

Forum IAS

7 PM COMPILATION

1st and 2nd Week April, 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
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Regulating Big Techs In India- Explained Pointwise

The issue of regulating Big Techs in India has gained prominence with the recent report of the **Committee on Digital Competition Law** recommending a separate legislation to regulate the market power of Big Tech firms such as Google and Meta.

Big Tech companies **wield significant power and influence** in various sectors due to their massive market capitalization, innovative products and services, and widespread user base. However, big tech firms have been found to be indulgent in various malpractices such as **breach of data privacy, antitrust laws** and **predatory practices**. It is in this context, the issue of regulating big techs in India has gained widespread traction.



<p>Abuse of Dominant market position</p>	<p>Big techs have been fraught with the issue of abusing their dominant market position.</p> <p>For ex- Google abusing its dominant position in the Android and Play Store ecosystem by pressurising app developers to use Google's proprietary billing system or face a fee if they opt for a competitor's service.</p>
<p>Self-preferencing and platform bias</p>	<p>It refers to the practice of a company promoting its services or subsidiaries on its platform while also operating as a competitor on the same platform.</p> <p>For ex- Amazon's e-commerce service has been under scrutiny in India due to its dual role of being a marketplace operator, as well as retailer on its own platform.</p>
<p>Bundling and Tying</p>	<p>Big Tech Firms compel consumers to purchase related services by linking their main products or services to other complementary offerings.</p> <p>For ex- Operating system providers like Microsoft, bundling the use of its search engine and products like Office, which generates pricing asymmetry.</p>
<p>Anti-Steering</p>	<p>Anti-steering provisions are employed by big tech entities to hinder business users from migrating away from the platform and utilizing alternative options.</p> <p>For ex- Apple's anti-steering practices prevents users from truly exercising their choice of services with the Apple ecosystem</p>

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What are Big Techs? What is their Significance?

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Big Techs- Big Tech refers to the largest and most influential global tech enterprises with assets spanning multiple countries.

Significance of Big Techs-

1. Market Capitalization and Widespread User Base- Big techs exert considerable influence over industry trends, consumer behaviour, and public policy.

a. Amazon- Amazon through its **Amazon.com** platform and Amazon Web Services (AWS) **dominates the E-commerce and cloud computing market.**

b. Google (Alphabet)- Google (Alphabet) through its search engine and subsidiary companies like YouTube and Google Ads **controls the majority of online search traffic and digital advertising revenue.**

c. Facebook (Meta)- Facebook (Meta) through its social media platforms such as **Facebook, Instagram, and WhatsApp** dominates the social media landscape.

2. Provide Innovative technological products and services- Big Techs have been pioneering advancements in various fields such as artificial intelligence, cloud computing, and digital entertainment.

a. Microsoft- Microsoft through its products like the Windows operating system, Office suite, Xbox gaming consoles and Azure cloud platform, **innovates in various technologies such as software, hardware and cloud services.**

b. Apple- Apple through its products such as the iPhone, iPad, and MacBook has been innovating in **groundbreaking communication products.**

c. Tesla- Tesla has been involved in **disruption of the automotive industry** with electric vehicles, renewable energy solutions, and autonomous driving technology.

3. Generates steady and profitable career possibilities- It attracts top people with attractive compensation and enticing employee incentives. **For ex- Amazon web service (AWS) region in India employs nearly 48,000 full-time employees yearly.**

4. Push to startups- Big techs provide the necessary push to the startups in India, with many utilising their Web services and cutting edge software technologies. **For ex- Deal between the Startup Hub of the Ministry of Electronics and IT with the social network company META** September 2022 to create an accelerator programme that would award incentives to businesses developing services for the metaverse.

5. Innovation in providing social sector services like Health and Education- Big Techs have been pioneering innovations in the fields of health and education through their innovative delivery mechanisms. **For ex- Microsoft and Apollo partnership to develop an API model for accurate healthcare diagnostics.**

What are the issues which necessitate regulating Big Techs in India?

1. Abuse of Dominant market position- Big techs have been fraught with the issue of abusing their dominant market position. **For ex- Google abusing its dominant position in the Android and Play Store ecosystem** by pressurising app developers to use Google's proprietary billing system or face a fee if they opt for a competitor's service.

2. Self-preferencing and platform bias- It refers to the practice of a company promoting its services or subsidiaries on its platform while also operating as a competitor on the same platform. **For ex- Amazon's e-commerce service** has been **under scrutiny in India** due to its **dual role of being a marketplace operator, as well as retailer** on its own platform.

3. Restrictions on Third-Party Applications- There are instances where entities have restricted the installation or operation of third-party applications. **For ex- Apple's restriction on installing third-party applications on the iPhone.**

4. Bundling and Tying- Big Tech Firms compel consumers to purchase related services by linking their main products or services to other complementary offerings. **For ex- Operating system providers like Microsoft, bundling the use of its search engine and products like Office**, which **generates pricing asymmetry** and results in the elimination of competition from the market.

5. Anti-Steering- Anti-steering provisions are employed by big tech entities to hinder business users from migrating away from the platform and utilizing alternative options. This results in restriction of customer choices. **For ex- Apple's anti-steering practices prevents users from truly exercising their choice of services** with the Apple ecosystem.

6. Arbitrary Pricing- The big techs demonstrate 'network effects', which **enable rapid growth of their user base** and fix arbitrary prices, which create challenges for new competitors to overcome. **For ex- Meta's subscription model** offering people in EU, European Economic Area (EEA) and Switzerland **the choice to use Facebook and Instagram without any ads**.

7. Concerns Over Data Privacy- Big Tech companies gather vast amounts of user data through their platforms and services. This has raised concerns about **privacy, digital surveillance, and data security**. **For ex- CCI's probe into WhatsApp's privacy policy**, on allegations that the messaging platform shares user data with its parent Facebook.

8. Killer Acquisitions and Mergers- **Killer acquisitions**, where big techs purchase valuable start-ups without being subject to merger control rules based on turnover, create an unfair playing field in the digital market. **For ex- Facebook's killer acquisition of Instagram and WhatsApp**, led to the monopolisation of social media communication domain.

9. Social and Political Impacts- The big techs are the foremost medium of fake news, hate speech, election manipulation. **For ex- Facebook's Cambridge Analytica controversy regarding electoral choice's by voter profiling**.

What steps are being taken worldwide and in India for regulating Big Techs?

1. US's Changed Stance- The US has changed its stance towards antitrust enforcement. **The US Department of Justice**, and **16 states** have recently **sued Apple** alleging that it monopolized and abused the smartphone market. The antitrust enforcement agencies in India and US, can now proceed in case of violations by these big tech firms without geopolitical repercussions because the protective shield of the home country (USA) for these firms has been lifted.

2. EU's Initiatives- EU enacted the Digital Markets Act (DMA), 2022 to ensure **contestable and fair markets in the digital sector**. The **European Commission** in March 2024 **initiated 'non-compliance investigations'** against the Big Techs like Apple, Meta and Google's parent Alphabet.

3. India-

a. Competition Act 2002 amended in 2007- This amended act provides the powers to the Competition Commission of India (CCI) to regulate anticompetitive practices adopted by the big techs in India. **In 2022, the CCI imposed a penalty of Rs 1,337.76 crore on Google** for abusing its dominant position in multiple markets for 'anti-competitive practices'.

b. The Information and Technology Act, 2000- Intermediaries like providers of network service, telecom service, Internet service and web hosting are required to preserve and retain specified information. They also have to obey the directions issued by the government from time to time.

Read More- [Taking on big tech](#)

What should be the way Forward to regulate big tech in India?

Implementing the recommendations of the Committee on Digital Competition Law-

1. Enactment of Digital Competition Act- The Committee on Digital Competition Law has recommended the enactment of a Digital Competition Act **aimed specifically at big techs, complementing the Competition Act.**

2. Systemically Significant Digital Enterprises (SSDEs) Classification- The tech companies with a **'significant presence'** in **'Core Digital Service'** market must **self designate themselves** as SSDEs. Specific rules for SSDEs must be determined after public consultations.

Implementing the recommendations of the Parliamentary Standing Committee on Finance for new digital competition regulations-

3. Regulating anti-competitive practices- The committee has pointed regulating 10 anti-competitive practices employed by the big techs like **anti-steering, deep discounting, bundling and tying together of services, targeted advertising** etc.

4. Identification of Digital Gatekeepers as SIDIs- India should identify key players in digital markets that could harm competition and classify them as **Systemically Important Digital Intermediaries (SIDIs)** based on factors like revenue, market capitalization, and user base. **SIDIs** should then **submit yearly reports** to the **Competition Commission of India (CCI)** outlining their efforts to meet mandatory requirements.

5. Platform Neutrality- **Significant Digital Intermediaries (SIDIs)** should not show preferential treatment towards their services over those of their competitors.

6. Protection of Data Privacy- **SIDIs should not process personal data of end users** who use **third-party services are dependent** on the SIDI's core services.

7. Allowing Third-Party Applications- **SIDIs** should allow and technically enable the installation and use of third-party software applications.

8. Revamping CCI- The committee has recommended the revamp of CCI by **creating specialised digital markets unit** in CCI. This unit would: (a) monitor established and emerging **SIDIs**, (b) give recommendations to the central government on designating **SIDIs**, and (c) adjudicate on cases related to digital markets.

Read More- [The Indian Express](#)

UPSC Syllabus- GS Paper-2- Regulatory and various Quasi-judicial Bodies, Govt policies and interventions in various sectors

Katchatheevu Island controversy- Explained Pointwise

The **Katchatheevu Island controversy** has resurfaced in the run-up to the Lok Sabha Polls 2024. The controversy has often been **used by political parties for attacking their adversaries**. The present NDA government has accused the past Congress government of **'callously' giving away the disputed territory to Sri Lanka**, as part of the Maritime Boundary Agreement in 1974.



Historical Timeline of Katchatheevu Island Controversy

Katchatheevu has been a **disputed territory between India and Sri Lanka** since the British period. Back then, both nations were British colonies.

Oct 21, 1921	<p>During the talks of delimitation of Palk Strait and the Gulf of Mannar, between the governments of Madras and Ceylon, both the governments claimed the island.</p> <p>Ceylon's (Sri Lanka) claim- It claimed sovereignty on the ground that the Portuguese who had occupied the island during 1505-1658 CE had exercised jurisdiction over the islet.</p> <p>Madras (India's) Claim- India's contention was that the erstwhile Raja of Ramnad [Ramanathapuram] had possession of it as part of his zamin. The British, citing the traditional claims of the Ramnad zamindari of Ramanathapuram, attached it to the Madras Presidency.</p>
Till Independence	<p>The zamin of Ramanathapuram collected taxes till 1947. The island was taken over by the State government following the Zamindari Abolition Act</p>
Post Independence	<p>The dispute over the control of the island broke out again after Independence over fishing rights around the island.</p>
June 28, 1974	<p>Under the 1974 'Indo-Sri Lankan Maritime agreement', the government headed by Indira Gandhi agreed to cede the Katchatheevu island to Sri Lanka. It was aimed to settle the discord and strengthen ties with Sri Lanka.</p> <p>However, most of the Opposition including the DMK, AIADMK, Jan Sangh, Swatantara and the Socialist Party, opposed the agreement and staged walk outs in the two Houses.</p>
August 15, 1991	<p>In her Independence Day address, Tamil Nadu Chief Minister, Jayalalitha, urged the centre to retrieve Katchatheevu and restore the fishing rights for Tamil Fishermen.</p>
2008, 2013	<p>Both the major political parties of TN, AIADMK and DMK, approached the SC to declare the Katchatheevu agreements of 1974 and 1976, as null and void.</p>
July 2014	<p>Central Government informed the SC that the Katchatheevu islet is a sovereign property of Sri Lanka. The 1974 and 1976 agreements between India and Sri Lanka do not confer any fishing rights on fishermen from India</p>
December 2022	<p>The Union government, while referring to the two agreements of 1974 and 1976, pointed out in its reply in the Rajya Sabha that Katchatheevu lies on the Sri Lankan side of the India-Sri Lanka International Maritime Boundary Line. It added that the matter was sub-judice in the Supreme Court.</p>

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Where is Katchatheevu island located?

Location- Katchatheevu which is a **small, uninhabited island covering 285 acres**, is **located in the Palk Strait**, between India and Sri Lanka. The island lies 33 km northeast of Rameswaram and about 62 km southwest of Jaffna.



Figure 1. Source- The Indian Express

Demography of the Island- The island is uninhabited, as **there is no source of drinking water on the island**. The island originated from volcanic activity during the 14th century.

Sole Structure on the Island- The island's sole structure is **St. Anthony's Church**, built in the early 20th century. Every year, during a festival, Christian priests from India and Sri Lanka jointly conduct services, drawing pilgrims

from both countries.

Read More- [Facts about Katchatheevu Island](#)

What is the history of Katchatheevu Island Controversy?

Katchatheevu has been a disputed territory between India and Sri Lanka since the British period. Back then, both nations were British colonies.

Historical Timeline of Katchatheevu Island Controversy

<p>Oct 21, 1921</p>	<p>During the talks of delimitation of Palk Strait and the Gulf of Mannar, between the governments of Madras and Ceylon, both the governments claimed the island.</p> <p>Ceylon's (Sri Lanka) claim- It claimed sovereignty on the ground that the Portuguese who had occupied the island during 1505-1658 CE had exercised jurisdiction over the islet.</p> <p>Madras (India's) Claim- India's contention was that the erstwhile Raja of Ramnad [Ramanathapuram] had possession of it as part of his zamin.</p>
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	The British, citing the traditional claims of the Ramnad zamindari of Ramanathapuram, attached it to the Madras Presidency.
Till Independence	The zamin of Ramanathapuram collected taxes till 1947. The island was taken over by the State government following the Zamindari Abolition Act
Post Independence	The dispute over the control of the island broke out again after Independence over fishing rights around the island.
June 28, 1974	Under the 1974 ' Indo-Sri Lankan Maritime agreement ', the government headed by Indira Gandhi agreed to cede the Katchatheevu island to Sri Lanka. It was aimed to settle the discord and strengthen ties with Sri Lanka . However, most of the Opposition including the DMK, AIADMK, Jan Sangh, Swatantara and the Socialist Party, opposed the agreement and staged walk outs in the two Houses.
August 15, 1991	In her Independence Day address, Tamil Nadu Chief Minister, Jayalalitha, urged the centre to retrieve Katchatheevu and restore the fishing rights for Tamil Fishermen.
Oct 31, 1991	Tamil Nadu Assembly adopted a resolution demanding retrieval of Katchatheevu
2001	CM Jayalalitha met the Indian PM A.B. Vajpayee and urged India to obtain the island on lease-in-perpetuity.
2008, 2013	Both the major political parties, AIADMK and DMK, approached the SC to declare the Katchatheevu agreements of 1974 and 1976, as null and void.
July 2014	Central Government informed the SC that the Katchatheevu islet is a sovereign property of Sri Lanka . The 1974 and 1976 agreements between India and Sri Lanka do not confer any fishing rights on fishermen from India
December 2022	The Union government, while referring to the two agreements of 1974 and 1976, pointed out in its reply in the Rajya Sabha that Katchatheevu lies on the Sri Lankan side of the India-Sri Lanka International Maritime Boundary Line. It added that the matter was sub-judice in the Supreme Court .

What are the provisions of the Maritime Boundary Agreement?

