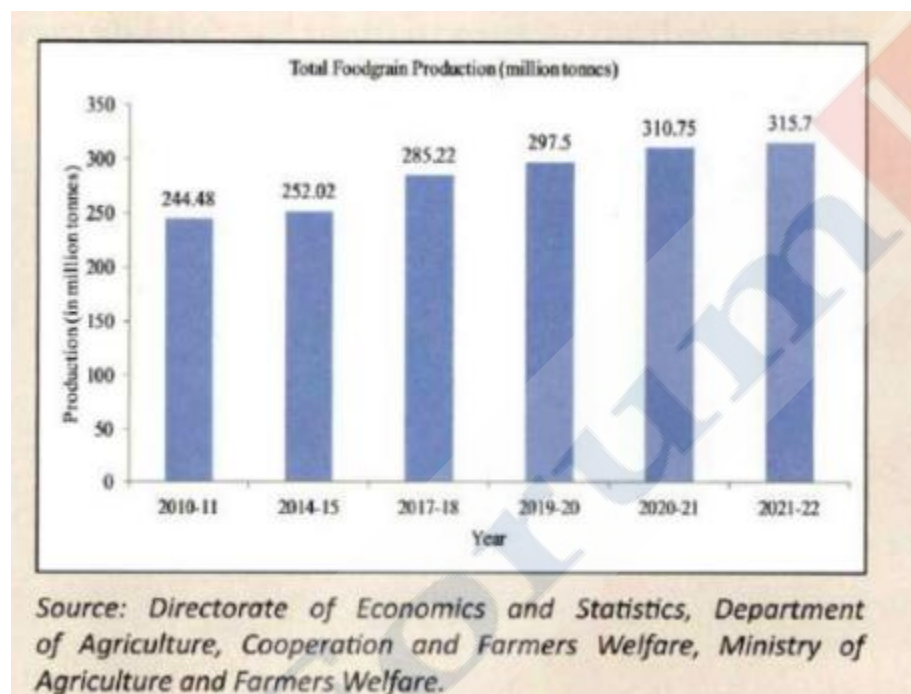


Figure 1. source- Yojana

1. Shortage of Storage Infrastructure- There is shortage of **storage infrastructure in India** to the tune of **166 MMT**. (The total food grain production in India is about 311 MMT and total Storage Capacity in India is only 145 MMT).

2. Prominence of traditional storage infrastructure- **60-70% of grains are stored on the farm in traditional storage infrastructure**. However, this Indigenous storage structures are not suitable for storing grains for very long periods.

3. Inefficiency of PACS

and agricultural cooperatives- The Primary Agricultural Credit Societies and the agricultural cooperatives **suffer from inefficient capacity in executing storage infrastructure** works. **For ex-** Only about 63,000 out of 1 lakh PACS are currently operational in India.

4. Low Private and Govt investment- Despite the focus of government on creation of modern storage infrastructure, the **low CAPEX in the annual budget** and less private investment has dampened the pace of development of storage infrastructure.

5. Low Skill Levels- The Indian youth lack the necessary skills to operate and manage these advanced storage facilities.

What should be the way forward?

1. Promotion of decentralised local storage systems- The promotion of **decentralised local storage system** will reduce the wastage of food grains, strengthen food security and prevent distress sales by farmers.

2. Increasing investment in the post-harvest infrastructure- Efforts must be made to increase investment in **modernisation of warehousing**, logistics, cold chain, food processing, and integrated value chain development

3. Modernization of the existing storage to include horticultural crops- The existing warehousing infrastructure must be modernised to **include perishable commodities** like fruits, vegetables, milk, meat, fish, etc., which have high post harvest losses.

4. Exploration of PPP and FPO route- The PPP and FPO route must be explored to **create modern storage systems** in India.

5. Training and Skill Development- The youth must be made skilful by training them in creation and maintenance of modern storage systems in India.

**Read More- [The Hindu Businessline](#)
UPSC Syllabus- GS 3- Indian Agriculture**

[Yojana Feb 2024 Summary] Cyber Security Challenges in the Era of AI- Explained Pointwise

As India embraces AI, unique cyber security challenges are emerging in the era of AI, like **sophisticated cyberattacks** and **automated malware development**. However, **integration of AI responsibly into cyber security solutions** can also be a game-changer, like **automation of cyber threat detection and response**. A rapidly growing digital economy like India requires a proactive approach to address these emerging cyber security threats due to the use of AI.



Source- Yojana

What are the Cybersecurity challenges in the era of AI?

In a study by Deloitte, '**Cybersecurity vulnerabilities/Challenges**' emerged at the top of the list of concerns about various types of AI risks associated with AI.

