

7 PM COMPILATION

1st and 2nd week Sep, 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
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Judicial Appointments in India- Current Procedure, Concerns and Way Forward- Explained Pointwise

Judicial appointments in India has always been a **contentious issue** in India. It is further highlighted by the recently released report of the Department of Justice, while **60 lakh cases remained pending** at various High Courts, **30% of the HC judge seats** remain vacant. There has been a **long drawn confrontational battle** between the Government and the Judiciary over the procedural powers of appointment of Judges in India.

In this article we will look at the historical battle between Judiciary and Executive regarding Judicial appointments, the current system of Judicial appointment, the concerns around it. We will also focus on the proposed National Judicial Appointments Commission (NJAC) which sought to replace the collegium system and the methods of judicial appointments in other countries.

Constitutional Provisions regarding Judicial Appointments and the Evolution of the Collegium System



- **Article 124(2):** The Judges of the Supreme Court are appointed by the President. She **should consult such a number of the Judges** of the Supreme Court and of the High Courts in the States as she may deem necessary for the purpose.
- **Article 217:** The Judge of a High Court shall be appointed by the President **in consultation with** the Chief Justice of India and the Governor of the State. The Chief Justice of the High Court should also be consulted except in case of his/her own appointment.
- **First Judges Case (1981):** The SC said that **consultation under Article 124 doesn't mean concurrence**. The President is not bound by CJI's advice.
- **Second Judges Case (1993):** The SC **overruled its previous decision** and said **CJI's advice is binding**. The CJI is required to formulate its advice based on a collegium of judges consisting of CJI and two senior-most SC judges.
- **Third Judges Case (1998):** The SC expanded the collegium to a **five-member body** to include the CJI and the four senior-most judges of the court after the CJI.

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What are the constitutional provisions regarding Judicial appointments in India? What has been the history of evolution of the present system of appointment in India?

Constitutional Provisions of Judicial Appointment	
Article 124 (2)	Every Judge of the Supreme Court shall be appointed by the President by warrant under his hand and seal after consultation with such of the Judges of the Supreme Court and of the High Courts in the States as the President may deem necessary for that purpose. In the case of appointment of a Judge other than the Chief Justice , the Chief Justice of India shall always be consulted.
Article 217	Every Judge of a High Court shall be appointed by the President by a warrant under his hand and seal after consultation with the Chief Justice of India , the Governor of

	the State, and, the Chief Justice of the High Court except in case of his/her own appointment.
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Historical Battle between Executive and Judiciary over appointments

Colonial Rule	During the Colonial rule, the Judicial appointments were dominated by the executive branch.
Constitutional Debates	The framers of the Indian Constitution, were concerned about the potential for executive overreach in the appointments. They sought to create a balanced system of Judicial appointment to ensure judicial independence. Art 124(2) and Art 217 were aimed at balancing the powers of executive and judiciary in safeguarding judicial appointments.
Judicial Interventions	A series of rulings by the Supreme Court of India in the First, Second, and Third Judges case, led to the establishment of collegium system in India. The Judiciary gained a significant role in appointing judges, thereby reducing the executive's influence.

First, Second and Third Judges Case

First Judges Case (1981)	SC in the First Judges case ruled that consultation under Art 124 does not mean concurrence. The president is not bound by the CJI's advice.
Second Judges Case (1993)	SC overruled its previous decision in the First Judges case and asserted that 'consultation' meant 'concurrence'. The CJI is required to formulate its advice based on a collegium of judges consisting of CJI and two senior most SC-judges.
Third Judges Case (1998)	SC expanded the collegium to a five member body to include the CJI and the four senior most judges of the court after the CJI. This further entrenched judicial control over appointments.

NJAC Act and the Judicial Response

99th Constitutional Amendment Act 2014 and the National Judicial Appointments Commission (NJAC) Act, 2014	<p>The NJAC was proposed to be an independent Commission to replace the Collegium System to appoint Judges to the higher Judiciary.</p> <p>Membership- It was to be a six member body consisting of</p> <ul style="list-style-type: none"> (a) The Chief Justice of India as the ex-officio Chairperson (b) Two senior-most Supreme Court Judges as ex-officio members (c) The Union Minister of Law and Justice as ex-officio member (d) Two eminent persons from civil society. (The eminent persons were to be nominated by a committee consisting of the Chief Justice of India, Prime Minister of India and the Leader of Opposition in the Lok Sabha. One of the eminent persons was to be nominated from SC/ST/OBC/minorities or women) <p>Veto Power- The Act empowered any 2 members of the NJAC to veto a recommendation if they did not agree with it.</p>
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Fourth Judges Case (2015)	The Supreme Court declared the 99th Amendment Act and the NJAC Act as unconstitutional. Supreme Court struck down the National Judicial Appointments Commission (NJAC) and reaffirmed the collegium system. SC held that NJAC impinged on the independence of the Judiciary and undermined the basic structure of the Constitution.
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Issues with NJAC

- 1. Membership Issue-** The two eminent persons to be part of the NJAC **need not have any expertise in Law or related to the functioning of the Courts**. This would have created an avenue for the Government to appoint any person to the Commission.
- 2. Ambiguity in Definitions-** Certain terms were left unexplained and ambiguous in the Acts. **For ex-** Section 5(1) of the NJAC Act required the NJAC to recommend the senior-most Judge of the Supreme Court as the Chief Justice of India "if he is considered fit to hold the Office". However the **criteria for fitness has not been defined**.
- 3. Veto Power-** The use of veto power by any two members could have resulted in **overriding of the Judicial opinion**.
- 4. Absence of provision of Casting Vote-** **The CJI had no Casting Vote**. The NJAC had an even number of 6 members but the Chairperson, the Chief Justice of India, had no casting vote. A casting vote could have been useful in avoiding a deadlock (due to split in the even number of votes).
- 5. Possibility of executive Over reach-** The NJAC had the power to frame regulations laying down the criteria of suitability, and the procedure of appointing judges of the SC and the HCs. The **Parliament had the power to nullify these regulations**, thus giving over-riding powers to the Legislature over Judiciary.

What is the present System of Judicial Appointment in India?

Through the judgments in the four judges case, the SC has firm control over the Judicial appointments in India.

Collegium-led Appointment- The **Judicial Appointments** and **transfers** (Higher Judiciary, Supreme Court and the High Courts) are undertaken through the '**Collegium System**'.