1974 Agreement- Each country shall have sovereignty and exclusive jurisdiction and control over the waters, the islands, the continental shelf and the subsoil, falling on its own side of the aforesaid boundary. Only navigational rights of the vessels of both Sri Lanka and India over each other's waters have been preserved.

Allowed activities for Indian fisherman in the island	Prohibited activities for Indian fisherman in the island
a. Resting and Net Drying b. Visit the annual St. Anthony's festival without the need of visa	The fishing vessels and fishermen of India shall not engage in fishing in the historic waters, the territorial sea and the Exclusive Economic Zone of Sri Lanka

1976 Agreement- Each Party shall **respect rights of navigation through its territorial sea and exclusive economic zone** in accordance with its laws and regulations and the rules of international law.

What are India's concerns with the Katchatheevu Island?

1. Detaining of Indian fishermen- Indian fishermen from Tamil Nadu often face punitive action from the Sri Lankan authorities. At least **6,184 Indian fishermen have been detained** and **1,175 Indian fishing vessels have been seized** in the last 20 years.

2. Livelihoods of traditional fishing community affected- The Katchatheevu Island controversy has restricted the mobility of traditional fishing communities in coastal waters. This has made it difficult for these fishing communities to sustain their livelihood, **impacting the economic stability of these communities.**

3. Threat to the socio-cultural fabric of the region- This dispute has threatened the cultural and social fabric of the Indo-Srilankan region. **For ex- Fishermen associations in Ramanathapuram district boycotting the annual two-day festival at St. Anthony's Church,** which draws pilgrims from both countries.

4. Geostrategic significance- The island has assumed significant geostrategic significance in light of growing Chinese influence in the Indian Ocean region. India's sovereignty over the island would have countered the **Chinese String of Pearls in the Indian Ocean region.**

5. Undermining of co-operative federalism- The transfer of Katchatheevu has **sparked protests and opposition, particularly from Tamil Nadu,** which claims that the opinion of the state government was not taken before ceding the territory to Sri Lanka.

What are the implications of the Katchatheevu Island Controversy?

1. Deleterious Impact on the improving India- Sri Lanka ties- Raking up the Katchatheevu Island Controversy would deleteriously impact the **improving India- Sri Lanka ties, after the Sri Lankan economic crisis.**

2. Demonstrate India's big brother attitude- The controversy will damage India's credibility in the neighbourhood and reinforce India's big brother attitude perceived by its neighbours. **Reopening of old agreements, would set a bad precedent.**

3. Damage the 'whole architecture' of agreements with neighbouring countries- The controversy will damage India's architecture of boundary agreements, if there is a change in the original understanding. **For ex- Raises concerns for countries like Bangladesh which have finalised land boundary agreements with India.**

4. Growth of Chinese Influence- Any antagonistic actions taken by India on the finalised and operational agreements, would only propel the growth of Chinese influence **in India's neighbourhood.**

What Should be the Way Forward?

1. Refrain from Political rhetoric- We must ensure that the national political rhetoric is not in **confrontation with India's stance on sovereignty and territorial integrity.**

2. No backtracking on the finalised agreements- We must not rake up issues of the finalised and operational agreements, as it **would hurt India's credibility.**

3. Look to improve India's relations with its neighbours- India must look to improve and not deteriorate its relations in the neighbourhood. The gains made due to neighbourhood policy should not be washed away.

Read More- [The Hindu](#)


UPSC Syllabus- GS 2- India and its neighbourhood relations

Prevention of Money Laundering Act (PMLA)- Explained Pointwise

The Supreme Court has recently endorsed the **sweeping powers of the Enforcement Directorate (ED) under the Prevention of Money Laundering Act (PMLA).** Recently, a SC bench headed by Justice Bela M. Trivedi, **castigated**

four Tamil Nadu District Collectors for failing to appear in person in response to a summons issued to them under PMLA, by the anti-money laundering body. The SC bench reaffirmed ED's powers to call "anybody for any information" under the PMLA.

However, Prevention of Money Laundering Act 2002 (PMLA) has been under scrutiny for inclusion of certain offences which are not directly aimed at combating money laundering. Recently, the Delhi Court **slammed the Enforcement Directorate (ED) for a faulty Prevention of Money Laundering Act (PMLA) probe** and said the ED must introspect steps to ensure expeditious and fair investigations. Opposition parties in India have **alleged the misuse of PMLA provisions by the ED to stifle democracy** in India. It is in this context, a **detailed introspection of PMLA becomes necessary**.

 Prevention of Money Laundering Act Salient Features	
Section 3 (Defines money laundering)	Section 3 of the PMLA defines money laundering as any attempt, assistance, or involvement in processes connected to the proceeds of crime to project it as untainted property
Offences under PMLA	<p>Offences mentioned under Part A, B and C of the Schedule of the Act.</p> <p>Part A- Includes money laundering offences under the following acts- Indian Penal Code, Prevention of Corruption Act, Narcotics Drugs and Psychotropic Substances Act, Antiquities and Art Treasures Act, Trademark Act, Wildlife Protection Act, Copyright Act and Information Technology Act</p> <p>Part B- Includes money laundering offences that are mentioned in Part A, but are of a value of Rs 1 crore or more.</p> <p>Part C- Includes money laundering offences under Trans-border crimes</p>
Section 4 (Punishment for Money Laundering)	The offence of money-laundering shall be punishable with rigorous imprisonment for a term not be less than three years which can be extended upto seven years and shall also be liable to fine.
Agencies powers under the Act	<ol style="list-style-type: none"> 1. Enforcement Directorate (ED)- ED is responsible for investigating the offences of money laundering and attachment of properties. 2. Financial Intelligence Unit-India (FIU-IND)- It is the central national agency responsible for receiving, processing, analyzing, and disseminating information relating to suspect financial transactions. 3. Other Agencies- The scheduled offences are separately investigated by the agencies mentioned under respective acts. For ex- The local police, CBI, customs departments, SEBI, or any other investigative agency, as the case may be.
Obligations under the Act	<ol style="list-style-type: none"> 1. Maintenance of Records- Imposes obligations on banking companies, financial institutions, and intermediaries to verify and maintain client identity records. 2. Reporting of transactions- These financial firms are required to report their financial transactions to the Financial Intelligence Unit-India (FIU-IND).
Setting up of Authority	<ol style="list-style-type: none"> 1. Adjudicating authority- PMLA envisages the setting up of an Adjudicating Authority to exercise jurisdiction, power and authority conferred by it. 2. Appellate Tribunal- It also envisages the setting up of an Appellate Tribunal to hear appeals against the order of the Adjudicating Authority and the authorities like Director FIU-IND.
Special Courts	One or more courts of sessions are designated as Special Courts to try offences under PMLA and other related offences.

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What is Prevention of Money Laundering Act (PMLA)? What is the Historical Background of its enactment?

PMLA- The Prevention of Money Laundering Act, 2002 (PMLA) is an Act of the Parliament of India enacted to **prevent money laundering** and **provide for the confiscation of property derived from money laundering**. It aims to combat money laundering related to illegal activities such as drug trafficking, smuggling, and terrorism financing.

Objectives of PMLA

- 1. Prevention-** To prevent money laundering by implementing stringent measures and monitoring financial transactions.
- 2. Detection-** To detect and investigate instances of money laundering through proper enforcement and regulatory mechanisms.
- 3. Confiscation-** To confiscate properties derived from money laundering activities to deter offenders and disrupt illicit financial flows.
- 4. International Cooperation-** To facilitate international cooperation in combating money laundering and terrorist financing activities.

Historical background of enacting PMLA

The enactment of PMLA finds its genesis in the various conventions to combat money laundering.

United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988)	This convention urged all countries to take urgent steps to prevent the laundering of the proceeds of drug crimes and other connected activities.
Establishment of FATF	FATF was established to examine the problem of money laundering and make recommendations to combat it . India adopted the FATF recommendations for enactment of PMLA.
UNGA's Political Declaration and Global Programme of Action	This resolution urged all member-countries to enact suitable pieces of legislation to effectively prevent the laundering of drug money .
UN special session 'Countering World Drug Problem Together'	A declaration was adopted on the urgent need to combat money laundering
UN Convention against Transnational Organized Crime of 2000 (Palermo Convention)	It advocated legislative and other measures to combat organized crime, and specifically called for 'criminalizing the laundering of proceeds of crime' .

PMLA was enacted under Art 253 of the Indian constitution to fulfil India's obligation under these treaties and conventions.

Read More- [Money Laundering- Explained Pointwise](#)

What are the Salient Features of Prevention of Money Laundering Act?

- 1. Section 3 (Defines money laundering)-** Section 3 of the PMLA defines **money laundering** as any **attempt, assistance, or involvement in processes connected to the proceeds of crime** to project it as untainted property.
- 2. Offences under PMLA-** Offences mentioned under Part A, B and C of the Schedule of the Act.

Part A	Includes money laundering offences under the following acts– Indian Penal Code, Prevention of Corruption Act, Narcotics Drugs and Psychotropic Substances Act, Antiquities and Art Treasures Act, Trademark Act, Wildlife Protection Act, Copyright Act and Information Technology Act
Part B	Includes money laundering offences that are mentioned in Part A, but are of a value of Rs 1 crore or more.
Part C	Includes money laundering offences under Trans-border crimes

3. Section 4 (Punishment for Money Laundering)- The offence of money-laundering shall be punishable with rigorous imprisonment for a term not be less than three years extending to seven years and shall also be liable to fine.

4. Agencies powers under the Act

- The **Enforcement Directorate (ED)** in the Department of Revenue, Ministry of Finance, is responsible for investigating the offences of money laundering and attachment of properties.
- The **Financial Intelligence Unit-India (FIU-IND)**, under the Department of Revenue, is the central national agency responsible for receiving, processing, analyzing, and disseminating information relating to suspect financial transactions.
- The **scheduled offences are separately investigated by the agencies** mentioned under respective acts. For ex- The local police, CBI, customs departments, SEBI, or any other investigative agency, as the case may be.

5. Obligations under the Act

- Imposes obligations on banking companies, financial institutions, and intermediaries to verify and maintain client identity records.
- These financial firms are required to **report their financial transactions to the Financial Intelligence Unit-India (FIU-IND)**.

6. Setting up of Authority

- PMLA envisages the setting up of an Adjudicating Authority to **exercise jurisdiction, power and authority** conferred by it.
- It also envisages the **setting up of an Appellate Tribunal** to hear appeals against the order of the Adjudicating Authority and the authorities like Director FIU-IND.

7. Special Courts under PMLA- **One or more courts of sessions are designated as Special Courts** to try offences under PMLA and other related offences.

What are the concerns regarding the PMLA Act?

1. Inclusion of minor and less serious offences- Inclusion of other less serious offences in the schedule dilutes the original intent of the law. The schedule of the Act has been expanded over the years, to include even **minor and non-serious offences** such as **copyright and trademark infringements**.

2. Equates punishment for ordinary crimes with serious crimes- PMLA equates the punishment under an ordinary crime with a serious economic offence. **For ex-** With the **addition of The Prevention of Corruption Act, 1988** to the schedule of offences, **PMLA applies with all its rigour to public servants**. Thus, a **public servant charged with corruption and a hard-core drug trafficker are treated alike**.

3. Broad Definition of 'Proceeds of Crime'- The broad definition of 'proceeds of crime, **provides considerable discretion to the authorities**. Critics fear that this discretion, in determination of 'proceeds of crime', can be misused by the investigating authorities.

4. Stringent Bail Conditions- An accused is **denied bail by the entire hierarchy of courts** because the **bail provision under PMLA** state that a **judge can give bail only when he is satisfied that the accused is innocent**. This is **against the Anglo-Saxon jurisprudence**, which presumes a person innocent until proven guilty.

5. Burden of Proof of innocence on the accused- The burden of proof of innocence, on the accused, presents a prominent **challenge in ensuring a free and fair trial**.

6. Against the Federal principles and Basic structure Doctrine- Under the PMLA, **the ED, can carry out investigation without the prior consent of the concerned State**. This is unlike other central police organisations, (like CBI), which are required to obtain the consent of the state before carrying out any policing/investigating activity. This **impinges the principle of federalism**, which is part of the Basic Structure of the Constitution.

7. Violation of the Fundamental Rights of Accused

a. Violation of Article 21- Under PMLA, the ED does not require disclosing the details of **Enforcement Case Information Report (ECIR)**, which contains the allegations against the accused person. This is against the fundamental **right of the accused to be informed of the charges and allegations**, which is a universally recognised right, and is **part of the right to life and liberty** under Article 21 of the Constitution.

b. Violation of Article 14- Equating the punishment of accused of minor crimes and serious economic offence, is **violation of the fundamental right to equality** under Article 14 of the constitution.

c. Violation of Article 20(3)- The power of the authorities to issue summons to 'any person' (including the accused), to **give evidence or produce records** during the course of an investigation is in **violation of the right against self-incrimination**, which is a fundamental right under Article 20(3) of the Constitution.

8. Extensive powers to the authorities- The Act grants the Enforcement Directorate (ED) extensive powers of summons, arrest, and raids. This excessive power to the authorities, can potentially lead to its misuse and overreach.

Read More- [Inclusion of less serious offences under PMLA](#)

What have been the observations of the SC?

Strict bail conditions	Nikesh Tarachand Shah vs Union of India (2018)- SC held that the bail provision of the PMLA Act was unconstitutional as it was violation of Article 14 and Article 21 . Restoration of the Provision by the Parliament: Parliament restored the strict bail provisions with certain amendments. Vijay Madanlal Choudhary vs Union of India (2022)- The SC upheld that the strict bail provision is reasonable and has direct nexus with the purposes and objects of the PMLA Act . SC upheld the constitutionality of the PMLA.
ED's Overreach	Pankaj Bansal vs Union of India- Supreme Court highlighted inconsistencies and lack of transparency in its operations. SC emphasized the need for the ED to act with fairness .
Procedural Violations	Pavana Dibbur vs The Directorate of Enforcement (2023)- SC observed procedural violations and misuse of the PMLA. It pointed out the need for strict adherence to legal standards by the ED and other authorities.

What Should be the Way Forward?

1. Precise Definition of 'Proceeds of Crime' - A precise definition of 'Proceeds of Crime' under PMLA must be incorporated to **mitigate the potential abuse of its definition** by the authorities.

2. Reassessment of Burden of Proof- An amendment to PMLA which provides a **more equitable distribution of the burden of proof between the prosecution and the accused**, can be brought.

3. Safeguards Against Overreach by Officers- An **independent oversight mechanism to review and monitor the actions of law enforcement officers** must be established at the earliest.

4. Review of the Stringent Bail Conditions- The stringent bail conditions for **minor and non serious economic offence must be done away with.**

5. Enhanced Independence and Transparency of ED- Measures like **regular reporting and disclosure of cases handled, convictions secured, and actions taken,** must be incorporated to enhance the transparency in ED's functioning. These measures will ensure confidence among the public that ED is not a politicised institution.

Read More- [The Hindu](#)

UPSC Syllabus- Internal Security- Money-Laundering and its prevention

Fiscal Consolidation of state governments in India- Explained Pointwise

The **fiscal consolidation of state governments in India** has become a matter of **vigorous debate** between the Union and the State Governments. Recently, Government of Kerala has approached the Supreme Court for **increasing the borrowing limits of the state to bridge their deficit.** The Union government contends that the **borrowing limit of the states must be restricted to 3% of the State's Gross State Domestic Product (GSDP).** This restriction on borrowing limit has created a tussle between the state of Kerala and the Union government.