Cyber security challenges associated with AI-

Creation of Malware	AI tools can easily create new malware that contains new zero-day vulnerabilities or bypass detection.
Phishing Attacks	AI can be used to create new, sophisticated and targeted phishing attacks like intrusions or generation of new hacking tools.

Deepfakes	AI can be used to create Deepfakes that can be used to convince victims in social engineering attacks .
Missed threats and False Positives	Since the AI often relies on incomplete and biased data sets , it can create a false sense of security by creating false positives .

What are the challenges to Cybersecurity in India due to AI?

- 1. Vulnerability of critical Infrastructure-** The vulnerability of India's critical infrastructure (**power grids, transportation systems, and communication networks**) to AI induced cyberattacks, can disrupt essential services and endanger public safety and national security. **For ex-** Cyberattack on **Kudankulam Nuclear Power Plant**.
- 2. Threat to robust Financial system-** Indian Financial system has **large cyber presence** today with the **increased use of digital payments** and online banking systems. However, AI powered malware attacks pose **threats** like **financial losses** and **identity theft** to the robustness of financial systems in India. **For ex-** **Malware attack on the City Union Bank's SWIFT system** in March 2020 leading to unauthorised transactions worth USD 2 million.
- 3. Data Breaches and privacy concerns-** Cyber attacks increase the risk of data breaches, where **hackers access** and **leak sensitive information**. These can have serious consequences for the **privacy** and **security of individuals** and **organisations**.
- 4. Cyber Espionage-** India can be a target for cyber espionage activities that aim to steal confidential information and gain a strategic edge. **For ex-** **Operation Side Copy**, a cyber espionage campaign targeted Indian military and diplomatic personnel with **malware** and **phishing emails**.

What are the reasons behind AI becoming a threat to Cybersecurity of India?

- 1. Fragmented cybersecurity infrastructure-** In India, the responsibility for ensuring cybersecurity, is distributed across various government agencies and private entities. This leads to a lack of coordinated and comprehensive strategies. **For ex-** Multiple agencies for cybersecurity in India like **Indian Cyber Crime Coordination Centre (I4C)**, **Computer Emergency Response Team-India (CERT-In)** and **National Critical Information Infrastructure Protection Centre (NCIIPC)** which sometimes lead to fragmented responses.
- 2. Apathy towards Data privacy-** Despite the passage of **Digital Personal Data Protection Act 2023**, the private and government entities have not implemented the secured cyber systems to prevent the leak of personal data. **For ex-** **The recent ban on PayTM payments bank** highlights the data privacy concerns.
- 3. Large digital divide-** A significant portion of the population lacks access to digital literacy and awareness. This makes them **vulnerable** to **phishing attacks** and **online scams**.
- 4. Skill Shortage-** India faces a shortage of **qualified cybersecurity professionals**, which hinders effective threat detection and response capabilities.

How Focus on AI integration can be a game changer for Cyber security in India?

Integrating AI responsibly into cybersecurity solutions can be a game-changer for India in the following ways-

- 1. Threat detection and response-** AI-powered systems can **analyse network traffic, user behaviour, and system logs** to identify anomalies and potential threats in real-time. This will enable **faster response** in times of cyberattacks and minimising damage.

2. Vulnerability management- AI can automate vulnerability scanning and patching. This will help in ensuring that systems are constantly updated and protected from known exploits.

3. Financial Fraud prevention- AI can analyse financial transactions and **identify suspicious patterns** to **prevent online fraud** and **financial theft**.

4. Cybercrime investigation- AI can assist in **analysing forensic data**, **identifying attackers**, and **predicting future attack patterns** to improve cybercrime investigations.

What Should be the Way forward to use AI to bolster cybersecurity in India?

India needs to adopt a multipronged approach to use AI as a means to bolster cybersecurity in India. The following should be the way Forward-

1. Building a robust cybersecurity ecosystem- This must include **strengthening government agencies like CERT-IN**, **promoting public-private partnerships**, and **fostering collaboration among stakeholders**.

2. Investing in AI-powered cybersecurity solutions- While there are chances of misuse of AI, however, **AI also holds immense potential for proactive threat detection** and response. Scaling up the investment in research and development of secure AI solutions is crucial to bolster India's cybersecurity.

3. Promotion of digital literacy and awareness- Educating the public about **cyber hygiene**, **online scams**, and **data privacy practices** are essential to build a resilient digital society.

4. Developing a strong legal framework- India needs to enact **robust cybersecurity laws** and **regulations to deter cybercrimes**, protect critical infrastructure and ensure data privacy.