The Collegium of the Supreme Court is a **5-Judge body**, headed by the **Chief Justice of India**. It includes **4 senior-most Judges of the Supreme Court**. The Collegium recommends the name of Judges to be appointed to the Court.

Executive Background Checks- The Government also **undertakes background checks of the candidates** through its **agencies like Intelligence Bureau (IB)**. The Government may raise objections to the choice and ask for clarification. The Government **can return the recommendations of the Collegium for reconsideration**. However, **if the recommendations are reiterated**, the Government must accept them (SC Judgment).

What are the benefits of the Collegium System?

- 1. Checks Interference of the Executive-** The collegium system **isolates Judiciary** from the **influence of Executive** and **Legislature**. It ensures independence of the Judiciary. **For ex-** The **interference of the Executive in Judicial appointments during Emergency** when several settled conventions were disrupted like appointment of senior-most Judge as the Chief Justice.
- 2. Executive as Main Litigant-** The Government is the **main litigant in Courts accounting for ~50% of the cases**. Prominence to the Executive in appointments may impact impartiality of the Judiciary in adjudication.

3. Lack of Expertise- Executive may lack the expertise regarding requirements of a Judge. The **Judiciary may be the best 'judge'** in this regard.

4. Safeguarding the Constitution- Excessive Government control over Judiciary can make the Judges vulnerable to external influence. Judicial Independence is **absolutely essential to safeguard the Constitution** and underlying principles like **Right to Life, Right to Privacy** etc.

What are the concerns associated with the Collegium System?

1. Lack of constitutional Status- The Collegium **is not prescribed in the Constitution**. Article 124 mentions consultation, which the SC interpreted as 'concurrence' in Second Judges Case (1993). **For Instance-** During the hearing against the NJAC, the then SC Bar President had argued that the **Constituent Assembly had considered a proposal for making Judges' appointment 'in concurrence'** with the CJI but **had eventually rejected it**.

2. Transparency issues- There is **no official procedure for selection** or **any written manual for functioning** of the Collegium. The parameters considered for selection (or rejection) are not available in the public domain.

3. Accountability issues- The selections of Judges by the Judges is considered undemocratic. **Judges are not accountable to the people** or **any other organ of the State** (Legislature or Executive). It can add an element of arbitrariness in functioning.

4. Allegations of Nepotism- Critics of the system argue that collegium system has led to '**Uncle Judges**' wherein **near relatives, kith and kin of sitting Judges** are appointed to the higher judiciary leading to nepotism.

5. Subjectivity and bias in appointments- The **absence of transparency, accountability** and **external checks creates space for subjectivity** and individual bias in appointments. **For ex- Ignoring the principle of seniority in some cases.**

6. Lack of Global Equivalent- India is perhaps the **only country where Judges appoint other Judges** without involvement of any other organ of the State.

What are the Global best practices of appointment of Judges?

In most of the countries, the judicial appointments are made by a committee established by the administrative and legislative branches of government.

UK	Constitutional Reform Act, 2005 , introduced by the U.K., established two Commissions for the purpose of choosing judicial service candidates. These commissions have representation both from the judiciary as well as the executive.
South Africa	South Africa has a Judicial Service Commission (JSC) that advises the President to appoint judges. This service commission has representation from diverse branches of the government.
France	Judges are chosen through a process involving the High Council of the Judiciary (Conseil Supérieur de la Magistrature) or, in the case of lower courts , by the Minister of Justice who may consult or receive advice from the High Council.

What should be the Way Forward?

1. Revival of NJAC by getting rid of its criticism- The NJAC can be reworked by taking into account the views of the judiciary, the executive, and civil society, as in case with other countries. However, the infirmities in the act like **Veto power, lack of decisive vote with the CJI** and **lack of defined membership criteria** must be removed.

2. Finalization MoP- The Government and Judiciary should **cooperate to finalize the Memorandum of Procedure** (MoP) regarding judicial appointments. The MoP should have clear guidelines like transparency, eligibility criteria, mechanism for complaints against candidates etc.

3. Bring Transparency- The Judiciary should **bring more transparency in the process of appointments**. Collegium must disclose the reasons for selection and rejection of a candidate. The **law commission's 230th Report (2012) recommendation**– that that the Judges, whose kith and kin are practicing in a High Court, should not be appointed in the same High Court, must be implemented.

4. All India Judicial Services (AIJS)– Several experts have argued for **establishment of All India Judicial Services (AIJS) to improve the quality of judges in the lower Judiciary**. This should be consulted and implemented post consensus among all stakeholders.

5. Secretariat- Experts recommend that a **well-resourced independent secretariat** for judicial appointments should be established. There should be a comprehensive candidate database as well. It is necessary to be aware of vacancies in advance in order to facilitate quick judicial appointments.

Conclusion

In this context, the Government and the Judiciary must resolve the differences amicably and arrive at a system that is a best fit between the two: NJAC and the Collegium System.

The system of Judicial Appointments should be improved expeditiously. Judicial vacancy is one of the major reason for judicial pendency. All organs of the State should cooperate with each other with right citizen-centric spirit to ensure smooth functioning.

Till a new system is established, the Government should adhere to the recommendations of the Collegium and make the appointments in a prompt manner. Delay in appointments and needless friction should be avoided.

[Read More- The Hindu](#)

[UPSC Syllabus- GS 2- Issues Related to Judiciary](#)

Urban Biodiversity in India- Significance and Challenges- Explained Pointwise

Urban biodiversity in India is **experiencing significant loss** due to various factors associated with **rapid urbanization** and **environmental degradation**. Bengaluru, once 'India's Garden City' in the truest sense, is becoming a **concretised jungle now**. The city's transformation has led to the destruction of urban forests, orchards, and agricultural fields. These have been replaced by concrete structures, severely impacting its local biodiversity. Similar cases of loss of urban biodiversity have been witnessed in cases of urban cities like **Delhi, Hyderabad, and Mumbai**.

In this article, we will look at what constitutes Urban Biodiversity, the significance of maintaining urban biodiversity, the challenges in maintaining urban biodiversity, the initiatives for it and the way forward in maintaining Urban Biodiversity in India.



Source- Indian Express

What is Urban Biodiversity? What are the examples of well maintained Urban Biodiversity in India?