States Contentions against Centre's Borrowing Limits

Government of Kerala has approached the Supreme Court for **increasing the borrowing limits of the state to bridge their deficit**. The Union government prescribes that **borrowing limit of the states must be restricted to 3% of the State's Gross State Domestic Product (GSDP)**.

The States are demanding relaxation in the borrowing limit imposed by the centre on account of the following challenges

Expenditure Related Challenges of the State Governments

- 1. Higher Social Service expenditure by the State Governments-** In 2022-23, the expenditure on social services, by the Union Govt. was **₹2,230 billion** while the combined expenditure by all State governments was **₹19,182 billion (8.6 times the Union Govt's expenditure)**
- 2. Increase in State Government's Developmental Expenditure-** The combined developmental expenditures by all State governments has **increased from 8.8% in 2004-05 to 12.5% in 2021-22** as proportion of the country's Gross Domestic Product (GDP)
- 3. Capital Expenditure for creation of new jobs and incomes-** Higher state government borrowing **generates a virtuous cycle when the borrowed resources are effectively deployed in the capital creation for new incomes and jobs.**

Revenue Related Challenges

- 1. Reduced Financial Transfers to the States-** The share of states in the gross tax revenue (total tax revenue collected, which includes cess and surcharges) has **decreased from 35% in 2015-16 to 30% in 2023-24**
- 2. Issues with GST-** The compensation of revenue loss to states on account of GST implementation, have not been properly addressed. For ex- **Discontinuation of GST compensation cess and subsumption of State VAT under GST**
- 3. Decrease in Grants-in-Aid to the states-** Direct financial support to states, in the form of grants-in-aid, has **declined from ₹1.95 lakh crore in 2015-16 to ₹1.65 lakh crore in 2023-24**

Other Challenges

- 1. Violation of the principle of Federalism-** States argue that by curtailing their borrowing powers, the Centre is **undermining the State's ability to fulfil some of its basic financial commitments** and violating the principle of federalism.
- 2. COVID-19 Pandemic-** The COVID-19 pandemic **increased the revenue expenditure and suppressed the revenue receipts**, forcing the state Govt to increase their borrowings.

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What is Fiscal Consolidation? How do the state governments manage their Budgets?

Fiscal Consolidation of the states- It refers to the process of reducing fiscal deficits and public debt by adjusting expenditure and revenue policies. Fiscal Consolidation aims to limit the borrowings by the state governments.

Budgetary Source of State Government

Revenue Sources	Expenditure
1. State Govt Own Revenues (tax and non-tax) 2. Transfers from Union Govt (as shares of taxes and grants) 3. Market Borrowings	1. Social Services (Health, Education etc.) 2. Economic Services (Agri, Industry) 3. Local Self Government Devolutions 4. Interest Payments 5. Pensions 6. Other General Services 7. Capital Expenditures

States Demand for Increasing Borrowing Limit (Understanding it through the case of Kerala)

The state government of Kerala's case study will help us understand the demands of the state governments for increasing the borrowing limit.

Kerala State Government's Budgeted Expenditure	14.2% of GSDP
Union Government's Revenue Transfer to Kerala	2.8% of GSDP
State Govt Own Revenues (tax and non-tax)	8.0% of GSDP
Borrowing to be done by the state of Kerala	3.4% of GSDP (Crosses 3% limit)

State governments argue that the **limit on the borrowing by the states is a centrally dictated fiscal consolidation**. The state of Kerala has moved to the Supreme Court against this centrally dictated fiscal consolidation of state governments.

What are the challenges faced by state governments in Fiscal Consolidation?

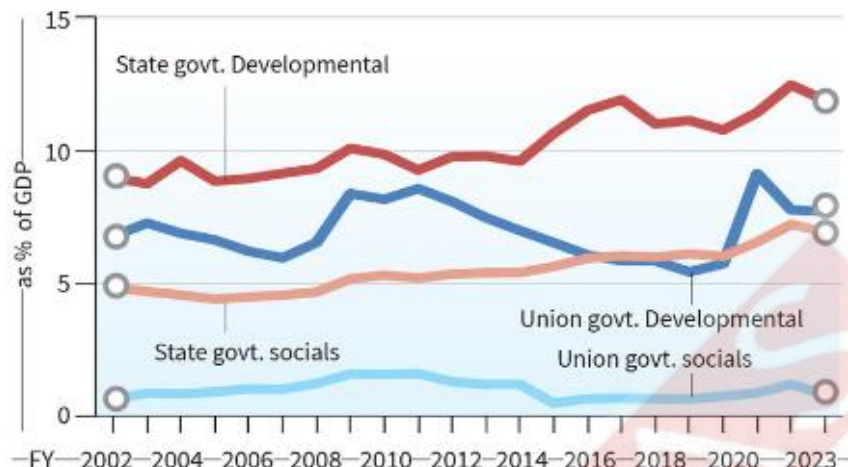
The States are demanding relaxation in the borrowing limit imposed by the centre on account of the following challenges

Expenditure Related Challenges of the State Governments

1. Higher Social Service expenditure by the State Governments- The overwhelming responsibility of social service expenditure (health, education) lies on the shoulders of the State governments. In 2022-23, the expenditure on social services, by the **Union Govt. was ₹2,230 billion** while the **combined expenditure by all State governments was ₹19,182 billion** (8.6 times the Union Govt's expenditure).

2. Increase in State Government's Developmental Expenditure- Development expenditure refers to the expenditure on Social services and economic services, such as on agriculture and industry. The combined developmental expenditures by all State governments has **increased from 8.8% in 2004-05 to 12.5% in 2021-22 as proportion of the country's Gross Domestic Product (GDP)**. On the other hand, **developmental expenditures by the Union government has remained somewhat unchanged** over the two-decade period.

Chart 1: The chart shows the developmental and social expenditures (revenue and capital) by the Union government and all State governments (combined) as percentages of GDP



Source- The Hindu

3. Capital Expenditure for creation of new jobs and incomes- Higher state government borrowing can generate a virtuous cycle if the borrowed resources are effectively deployed in the capital creation for new incomes and jobs.

4. Alleviation of Livelihood crisis through pensions, salaries and subsidies- The higher expenditure by the State governments that has helped to alleviate the livelihood crisis in the country, caused due to the slow growth of rural incomes and employment. **For ex-** Large Govt spending on Govt servants (half of them are women) engaged in Social sector in Kerala.

Revenue Related Challenges

1. Reduced Financial Transfers to the States- The share of states in the gross tax revenue (total tax revenue collected, which includes cess and surcharges) has decreased from 35% in 2015-16 to 30% in 2023-24.

2. Erosion of State Taxation Autonomy on account of implementation of GST- The ability of states to set tax rates on their own revenue sources has been significantly diminished due to the implementation of GST. **For ex-** State VAT have been subsumed under GST

3. Issues with GST- The compensation of revenue loss to states on account of GST implementation, have not been properly addressed. **For ex-** Discontinuation of GST compensation cess

4. Decrease in Grants-in-Aid to the states- Direct financial support to states, in the form of grants-in-aid, has declined from ₹1.95 lakh crore in 2015-16 to ₹1.65 lakh crore in 2023-24

Other Challenges

1. Violation of the principle of Federalism- States argue that by curtailing their borrowing powers, the Centre is undermining the State's ability to fulfil some of its basic financial commitments and violating the principle of federalism.

2. COVID-19 Pandemic- The COVID-19 pandemic increased the revenue expenditure and suppressed the revenue receipts, forcing the state Govt to increase their borrowings.

Read More- [Fiscal Centralisation In India](#)

What are the advantages of achieving Fiscal Consolidation of state governments?

- 1. Improvement of fiscal health of states-** Fiscal Consolidation of state governments improves the fiscal health and sustainability of State finances and **reduces their debt burden.**
- 2. Enhancement of expenditure quality-** Fiscal consolidation enhances the quality of expenditure of state governments and **increases the share of capital expenditure in total expenditure.** **For ex-** In FY 2022-23, **only 10.6% of Kerala's budgetary resources was directed to capital expenditure**, which is needed to build new infrastructure and institutions to speed up future growth.
- 3. Fostering economic growth and development-** Fiscal prudence gives a **boost to public investment in infrastructure and human capital**, which fosters economic growth and development.
- 4. Strengthening of investors confidence-** It strengthens the credibility and confidence of investors and creditors in State finances.
- 5. Fulfilment of FRBM mandate-** The States have enacted their own respective **Financial Responsibility Legislation in line with the FRBM targets**, which caps the annual budget deficits to 3% of Gross State Domestic Product (GSDP). Fiscal consolidation in line with the FRBM mandate will ensure macroeconomic stability and coordination with the Union Government.

What should be the way Forward?

- 1. Cooperative Fiscal Federalism between state and Centre-** The Union government and the State governments must work in **close collaboration to review the borrowing targets** on account of the state governments increasing developmental expenditures.
- 2. Increase in the share of capital expenditure-** Any increase in the borrowing limits of the state must be tied to capital expenditure. **A percentage of increased borrowing must be devoted to capital creation.**
- 3. Reduction of non-productive expenditures-** There must be a reduction of expenditure on non-productive items such as **excessive subsidies, administrative cost** etc.
- 4. Channelisation of private savings-** The state governments can be **allowed to access the large reserves of private savings through domestic financial institutions** (public sector banks and insurance companies). These savings can then be channelled for productive purposes.
- 5. Addressing the GST related Concerns-** The anomalies in GST like the **Integrated GST** which favours the consuming states like UP and Bihar, rather than the producing states of TN, Gujarat must be corrected. Also, efforts must be undertaken to **open more avenues for revenue generation by broadening the scope of GST** to include petrol, diesel.
- 6. Revisiting Article 246 and the Seventh Schedule-** The taxation powers listed in the seventh schedule must be relooked in the context of fiscal federalism. **Rationalisation of Central Sector and Centrally sponsored schemes must be undertaken.**

[Read More- The Hindu](#)

UPSC Syllabus- GS 2- Issues pertaining to centre-state relations

Falling Fertility Rate in India- Explained Pointwise

According to a recent Lancet study, the falling fertility rate in India is irreversible. According to the forecast of the study, the fertility rate in India **may dip to 1.29 by 2050**, which will be **far lower than the replacement rate of 2.1**. This points to a rapidly depleting working age population in India. While the declining fertility rate has its own advantages, it's dropping below the replacement rate has some perilous consequences.



India's Falling Fertility Rates and Reasons for it

DATA POINTING TO FALLING FERTILITY RATE IN INDIA

- 1. Lancet Study-** The fertility rate in India is dipping irreversibly. The fertility rate in India may dip to **1.29 by 2050**, which will be far lower than the replacement rate of **2.1**
- 2. National Family Health Survey (NFHS 2019-21) Data-** India's Total Fertility Rates (TFR) has reached **2.0 at the national level**. The total fertility rate, was as high as **6 or more in the 1950s**. The TFR is at **1.6 in urban areas** and **2.1 in rural India**
- 3. Global Burden of Disease, Injuries and Risk Factors Study (GBD) 2021-** India's TFR which was **6.18 in 1950**, reduced to **4.60 in 1980** and further declined to **1.91 in 2021**.

REASONS FOR FALLING FERTILITY RATE IN INDIA

- 1. Family Planning and Welfare Programmes introduced post independence-** There has been positive impact of the family welfare programmes, which included **maternal and child health-related cash transfer inducements** to reduce fertility
- 2. Improvement of Maternal and Child Health-** The **substantial decline in the infant mortality and maternal mortality rates**, guaranteed child survival and made small families a norm in India
- 3. Behavioural Changes-** The behavioural changes due to campaigns such as '**hum do humaare do**' and **use of contraceptives** have changed the mindset of the Indian population and nudged them to reduce fertility rates
- 4. Reversal of intergenerational flow of wealth-** With the reversal of intergenerational flow of wealth, **parents do not receive much benefit from their children the way they used to receive**. This has influenced their decision to have an additional child that would involve a substantial cost of bringing them up
- 5. Women empowerment-** The **rise of female literacy, women's participation in the workforce, career consciousness, financial returns and economic independence** have empowered Indian women to reconsider of the option of having a second child
- 6. Choice of adoption-** There is a significant **increase in the exercise of choice of adoption over child-rearing**, which has contributed to a decrease in the fertility rates in India

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What is Total Fertility Rate? What is the trend of falling fertility rate in India?

Fertility Rate/TFR- Total fertility rate (TFR) refers to the **total number of children born or likely to be born to a woman** (15-49 years) in her lifetime.

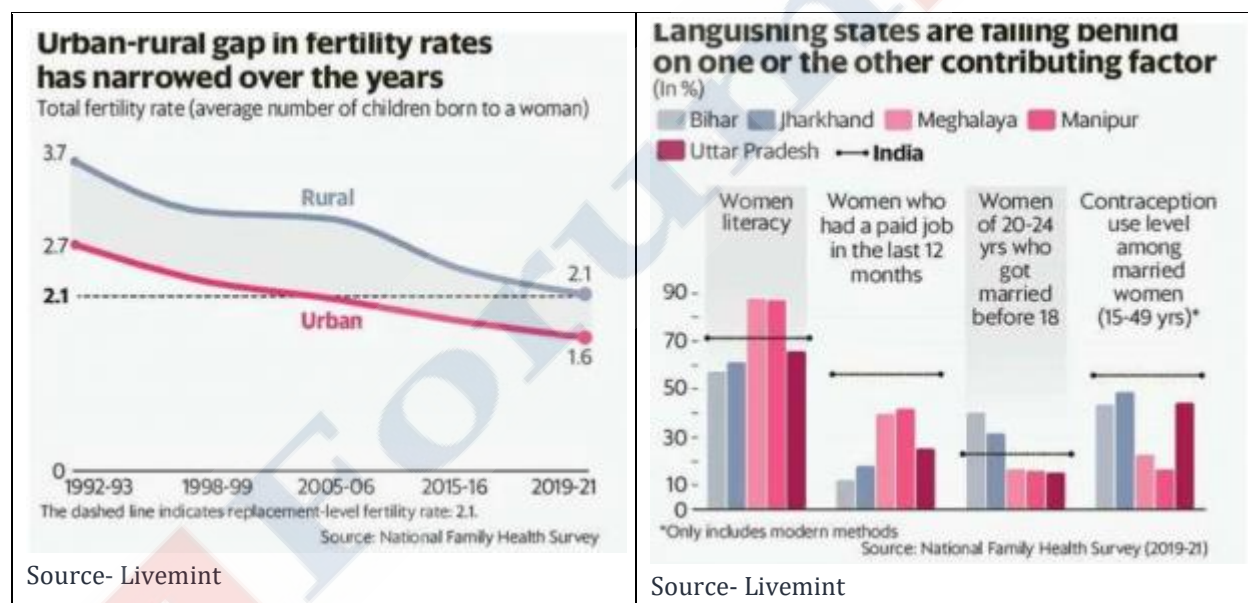
Replacement level fertility rate- A TFR of 2.1 is known as replacement level fertility rate. It is the **level of fertility** at which a **population exactly replaces itself** from one generation to the next.

TFR < Replacement level fertility rate- TFR lower than 2.1 children per woman indicates that **a generation is not producing enough children to replace itself**. This eventually leads to an outright reduction in population.