5. Investing in cybersecurity training and skills development- We must aim to address the skill shortage by providing **training programs** for long term cybersecurity preparedness.

The government, private sector, academia, and civil society must come together to build a **robust cybersecurity ecosystem**, **promote responsible AI development** and empower individuals to safely navigate the digital world.

Read More- [The Indian Express](#)

UPSC Syllabus- GS 3- Emerging technologies- Artificial Intelligence

Primary Agricultural Credit Societies (PACS)- Explained Pointwise



The Government of India (GOI) has been placing its emphasis on the cooperative sector, particularly on the **Primary Agricultural Credit Societies (PACS)** for the rejuvenation of Indian Agricultural Sector. GOI, has crafted a central role for PACS, in the execution of the **world's largest grain storage infrastructure project of 700 lakh metric tons**.

Govt has also started the process of **modernisation of PACS** by **allocating Rs 2,516 crore** for **digitization** of **63,000 Primary Agricultural Credit Societies (PACS)** over the **next five years**. The formation of Ministry of Cooperation is indicative of the priority of government, on the cooperative sector in India.

What are Primary Agricultural Credit Societies (PACS)?

PACS- PACS are the cooperative credit societies at the Village level. They are the last link, at the village level, in the rural cooperative banking structure in India.

Structure of Cooperative Banking in India

Cooperative Banks in India			
Rural Cooperative Banks		Urban Cooperative Banks	
Short Term	Long Term	Schedule d	Non-Scheduled

<p>1. State Cooperative Banks (StCBs)- State level</p> <p>2. District Central Cooperative Banks (DCCBs)- District level</p> <p>3. Primary Agricultural Credit Societies (PACS)- Village level</p>	<p>1. State Cooperative and Rural Development Banks (SCARDBs)- State Level</p> <p>2. Primary cooperative agriculture and Rural Development Banks (PCARDBs)- District and Village Level</p>	<p>1.UCBs Operating in a single state- Registered under State Cooperative Societies Act</p> <p>2.Multistate UCBs operating in one or more states- Registered under Multi State Cooperative Societies Act, 2002.</p>
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Functioning of PACS- PACs provide **short-term**, and **medium-term agricultural loans** to the farmers. Credit from the **State Cooperative Banks (StCBs)** is **transferred** to the **District Central Cooperative Banks (DCCBs)**. DCCBs provide credit extension to the farmers through PACS.

What are the advantages of Primary Agricultural Credit Societies (PACS)?

- 1. Extension of Credit to Agriculture-** PACS have the capacity to extend agricultural credit with minimal paperwork within a short time. **For ex-** The **Kisan Credit Card (KCC) scheme**, launched by the government to provide short term agricultural credit, is also facilitated through PACS.
- 2. Solving Farmer's Problems through group/collective strength-** PACS play a colossal role during times of strife like **droughts, agricultural distress** for the small and marginal farmers, by extending them credit and group support.
- 3. Grassroot presence facilitating Financial Inclusion-** As per **RBI report**, there are **1.02 lakh PACS** at the grassroot level (March 2021). PACS offer the last mile connectivity and promote financial inclusion. **For ex-Social security schemes** like **Atal Pension Yojna (APY)**, **Pradhanmantri Suraksha Bima Yojna (PMSBY)** are extended through PACS.
- 4. Agricultural Marketing-** PACS also assist farmers in the marketing of their agricultural produce and provides support in finding better markets. Thus, these help in improving farmers' income and reducing dependency on middlemen. **For ex-** In Kerala, **PACS play an active role** in **marketing cash crops** like **rubber and spices**.
- 5. Training and Capacity Building-** PACS also conduct the training programs on **modern agricultural practices** and **organic farming** for small and marginal farmers.

What are the challenges?

- 1. Inadequate geographical Coverage and representation-** PACS are **largely concentrated** in the **western parts of the country**. There are **numerous exclusions in the membership of PACS**. **For ex-** Lack of adequate women and marginalised community members.
- 2. Inadequate Financial Resources-** Primary Agricultural Credit societies have **low deposit mobilization**, and they are **largely dependent** upon the **devolution from higher financing agencies** like District Central Cooperative Banks and State Cooperative Banks.
- 3. High Losses due to overdues and NPAs-** **As per RBI report**, **out of ~1 lakh PACS**, only **47,297 are in profit**. Large over-dues and NPAs have hit PACS profitability. According to the RBI report, PACS have NPAs of Rs 72,550 cr out of the total lending of Rs 1,43,044 cr.
- 4. Politicisation of PACS-** PACS as a credit institution has been politicised with the **election of dominant local politicians as the chairperson** of PACS. There is a partisan basis of awarding loans.