Urban Biodiversity- Urban biodiversity refers to the variety of living organisms, including plants, animals, and microorganisms found in Urban areas, and their interactions within urban environments. It encompasses the genetic, species, and ecosystem diversity found in cities and their surroundings.

Examples of Well Maintained Urban Biodiversity in India

Chennai	Chennai's efforts to restore and maintain its wetlands, such as the Pallikaranai Marsh , have led to increased biodiversity. These wetlands provide habitat for various bird species, amphibians, and aquatic plants . This has contributed to the ecological balance in the urban landscape.
Delhi	The Delhi Ridge acts as a green lung for the city , supporting diverse flora and fauna. Initiatives to protect and enhance this area have helped to maintain a variety of native species, including birds and mammals , amidst urban pressures.
Mumbai	Mumbai has a thriving biodiverse protected forest , the Sanjay Gandhi National Park, within its city limits. Further, its coastal areas, including mangroves and salt marshes, have been recognized for their biodiversity.

Examples of Well Maintained Urban Biodiversity Internationally

Singapore	The extensive green infrastructure, vertical gardens, green roofs, and parks of Singapore support a rich diversity of plant and animal species. Singapore is a model for urban biodiversity.
Medellin	Medellin in Colombia, created a network of green corridors which led to cleaner air and a drop in two degrees of temperature in the city.
Vancouver	Vancouver has implemented policies to protect its natural areas and promote biodiversity.

What is the need for conservation of Urban Biodiversity?

- 1. Increased Carbon Emissions-** According to WEF report, **cities contribute** nearly **80% to the global economy**, but they also **account for nearly three-fourths of greenhouse gas emissions**. **For ex-** Increased emissions from Urban centres of Delhi, Mumbai, Bengaluru.
- 2. Economic Impact due to biodiversity Loss-** According to WEF report, around **44% of global GDP in cities (\$31 trillion)** is estimated to be at **risk of disruption** from biodiversity losses.
- 3. Creation of 'Micro-Climates' and Urban Heat Islands (UHI)-** The loss of green cover results in **reduction of potential for evaporative cooling** and **increases the net heat stored in the urban environment**. This results in the development of Urban Heat Islands (UHIs), thus developing a **peculiar 'micro-climate'** in and around urban landscape. **For ex- Thermal and Urban Heat wave stress in India.**
- 4. Decrease in disaster resilience-** Unplanned, explosive and brazen concretised development has resulted in loss of essential urban ecology, severely impacting the natural disaster management potential of urban cities in India. **For ex- Chennai Flood of 2015 was exacerbated due to loss of natural wetlands of the city.**

What are the benefits of well maintained Urban Biodiversity?

Ecological Benefits

- 1. Mitigation of Urban Heat Island effect-** Urban flora can help to **improve the air quality by cooling and cleaning the air, reducing smog, ground-level ozone and greenhouse effect**. They help in mitigating the heat island effect by giving green lungs to cities.
- 2. Carbon Sequestration-** Urban forests help in **sequestering huge amounts of carbon by capturing carbon dioxide** from atmosphere.
- 3. Increase in Biodiversity-** Trees and forests present in urban areas **provide shelter and habitat to many important animals**, especially avifauna.
- 4. Management of Urban Hydrological Cycle-** Urban forests play key roles in supporting water management in and around urban settlements through **water provisioning, regulating, recharging and filtering role**.

Social Benefits

- 1. Checking Haphazard Urbanization-** Urban forests help in checking rapid and unplanned urbanization; and development of slums by demarcating city limits and industrial spaces.
- 2. Aesthetic Benefits-** Urban trees enhance the beauty and environmental quotient of the city by increasing the aesthetic quality of residential streets and community parks. **For ex- Award of 'World Green City Award 2022' to Hyderabad.**
- 3. Improves Mental Alertness And Reduce Stress-** Green areas reduce stress and improve physical health for urban residents while providing spaces for people to interact. Green parks also provide a **break from the busy, tiring, often repetitive and tedious routine jobs** for urban population.
- 4. Education-** Urban forests in the form of **parks, botanical gardens, zoological gardens, avenue trees** and other **urban green spaces** are centres of education on flora and fauna.
- 5. Cultural Regeneration-** Urban green spaces help in the enhancement of cultural activities by **providing venues for local festivals, civic celebrations, political gatherings and theatrical performances**. **For ex- Celebration of Vat-savitri pooja in the Urban Centres of Bihar.**

Economic Benefits

- 1. Real estate prices- Landscaping with trees**– in yards, in parks and greenways, along streets, and in shopping centres- help **in increasing property values** and **providing commercial benefits**.
- 2. Employment-** Tree planting and maintenance in urban forests is **labour intensive** and **provides work opportunities** for urban poor.
- 3. Reduction of energy consumption-** Urban forest offers significant benefits in **reducing building air-conditioning demand** and reducing energy consumption.

What initiatives have been taken in India for increasing green cover in the Urban areas?

Nagar Van Udyan Program	This initiative aims to develop 200 Nagar Vans (City Forests) across India. It focuses on engaging local communities, educational institutions, and organizations to establish and maintain these urban forests.
Smart Cities Mission	Under the Smart Cities Mission, many cities have incorporated green cover enhancement as part of their urban planning.
National Mission for Green India	This mission is part of the National Action Plan for Climate Change (NAPCC) and aims to enhance the quality of forest cover and increase tree cover in urban areas .
Urban Afforestation Programs	Various state and local governments have initiated urban afforestation programs aimed at increasing tree cover in cities. For ex- Pune's Urban Forest Garden Project and the implementation of Miyawaki method in India .
Urban Greening Guidelines	The Ministry of Housing and Urban Affairs (MoHUA) has issued Urban Greening Guidelines that outline standards for green spaces in urban planning. (Minimum green cover of 12% to 18% in urban areas)

What Should be the Way Forward?

- 1. Reintegration of nature in the planning decisions of the cities-** Cities must reintegrate nature into their planning decisions. **For ex- Preservation of natural habitats, renaturing degraded land through community-based tree planting.**
- 2. Reintroduction of native plants-** The protection of forests and the reintroduction of native plants and organisms help in encouraging the restoration of original ecosystems.
- 3. Systems approach-** Cities must embrace a '**systems approach**' to urban governance that considers the needs of all stakeholders and accounts for the value of natural ecosystems.
- 4. Development of green corridors-** Creation of green corridors through the Miyawaki method in Urban areas will help in reaping the benefits of climate change mitigation. **For ex- The network of green corridors in Medellin in Colombia.**
- 5. Attracting investments-** We must take action to make nature an attractive investment to financial markets and drive private funding into cities' natural capital.