Data Pointing to falling fertility rate in India

National Family Health Survey (NFHS 2019-21) Data

- India's Total Fertility Rates (TFR) has reached **2.0 at the national level**. The total fertility rate, was as high as 6 or more in the 1950s.
- The TFR is at **1.6 in urban areas** and **2.1 in rural India**.
- Bihar, Meghalaya, Uttar Pradesh, Jharkhand** and **Manipur** remain the **only states with fertility rates above the replacement level** and the national average.



Global Burden of Disease, Injuries and Risk Factors Study (GBD) 2021

- India's TFR which was **6.18 in 1950**, reduced to **4.60 in 1980** and further declined to **1.91 in 2021**.
- Worldwide** also, the TFR has more than halved in the last 70 years, from around **five children for each woman in 1950** to **2.2 children in 2021**.

What are the reasons for falling fertility rate in India?

1. Family Planning and Welfare Programmes introduced post independence- There has been positive impact of the family welfare programmes, which included **maternal and child health-related cash transfer inducements to reduce fertility**.

2. Improvement of Maternal and Child Health- Another major reason for falling fertility rate in India, is the **substantial decline in the infant mortality** and **maternal mortality rates**. The decline in these rates guaranteed child survival and made small families a norm in India.

3. Behavioural Changes- The behavioural changes due to campaigns such as 'hum do humaare do' and **use of contraceptives** have changed the mindset of the Indian population and nudged them to reduce fertility rates.

4. Reversal of intergenerational flow of wealth- With the reversal of intergenerational flow of wealth, **parents do not receive much benefit from their children the way they used to receive**. This has influenced their decision to have an additional child that would involve a substantial cost of bringing them up.

5. Women empowerment- The **rise of female literacy, women's participation in the workforce, career consciousness, financial returns** and **economic independence** have empowered Indian women to reconsider of the option of having a second child.

6. Choice of adoption- There is a significant increase in the **exercise of choice of adoption over child-rearing**, which has contributed to a decrease in the fertility rates in India.

What is the significance of falling fertility rates for India?

1. Improved labour productivity leading to accelerated economic growth- The decline in population growth would **increase the amount of capital resources and infrastructure available in per capita terms**. A young skilled workforce would improve labour productivity, leading to accelerated economic growth.

2. Better employment conditions for workers- A lower working force population will result in **improved working conditions** and **higher wages** for the workers. It would also lead to **elimination of wage discrimination for migrant workers** and the **mitigation of their security concerns** in the industrially developed states (southern states, Maharashtra, Gujarat), that have low fertility rates.

3. Enhanced participation of women in workforce- With decline in fertility rate, less time is needed for childcare, which enhances the participation of women in workforce. **For ex- Improved share of women in MNREGA employment in Southern States.**

4. Improvement in quality of Social service deliveries- Falling fertility rate improves the educational, health and skills of Indian population due to **increase in the per capita availability of social sector resources and infrastructure** like schools, colleges and hospitals.

5. Reduced pressure on environment and agriculture- The **impact of environmental problems** such as global warming, desertification, loss of farmland, pollution and use of non-renewable materials **will be reduced due to decline in population.**

What are the concerns with the fertility rates falling below the replacement levels?

1. Demographic disadvantage- Fertility rates, falling below the replacement level of TFR 2.1, leads to the problem of demographic disadvantage of an ageing population. **For ex- China's demographic disadvantage due to falling fertility rate.**

2. Increase in 'non-developmental expenditure'- Drastic fall in fertility rate will lead to increase in government's non-developmental expenditure on pensions and subsidies, due to **increase in aged population** and **shrinking of workforce.**

3. Labour shortages endangering economic stability- Substantial decrease in the working age population will India's economic and social stability. **For ex- Decline in Japan's economic growth rates due to shrinking labour force.**

4. Less 'brain pool' for innovation- Young people are the 'brain pool' for entrepreneurship, innovation and new technologies development. With less young people in the population pyramid due to decrease in fertility rate, the potential 'brain pool' for innovation will be lesser.

5. Potential social imbalances- The Declining rate of fertility can lead to social imbalances due to gendered preference of having a male child. This can lead to an increase in the son-meta preference and skewed sex-ratios.

Read More- [Young and the old – lancet report on fertility rate](#)

What Should be the way Forward?

1. Implement Scandinavian countries model of 'supporting new families'- The Scandinavian countries model of 'supporting new families' by providing affordable childcare, investment in healthcare and large-scale male-engagement initiatives to build gender equity, must be implemented in India at the earliest.

2. Men assuming greater household responsibilities- Men taking up greater responsibilities of household and care work would help women in better management of motherhood with their careers. This would consequently lead to working women choosing child-rearing instead of adoption.

3. Tweaking of economic policy and agenda- Economic policies that stimulate growth and job creation, alongside social security and pension reforms, will also be essential in mitigating the impacts of declining fertility rate.

4. Designing policies for ethical and effective migration- The policies for ethical and effective inter-state migration must be designed to offset the regional imbalances due to falling rates of fertility in southern states of India.

Read More- [The Indian Express](#)

UPSC Syllabus- GS 1- Population and Associated Issues

Committee Report on Digital Competition Law- Explained Pointwise

The Committee Report on Digital Competition Law, has recommended an ex-ante (intervention before an event occurs) regulation for digital markets in India. Presently, the Competition Commission of India (CCI), takes ex-post measures (intervention after an event occurs) for anticompetitive practices in the digital sector. In its report, the Committee also published a draft Digital Competition Bill to give effect to its recommendations.



Committee Report on Digital Competition Law

1. Digital Competition Law for ex-ante regulation of digital competition

The Committee has recommended enacting the Digital Competition Act to enable the Competition Commission of India (CCI) to **selectively regulate large digital enterprises in an ex-ante manner** (intervening before an event occurs)

2. Systemically Significant Digital Enterprises (SSDEs)

The Committee has recommended designating entities offering **certain core digital services** like search engines, social networking services, operating systems, and web browsers, as Systemically Significant Digital Enterprises (SSDEs)

3. Thresholds for classification of SSDEs

Parameters for significant financial strength- **Turnover** (at least ₹4,000 crore in India and global turnover of at least \$30 billion), **Gross merchandise value** (₹16,000 crore in India), and **market capitalisation** (global market capitalisation of \$75 billion in the immediately preceding three financial years)

Parameter for significant spread- **Number of business users** and **end users of the core digital service in India** (either 10,000 business users or one crore end users)

4. Obligations of SSDEs

The SSDEs are prohibited from carrying out certain practices. These include:

- (i) **favouring their own products** and services or those of related parties
- (ii) **use non-public data** of business users operating on their core digital service
- (iii) **restriction of users** from using third-party applications on their core digital services
- (iv) **Incentivising the users** of an identified core digital service to use other products or services offered by the SSDE.

5. Enforcement of provisions

- a. The **Director General**, appointed under the **Competition Act 2002** is required to investigate any contraventions when directed by the CCI.
- b. A **separate bench of the National Company Law Appellate Tribunal** must be constituted for timely disposal of appeals.

6. Penalties

CCI has the powers to **impose monetary penalties for non-compliance** with ex-ante obligations and with its orders. The monetary penalties have been **capped at 10% of the global turnover of the SSDE**.

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What are the recommendations of the Committee?

Digital Competition Law for ex-ante regulation of digital competition

- a. The current **ex-post framework** (intervening after an event occurs) **under the Competition Act, 2002**, does not facilitate timely redressal of anti-competitive conduct by digital enterprises. It is **ineffective to address the irreversible tipping of markets** in favour of large digital enterprises (permanent dominance of a firm in relevant market).
- b. The Committee has recommended **enacting the Digital Competition Act** to enable the Competition Commission of India (CCI) to **selectively regulate large digital enterprises in an ex-ante manner** (intervening before an event occurs).

Systemically Significant Digital Enterprises (SSDEs) and Associate Digital Enterprises (ADEs)

The Committee has recommended **designating entities offering certain core digital services** like search engines, social networking services, operating systems, and web browsers, as Systemically Significant Digital Enterprises (SSDEs).

The **business enterprises within the SSDE group that are directly or indirectly involved in providing core digital services** are required to be notified by the CCI as Associate Digital Enterprises (ADEs).

Thresholds for classification of SSDEs

- a. The Committee has recommended using both **quantitative thresholds** and **qualitative criteria** to designate enterprises as SSDEs.
- b. Quantitative Criteria- Dual test for gauging **significant financial strength and spread**—
 - (i) Parameters for significant financial strength- **Turnover** (at least ₹4,000 crore in India and global turnover of at least \$30 billion), **Gross merchandise value** (₹16,000 crore in India), and **market capitalisation** (global market capitalisation of \$75 billion in the immediately preceding three financial years)
 - (ii) Parameter for significant spread- **Number of business users** and **end users of the core digital service in India** (either **10,000 business users** or **one crore end users**)
- c. Qualitative criteria- Since the quantitative criteria may not cover all digital enterprises that may have a significant presence in Indian digital markets, the committee has recommended qualitative criteria. This includes **resources of the enterprise** and **volume of data aggregated by them**.

Obligations of SSDEs

The SSDEs are **prohibited from** carrying out certain practices. These include:

- (i) **favouring their own products** and services or those of related parties
- (ii) **use non-public data** of business users operating on their core digital service
- (iii) **restriction of users** from using third-party applications on their core digital services
- (iv) **Incentivising the users** of an identified core digital service to use other products or services offered by the SSDE.

Enforcement of provisions

- a. The **Director General**, appointed under the Competition Act 2002 is required to investigate any contraventions when directed by the CCI.
- b. A **separate bench of the National Company Law Appellate Tribunal** must be constituted for timely disposal of appeals.

Penalties

CCI has the powers of imposing civil penalties on the SSDEs found to be indulged in anti-competitive practices. CCI has the powers to **impose monetary penalties** for non-compliance with ex-ante obligations and with its orders. The monetary penalties have been **capped at 10% of the global turnover of the SSDE**.

What is the need for Digital competition Law?

1. Abuse of Dominant market position- Core digital service providers have been found to be involved in abuse of their dominant market position. **For ex- Google abusing its dominant position in the Android and Play Store ecosystem** by pressurising app developers to use Google's proprietary billing system or face a fee if they opt for a competitor's service.

2. Self-preferencing and platform bias- Core digital companies have been competing with other third party service by promoting their services or subsidiaries on their own platform. **For ex- Amazon's e-commerce service** has been under **scrutiny in India** due to its **dual role of being a marketplace operator**, as well as **retailer on its own platform**.

3. Restrictions on Third-Party Applications- There are instances where big digital entities have restricted the installation or operation of third-party applications. **For ex- Apple's restriction on installing third-party applications on the iPhone**.

4. Bundling and Tying- Big Digital tech firms have been compelling consumers to purchase related services by linking their main products or services to other complementary offerings. **For ex- Operating system providers like Microsoft, bundling the use of its search engine and products like Office**, which generates pricing asymmetry and results in the elimination of competition from the market.

5. Anti-Steering- Anti-steering provisions are **employed by big tech entities to hinder business users from migrating away from the platform and utilizing alternative options**. This results in restriction of customer choices. **For ex- Apple's anti-steering practices** prevents users from truly exercising their choice of services with the Apple ecosystem.

6. Network effect and Economies of Scale- The core digital services companies demonstrate '**network effects**', which enable rapid growth of their user base and fixation of arbitrary prices, which **creates challenges for new competitors to overcome**. **For ex- Meta's subscription model offering** people in EU, European Economic Area (EEA) and Switzerland the choice to use Facebook and Instagram without any ads.

7. Concerns Over Data Privacy- Core digital companies gather vast amounts of user data through their platforms and services. This has raised **concerns about data privacy, digital surveillance, and data security**. **For ex- CCI's probe into WhatsApp's privacy policy**, on allegations that the messaging platform shares user data with its parent Facebook.

8. Killer Acquisitions and Mergers leading to monopoly- Killer acquisitions, **where big techs purchase valuable start-ups without being subject to merger control rules based on turnover**, create an unfair playing field in the digital market. **For ex- Facebook's killer acquisition of Instagram and WhatsApp**, led to the monopolisation of social media communication domain.

What will be the purported advantages of Digital Competition Law?

1. Reduction in time for anti-competitive case redressal- Ex-post measures for redressal of anti-competitive practices were time-consuming. **For ex- CCI adjudicating in 2018 on a complaint of abuse of dominant position filed in 2012**. However, the ex-ante measures introduced with the digital competition law will reduce the redressal time.

2. Create Level Playing Field- The new Digital Competition law will create a level playing field for all **digital service providers** operating in India.

3. Further catalyse the startup growth- The new law will further catalyse the growth of digital startups in India. They will **not be in a disadvantageous position** due to the 'network effect' and 'economies of scale' of core digital service providers.

4. Address Data privacy Concerns- The **incorporation of penalties** for **violation of data privacy** will further strengthen data privacy regime in India.

5. Boost to Digital Economy- It is expected that India's digital markets will reach \$800 billion by 2030 by effective regulation through this digital competition law.

Read more- [Digital Competition Bill in India](#)

What are the prevailing Concerns?

1. Stifling of Innovation- There are concerns that strict regulations **could limit creativity and growth** in the digital sector.

2. Potential for Misuse- Critics point that the draft **Bill's ex-ante approach gives excessive discretionary power to the regulators**. This raises concerns about its potential misuse.

3. Duplication with Existing Laws- The proposed new law might overlap with provisions in the current Competition Act, leading to regulatory complexity and potential confusion.

4. Potential for Conflicting Decisions: The overlap between current competition law and proposed digital competition law could **result in parallel inquiries and divergent rulings for the same issue**.

What Should be the way Forward?

1. Revamping of CCI- The institutional structure of CCI must be revamped by creating **separate cell/division, beefing up the technical manpower** for dealing with digital anti-competitive practices.

2. Early establishment of separate bench of NCLAT- The government must constitute a separate bench in the NCLAT at the earliest for **early adjudication of anti-competitive cases**.

3. Effective Checks and balances- A mechanism of ensuring effective checks and balances must be instituted to **curb any abuse of discretionary powers by the authorities**.

Read More- [PRS](#)

UPSC Syllabus- GS Paper 2- governance-Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Inflation In India- Reasons and Solutions- Explained Pointwise

Recently, the Reserve Bank of India Monetary Policy Committee (MPC) has released the **projection of retail Inflation in India for FY 25**. RBI's MPC projects Inflation in India to be **4.9% in Q1, 3.8% in Q2, 4.6% in Q3 and 4.5% in Q4 of FY25**. Inflation in India is now showing decreasing trend, after its upsurge in the aftermath of the COVID-19 pandemic and Russia's invasion in Ukraine.

However, the **retail food inflation in India has been posing challenges** for the **final descent of inflation to the target of 4%**. But there is hope, for softening of food inflation softening in the months ahead, due to **easing**

global food prices and the onset of La Nina in India. This would provide the much needed leeway for the MPC to consider cutting the central bank's benchmark interest rates.



Measures employed in India to control inflation

Inflation management is a **complex task** as inflation is caused by several factors such as **demand-pull factors, cost push factors and structural factors**. Therefore a mix of macro-economic policies are needed to manage the inflation in the economy.