5. Governance Challenge- PACS are **not under RBI control** and the provisions of Banking Regulation Act 1949 does not apply to them. Further, the small size and scattered nature of these cooperative societies, makes their governance and regulation, a challenge for the regulators.

6. Infrastructural Challenges- These cooperative societies face logistical challenges like **substandard softwares** and **substandard booking keeping systems**, which has made them susceptible to frauds.

What are the Govt schemes for PACS in India?

Model Bye-laws for PACS	Enable PACS to diversify their business activities by undertaking more than 25 business activities like dairy, fishery, floriculture, setting up godowns, procurement of foodgrains, fertilizers, seeds etc.
Computerisation of PACS	This project entails bringing all the functional PACS onto an ERP (Enterprise Resource Planning) based common software, linking them with NABARD through State Cooperative Banks (StCBs) and District Central Cooperative Banks (DCCBs)
World's largest grain storage plan	To address the shortage of agricultural storage infrastructure in the country by creating infrastructure such as godowns, etc. at selected 'viable' Primary Agricultural Credit Societies (PACS) .
Pradhan Mantri Jan Aushadhi Kendras through PACS	2,000 Primary Agricultural Credit Societies (PACS) have been selected across the country to open Pradhan Mantri Jan Aushadhi Kendras

Read More UPSC Topics-

<ul style="list-style-type: none"> • Regional Benches of Supreme Court- Benefits and Challenges- Explained Pointwise
<ul style="list-style-type: none"> • SC Interim Order on Forest (Conservation) Amendment Act 2023- Explained Pointwise

What should be the way Forward?

1. Bringing PACS under RBI- Efforts must be made towards **extension of the provisions of Banking Regulations Act 1949** to PACS, for their effective regulation and decreasing their NPAs.

2. Cooperative Federation for regular audits- A cooperative federation must be formed to conduct **regular comprehensive audits** of these cooperative societies.

3. Upgradation of infrastructure- The provisions must be made for a **common, standardized software, standardized bookkeeping systems**. These must be linked to a central database for proper financial monitoring using artificial intelligence and pattern recognition.

4. Removal of political influence- There is a need to promote **democratization of PACS** elections by **reducing the influence of local politicians** and increasing the representation of women and marginalised groups as chairpersons.

<p>Read More- Indian Express UPSC Syllabus- GS 3- Indian Economy and Indian Agriculture</p>

All India Household Consumption Expenditure Survey 2022-23- Explained Pointwise

Ministry of Statistics and Program Implementation (MoSPI) has released the data of the **All India Household Consumption Expenditure Survey 2022-23**. This data is based on the results of the survey conducted between August 2022 and July 2023.

All India Household Consumption Expenditure Survey (HCES), is a **survey conducted by the NSSO every five years**, to ascertain the household spending habits. However, Govt had junked the last survey results of 2017-18, citing 'data quality issues'. Post that, the survey methodology underwent a revision. Now, MoSPI has been working on **back-to-back surveys** for 2022-23 and 2023-24 to check the robustness of revised methodology and stability of results for consumption expenditure.



1. Increase in Average monthly per capita consumption expenditure (MPCE)

Significance- An increase in the per capita expenditure of households indicates **rising disposable incomes of households, narrowing inequality between rural and Urban areas, and declining poverty levels.**

- Rural per capita consumption expenditure has **increased more sharply** as compared to urban expenditure in the period from 2011-12 to 2022-23.
- Rural per capita consumption expenditure has increased by **164%**. It has increased to **Rs 3,773 in 2022-23** from **Rs 1,430 in 2011-12**.
- Urban per capita consumption expenditure has increased by **146%**. It has increased to **Rs 6,459 in 2022-23** from **Rs 2,630 in 2011-12**.

2. Decline in the Share of Expenditure on Food in both Rural and Urban Households

Significance- The decline in share of food expenditure indicates the **aspirational spending of households** in consumer durables, clothing and footwear, and entertainment.

- The share of expenditure on food has gradually **declined for both urban and rural households.**
- In rural India**, the share of food in the average monthly per capita consumption expenditure (MPCE) has fallen to **46.38% in 2022-23** from **59.46% in 1999-2000**.
- In urban India**, the share of food in the average monthly per capita consumption expenditure (MPCE) has fallen to **39.17% in 2022-23** from **48.06% in 1999-2000**.

3. Share of expenditure on different food items in the food expenditure

Significance- This data helps to ascertain the **amount of money spent for better nutrition** (eggs, fish, meat, fruits and vegetables), **beyond just cereals** (rice, wheat).