Read More- [The Indian Express](#)

UPSC Syllabus- GS 3- Environment protection and conservation

Semiconductor Industry in India- Significance and Challenges- Explained Pointwise

Recently, the Union Cabinet, led by Prime Minister Shri Narendra Modi, has approved the **establishment of a new semiconductor unit in India**. The new semiconductor unit will be set up by Kaynes Semicon Pvt Ltd in Sanand, Gujarat, with an **investment of Rs 3,300 crore**, and it will have a **production capacity of 60 lakh chips per day**. The announcement is a continuation of the series of establishment of semiconductor plants in India. The semiconductor plants have been announced in **Sanand, Gujarat** (two units by Kaynes Semicon Pvt Ltd and CG Power), **Dholera, Gujarat** (one unit by Tata Electronics), and **Morigaon, Assam** (one unit by Tata Electronics).

In this article, we will focus on the semiconductor Industry in India. We will look at the significance of the industry and the challenges it faces. We will also look at the government efforts towards the development of this sector. We will also look at the possible way ahead and the future course of action.



Source: Government of India

Source- GoI

What are semiconductors? What is their importance?

Semiconductors- Semiconductors are materials which have a conductivity between conductors and insulators. They can either be pure elements, like **silicon or germanium** or compounds, like **gallium, arsenide, or cadmium selenide**.

Properties- Semiconductors have less resistivity than insulators and more than conductors. The resistance of the semiconductor decreases with an increase in temperature and vice versa.

Importance of Semiconductor chips

1. Heart and brain of modern technology products- Semiconductor chips are the **heart and brain** of all modern **electronics and communications technology products, contemporary automobiles, household gadgets** such as refrigerators, and **essential medical devices** such as ECG machines.

2. Propeller of emerging technologies- The development of **emerging technologies like AI, 5G, or driverless cars** is dependent upon a fast and cheap semiconductor industry.

3. Most traded products after petroleum- Semiconductors are globally the most-traded products after petroleum and cars, with an **annual turnover** of **\$500 billion**.

4. Aiding the further development of electronic devices- Semiconductors make the devices more compact, less expensive, and more powerful. **For ex- Semiconductor chips have enhanced the features of smartphones with powerful processing.**

5. Transformative potential- Semiconductors continue to enable the world's greatest breakthroughs and transformation in industries, ranging from **aerospace and consumer electronics** to **energy and medicine**.

What are the defining features of Semiconductor manufacturing?

Semiconductor manufacturing has the following defining features-

1. Front-end manufacturing and back-end assembly- Semiconductor manufacturing comprises the **front-end fab manufacturing and the back-end assembly**, including packaging and testing. However, the front-end fab manufacturing is a complex process, with only a handful of companies involved in large scale fab-manufacturing.

2. Complexity in manufacturing- The semiconductor manufacturing is a complex process requiring at **least 300 different high-technology inputs**.

3. Highly concentrated global supply chain- Globally, the entire semiconductor value chain has seeped in the interdependence between a handful of countries like the USA, Taiwan, Japan, China, and some European nations. Within this chain, there's an extraordinary degree of specialisation that makes it vulnerable to shocks. **For ex-100% of the world's most advanced (below 10 nanometres) semiconductor manufacturing facilities** are located in just two countries, **Taiwan and South Korea**.

4. Large investment- The semiconductor product development requires the largest investment on both R&D and manufacturing. It is estimated that over the next decade about **\$3 trillion in investment will be needed**.

5. Revenue sharing b/w few companies- The top three companies in each stage of the semiconductor supply chain take in about **80-90% of the revenue**.

Semiconductor manufacturing status in India

1. Semiconductor R&D footprint in India- India has an existing base for design and verification for the semiconductor industry. **Most of the global semiconductor companies having an R&D footprint in India**.

2. Fabrication facilities limited to strategic semiconductor development- India has two fabs — SITAR, a unit of the Defence Research and Development Organisation (DRDO) in Bengaluru, and a semiconductor laboratory in Chandigarh. These build silicon chips for **strategic purposes like defence and space**, and not for commercial use.

However, 100% of our semiconductor chips, memory, and display cards are imported into the country. In 2020, India spent \$15bn on electronic imports, with 37% coming from China.

Why is there a global race to diversify semiconductor supply chains?

1. Over concentration of manufacturing units- Semiconductor chip manufacturing is concentrated in a few countries. **For ex- Taiwan produces over 60% of the world's semiconductors**, and along with South Korea makes 100% of the most advanced chips (below 10 nanometers).

2. Supply chain disruption due to epidemic- The semiconductor industry experienced significant supply shortages during the pandemic due to **disruptions in China's production**.

3. Geo-political conflicts- The ongoing Russia-Ukraine conflict has resulted in shortages of raw materials for domestic industries. **For ex- Ukraine plays a critical role as a key supplier of neon**, which is an essential input in semiconductor manufacturing.

4. Potential of another round of shortages due to emerging geo-political contestations- The European Union and the United States has refused to sell advanced manufacturing equipment to China. In retaliation, **China imposed export controls on crucial inputs such as gallium and germanium**. This may lead to another potential round of shortages in the semiconductor industry. **For ex- US has restricted its firms and its allies from assisting the Chinese production of 16 nanometers or smaller chips**.

Therefore, many countries are looking to diversify their supply chain. India seeks to take advantage of countries eyeing for diversification of supply chains.

What is the significance of development of indigenous semiconductor industry in India?

1. Tackling supply shocks- The pandemic and the subsequent lockdowns impacted the supply of chips to India. **For ex- Automobile manufacturers like Mahindra & Mahindra and Tata group were compelled to reduce their production** due to the **shortage**.

2. Meeting the rising demand- Experts estimate that around **50 crore people will join the internet in the next decade**, which will **increase the demand of more phones and laptops**.

Similarly, the **post-pandemic world is showing a greater inclination towards work from home culture**. This warrants an enhanced demand for servers, internet connectivity, and cloud usage.

Hence, indigenous semiconductor industry is needed to meet the rising demands. There is a huge domestic market for semiconductors which **could exceed \$60 billion by 2026**.