Main Tools For Inflation Management	
Monetary Policy	Monetary Policy tool is employed by the RBI to control the supply of money in the economy. RBI applies the repo rate to control the supply of money in the economy. By increasing the repo rate RBI tries to bring down the rate of inflation in the economy.
Fiscal Policy	Monetary Policy tool is employed by the Govt manage inflation through public expenditure and taxation . Government tries to reduce inflation by raising the tax rates and reducing public expenditure.
Other tools for Inflation Management	
Export policy	The government can temporarily ban the export and imposes Minimum Export Price (MIP) to discourage exports of certain commodities to ensure their availability in the domestic markets. Ex- Recent rice export and onion export ban .
Price control Policy	Under the Essential Commodity Act 1955 , the government can declare a commodity as an essential commodity to ensure supplies to people at fair prices.
Anti-Hoarding and Anti-speculation Policy	The Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980 allows for detention of persons engaged in activities like hoarding, creating artificial scarcities of essential commodities in the market and rigging up of the prices .

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What is Inflation? What are its different types?

Inflation- Inflation refers to the **rise in the prices of most goods and services of daily or common use** such as food, clothing, housing, recreation, transport, consumer goods. Inflation measures the **average price change in a basket of commodities and services** over a period of time.

Types of Inflation

Demand Side inflation	Demand Side Inflation is caused by high demand and low production which creates a demand-supply gap and it leads to a hike in prices due to increase in consumption.
Cost Pull inflation	Cost Pull Inflation is caused by shortage of factors of production like labour, land, capital etc. and also due to artificial scarcity created due to hoarding .
Built-in inflation	Due to the emergence of cost-push inflation and demand-pull inflation, employers need to offer competitive wages to avoid the risk of labour shortages. Companies resort to built-in inflation in these cases, which involves raising employee salaries while increasing prices to maintain profit margins .

Different Inflation indices used in India

WPI Inflation- WPI captures the **average movement of wholesale prices of goods only**. Its major components are- Manufactured goods (64.23%) > Primary articles (22.62%)> Fuel and Power (13.15%). It is primarily used for **ascertaining GDP Deflator** in the economy.

CPI Inflation- CPI captures the **movement in prices of goods and services** that are acquired by the households for consumption purposes. Its major components are- Food and Beverages (45.86%) >Housing (10.07%)> Transport and communication (8.59%)> Fuel and Light (6.84%). It is primarily used for **RBI's Inflation targeting** and **measurement of DA** for employees.

Headline and Core Inflation

Headline Inflation- Headline inflation is a **measure of the total inflation** within an economy, **including commodities such as food and energy prices**, which tend to be much more volatile and prone to inflationary spikes. The headline inflation is **reported through the Consumer Price Index (CPI)** in India.

Core Inflation- Core inflation is the **persistent component of inflation in India**. It attempts to remove the volatile, transitory movements from the CPI. In India, it is measured by **removing Food and Fuel categories from CPI**.

Inflation Targeting in India

The Reserve Bank of India is the authority to control inflation under **RBI Act 1934**.

Inflation Targeting Regime of RBI	
Began in 2016. Central govt fixes the target for RBI's Monetary Policy Committee for 5 years.	RBI has to retain the inflation target of 4%, with a tolerance band of +/- 2 percentage till March 2026.

What are the reasons behind the recently Increasing Inflation in India?

1. Decreased food production due to erratic weather- The prices of food commodities has increased, on account of decreased production due to **deficient monsoon** and **unseasonal rains**. This had caused a spike in the prices of wheat, rice, pulses, vegetables and edible oils.

2. Increasing cost of agricultural inputs- The increase in the cost of inputs such as **seeds, fertilizers, and labour** has raised the production costs for farmers in India. This, in turn, has led to **higher prices for cereals and pulses**.

3. Increase in Global Fuel prices- India has import dependency of around 80% for its fuel demands. **For ex-** A \$10 increase in crude oil price increases inflation in India by 40-60 bps.

4. Geopolitical Conflicts and tensions- The **Russia-Ukraine crisis** and **Israel-Hamas wars** have resulted in the increase of crude oil prices and have contributed to soaring food and commodity prices (wheat and sunflower oil).

5. Impact of COVID-19 pandemic- **COVID-induced lockdowns** caused **supply chain disruptions** across the world, pushing up the commodity prices. **Post COVID economic rebound** led to a drastic increase in demand for goods causing **demand pull inflation** in India.

6. Lack of Government Interventions- The lackadaisical approach government in actively controlling prices of the essential commodities like **lax action on hoarders and stockpilers** and **exports at prices lower than MSP** (Non-basmati rice exports surged from 1.38 MT in 2019-20 to 6.4 MT in 2022-23, at prices lower than (MSP), causing high food inflation).

What are the impacts of Inflation in India?

Moderate inflation in the range of 4%+/- 2%, has its positive impacts on the economy-

1. Increased economic growth- Increasing prices **encourages consumers to spend and invest**, which gives a boost to the economy and job creation.

2. Higher Profits and Boost to production- Inflation is advantageous to product manufacturers as it enables them to **make more money because of Increased Prices**. This also boosts to the production of more goods and services.

3. Better returns to the investors- Entrepreneurs and investors **get better returns on investments made in profitable ventures** during periods of inflation.

4. Increase in worker's wages- Inflation results in increased wages for the workers **as they need more money** to keep up with rising costs of products.

5. Reduction in debt burden- Inflation reduces the **real burden of debt** as the amount of money owed remains constant while the value of money decreases over time. This is particularly helpful for borrowers who are struggling to repay their debts.

However, high and soaring inflation rates (6% or more in India) has seriously negative impacts on the economy-

1. **Inflation tax**- High rate of Inflation **erodes the purchasing power of money**. People can buy less with the same amount of money, resulting in decreased standard of living.
2. **Exacerbates socio-economic inequality**- High inflation rates **disproportionately impacts** the **poor, unemployed, people with fixed incomes** and **retired workers**.
3. **Reduced economic activities**- High inflation increases the economic and financial uncertainties by resulting in **increased borrowing cost of businesses**(as RBI increases Repo rate).
4. **Reduced international competitiveness**- High Inflation makes a **country's goods and services more expensive relative to other countries**, thereby reducing its international competitiveness.
5. **Currency depreciation**- Inflation in India leads to **depreciation of currency** which can impact economic stability.

What are the measures employed in India to control inflation?

Inflation management is a **complex task** as inflation is caused by several factors such as demand-pull factors, cost push factors and structural factors. Therefore a **mix of macro-economic policies** are needed to manage the inflation in the economy.

Main Tools For Inflation Management	
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Anti-Hoarding and Anti-speculation Policy	The Prevention of Black Marketing and Maintenance of Supplies of Essential Commodities Act, 1980 allows for detention of persons engaged in activities like hoarding, creating artificial scarcities of essential commodities in the market and rigging up of the prices.

What are the challenges with Inflation Management in India?

- 1. Rising Food Prices-** India's **food and oil components** of the consumer price index CPI are **about 50%**. The **RBI has no control over the prices of food and oil**, as these are driven by natural climatic factors as well as global uncertainties like Ukraine-Russia war. Therefore, it is left to squeeze less than 50% of the domestic economy to lower inflation.
- 2. Govt Failure in addressing supply shocks-** Govt's myopic policies of **export ban of agricultural products** (like **wheat, rice, onions**) induces fear and panic in the domestic market, leading to rise in stock holdings which ultimately resulted in price rise.
- 3. Monetary Policy's singular focus on demand side-** RBI's monetary policy **targets only demand constraints**. It faces the problem of tackling Supply shocks originating from food and oil.
- 4. Flawed Model of Inflation targeting-** The current model of Inflation targeting is based on the assumption that **inflation means overheating of the economy**-that is increased output greater than natural level output. However, **In India it is impossible to observe the actual level of output in an economy**. Hence, setting policy rates based on the assumption that the economy has overheated is unscientific.

Read More- [Inflation Management in India-Present Challenges- Explained Pointwise](#)

What should be the solutions for reducing inflation?

- 1. Implementing Farm Reforms-** Farm reforms which **aim to raise agricultural production and productivity** must be implemented at the earliest. Also, measures to enhance the processing of perishables like Onion and tomato must be undertaken.
- 2. Adjustment of Import Duties-** Import duties on items like wheat should be reduced as **cheaper imports** can help control domestic prices.
- 3. Release Excess Buffer Stocks-** The government holds more than **40 million tonnes of rice**, much above the **buffer stock norms** of 13.5 MT. This **excess stock** should be **unloaded by Food Corporation of India** in the open market at reasonable prices. This will cool down the food inflation.
- 4. Reduced dependence on fuels-** We must aim to increase **our renewable energy share in energy mix** at the earliest, so as to reduce the burden on imported fuels, which induce price volatility.
- 5. Updation of the CPI Basket Weights-** The **weight of food and beverages in the CPI basket should be adjusted** to reflect current realities as the weights are based on the 2011 consumption survey.

Read More- [The Indian Express](#)

UPSC Syllabus- GS 3- Indian Economy- Inflation and its management

SC Ruling on right against Climate Change- Explained Pointwise

Supreme Court (SC) in its latest judgement has recognised the right against the adverse effects of climate change as a distinct fundamental right in the Constitution. SC held that the right against adverse impact of climate change is intertwined with the right to life (Art 21) and right to equality (Art 14) that are embedded in the Indian constitution.



Supreme Court ruling on right against Climate Change

Right against Climate Change is a fundamental right- Right to a healthy environment, which is safe from the ill-effects of climate change, is a fundamental right.

Expansive view of the Fundamental rights under Art 14 and 21- SC has held that right to life (Art 21) and right to equality (Art 14) could not be fully realised without a clean, stable environment. SC has expanded the scope of Art 14 and Art 21 to underline the need to protect lives and livelihoods in the face of climate change.

Impact on the right to health (Art 21) due to Climate Change- The right to health (which is a part of the right to life under Article 21) is impacted due to factors such as air pollution, vector-borne diseases, rising temperatures, droughts. These factors are exacerbated due to climate change.

Impact on the right to equality (Art 14) due to Climate Change- Climate change and environmental degradation lead to acute food and water shortages in a particular area where the poorer communities suffer more than richer ones. Forest dwellers, tribal and indigenous communities have a higher risk of losing their homes and culture due to climate change as compared to other communities.

Interconnection between climate change and human rights- SC in its judgement has held that climate change impacts various human rights such as the right to health, indigenous rights, gender equality, and the right to development.

[For detailed Reading- 7 PM Link](#)



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What is the Supreme Court ruling on right against Climate Change?

The SC ruling has come in the case connected with the survival of the endangered Great Indian Bustard Species.

1. **Right against Climate Change is a fundamental right-** Right to a healthy environment, which is safe from the ill-effects of climate change, is a fundamental right.
2. **Expansive view of the Fundamental rights under Art 14 and 21-** SC has held that right to life (Art 21) and right to equality (Art 14) could not be fully realised without a clean, stable environment. SC has expanded the scope of Art 14 and Art 21 to underline the need to protect lives and livelihoods in the face of climate change.
3. **Impact on the right to health (Art 21) due to Climate Change-** The right to health (which is a part of the right to life under Article 21) is impacted due to factors such as air pollution, vector-borne diseases, rising temperatures, droughts. These factors are exacerbated due to climate change.
4. **Impact on the right to equality (Art 14) due to Climate Change-** Climate change and environmental degradation lead to acute food and water shortages in a particular area where the poorer communities suffer more than richer ones. Forest dwellers, tribal and indigenous communities have a higher risk of losing their homes and culture due to climate change as compared to other communities.
5. **Interconnection between climate change and human rights-** SC in its judgement has held that climate change impacts various human rights such as the right to health, indigenous rights, gender equality, and the right to development.
6. **Right against Climate change and right to clean environment two sides of the same coin-** SC in its ruling has observed that the right against adverse effect of climate change and the right to clean environment are two sides of the same coin. However, with the increase in adverse effects of climate change, it is imperative to recognise the right against adverse effects of climate change as a distinct right.

What is the significance of the Supreme Court Ruling on right against Climate Change?

1. **Reiteration of India's commitment to climate justice-** The SC ruling reiterates India's Climate responsibilities under International laws and agreements such as the Paris Agreement, which aim to provide environmental and climate justice.
2. **Makes the Issue of Climate change a part of public discourse-** The recognition of the right against climate change as a fundamental right, makes the issue of climate change a part of the public and political discourse in the country. It will nudge the Parliament to enact legislations on the issues of climate change.
3. **Opens the doors of constitution courts for Environmental Jurisprudence-** The recognition of the right against the climate change as a fundamental right, opens the doors of the constitutional courts for citizens to litigate climate change issues in future.
4. **Progressive step setting a significant legal precedent-** In the absence of a single or umbrella legislation against climate change in the country, the recognition of the rights of Indians against climate change by the Judiciary, is a progressive step setting a significant legal precedent.
5. **Recognises the Vulnerability of Indians to climate change-** The Supreme court ruling is a recognition of the Vulnerability of Indians to climate Change which has been highlighted by the several studies, including IPCC reports.

What are the vulnerabilities of Indians to Climate change which enhance the importance of the Verdict?

1. **Increase in Glacial lake outburst floods-** Climate change has increased the intensity and frequency of GLOFs due to rapid melting of the Hindukush Himalayan Ranges. For Ex- Recent GLOF induced flooding in Sikkim leading to destruction of lives and livelihood.

2. Changing Rainfall Patterns and increase in droughts- There has been increase in the frequency of droughts in **north-western India, Jharkhand, Orissa and Chhattisgarh.**

3. Increase in sea levels- The densely populated cities of Kolkata and Mumba are particularly vulnerable to the impacts of **sea-level rise, tropical cyclones, and riverine flooding.**

4. Endangered Food and Energy Security- There has been a **decrease in the crop yields** because of extreme heat and low rainfall, which endangers the food security of the country. Further, the decrease in the availability of water due to climate change poses **major risk factors to hydro and thermal power generation.**

What are the other SC rulings on Environmental Issues?

The Supreme Court on several occasions in the past few decades has relied on the Constitution to uphold human rights pertaining to environmental issues.

MC Mehta vs Kamal Nath 2000	SC held that any disturbance of the basic environment elements, namely air, water and soil , which are necessary for 'life', would be hazardous to 'life' within the meaning of Article 21 of the Constitution. SC held that Right to life within Art 21 includes the right to live in a healthy environment, right to enjoy pollution-free water and air, and right to live in a pollution-free environment.
Virender Gaur vs State of Haryana 1995	It is the imperative duty of the State governments and municipalities to take adequate measures to promote, protect and improve both the man-made and the natural environment.
Karnataka Industrial Areas Development Board vs C Kenchappa, 2006	Supreme Court took note of the adverse effects of rising sea levels and rising global temperatures.
Bombay Dyeing & Mfg. Co. Ltd. (3) v. Bombay Environmental Action Group, 2006	Supreme Court recognised that climate change posed a "major threat" to the environment.

What Should be the Way Forward?

1. Enaction of legislation to give effect to the right- **Enaction of legislation and framing of policies against climate change** will help in the actual realisation of the right of citizens against climate change.

2. Inclusion in Political Manifestos- This recognised fundamental right against climate change **must be a part of the political manifestos of the political parties** in the fray for Lok Sabha Polls. They must outline their plan of action for the realisation of these rights.