- The spending on high-value nutritional items (eggs, fish, meat, fruits and vegetables) has **increased more in rural households** as compared to urban households over the last two decades.

4. State wise Consumption Expenditures

Significance- This data compiles and compares the state wise consumption expenditures.

- Sikkim** has the **highest MPCE** for both rural (Rs. 7,731) and urban households (Rs. 12,105).
- Chhattisgarh** has the **lowest MPCE** for rural (Rs. 2,466) and urban households (Rs 4,483)

Created by Forum IAS

What is the All India Household Consumption Survey?

1. About the Survey- The Household Consumption Expenditure Survey (HCES) is conducted to **gauge household spending habits**. It provides crucial insights into household consumption patterns, their living standards and overall well-being.

2. Interval of the Survey- It is a **quinquennial survey (recurring every five years)**. It is conducted by the National Sample Survey Office (NSSO), (which now comes under the **National Statistical Office** in the **MoSPI**).

3. History of the Survey- The survey has been conducted every five years, **since 1972-73**. The survey results were junked in 2017-18 due to 'data quality issues'. Now, new surveys are being conducted in 2022-23 and 2023-24, according to new methodology.

4. New Methodology- In the new methodology, several new features have been introduced-

a. **Segregation** of the consumption basket into three broad categories- **food items, consumables and services**, and **durable goods**.

b. **Inclusion of questions** seeking inputs on **free items** and **subsidies** under welfare schemes, such as foodgrains.

What are the recent findings of the All India Household Consumption Survey?

1. Increase in Average monthly per capita consumption expenditure (MPCE)

Significance- An increase in the per capita expenditure of households indicates **rising disposable incomes of households, narrowing inequality** between rural and Urban areas, and **declining poverty levels**.

a. **Rural per capita consumption expenditure** has **increased more sharply** as compared to **urban expenditure** in the period from 2011-12 to 2022-23.

b. **Rural per capita consumption expenditure** has increased by **164%**. It has increased to **Rs 3,773 in 2022-23** from **Rs 1,430 in 2011-12**.

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c. **In urban India**, the share of food in the average monthly per capita consumption expenditure (MPCE) has fallen to **39.17% in 2022-23** from **48.06% in 1999-2000**.

Year	Rural	Urban
	% share of food in MPCE	% share of food in MPCE
1999-2000	59.46	48.06
2004-05	53.11	40.51
2011-12	52.9	42.62
2022-23	46.38	39.17

Source- Indian Express

3. Share of expenditure on different food items in the food expenditure

Significance- This data helps to ascertain the **amount of money spent for better nutrition** (eggs, fish, meat, fruits and vegetables), **beyond just cereals** (rice, wheat).

- The spending on high-value nutritional items (eggs, fish, meat, fruits and vegetables) has **increased more in rural households** as **compared to urban households** over the last two decades.
- The **rural household expenditure** on **high-value nutritional items** has **increased to 14%** in 2022-23 from **11.21%** in 1999-2000. The **expenditure on cereals** has **decreased to 4.91%** in 2022-23 from **22%** in 1999-2000.
- The **urban household expenditure** on **high-value nutritional items** has **marginally increased to 11.7%** in 2022-23 from **10.68%** in 1999-2000. The **expenditure on cereals** has **decreased to 3.64%** in 2022-23 from **12%** in 1999-2000.

	Rural	
	1999-2000	2022-23
	% share of MPCE	% share of MPCE
Egg, fish, meat	3.32	4.91
Fruits	1.72	3.71
Vegetables	6.17	5.38
Total	11.21	14

Source- Indian Express

	Urban	
	1999-2000	2022-23
	% share of MPCE	% share of MPCE
Egg, fish, meat	3.13	3.57
Fruits	2.42	3.81
Vegetables	5.13	3.8
Total	10.68	11.18

Source- Indian Express

4. Imputed Average monthly per capita consumption expenditure (Imputed MPCE)

Significance- This data helps to ascertain the impact on expenditure by **adding the imputed value free items received by households** through various social welfare programmes. This data also helps to highlight the socio-economic disparities between different income groups.

- a. The **imputed MPCE** of both **rural and urban households is higher** as compared with the average MPCE which does not include the free items.
- b. The imputed MPCE of top 5% of rural population is 7.65 times more than its bottom 5%.
- c. The imputed MPCE of top 5% of urban population is 10 times more than its bottom 5%.

5. State wise Consumption Expenditures

Significance- This data compiles and compares the state wise consumption expenditures and presents a picture on the economic-well being of households in a particular state.

- a. **Sikkim** has the **highest MPCE** for both **rural** (Rs. 7,731) and **urban households** (Rs. 12,105).
- b. **Chhattisgarh** has the **lowest MPCE** for **rural** (Rs. 2,466) and **urban households** (Rs 4,483).