3. Employment Creation- Indigenous manufacturing of chips will build its smartphone assembly industry and strengthen its electronics supply chain. This will create **numerous employment opportunities for the Indian youth**.

4. Revenue boost- Indigenous capacity would attract local taxes and boost the export potential. Further, India would be required to import fewer semiconductor chips, which would decrease the import bill. **For ex- India imports almost all semiconductors to meet its demand, which is estimated to reach around \$100 billion by 2025**.

5. Enhanced Security- Chips made locally will be designated as "**trusted sources**" and can be used in products ranging from CCTV cameras to 5G equipment. This would **improve the national cybersecurity profile**.

6. Geopolitical Benefits- Countries having a sufficient supply of chips would be in a better position to mould the future course of geopolitics, driven by data and the digital revolution. Further self-sufficiency will decrease reliance on Chinese chip imports, especially during hard times like the **recent Galwan Valley border clash**.

7. Increased competitiveness- Indian manufacturers **globally competitive to attract investment** in the areas of core competency and cutting-edge technology.

What have been the government efforts towards development of semiconductor industry in India?

National Policy on Electronics, 2019	It envisions positioning India as a global hub for Electronics System Design and Manufacturing (ESDM) sector . It aims to encourage the development
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	of core components (including chipsets) and create an enabling environment for the industry to compete globally.
Semicon India programme	The government has approved the Semicon India programme with a total outlay of INR 76,000 crore for the development of semiconductor and display manufacturing ecosystem in the country.
'Modified Scheme for setting up of Semiconductor Fabs in India'	It aims to attract large investments for setting up semiconductor wafer fabrication facilities in the country. The Scheme extends a fiscal support of 50% of the project cost on an equal footing basis for setting up of Silicon complementary metal-oxide semiconductor (CMOS) based Semiconductor fabrication in India.
Modified Electronics Manufacturing Clusters (EMC 2.0) Scheme	Under this, the government will provide support for the setting up of Electronics Manufacturing Clusters (EMCs) and Common Facility Centres (CFCs).
Foreign Direct Investment	The Government of India has allowed 100 percent (FDI) under the automatic route in the Electronics Systems Design & Manufacturing sector.
Production Linked Incentive Scheme(PLI)	Under this, the government will provide an incentive of 4% to 6% on goods manufactured in India and covered under target segments to eligible companies for a period of five years.

What are the challenges in the semiconductor industry in India?

- 1. High Cost of establishment-** As per a government estimate, it would cost **roughly \$5-\$7 billion** to set up a chip fabrication unit in India.
- 2. Bureaucratic inefficiencies-** The process of establishing an indigenous semiconductor facility requires clearances and approvals from multiple government departments. Further, there exists a **considerable degree of bureaucratic delays at each stage** that discourages the establishment of manufacturing units.
- 3. Unstable power supply-** The smooth production of semiconductors requires the **availability of an uninterrupted 24*7 power supply.** However, this requirement is not fulfilled by many regions in the country. This restricts production to very few locations.
- 4. Technological Constraint-** The indigenous manufacturing of semiconductors requires the **use of high-end technologies.** These technologies are licensed from patent holders at a very high price.
- 5. Structural Flaws-** FDI in electronics is less than **1% of the total FDI inflow** because of the dearth of skilled labor, delays in land acquisition, and the uncertain tax regime.

What should be the focus area for Indian Semiconductor Industry?

R&D-intensive activities	R&D-intensive activities like electronic design automation (EDA), core intellectual property (IP), and chip design. The US is the leader in this segment. India can get part of the business by supporting its existing chip-design experts and funding technology and innovation centres, including top engineering colleges.
FABS facilities for advanced chips	India should focus on setting up of semiconductor fabrication (FABS) facilities for making of advanced chips.
Focus on medium and low-end chips	Due to the pandemic related supply disruptions and tensions between the US and China, the US, Japan, and many other countries have announced plans for setting up

	local Fabs. This might lead to a surplus capacity for high-end Fabs in the near future. Hence, India should focus on making medium and low-end chips.
Assembly, testing and packaging (ATP) segment	This segment captures 10% of the value . China is the current leader. With low-cost skilled technical manpower, India is a natural choice to take some part of the business.

What Should be the Way Forward?

- 1. Provision of adequate funding-** Adequate funding must be provided to augment the research and development potential of technical institutes. **For ex- IIT Madras developed a microprocessor named 'Moushik'** with funding support from the Ministry of Electronics and Information Technology.
- 2. Expeditious execution of Sovereign Patent Fund (SPF)-** The Sovereign Patent Fund (SPF) under **National Policy on electronics** should be established expeditiously. It is a **wholly or partly Government-backed entity that aims to bolster domestic businesses** through the acquisition and licensing of patented technology.
- 3. Domestic procurement assurances-** The manufacturers need to be given an assurance of minimum domestic procurement by the government and the private sector. The focus should be on **manufacturing economical and technically viable options like 28nm chips**.
- 4. Support of businesses-** The government should also support businesses in the **acquisition of semiconductor manufacturing units in other countries**. This is easier than setting up a domestic facility and can be done swiftly for ensuring a continuous supply of chips. Hand-holding startups of entrepreneurial engineers can also produce large payoffs.
- 5. Intial Focus on back-end of manufacturing-** **Semiconductor foundries are the world's most expensive factories, accounting for 65% of industry capital expenditure but only 25% of the value addition**. Therefore, to lower the risks of investment, **India should especially look at back-end of manufacturing** such as assembly, packaging and testing. Once it stabilises and an ecosystem develops, front-end of manufacturing will follow.
- 6. Proactive cooperation of states-** Areas like **stable power, large quantities of pure water and land**, are state subjects, and the state governments should also create the right climate for easy implementation of semiconductor projects.

Conclusion

The 21st century will be an **era of Digital revolution** signifying an **increased use of mobile phones and computer devices**. This enhanced usage can be met only with a robust availability of semiconductor chips that sustains their functioning. Therefore India needs to focus on the indigenous development of semiconductors in order to realize its digital potential and emerge as a strong power in the present era.

Read More- [PIB](#)

UPSC Syllabus- GS 3- Indian Economy

Right to disconnect – Significance and Challenges- Explained Pointwise

Recently Australia passed the '**right to disconnect law**' which **grants employees the right to ignore work calls after office hours**. This law grants employees the **right to ignore work calls after office hours**. This is aimed at promoting **work-life balance** and address the growing concern of increasingly blurring lines between work and personal life in today's digital age. Similar demands have been growing in other countries of the world, including India.