3. Avoiding hiatus between environmental jurisprudence and policy- **Governments must give proper respect to these SC rulings** that underline the links between ecology and human dignity. We must **aim to avoid the hiatus** between environmental jurisprudence and policy **like in the case of Delhi Air Pollution.**

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

UPSC Syllabus- GS 2- Issues related to Judiciary, GS-3- Environmental conservation

75 years of NATO- Explained Pointwise

April 4, 2024 marked the completion of 75 years of NATO. At the event celebrating the 75 years of North Atlantic Treaty Organisation, its Secretary General Jens Stoltenberg said that **NATO is bigger, stronger, and more united than ever.**

NATO has certainly been **expanding as an organisation**, with the member countries reaching **32 from the initial 12**. However, expansion is believed to be a **key factor behind Russia's 2022 invasion of Ukraine** and the continued conflict. It also faces several challenges as an organisation.



NATO- It is a Western security alliance founded on **April 4, 1949, with 12 founding members**. The 12 founding members signed the Washington Treaty, which was **based on the Art 51 of the United Nations Charter**.

Background of Formation- The formation of NATO during the Cold War Era was to serve as a **deterrent against Soviet expansionism**.

Membership of NATO

Original Founding Members- There were **12 founding members**– Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and the United States.

Expanded Member States- It has expanded since its founding, with new member countries joining in multiple rounds. Currently there are **32 members of NATO**.

Objectives of NATO

- 1. Collective Defence-** It's primary objective is collective defence, as outlined in **Article 5 of the Washington Treaty** (North Atlantic Treaty).
- 2. Political Cooperation-** It's objective is to **promote democratic values** and enable the members to consult and cooperate on defence and security related issues to solve problems, build trust and prevent conflict.
- 3. Military Assistance-** It is also mandated to **provide military assistance and undertake crisis management operations**, in case of diplomatic failures in dispute resolution.

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What was the rationale behind the creation of NATO? What is the present structure and membership of NATO?

NATO- It is a Western security alliance founded on **April 4, 1949**, with **12 founding members**. The 12 founding members signed the **Washington Treaty**, which was based on the **Art 51 of the United Nations Charter**. Art 51 of the UN Charter **reaffirmed the inherent right of independent states to individual or collective defence**.

Background of Formation

The formation of NATO during the Cold War Era was to serve as a **deterrent against Soviet expansionism**. It was to **counter the risk that the Soviet Union would seek to extend its control of Eastern Europe** to other parts of the continent.

Membership of NATO

Original Founding Members- There were **12 founding members**– **Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and the United States**.

Expanded Member States- It has expanded since its founding, with new member countries joining in multiple rounds. The alliance **currently consists of 32 member countries**. The expanded members include **Greece and Turkey (1952)**, **West Germany (1955; later as Germany), Spain (1982)**; **the Czech Republic, Hungary, and Poland (1999)**; **Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia (2004)**; **Albania and Croatia (2009)**; **Montenegro (2017)**; **North Macedonia (2020)**; **Finland (2023)**; and **Sweden (2024)**.

Objectives of NATO

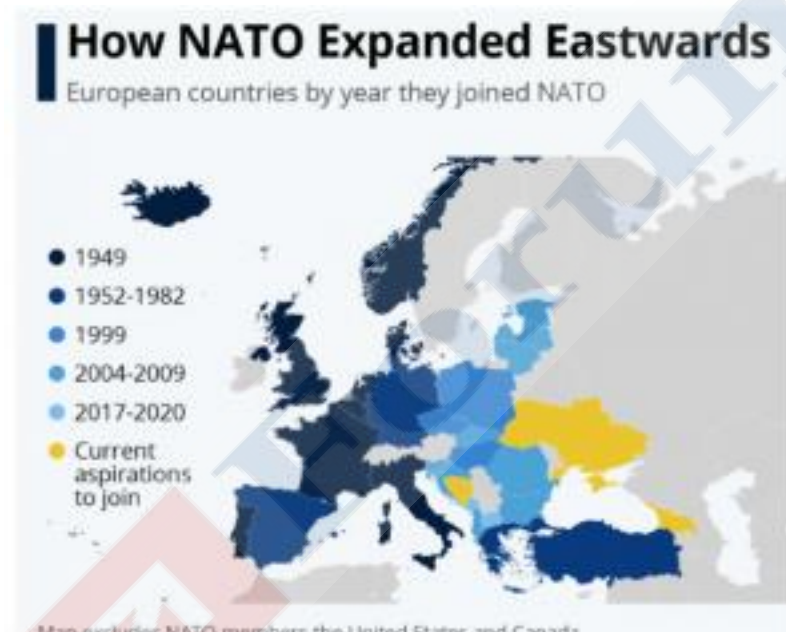


Figure 2 Source- The Guardian

1. Collective Defence- It's primary objective is collective defence, as **outlined in Article 5 of the Washington Treaty** (North Atlantic Treaty). The concept of Collective defence stipulates that an **attack on any of the members is an attack on all of them** and demands collective action.

2. Political Cooperation- It's objective is to **promote democratic values** and enable the members to **consult and cooperate on defence and security related issues** to solve problems, build trust and prevent conflict.

3. Military Assistance- It is also mandated to provide military assistance and **undertake crisis**

management operations, in case of diplomatic failures in dispute resolution.

Read More- [Washington Treaty](#)

What have been the achievements of NATO in the last 75 years?

1. Collective security against superpowers of different ideology- During the Cold war era, NATO helped the **European countries** in **securing their countries** against a number of actual or potential dangers emanating **from**

the erstwhile USSR. Post cold, NATO is helping the European Countries to compete ideologically, economically and strategically against the emerging super power China.

2. Controlling militarized conflicts in Central and Eastern Europe- It has played a key role in containing and controlling militarised conflicts in Central and Eastern Europe by actively promoting stability within the former Soviet bloc.

3. Stabilization of Western Europe- It has helped in the stabilization of Western Europe, whose states had been bitter rivals in the past. For ex- France-Germany relations.

4. Crisis management operations- It provides support to other countries in their crisis management operations. These range from aid operations such as its delivery of relief supplies after the 2005 Kashmir Earthquake to counter-terrorism operations in the Mediterranean and the coast of Somalia.

5. Invocation of collective security only once- Article 5 of the North Atlantic Treaty has been invoked only once so far following the September 11, 2001 attacks on the US. NATO forces were sent to Afghanistan and deployed for nearly 20 years.

6. Providing Humanitarian Aid to Ukraine- NATO has publicly denounced the Russian invasion of Ukraine and NATO member countries and allies have provided substantial aid to Ukraine. The Ukraine war has reaffirmed the importance of NATO, and even spurred Finland and Sweden to increase their efforts to join the alliance

What are the Challenges being faced by the organisation?

1. Funding Challenges- Only a few members have met the defence spending target of 2% of their GDP, pledged after Russia's annexation of Crimea in 2014. Currently, the US accounts for over 2/3rd of the alliance's defence spending, which is considered unfair by the republicans in US.

2. Intra-block tensions- Disagreements between countries have led to intra-block tensions within NATO. For ex- Turkey holding off Sweden and Finland's NATO's membership for criticism of Turkey's human rights violations. French president's criticism of NATO regarding lack of strategic coordination between European allies and the United States and Turkey.

3. Deterioration of ties with Russia- Russia's ties with NATO have now slipped to the level of direct confrontation in the face of NATO's open support for Ukraine in the Russia-Ukraine War.

4. Participation in military conflicts worldwide- NATO has gained a bad name for participation in more than 200 military conflicts worldwide, which includes 20 major conflicts. It has been criticised for inflicting damage, human toll and bringing destruction and alienation instead of declaring peace and stability. For ex- NATO's bombing of Yugoslavia, invasion of Iraq, and the unlawful military interference in Syria.

5. Continuation of Colonial practices in Modern Avatar- Increasing number of third world countries have started looking at NATO as a continuation of the ugly colonial practices in a modern avatar under the slogans of democracy, human rights and freedom as prescribed by the Euro-Atlantic rulers.

6. NATO's unwarranted expansionism- NATO's expansion in the post-Soviet space and Eurasia is creating more alienation and damaging the traditionally close ties between the countries. The possibility of Ukraine joining NATO has been cited as a significant reason for Russian actions in the Russia-Ukraine Conflict.

What Should be the Way Forward for its reform?

1. Restart the dialogue mechanism with Russia- NATO should abandon the strategic concept adopted at the 2022 NATO summit by which Moscow is proclaimed to be the most significant and direct threat to allied

security, peace and stability in the Euro-Atlantic. The **dialogue mechanisms with Russia** must be started at the earliest.

2. Positive agenda for global peace- NATO should present its positive agenda to contribute to the maintenance of global and regional peace and security. It should **allay the fears of expansionism** and **continuation of colonial expansion** by enhancing transparency in their functioning.

3. Focus on Non-Traditional Threats- NATO should further **adapt to address non-traditional threats like terrorism, cyber attacks, disinformation campaigns**, and threats to supply chain security.

4. Enhance the Quality, Coherence and Timelines of Advice- The importance and functions of the five main policy committees within NATO, which include the **Military Committee, Political Committee, Policy Coordination Group, Executive Working Group, and Senior Resource Board**, must be enhanced.

[Read More- The Indian Express](#)

UPSC Syllabus- GS 2- International Organisations

Electoral Reforms In India- Explained Pointwise

With the impending General Elections 2024, the **issue of electoral Reforms in India** has started getting traction. India is both the largest and one of the most populous democracies in the world. **Elections lie at the very heart of Indian democracy**. They not only sustain democracy but enliven it as well. Hence, **holding of free and fair election is**, therefore, a sine qua non of democracy.

Various electoral reforms have been taken in India till date to ensure free and fair elections. However, **Electoral reforms remains a work in progress**.

What are electoral reforms? What Electoral Reforms have been taken in India?

Electoral Reforms- Electoral reforms in India refers to the **evolution and modification of the electoral system in India**. The Electoral Reforms seek to promote clean politics, free and fair elections, and ideal legislators.

Electoral Reforms have been undertaken in India since Independence. However the reforms can be sub divided under the following timelines-

Major Electoral Reforms Before 1996

Introduction of EVMs 1982	EVMs were introduced for the first time for conducting general election in Kerala in May 1982. In 2004, in the General Election to the Lok Sabha, the EVMs were used in all 543 Parliamentary Constituencies in the country.
Lowering of Voting Age 1988	The Voting age was reduced from 21 years to 18 years by the 61st Constitutional Amendment Act of 1988 , to encourage the youth to express their voice via vote.
Increase in the Number of Proposers 1988	To prevent the non-serious candidates from contesting , the number of proposers were increased for filing nomination papers to the Rajya Sabha and State Legislative Council.
Anti Booth capturing Provisions 1989	A provision was made for the adjournment of polls or countermanding elections in case of booth capturing in 1989.
Elector's Photo Identity Card (EPIC) 1993	Election Commission started issuing Elector's Photo Identity Card (EPIC) for registered voters.

Major electoral Reforms in 1996 on the recommendations of Dinesh Goswami Committee

Listing of names of candidates	Candidates wanting to contest elections were further divided three categories- a. Political party , b. Registered and Un-registered Party and c. Independent Candidates
Disqualification under Prevention of Insults to the National Honour Act	A person convicted for the offenses under the Prevention of Insults to National Honour Act of 1971 is disqualified to contest in the elections to the Parliament and State Legislature for 6 years
Increase in the number of proposers	The nomination of a candidate in a Parliamentary or assembly constituency should be subscribed by 10 registered electors of the constituency as proposers if the candidate is not sponsored by a recognized political party.
Contestants restricted to two constituencies	A candidate would not be eligible to contest from more than two Parliamentary/assembly constituencies and Rajya sabha/State legislative council
By-Elections	By-Elections were to be held in six months since the vacancy
Introduction of strict prohibitions	Strict prohibition on Arms and Sale of liquor near polling area

Major Electoral Reforms after 1996

Increase in the number of proposers and seconders 1997	Number of Proposers and Seconders for contesting Election to President and Vice president were changes accordingly- a. President : From 10 to 50 b. Vice President : From 5 to 20
Postal Ballot 1999	Provision was made for voting through Postal Ballot in 1999 under circumstances by the permission of Election Commission for any class persons.

Electoral Reforms in 2003

Introduction of proxy voting	A provision was made for voters from Armed forces to opt their vote through proxy.
Declaration of criminal antecedents, assets	The Election Commission issued an order directing every candidate to disclose the information on the matters of conviction, accusation, assets, and any liabilities.
Free supply of electoral rolls and travel exemptions	Election Commission passed a provision for free supply of electoral rolls and exemptions were made in travelling expenses made by Candidates.
Parties entitled to accept contribution	The political parties had to report any contribution in excess of ₹20,000 to the Election Commission for claiming income tax relief.
Allocation of time on media	Allocation for sharing of time on media and cable to each candidate was made by Election Commission. Introduction of Braille Signage features in EVM.

Electoral Reforms Since 2003 Till Today

Prohibition on exit polls 2009	Prohibition were imposed on conducting Exit Polls and publishing the results of exit polls.
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Time limit for submitting a case for disqualification 2009	A three-month time limit was added within which the specified authority will have to submit the case of a person found guilty of corrupt practice to the President to determine the question of disqualification.
Increase in security deposit 2009	The amount of security deposit to be paid by the candidates contesting elections to the Lok Sabha was increased from ₹10,000 to ₹25,000
Registration of Indian Citizen living outside India 2010	Every Indian Citizen living outside India is entitled to get his name registered in the Parliamentary or Assembly near the place of residence mentioned in his/her passport and are entitled to receive their voting rights

Electoral Reforms in 2013

Electoral roll Online	Election Commission made the provision for Online filling of the application form in the electoral roll.
Addition of NOTA option in the EVMs	Apex Court of India directed election commission to add NOTA (None of the above) option in EVM's
Introduction of VVPAT	Election Commission introduced VVPAT (Voter Verifiable Paper Audit Trail) for verification of voters vote .
Allowing persons in jail or police custody to contest elections	The Representation of the People Act, 1951 was amended in 2013 to allow the persons in jail or police custody to contest elections.
Immediate disqualification of convicted MPs and MLAs	Supreme Court, in Lily Thomas case (2013) , held that convicted MPs and MLAs will be immediately disqualified from holding membership of the House without being given three months' time for appeal.

Electoral Reforms after 2013

Increase in election expenditure 2013	Government raised the maximum ceiling on election expenditure of Lok Sabha from Rs.40,00,000 to Rs.70,00,000 . In bigger states assembly seats was increased from Rs.16,00,000 to Rs.28,00,000
Pics of candidates on EVMs 2015	Election Commission passed the order that EVM will carry the picture / photo of candidate, his/her name and symbol of the party to avoid the confusion amongst the common people.
Electoral Bonds 2017	Ceiling on cash donations lowered- The limit for anonymous cash donations by any individual to a political party was lowered from ₹20,000 to ₹2,000 . Cap on corporate contributions lifted- The limit on corporate contributions from 7.5% of the net profit of a company's past three financial years was removed .

What are the Challenges faced in conduction of free and fair elections in India?

- 1. Booth Capturing-** Even in new era and world of developments, there are reported incidents of violence and intimidation of voters at the booth. **For ex- Violence at polling booths in Bengal Panchayati Elections**
- 2. Criminalisation of Politics-** Despite the EC's measures regarding the disclosure of criminal records, the parties have not refrained from giving tickets to candidates having serious criminal antecedents. **For ex- About**

40% of sitting MPs have criminal cases registered against them out of which 25% have declared serious criminal cases under charges of murder.