6. Decline in the real growth rate of Rural Spending

Significance- While the gap between rural and urban per capita consumption is reducing, however, in **real terms the rural per capita expenditure growth has registered a decline**. In both nominal and real terms, these growth rates are lower than in the period between the two earlier surveys.

Nominal average monthly per capita expenditure (MPCE) increase between 2011-12 and 2022-23	Real average monthly per capita expenditure (MPCE) increase between 2011-12 and 2022-23
Rural areas- 9.2% Urban areas- 8.5%	Rural areas- 3.1% Urban areas- 3.3%
Imputed Nominal MPCE growth when imputed with social welfare schemes (excluding education & health)	Imputed Real MPCE growth when imputed with social welfare schemes (excluding education & health)
Rural areas- 9.4% Urban areas- 8.6%	Rural areas- 2.7% Urban areas- 2.7%

What is the significance of the Survey Data?

1. **Changing the weightage of components to accurately capture inflation-** The consumption expenditure survey serves as a benchmark for **assigning** and **changing the weightage** for different components of **Consumer Price Index** (CPI). **For ex-** Lowering the weightage for food in CPI in accordance with the survey data.
2. **Macro analysis of the economy-** The Household consumption expenditure survey data is used by the economists to analyse the structural shifts in the Indian economy and take further measures, like **rebasng the GDP** and **the poverty levels**.
3. **Assessment of economic growth trends and inequalities-** The Household consumption expenditure survey indicates a **narrowing gap in per capita** spending between rural and urban India. However, it also **highlights the wide income gaps** within households, with the top 5% of households spending significantly more than the bottom 5%.
4. **Fine-tuning tool for Policymakers-** The Imputed MPCE provides critical insights for policymakers to **fine-tune social schemes** by understanding evolving consumer's expenditure behaviour.
5. **Compass for the State governments-** State governments can use the survey to **reorient their budgetary strategies** to increase disposable incomes in the hands of people by learning from states like Tamil Nadu and Kerala.
6. **Fore-casting tool for the Industry-** The survey provides the industries an **insight into the changing consumer behaviour**, which helps them to refine their strategies and tap into emerging markets.

What are the Challenges with the survey?

- 1. Robustness of the revised methodology-** The latest survey of 2022-23 has been done according to the revised methodology. Next set of Consumer expenditure survey for 2023-24 is necessary to **confirm the robustness of the revised methodology**.
- 2. Small Data Set-** The survey has covered 2.62 lakh households (1.55 lakh- Rural areas and 1.07 lakh- Urban areas). This is a small sample size for a **large and diverse country like India**.
- 3. Temporal and Regional Variations-** Incorporating accurate seasonal variations and regional disparities in household expenditure is another major challenge to obtain accurate survey results.
- 4. Risks of Pent-up Demands-** The survey has been conducted after two long years of COVID in 2020 and 2021. The year **2022** in which the survey was conducted has been **a year of pent-up demand**, as the last two COVID years had witnessed suppressed demands. Hence, the accuracy of the data can be confirmed by the succeeding surveys.

What Should be the way forward?

- 1. Putting the data to fine-tune the social programs-** The All India consumption expenditure survey data must be used to fine tune various social security schemes like **PM Garib Kalyan Anna Yojana**, being run by the Govt by measuring their impact.
- 2. Finalising the survey for 2023-24-** The survey results for 2023-24 must be finalised at the earliest to confirm the robustness of the methodology.
- 3. Regularisation of the survey-** The new survey methodology must be institutionalised at the earliest to **establish the usual quinquennial survey cycle** (recurring every five years).
- 4. Changes in the bases of Inflation Indices need to be awaited-** Since the survey was conducted in a year of Pent-up demand, any changes to the weights of different parameters in the inflation indices based on the survey results **will introduce significant bias**.

An accurate, transparent, and comprehensive consumption expenditure survey data will help in shaping a more inclusive and equitable society.

Read More- [The Hindu](#), [The Indian Express](#)
UPSC Syllabus- Indian Economy-GS 3

Rare diseases in India- Explained Pointwise

Recently, the **tragic death of 19-year-old child actress Suhani Bhatnagar**, due to a **rare disease called dermatomyositis** which causes muscular inflammation, has put the spotlight on the severity of rare diseases. Despite, **rare diseases in India accounting for one-third of the global rare disease incidence**, there has been apathy of the government and society in general towards these diseases.