In this article we look at the objectives of the right to disconnect law. We will look at the arguments which support this law. We will also look at the arguments against the introduction of such laws. We will also look at other options of promoting work-life balance, and the way ahead.

What are the objectives of the right to disconnect Law?

Right to Disconnect- The right to disconnect refers to the **right of not engaging in work-related electronic communications** such as e-mails or messages during non-work hours.

Objectives of the Right

1. Protection of Employee Well-Being- The law aims to **safeguard employees** from the **mental** and **physical health risks** associated with constant connectivity.

2. Promotion of Work-Life Balance- Uninterrupted engagement with work **diminishes employees' ability to prioritise tasks** and **solve complex problems** effectively.

3. Encouragement of Productivity- The law promotes more **focused and productive work** during designated working hours, by ensuring that employees can disconnect from work after hours.

4. Adapt to Modern Work Environments- The right to disconnect law addresses the modern challenges of maintaining boundaries in a digital-first world.

Other Countries which have been implementing the right to disconnect

France	In 2017, France passed a law requiring companies with 50 or more employees to negotiate with employee representatives to establish guidelines for when workers can be contacted electronically. Employers must ensure that employees can disconnect from work emails during non-work hours . Non-compliance can result in fines of up to 1% of an employee's total earnings .
Belgium	Belgium extended the right to disconnect to workers in 2022 , initially targeting civil servants before broadening it to the private sector for firms with 20 or more employees.
Spain	In Spain, a 2018 remote working law includes the right to disconnect to promote a proper work-life balance. The law requires employers and employees to agree on a specific time of day to limit all work-related communication
Portugal	Employers in Portugal with ten or more staff members may face a penalty if they contact their employees outside of regular work hours.
Ireland	Ireland has established a Code of Practice regarding the right to disconnect from work outside official hours.

Why is the right to disconnect law needed?

1. Decline in productivity with Long Working Hours- Research shows that productivity declines significantly after **50 hours of work per week**, and drops further after **55 hours**. Germany and Japan further increased productivity by reducing working hours to **1,400-1,600 hours a year**.
For Ex- World's most productive countries have the least work week days.

Most Productive Countries, 2015

Rank	Country	GDP per hour worked	Employed Population	GDP (USD)	Average work week (hrs)
1	Luxembourg	\$ 93.4	405,600	\$57b	29
2	Ireland	\$ 87.3	1,989,400	\$302b	33.5
3	Norway	\$ 81.3	2,753,000	\$318b	27.3
4	Belgium	\$ 69.7	4,601,200	\$498b	29.8
5	United States	\$ 68.3	151,000,000	\$18,037b	33.6
6	Denmark	\$ 67.6	2,829,000	\$270b	27.2
7	France	\$ 65.6	27,523,000	\$2,648b	28.2
8	Germany	\$ 65.5	45,057,000	\$5,857b	26.3
9	Netherlands	\$ 65.4	8,792,000	\$818b	27.4

Figure 1. Source-TIME

2. Burnout and Mental Health Issue- Workers who putting in long working hours per week are **more prone to experience burnout, higher levels of stress and mental health problems.** Extended work hours negatively impacts an individual's health and work-life equilibrium.

3. Increased healthcare costs due to stress-related issues- Longer hours **result in higher healthcare costs,** as stress-related health issues become more prevalent.

4. Negative Effect on Family Life- Long work hours **make it more difficult** to meet personal and family obligations, **strain relationships within the family** and disturb the work-life balance.

5. Diminished Creativity and Innovation- Overworked People frequently exhibit less creativity and innovation. Tiredness **hinders one's capacity for original thought and problem-solving.**

6. Work Quality- Longer hours do not always translate into better work. Tired employees are more prone to make mistakes and do **subpar work.**

7. Exacerbation of gender Inequalities- Extended work hours have a disproportionate impact on women, who often **shoulder greater caring and home obligations,** hence exacerbating gender inequalities.

8. Danger of Exploitation- Employers take advantage of a culture of extended work hours, which could result in unpaid overtime, subpar working conditions, and **abuses of workers' rights.**

9. Negative Impact on the Community and Society- Long work hours reduce participation in the community and society, which has a **negative impact on volunteering work and social cohesiveness.**

What are the advantages of Right to Disconnect Law?

1. Significant decrease in burnout risk- Risk of burnout **significantly increases** when employees don't have time to disconnect and recharge.

2. Reduction of stress related diseases- Checking work emails or dealing with work-related stress late into the evening often disrupt sleep patterns. This affects cognitive function and also contributes to other health issues such as **weakened immunity and increased risk of chronic conditions** like **hypertension.** Right to disconnect allows to reduce such stress related diseases.

3. Fulfilment of both personal and professional responsibilities- Employees who are unable to switch off from work often feel that their personal life is being overshadowed by their professional responsibilities. The right to disconnect **allows the fulfilment of both personal and professional responsibilities.**

4. Increase in employee satisfaction- The over-working hours often intrude in personal time, **with employees often feeling that they are losing autonomy over their schedules,** which leads to frustration and resentment toward their job or employer. The right to disconnect law helps in **reducing the employee's disgruntlement** and increasing his satisfaction levels.

Read More- [70 Hours Work Week- Analysis- Explained Pointwise](#)

What are the arguments against Right to disconnect law?

- 1. Reduction of economic development in countries like India-** The right to disconnect could potentially curb growth, **especially in a competitive economy such as India**. This approach could lead to a decline in national prosperity, and reduce work hours which might diminish the capacity for sustained economic development.
- 2. Dull the edge for breakthrough achievements-** The 'Right to Disconnect' advocates for an employees' right to 'disconnect from work-related communications outside of official working hours', **which can dull the edge that drives breakthrough achievements in economies** where innovation and rapid progress are critical.
- 3. Increased focus on leisure-** Excessive focus on leisure **slows down medium-performing workers**, while high-performing professionals will almost always be on the top of the ladder.
- 4. At odds with cultural ethos-** Societal value places a lot of importance on hard work, ambition, and the pursuit of excellence. In this context, the concept of a "right to disconnect" **might seem at odds with the cultural ethos** that celebrates **continuous striving** and **professional growth**.
- 5. Against Fundamental Rights-** In India, the right to profession envisaged as a fundamental right enshrined in the Constitution, which underscores the importance of work in an individual's life, akin to their **right to equality and life**.
- 6. Counterintuitive idea-** The idea of disconnecting from work is perhaps **counterintuitive in a country where work is not just a means to an end** but a **source of identity, pride, and purpose**.