3. Violation of Model Code of Conduct- The elections in India witness violations of the model code of conduct by the candidates and the political parties. **For ex- Illegal use of public places, loudspeakers, money for votes** etc.

4. Electoral Finance- Electoral finance has always been an Achilles heel problem for elections in India. Laundered and Black money are major sources of electoral finance. **For ex- SC recently stuck down Electoral bond scheme on the issue of lack of transparency in funding.**

5. Electoral Overspending- The political parties have no expenditure limit in the elections. This is exploited by the candidates for over expenditure in their constituencies during the election. **For ex- Star campaigners expenditure is not included in candidate's expenditure.**

6. Use of casteism and communalism card- The elections in India witness the card of casteism, communalism and regionalism played by the political parties to garner votes. These lead to social fragmentation of the electorate. **For ex- Use of Hate Speech in elections**

Read More- [Electoral Bonds Scheme](#)

What is the aim of Electoral Reforms?

1. Ensuring free and fair elections (Article 324): Electoral reforms aim to address the issues of electoral malpractices and ensure that elections are conducted in a free and fair manner.

2. Enhancing voter participation- Electoral reforms aim to increase voter turnout and to address the issue of voter apathy, difficulty in accessing polling booths, etc.

3. Reducing the influence of money and muscle power- Electoral reforms help to reduce the influence of money and muscle power by regulating campaign finance and ensuring the safety of voters.

4. Encouraging transparency and accountability- Electoral reforms initiate the measures such as mandatory disclosure of criminal records by candidates and the use of technology to monitor the electoral process. Thus they help in enhancing the transparency and accountability of elections in India.

5. Addressing electoral inequalities- Electoral reforms aim to bring down the inequalities such as the under-representation of women and marginalized communities.

What should be the way Forward?

Implementation of the Electoral Reforms suggested by the EC which are provided below will help in addressing the issue of electoral malpractices and conduction of free and fair elections-

- 1. One Candidate one Constituency-** The Representation of People's Act must be amended to provide that **a person cannot contest from more than one constituency at a time.**
- 2. Lifetime Ban on contesting elections after conviction-** Election commission has endorsed the call for a lifetime ban which would '**champion the cause of decriminalization of politics**'.
- 3. Ban on advertisements six months prior to election-** **Advertisements of achievements of the governments, either Central or State,** should be prohibited for a period of six months prior to the date of expiry of the term of the House.
- 4. False Declarations to be an offence-** Election Commission proposes that making false declarations concerning elections be an offense under RPA.
- 5. Rules making under RPA to be conferred to the EC-** Rule-making authority under the Representation of the People Act, 1950, and Representation of the People Act, 1951, should be **conferred on the Election Commission instead of the Central Government.**
- 6. Use of common Electoral Rolls-** There should be the **use of common electoral rolls** at elections conducted by the Election Commission and the State Election Commissions.
- 7. Disqualification under anti-defection law-** The decisions relating to anti-defection matters should be **rendered by the President or the Governor with the recommendation of the Election Commission.**
- 8. Explore setting up of National Electoral Fund-** The idea of National Electoral Fund, put forth by former chief election commissioner **T.S. Krishnamurthy**, can be explored as an alternative to state funding of election. This **fund would allow contributions from all donors.** The money will then go to the parties according to the results of the elections or any other principle that all parties would agree upon.

Read More- [PRS](#)

UPSC Syllabus- GS 2- Issues related to elections and the RPA

Importance of Andaman and Nicobar Islands- Explained Pointwise

The **strategic and economic importance** of Andaman and Nicobar Islands is **increasing in the power corridors of New Delhi.** The enhanced focus of New Delhi on the strategic importance of Andaman and Nicobar Islands is reflected by the **renewed emphasis on the creation of major military infrastructure (revamping of airfields, jetties, habitat for troops)** in Andaman and Nicobar Islands. Government of India had earlier constituted **Islands Development Agency (IDA)** and a **NITI Aayog committee** for holistic socio-economic development of Andaman and Nicobar Islands.

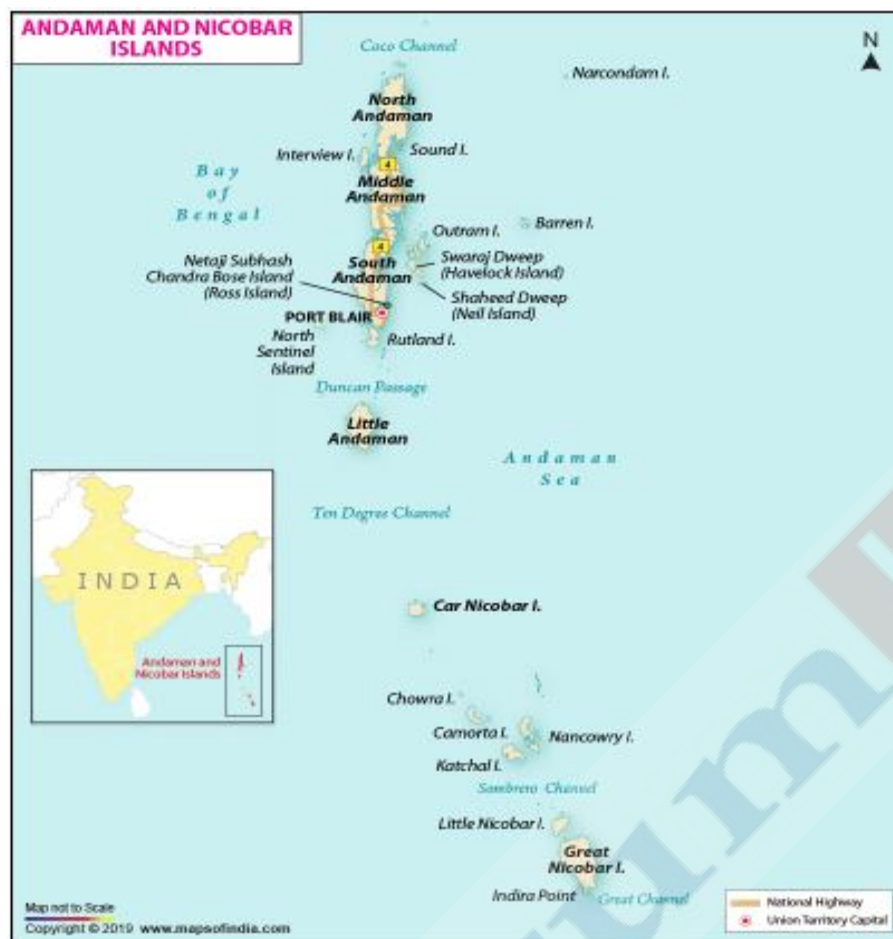


Figure 3. Source- Map of India

Where is the Andaman and Nicobar Island Chain located? What is the history of its association with India?

Andaman and Nicobar Islands- The Andaman and Nicobar Islands consists of two groups of islands, the Andaman Islands and the Nicobar Islands. It covers an area of 8,249 sq km. The entire island chain consists of 836 islands including islets and rocky outcrops, of which some 38 are permanently inhabited.

Governance- The islands are governed as a single Union Territory by the Central Government of India, through the Andaman Nicobar Administration.

History of India's association with Andaman and Nicobar Island

The aftermath of the 1857 War of Independence	British established a penal colony in the Andaman and Nicobar (A&N) islands, where many Indian revolutionaries and freedom fighters were incarcerated for life.
February 1942	The Andaman and Nicobar islands were occupied by the Japanese as a prospective springboard for the invasion of India after their occupation of Singapore
December 1943	The islands became the first part of India to be 'liberated' from British rule, when Netaji Subhas Chandra Bose visited Port Blair and hoisted the INA tricolour.
1945	British reoccupied the Andaman and Nicobar Islands after the Japanese surrender in 1945
On the eve of Independence	The fate of these islands hung in balance. The British Chiefs of Staff had recommended retaining the A&N, as a Crown possession given its strategic oceanic location. However, British PM Clement Atlee overruled the recommendations and let India have the Island.
1962	From Independence till 1962, the island was subjected to benign neglect by New Delhi due to the attachment of dark symbolism of Kalapani coupled with the remoteness of the islands. However, in 1962, the government sanctioned a detachment of 150 sailors to form

	a 'naval garrison' when the Indian Navy (IN) raised an alarm about the reported sighting of a Chinese submarine.
2001	India's first joint and Unified operational command- the Andaman Nicobar Command (ANC) was established in Port Blair after the post-Kargil War security review.

What is the importance and Significance of Andaman and Nicobar Islands for India?

Geo-strategic and Geo-Political Significance

- 1. Crucial Node for peace and security in the Indo-Pacific-** India can leverage the strategic position of the Andaman and Nicobar islands to emerge as the 'net security provider' in the Indo-Pacific region.
- 2. Enhances the scope of Maritime Partnership-** Andaman and Nicobar's geo-strategic location enhances the scope for India's maritime partnership with the US, Japan, Australia and France. **For ex- Enhances their scope for participation in Exercise KAVACH.**
- 3. Countering the growing Chinese influence-** Andaman and Nicobar Islands is like a 'Metal chain' strung right down the Bay of Bengal to the mouth of the Malacca, with the potential to block China's access to the Indian Ocean. Beefing up of military infrastructure creates a 'Malacca Dilemma' for China due to the proximity of Andaman and Nicobar Island to the Malacca Strait.
- 4. Protection of Maritime Choke points-** Its geo-strategic location gives India advantage of securing the Malacca Strait from where more than 90,000 merchant ships carrying about 30 per cent of the world's traded goods pass every year.

Geo-Economic Significance

- 5. Mineral Deposits-** The island provides India with 300,000 sq km of exclusive economic zone with the potential of undersea hydrocarbon and mineral deposits.
- 6. Tourism Potential-** The pristine beaches of the Andaman and Nicobar Island has a large tourism potential which can attract FDI in the hospitality sector in India.
- 7. Maritime and Startup Hub-** NITI Aayog has identified the potential for development of Andaman and Nicobar Island as a maritime and startup Hub. **For ex- NITI Aayog's proposed project for Great Nicobar** which includes international container trans-shipment terminal, a greenfield international airport, a power plant and a township complex.

Social Importance

- 8. Treasure of Tribes-** The Andaman and Nicobar Islands are home to 5 Particularly Vulnerable Tribal Groups- Great Andamanese, Jarawas, Onges, Shompens and North Sentinelese. These tribal groups are a treasure for enrichment of our anthropological understanding.
- 9. Humanitarian Assistance and Disaster Relief (HADR)-** The Andaman and Nicobar Island provides an opportunity for India to undertake disaster-relief, medical aid, countering piracy and human smuggling, aircraft/submarine search and rescue operations for the social welfare in the Indo-Pacific region.

What are the challenges in the realisation of full development potential of these Islands?

- 1. Environmental Concerns-**There are environmental concerns around the large scale development projects being undertaken in the Andaman and Nicobar Islands. These developmental projects can endanger the flora and fauna of the island state. **For ex- Proposed Great Nicobar project will endanger the Giant Leatherback in the Galathea Bay area & threat to coral reefs and mangroves in the area.**

2. Geo Political insecurity-The geopolitical influence of Chinese military facility at **Myanmar's Coco Islands** lying 55 km north of A&N Islands poses a threat to India's blue economy and maritime security.

3. Maritime Challenges-There are maritime threats and challenges arising from **illegal migration, human trafficking, poaching, and subversive threats from the seas.**

4. Geological Vulnerability- The Andaman and Nicobar island group's location in the highly active geological zone makes it prone to a number of natural disasters. **For ex- 2004 earthquake and tsunami wiping one-fifth of the population** and 90% of mangroves in **Nicobar and Car Nicobar island.**

5. Lack of coordination-The development of islands and strategic infrastructure is a multidimensional project involving several ministries, departments, and agencies, that presents significant coordination challenges

6. Encroachment in Tribal Space-There has been intrusion in the tribal space due to **encroachment into their areas in the name of development,** and **lack of effective rehabilitation program.**

7. Socio-economic Challenges-The **influx of settlers, job-seekers, labourers, and migrants** that has created socio-economic problems on the island. The **high cost of living, lack of employment opportunities,** and distance from the mainland have led to a sense of negativity among the islanders.

Read More- [A grave Mistake in Nicobar](#)

What are the government initiatives for the Andaman islands?

Japan's Overseas Development Assistance	Japan approved a USD 265 crore grant aid for Andaman and Nicobar Development projects in 2021.
NITI Aayog's Project for Great Nicobar	It entails development of an international container transshipment terminal, an airport, a power plant, and a township.
NITI Aayog's Proposal for Little Andaman	The plan calls for the development of a new greenfield coastal city to compete with Singapore and Hong Kong.
Modernisation of Defence Infrastructure	Modern Hangar and Dispersal system at INS Utkrosh in Port Blair. Naval Communication Network (NCN) Centres at INS Kohassa, INS Baaz and INS Kardi, designed to further augment the communication and operational capability of the Andaman and Nicobar Command.
Submarine cable connectivity to Andaman & Nicobar Islands (CANI)	The 2300 Kms submarine Optical Fibre Cable (OFC) will connect Andaman & Nicobar Islands to the mainland.

What should be the way forward?

1. Development in accordance with Sustainable Island Development Framework-**Environmental and Social Impact Assessment** should be made mandatory for any development activity in the Andaman and Nicobar Region. Planned habitation of uninhabited islands should be considered by providing incentives such as free or subsidised land, where eco-friendly entrepreneurial efforts could be encouraged.

2. Developing Island Security Model- A **long-term Capability Development Plan** must be prepared for the **Andaman and Nicobar Command,** the **Coast Guard,** and the **Andaman Police** for developing and implementing an Island Security Model. There must be robust maritime security to keep the vast area around the islands under surveillance.

3. Increasing the pace of Development Works- The pace of Socio-economic and Infrastructural Development works must be increased for the **holistic development** of the Andaman and Nicobar Islands. It's crucial to develop infrastructure on the southern group of islands, strategically positioned along the main shipping route from the Indian Ocean to Southeast Asia, to support India's maritime economy.

4. Making the Andaman's a formidable maritime bastion- This will **extend India's defensive perimeter** and also **bestow the ability to project power** or extend a hand of friendship to maritime neighbours.