Rare Diseases In India

Recently, the tragic death of 19-year-old child actress Suhani Bhatnagar, due to a rare disease called dermatomyositis which causes muscular inflammation, has put the spotlight on the severity of rare diseases

Rare Diseases

- » **Rare Disease-** A rare disease is a health condition which has a **low prevalence** and affects a small number of people. However, there is no single, agreed-upon definition of Rare Disease. Different countries have different definitions of rare disease.
- » **WHO's Definition-** Rare diseases are the diseases which have a **prevalence of 1 or less** in every **1,000 people or less**.
- » **Rare Disease Definition in India-** India, like many other developing countries, currently has **no standard definition of rare diseases**.
- » **Rare Disease Burden in India-** India accounts for **one-third of the global rare disease** incidence. There are **over 450 identified rare diseases** in India. About **8-10 cr patients with 75% children**.

Challenges with Policy Implementation

- » **Less number of diseases being treated under the Policy-** **Only 20 rare diseases** have been approved for treatment
- » **Less number of Centres of Excellence (CoEs)-** Uneven distribution, lack of coordination, late diagnosis.
- » **Lack of adequate budgetary support-** Reductions to the tune of **75% from Budget Estimate stage to the Revised Estimates** to 90% actual expenditure
- » **CoE's inability to utilise the budget provided-** More than **₹47 crore of the ₹71 crore** financial assistance allocated to the 11 CoEs **remain utilised**
- » **Inadequate financial assistance per person-** The **limit of Rs. 50 lakh per person** for treatment of chronic disease is **woefully inadequate**

Rare Disease Challenge

- » **Unavailability of treatment-** **Less than 50%** of the **450-odd rare diseases** are treatable.
- » **Unaffordable Treatment Costs-** Requires **exorbitantly priced antidotes** and supportive medication
- » **Low Focus on R&D for drug development-** Rare diseases are treated as **'orphan diseases'** and the drugs are treated as **'orphan drugs'** by the pharma giants
- » **Late diagnosis-** Takes on an **average of seven years** for their diagnosis

National Policy on Rare Diseases

- » **Centres of Excellence (CoEs) and Nidan Kendras-** Diagnosis, prevention and treatment of rare diseases
- » **Financial Support-** Support of up to **Rs. 50 lakhs** to the patients
- » **Categorization of Rare Diseases into 3 Groups**

Way Forward

- » **Training of Health Professionals** to improve their diagnostic accuracy
- » **Pre-natal and post-natal screening** of Expectant mothers with a history of rare diseases in their family
- » **Improvement in the implementation of NPRD 2021** increase budgetary outlays, dedicate funding for drug development and therapy
- » **Social Assistance Programmes** through PPP partnership through CSR initiatives and funding partnerships

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What are rare Diseases? What is the status of rare Diseases in India and the World?

Rare Disease- A rare disease is a health condition which has a low prevalence and affects a small number of people. It includes genetic diseases, rare cancers, infectious tropical diseases and degenerative diseases. Only, 5% of the over 7,000 known diseases worldwide are treatable.

However, there is **no single, agreed-upon definition of Rare Disease**. Different countries have different definitions of rare disease.

WHO's Definition- Rare diseases are the diseases which have a prevalence of 1 or less in every 1,000 people or less.

Other Country's Criterion of Classifying Rare Diseases

Table 1: Definitions of Rare Disease in different countries

S No.	Country	Per 10,000 population
1	USA	6.4
2	Europe	5.0
3	Canada	5.0
3	Japan	4.0
4	South Korea	4.0
5	Australia	1.0
6	Taiwan	1.0

Source: *The I.C. Verma Sub-Committee Report 'Guidelines for Therapy and Management'*

Source- I.C.Verma Committee

Rare Disease Definition in India- India, like many other developing countries, currently has **no standard definition** of rare diseases.

Rare Disease Burden in India- India accounts for one-third of the global rare disease incidence.

a. According to the National Policy for Rare Diseases document, India has close to **50-100 million people** who are affected by rare diseases or disorders.

b. There are over **450 identified diseases in India**, ranging from widely known ones such as Spinal Muscular Atrophy and Gaucher's disease to lesser-known ones such as Mucopolysaccharidosis type 1 and Whipple's disease.

c. There are about **8 crore-10 crore Indians** suffering from rare diseases in India, with over **75% of them being children**. High morbidity and mortality rates of these life-threatening diseases are a leading cause for the majority of these children not reaching adulthood.

What are the Challenges posed by Rare Diseases in India?

1. Unavailability of treatment- **Less than 50%** of the **450-odd rare diseases** identified in India **are treatable**. Most patients typically receive only basic treatment that alleviates symptoms.