What should be the Way Forward?

- 1. Responsibilities on the part of employer-** Employers should **establish policies that respect the boundary between work and personal time**. This should include **limiting after-hours communication** and ensuring that employees understand they are not expected to respond to work emails or calls outside designated hours.
- 2. Promotion of vacation-** Promoting the use of vacation days, personal time, and regular breaks during the workday **can help employees recharge**. A study from the American Psychological Association shows that employees who take regular time off report higher job satisfaction and are more productive when they return to work.
- 3. Flexible Schedules-** **Flexible schedules** that allow employees to manage their own work hours can help them achieve a **better work-life balance**. We must create a company culture where disconnecting after work is not only accepted but encouraged.
- 4. Supporting mental health-** We must support mental health through access to **counselling, wellness programs**, or **mental health days can help employees** manage work-related stress and prevent burnout.
- 5. Managers leading by example-** Managers can lead by example **by not sending after-hours emails** or messages and by showing that taking time for personal life is a priority.

[Read More- The Indian Express](#)

UPSC Syllabus- GS Paper 3 Indian Economy – Employment and labour productivity.

Arrest of Telegram CEO- Liability of Digital Platform Owners for User-generated content- Explained Pointwise

Recently, the telegram CEO Pavel Durov was arrested in Paris on account of a litany of serious crimes, including enabling the **distribution of child sexual abuse material** on the app, **facilitating drug trafficking**, and **refusing to cooperate** with law enforcement. His arrest has put the spotlight on the debate regarding the liability of Digital Platform Owners for User-generated content.

What are the key issues with user-generated content on digital platforms?

The key issues surrounding platform liability for user generated content include:

Defamation and Reputational Harm	Defamatory statements made by users on digital platforms often lead to legal disputes and reputational harm . For ex- Defamatory statements on social media platforms like X (formerly twitter)
Hate Speech and Online Harassment	Hate speech and online harassment regularly thrive in the anonymity of digital platforms . This in turn harms individuals and creates toxic environments. For ex- a. Bois locker room group on Instagram, which led to women harassment. b. Germany's request for removal of 64 channels that potentially breached German hate speech laws.
Copyright Infringement	User generated content sometimes contains copyrighted material owned by others. This creates issues of copyright infringement. For ex- Napster was sued by the music industry for enabling illegal file-sharing of copyrighted songs.
Misinformation and Fake News	During the COVID-19 pandemic, platforms like Facebook, Twitter, and YouTube saw widespread dissemination of false health information. For ex- Misinformation regarding 5G towers causing the spread of COVID-19.

What are the arguments in support of limited liability of Digital Platforms for User-generated content?

- 1. Safe harbour principle-** The well-established safe harbour principle stipulates that a **platform should not be held liable** for user-generated content, **as it merely acts as an intermediary.**
- 2. Protection of Privacy-** The protection of privacy of an individual prompts the **social media platforms** to **avoid excessive monitoring** or **interception of user communications.**
- 3. End-to-end encryption-** The use of end-to-end encryption inherently limits the ability of the digital media platforms, like WhatsApp, to view reported messages and take appropriate action.
- 4. Minimal record of Metadata-** Laws like the **EU (European Union) law**, clearly **prohibit the platforms to record metadata** to avoid the monitoring and spying on the users. Platforms that are designed to minimally record metadata face significant constraints in cooperating with law enforcement agencies regarding user data.

What are the arguments supporting the liability of digital platform owners for user-generated content?

- 1. Prioritisation of perceived harms of 'disinformation' over free speech-** The prioritisation of harm from 'disinformation' over the need for freedom of expression, has led to global calls and actions demanding liability of digital platform owners. **For ex-** **The decision of X to deplatform Donald Trump during the last U.S. presidential election for spreading disinformation.**
- 2. Accountability for Harmful Content-** Platforms that host UGC should be held accountable for the content they allow, as they play a crucial role in moderating and curating that content. This accountability can deter

harmful activities and protect users from illegal or dangerous content, such as **hate speech, harassment, and misinformation**.

3. Economic Incentives for Self-Regulation- Imposition of liability can incentivize platforms to **implement better content moderation practices** and **invest in technologies** to detect and remove harmful content.

4. Protection of Intellectual Property Rights- The liability encourages platforms to take active steps to prevent copyright infringement, such as **implementation of automated content recognition systems**.

5. Adaptation to Changing Technologies- With the evolution of digital platforms with **rising of AI and algorithm-driven content recommendations**, platforms should be held **responsible for the consequences of their algorithms**, if they promote harmful content to susceptible users.

What are the regulations that seek to induce some sort of liability of Digital Platforms?

Digital Services Act (EU)	The Digital Services Act in the EU seeks to hold platforms accountable while balancing innovation and user rights.
India's Information Technology Act, 2000	Section 79 of the IT Act offers a safe harbour to intermediaries, but it also stipulates that platforms must act upon receiving notice of illegal content . If they fail to do so, they can be held liable. Recent amendments and discussions are pushing for stricter regulations on content moderation and accountability.
UK Online Safety Bill	This proposed legislation seeks to impose a duty of care on platforms to protect users from harmful content . Platforms would be required to take proactive measures to prevent the spread of illegal and harmful material, increasing their liability for user-generated content.
Australia's Online Safety Act	Establishes a regulatory framework that holds platforms accountable for harmful content, particularly regarding cyberbullying and child exploitation .

What Should be the Way Forward?

1. Criminal liability in cases of personal complicity or direct involvement- The founder of a messaging platform should not incur any criminal liability for the acts of the platform's users, **except in instances where there is personal complicity or direct involvement**.

2. Appointment of compliance officers- Platforms should **appoint compliance officers or designated representatives to cooperate with law enforcement**, provided that due process is followed.

3. Imposition of higher penalties- The imposition of higher penalties for repeated offences or banning the persistently non-compliant entities, will help in ensuring accountability of digital platforms.

4. Robust mechanisms and strict adherence to laws- Platforms need **robust mechanisms** to promptly identify and address defamatory content to avoid potential legal actions. Platforms must implement stringent content moderation policies and adhere to relevant laws like the **IT Act** and **Indian Penal Code**.