Read More- [The Indian Express 1](#), [The Indian Express 2](#)

UPSC Syllabus- GS 3- Internal Security, GS 2- International Relations

Tuberculosis- Role of private sector in Elimination- Explained Pointwise

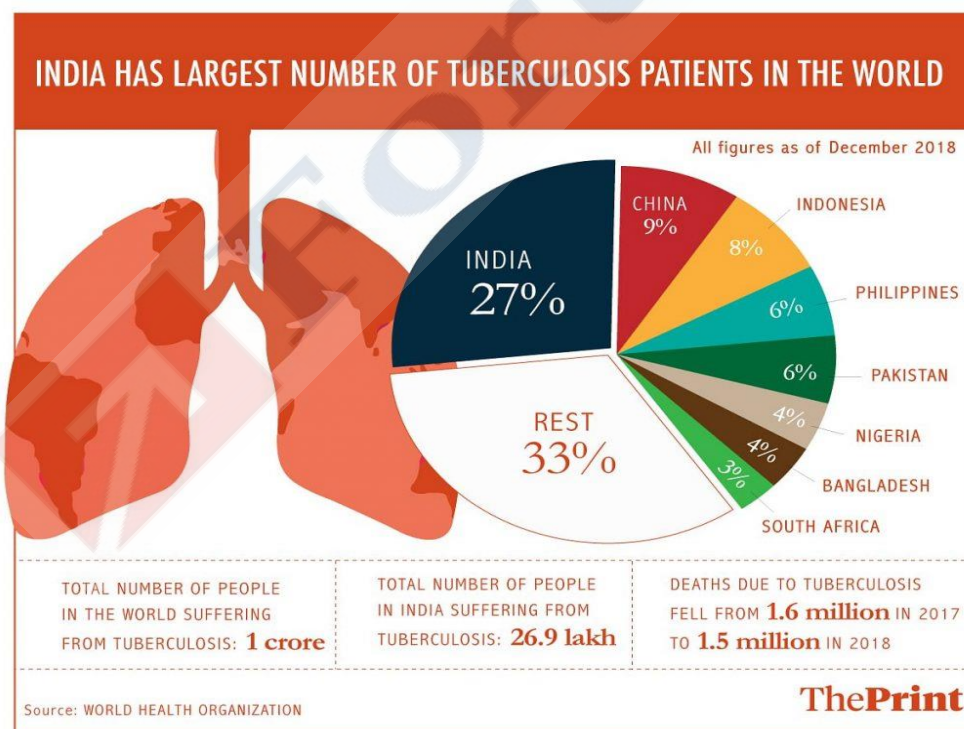
India has set an ambitious target to **eliminate tuberculosis (TB) by 2025**, five years ahead of the global target. The private health sector **continues to provide more than 80 per cent of initial primary care** in India. Hence, the **private sector needs to be roped in** the government's programme for achieving the ambitious goal of elimination of tuberculosis in India.

What is Tuberculosis? What is the Current Status of Tuberculosis Burden In India?

Tuberculosis- Tuberculosis (TB) is an **infectious airborne bacterial disease** caused by **Mycobacterium tuberculosis**. It most commonly affects the lungs but can also damage other parts of the body.

Current Status of TB Burden In India

- India has notified a record **25.5 lakh TB patients in 2023**. (More than 8.4 lakh patients were notified by the private healthcare sector). This is a 21-fold increase from 2013 notified level.
- According to WHO's Global TB report 2021, with **25.9 lakh TB cases**, **India is home to 25% of the global tuberculosis cases**.



What is the need for Eliminating TB earlier in India?

Eliminating TB earlier in India is crucial for a number of reasons which are mentioned below-

- Health-** TB is a **major cause of illness and death in India**, and eliminating the disease would significantly improve the health and well-being of the population.

Figure 4.Source- The Print

2. **Economic impact-** TB has a significant economic impact, as it leads to **loss of income and productivity** for individuals and families. Eliminating tuberculosis would reduce this impact and help to boost the economy.

3. **Poverty reduction-** TB **disproportionately affects people living in poverty**, and eliminating the disease would help to reduce poverty and promote economic development.

4. **Global health-** TB is a **global health concern**, and eliminating the disease in India would contribute to the global effort to control and eventually eliminate TB.

5. **Achievement of Sustainable Development Goals-** Elimination of Tuberculosis is an **important target under the United Nations' Sustainable Development Goals** (SDGs) and its **elimination in India** would contribute to overall progress towards the SDGs.

6. **Social justice-** Eliminating TB would help to **promote social justice by reducing the burden of the disease on vulnerable and marginalized populations**, such as those living in poverty or with limited access to healthcare.

What are the challenges in Eliminating TB in India?

1. **High burden of TB cases-** According to the Global TB Report 2022, **India accounts for 28% of all TB cases in the world**. This makes it difficult to identify and treat all cases in a timely manner.

2. **Drug-resistant TB-** India has a **high burden of drug-resistant TB**, which is more difficult and costly to treat than regular TB. **Inadequate use of antibiotics** and **poor adherence to treatment regimens** have contributed to the emergence of drug-resistant strains.

3. **Limited access to healthcare-** Many people, particularly in rural areas, **lack the access to quality healthcare facilities or cannot afford to seek medical care**. This **result in delays in diagnosis and treatment**, and may also lead to the spread of TB.

4. **Stigma and discrimination-** The stigmatisation of Tuberculosis has led to reluctance among the population to **disclose their illness or seek treatment** due to fear of discrimination or social isolation.

5. **Poor living conditions-** **Overcrowded living conditions, poor sanitation, and lack of access to clean water** can increase the risk of TB transmission.

6. **Limited awareness-** Many people in India are **not aware of the signs and symptoms of TB** or the importance of completing the full course of treatment. This **leads to delays in diagnosis and treatment** and contribute to the spread of TB.

7. **Insufficient funding-** Despite being a major health problem in India, TB **receives insufficient funding and attention** from policymakers and healthcare providers.

Read More- [TB in India: A fight to the end](#)

What are the government's steps for Eliminating TB in India?

Introduction of CB-NAAT and TureNat for TB detection

The government has increased access to more accurate molecular diagnostic tests like **CB-NAAT** and **TureNat**. The government has implemented a **universal drug susceptibility test**, which use the antibiotic susceptibility of the mycobacterium is determined for all newly diagnosed cases.

Improvements in treatment protocols	Injectable kanamycin for TB elimination, which caused kidney failure and deafness, has been replaced by Bedaquiline and Delamanid . These new pharmaceuticals have also been included in the new National List of Essential Medicines , giving the government the authority to control their market pricing.
Revised National Tuberculosis Control Program (RNTCP)	The RNTCP is a national program that provides free diagnosis and treatment for TB patients. The program has been expanded to cover the entire country .
Community engagement programme	The government launched the community engagement programme where Nikshay mitras can adopt TB patients and provide them monthly nutritional support.
Engaging with private healthcare providers	The government has engaged with private healthcare providers to improve the quality of TB care and ensure that TB patients receive appropriate treatment.

What is the private sector involvement in Tuberculosis treatment?

Public Private Interface Agency (PPIA)- The **Public Private Interface Agency (PPIA)** is the most effective form of intervention for elimination of TB. The **agency functions as an intermediary** between the national TB programme and private healthcare providers.

Patient Provider Support Agency (PPSA)- This has created a **network of private health sector providers, including medical practitioners, retail chemists, laboratories, and corporate hospitals** to ensure that diagnostic and treatment practices adhere to the '**Standards of TB Care**' in India.

What Should be the way forward?

- Engaging better with private chemists**- Retail chemists who are the **first point of contact for patients in India** who must be trained for regular monitoring of the H1 schedule and prohibiting over-the-counter sale of antibiotics.
- Leveraging the contact of medical practitioners**- The network of rural medical practitioners and village doctors have a **high trust compact with the community**, must be leveraged for TB detection and elimination.
- Implementation of a comprehensive TB control program**- The Indian government should develop and implement a comprehensive TB control program that includes **early diagnosis, effective treatment, and follow-up care**.
- Investment in research and development**- Investment in research and development can help to **identify new diagnostic tools** and more effective treatments for TB. For ex- The recent **development of artificial intelligence software for detecting hot spots in the lungs from digital chest X-rays** is a promising tool for mass active case finding of TB in the community.
- Increase in govt funding**- TB prevention and treatment **should be a priority for the government and policymakers**, and funding should be increased to support research, prevention programs, and treatment efforts.

Read More- [The Indian Express](#)

UPSC Syllabus- GS 2: Social Justice – Issues relating to development and management of Social Sector/Services relating to Health

Iran-Israel Conflict and India's stake- Explained Pointwise

The recent escalation of the Iran-Israel conflict has put India's stake in the West Asian region in danger. Iran launched hundreds of drones and cruise missiles towards Israel in response to the strike in Iranian diplomatic building in Syrian capital of Damascus on April 1, which killed a senior member of the Iran's Islamic Revolutionary Guards, and eight other officers. India has expressed 'serious concern' at the escalation of the Iran-Israel conflict, and has called for 'immediate de-escalation' of the conflict.



History of Iran-Israel Conflict

Phase of Cooperation	
From 1948-1979	<ol style="list-style-type: none"> 1. The Pahlavi Dynasty (Mohammad Reza Pahlavi) which ruled Iran from 1925-1979 maintained close ties with Israel. 2. Iran became the second Muslim-majority nation after Turkey to officially recognise Israel in 1948. Israel established a de facto embassy in Tehran. 3. The two countries saw an extensive deepening of relations in the economic/trade (Iran became a major oil provider for Israel), military and security cooperation (SAVAK, the Iranian security and intelligence service was partly trained by Mossad)
Phase of Conflict	
After the Iran Revolution 1979	<ol style="list-style-type: none"> 1. After the 1979 Islamic Revolution, Shah Mohammad Reza Pahlavi was ousted and the new supreme leader of the Islamic Republic of Iran, Ayatollah Ruhollah Khomeini, adopted a policy of standing up to "arrogant" world powers and adopted a pro-Palestine stand. 2. Israel came to be known in Iran as the 'Little Satan' to the 'Great Satan' the US. 3. Iran cut of all ties with Israel. Israeli embassy in Tehran was transformed into the Palestinian embassy. 4. Khomeini declared every last Friday of the Muslim holy month of Ramadan as Quds Day, on which large rallies are taken out in support of Palestinians across Iran.
Modern Phase of Conflict	<ol style="list-style-type: none"> 1. Proxy Militias and Wars- Iran has been engaging in proxy wars by fighting supporting proxy militias against Israel like Hezbollah (Lebanon), Hamas (Gaza), Houthis (Yemen) 2. Attack on Iranian Nuclear Programme- The Iranian nuclear programme, which has been a primary focus of Israel, was attacked by US' Struxnet computer virus in 2000s to target centrifuges enriching uranium as claimed by Iran. Donald Trump's decision to withdraw from the Iran nuclear agreement in 2018 was seen as a blow to Tehran and a victory for Israel.

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What is the history of Iran-Israel Conflict?

Iran and Israel have emerged from being friends to foes. The bitter hostility that prevails between the two nations did not exist until the Iranian revolution in 1979. The relationship has been on a downhill, from Cooperation to Conflict.

Phase of Cooperation	
From 1948-1979	The Pahlavi Dynasty (Mohammad Reza Pahlavi) which ruled Iran from 1925-1979 maintained close ties with Israel. Iran became the second Muslim-majority nation after Turkey to officially recognise Israel in 1948. Israel established a de facto embassy in Tehran. The two countries saw an extensive deepening of relations in the economic/trade (Iran became a major oil provider for Israel), military and security cooperation (SAVAK, the Iranian security and intelligence service was partly trained by Mossad)
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Modern Phase of Conflict	Proxy Militias and Wars- Iran has been engaging in proxy wars by fighting supporting proxy militias against Israel like Hezbollah (Lebanon), Hamas (Gaza), Houthis (Yemen). Israel is known to back Mojahedin-e Khalq (MEK) , a Europe-based organization, Sunni organisations in Iran's southeastern Sistan and Baluchistan province, and Kurdish armed groups based in Iraqi Kurdistan. Attack on Iranian Nuclear Programme- The Iranian nuclear programme, which has been a primary focus of Israel, was attacked by US' Struxnet computer virus in 2000s to target centrifuges enriching uranium as claimed by Iran. Further, there have been attacks on Iranian nuclear scientists. US withdrawal from Iran Nuclear Agreement- Donald Trump's decision to withdraw from the Iran nuclear agreement in 2018 was seen as a blow to Tehran and a victory for Israel .

What are India's stake in the region which will be endangered by the recently escalating Iran-Israel Conflict?

1. Risks to the Indian Diaspora- The escalation of the Iran-Israel conflict poses a grave risk to the **lives and livelihoods of the the large Indian Diaspora** in West Asia. (~18,000 Indians in Israel, ~5,000-10,000 Indians in Iran, and around 90 lakh people Indians in the Gulf and Other West Asian region).

2. Endangers Energy security- Any escalation of the conflict will pose a grave threat to India's energy security as the **West Asia region contributes to India's 80 per cent of oil supplies**. The conflict will have an adverse impact on energy prices in India.

3. Endangers India's economic growth- A surge in oil prices on account of the war would impact India's economic growth, **drive up inflationary pressures, disrupt the balance of trade and current account deficit**, consequently **exerting pressure on the rupee**.

4. Risks to Indian Equity and Bullion markets- The Indian equity and bullion markets which are already **facing the pressure of reduced FDI and FPI inflows due to interest rate hikes in US**, will be further impacted by a full fledged war between Israel and Iran. **For ex- Further Increase in the gold prices** as previously witnessed in the Ukraine-Russia war and Israel-Hamas wars.

5. Derail the progress on the IMEC Corridor- The escalation of the Iran-Israel conflict will derail the **progress made by India to build consensus in the turbulent West Asia** on the **India-Middle-East-Europe Economic corridor**, which has strategic as well as economic benefits for Delhi

6. Diplomatic challenge of balancing strategic ties- The widening of the conflict will affect the balance of strategic ties maintained by India with both Iran and Israel. It would be **difficult for India to maintain an ambivalent position** in case of further worsening of conflict.

What is the importance of Iran and Israel for India?

Israel's Importance for India

1. Economic and Commerce- India has a positive trade balance with Israel. **India is Israel's third-largest trade partner in Asia**. The bilateral merchandise trade has grown from USD 200 million in 1992 to USD 6.35 billion (excluding defence).

2. Defence- India imports critical defence technologies from Israel. Nearly 41 % of Israel defence exports are to India. Indian armed forces use **Israeli Phalcon AWACS (Airborne Warning And Control Systems), Heron drones** to Barak anti-missile defence systems.

3. Energy- India has been **awarded exploration license to extract and import natural gas from the Tamar and Leviathan gas fields**. This is a clear sign of diversification of the relation from defence to energy sector.

4. Science & Technology- **India-Israel Industrial R&D and Technological Innovation Fund (I4F)** has been set up to promote, facilitate and support joint industrial R&D projects.

5. Space- In 2002, India and Israel signed a **cooperative agreement promoting space collaboration**. India has successfully launched TecSAR and RISAT-2 radar imaging satellites of Israel from PSLV of ISRO.

Iran's Importance for India

1. Energy Security- Iran has been one of the **major suppliers of crude oil to India**. This has recently suffered due to US sanctions.

2. Similar Geopolitical concerns- Both countries have **shared concerns on terrorism emanating from Pakistan and Afghanistan**. Both Iran and India share similar concerns on **Taliban's treatment of minorities** and the lack of an inclusive and representative government in Kabul.

3. Strategic location and projects- The Chabahar port of Iran developed by India is a strategic economic project, which acts as a gateway to Afghanistan and Central Asia.

Read More- [India-Israel Relations](#), [India-Iran relations](#)

What should be the Way Forward for India?

- 1. Clarification of India's Position-** India has already called for the 'immediate de-escalation' and 'stepping back from violence' and 'return to the path of diplomacy'.
- 2. Balance engagements with other key actors in the Middle East-** India must try to forever balance its engagement with key regional actors- **Egypt, Iran, Israel, Qatar, Turkey, Saudi Arabia**, and the **United Arab Emirates**- whose orientation and interests are often different in the middle eastern conflicts.
- 3. Pursue non-ideological engagements-** India must pursue non-ideological engagement in the middle east region **to complement India's expanding interests in the Middle East.**

Read More- [The Indian Express](#)

UPSC Syllabus- GS 2- International events affecting India's interest