2. Unaffordable Treatment Costs- Some rare disease's treatment, **requires exorbitantly priced antidotes** and supportive medication, which poses the challenge of affordability.

3. Low Focus on R&D for drug development- The rare disease is not considered as a significant market by the drug manufacturers, as the number of persons suffering from individual rare diseases is small. Hence, these diseases are treated as '**orphan diseases**' and the drugs are treated as '**orphan drugs**' by the pharma giants.

4. Late diagnosis- Rare disease takes on an average of **seven years for their diagnosis** in India. Delay in diagnosis or a wrong diagnosis increases the suffering of the patients exponentially.

5. Lack of trained healthcare professionals- Lack of trained healthcare professionals to **interpret the signs and symptoms of rare diseases** in the initial stages, has compounded the challenge posed by rare diseases in India.

What are the Government initiatives for rare diseases in India?

Government of India has come up with several initiatives for rare diseases in India.

1. National Policy for Rare Diseases 2021- It is an umbrella policy for treatment of rare diseases in India. Some of the major provisions and initiatives under the policy are mentioned below-

a. Categorization of Rare Diseases into 3 Groups

Group-1	Disorders amenable to one-time curative treatment.
Group-2	Diseases requiring long term/lifelong treatment having relatively lower cost of treatment
Group-3	Diseases for which definitive treatment is available, but very high cost and lifelong therapy

b. Centres of Excellence (CoEs) and Nidan Kendras- 12 Centres of Excellence (CoEs) have been opened for **diagnosis, prevention and treatment of rare diseases**, while **Nidan Kendras** have been set up for **genetic testing and counselling services**.

c. Financial Support- Provision for financial support of **up to Rs. 50 lakhs** to the patients suffering from any category of the Rare Diseases and for treatment in any of the Centre of Excellence (CoE) mentioned in NPRD-2021.

Read More- [National Policy for Rare Diseases 2021](#)

2. PLI Scheme for Rare Drugs Manufacturing- Department of Pharmaceuticals has been provides for financial incentives to manufacturers of Orphan drugs under the Production Linked Incentive Scheme.

3. Tax waiver for Rare Disease Drug imported for Personal Use- Department of revenue has provided **full waiver of Basic Customs Duty (BCD)** and **Integrated Goods and Services Tax (IGST)** to imported drugs for personal use to treat Spinal Muscular Atrophy (SMA).

What are the problems in the implementation of policies used to treat Rare Diseases?

1. Less number of diseases being treated under the Policy- The treatment process of **only 20 rare diseases** have been approved by the Drugs Controller General of India. These treatments can be availed only from Centres of Excellence (CoEs).

2. Less number of Centres of Excellence (CoEs)- There are only 12 CoEs which are **unevenly distributed** considering the vast expanse of the country. Further, **lack of coordination, late diagnosis, inadequate therapies and lack of timely availability of medicines** at the CoEs, create further challenges.

3. Lack of adequate budgetary support- Although, the budgetary support for rare diseases has increased over the years, to about Rs. 93 crore for 2023-24. However, there have been reductions to the **tune of 75% from Budget Estimate stage to the Revised Estimates to 90% actual expenditure**.

4. CoE's inability to utilise the budget provided- **More than ₹47 crore of the ₹71 crore financial assistance allocated to the 11 CoEs** for the current year **remains unused**. CoEs are wary of beginning any treatment that they may need to suspend later, as they feel vulnerable to judicial action from patients and their kin.

5. Inadequate financial assistance per person- The **limit of Rs. 50 lakh per person** for treatment of chronic disease is **woefully inadequate**, as chronic rare diseases usually require lifelong management and therapy.

What Should be the Way Forward?

- 1. Training of Health Professionals-** The healthcare professionals must be trained to improve their **diagnostic accuracy**.
- 2. Pre-natal and post-natal screening of Expectant mothers-** Expectant mothers **with a history of rare diseases** in their family must undergo mandatory pre-natal screening and post-natal diagnosis and care.
- 3. Improvement in the implementation of NPRD 2021-** The government must frame a **standard definition of rare diseases, increase budgetary outlays, dedicate funding for drug development and therapy, and increase the number of CoEs**. These will improve the effectiveness of the National Policy of Rare Disease 2021.
- 4. Social Assistance Programmes through PPP partnership-** Public and private companies must be co-opted for funding the social assistance programmes for rare diseases, through **CSR initiatives and funding partnerships**.
- 5. Withdrawal of GST on life-saving drugs-** GST must be withdrawn from all life-saving drugs for rare diseases, which will make the drugs a bit affordable.

Read More- [The Hindu](#)

UPSC Syllabus- GS 2- Government Policies related to Health and Education