Read More- [The Hindu](#)
UPSC Syllabus- GS 2- Governance

India-ASEAN Relations- Cooperation and Challenges- Explained Pointwise

The recent visit of PM Narendra Modi to Brunei and Singapore aims at **giving fresh impetus** to India-ASEAN relations. India is making **concerted attempts** to reboot one of India's most valuable partnerships in Asia and the world. Earlier this year, Delhi had hosted the prime ministers of Malaysia and Vietnam and EAM S. Jaishankar had met several foreign ministers in the region and received them in Delhi. These engagements have once again demonstrated the extraordinary goodwill for Delhi in the ASEAN region and the high expectations from India.



Figure 2. Source- Indian Express

What has been the history of India-ASEAN countries relations?

India's ties with Southeast Asia stretch back more than two millennia. This relation is forged in peace and friendship, religion and culture, art and commerce, language and literature.

Initial Years of engagement	India-ASEAN countries formal engagement began in 1992 as a ' Sectoral Dialogue Partner ' (Secretary level interaction). The partnership was instituted as a ' Dialogue Partner ' in 1995, which entailed interaction at the Foreign Minister's level. The partnership was elevated to the summit level in 2002 .
Era of Strategic Partnership	At the commemorative Summit meeting celebrating 20 year relationship between India and ASEAN, the partnership was elevated to a strategic partnership . During the 25-year Commemorative Summit in New Delhi (January 2018), India and ASEAN agreed that our Strategic Partnership will be focused on building cooperation in the maritime domain .

Comprehensive Strategic Partnership	The year 2022 marks the 30 years of ASEAN-India relations , and the year has been designated as the year of India-ASEAN countries friendship. At the 19th ASEAN-India Summit to commemorate 30th anniversary of ASEAN-India Dialogue Relations, the Strategic Partnership was elevated to the Comprehensive Strategic Partnership . On this occasion, ' Joint Statement on ASEAN-India Comprehensive Strategic Partnership ' was released.
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What have been the areas of Cooperation between India and ASEAN Countries?

India's engagement with the ASEAN has been driven by three goals- (i) **enhancing connectivity between India and ASEAN** (i.e. physical, digital, people-to-people, business etc.), (ii) **strengthening the ASEAN organization** and; (iii) **expanding practical cooperation** in the maritime domain.

Geopolitical Cooperation

1. India's engagement with ASEAN is a multi-level interaction process.

Apex Interaction	Annual summits between India and ASEAN, like ASEAN-India Summit .
Support Meetings	Foreign Minister level meetings like ASEAN-India Foreign Ministers Meeting (AIFMM) .
Senior Level Meetings	There is regular interaction between senior level officials like AISOM which is prior to the AIFMM and the AI summit .

2. India engages in the '**ASEAN-led frameworks**'- multilateral platforms chaired by ASEAN. India regularly participates in the meetings of the **East Asia Summit (EAS)**, **ASEAN Regional Forum (ARF)**, **ASEAN Defence Ministers Meeting+ (ADMM+)** and the **Expanded ASEAN Maritime Forum (EAMF)** meetings and its supporting processes.

Geostrategic cooperation

1. **Comprehensive Strategic Partnership**- The relationship has evolved into a Comprehensive Strategic Partnership, with special focus on **maritime cooperation**.

2. **Joint Initiatives**- India and ASEAN have established mechanisms like the **ASEAN-India Cooperation Fund** and **the ASEAN-India Science and Technology Development Fund** to support various collaborative projects.

Geo-Economic Cooperation

1. **Trade Relations**- ASEAN is India's **fourth-largest trading partner**, with bilateral trade reaching around **USD 70 billion**. India recently signed a **Free Trade Agreement (FTA)** in goods in 2009 and expanded this agreement to include **services and investments** in 2014.

2. **Commodities Trade**- Commodity trade between India and ASEAN region has reached **USD 110.39 billion** in April 2021-March 2022, with exports to ASEAN worth USD 42.327 billion and imports from ASEAN worth USD 68.07 billion. This is for the **first time bilateral trade** with ASEAN has **crossed 100 billion**.

3. **Consultation Mechanisms**- The **ASEAN Economic Ministers-India Consultations (AEM + India)** and the **ASEAN-India Business Council (AIBC)** promote Comprehensive Economic Cooperation between India and the ASEAN region.

4. Investment Initiatives- Between 2000-2019, cumulative FDIs from ASEAN to India were **\$117.88 billion**. However, these are mainly accounted for by Singaporean investments in India (\$115 billion).

Connectivity Cooperation

1. Infrastructure Projects- India-ASEAN relations are characterised by key initiatives, which include the **India-Myanmar-Thailand Trilateral Highway** and the **Kaladan Multimodal Project**. These aim to improve transport links between India and ASEAN countries, particularly enhancing access to Northeast India.

Cultural and Social Cooperation

1. Educational Exchanges- Programs such as **scholarships for ASEAN students in Indian institutions** and various cultural exchange strengthen people-to-people ties.

2. Capacity Building- Collaborative efforts between India and ASEAN includes capacity building in various sectors. This promotes **youth and women's participation in social development programs**.

Read More- [India and East Asia Relations](#)

What are the Challenges in India-ASEAN relations?

1. Geopolitical concerns- The complex regional environment with the **sharpening of US-China conflict** and **Delhi's own deepening troubles with Beijing**, is a major geopolitical concern for the relations. Further, **India's membership of the newly revived Quad** has also raised concerns in the region.

2. Geostrategic Challenges- The embroilment of ASEAN member states in territorial disputes like **South China Sea Dispute**, **complicates India's engagement with ASEAN**, as India seeks to navigate these disputes while promoting stability in the region.

3. Economic Concerns-

a. Walking out of RCEP- Delhi's decision to walk out of the **regional negotiations on trade liberalisation (RCEP)** at the eleventh hour has created a sense of economic disappointment for ASEAN members.

b. Growing Trade Imbalances- India faces a **growing trade deficit with ASEAN**, with China being the largest trading partner for ASEAN countries. There has been sluggish progress in India-ASEAN trade due to issues related to **implementation, customs procedures, and non-tariff barriers**.

c. Slow Implementation of Connectivity Projects- There has been slow progress on the India-Myanmar-Thailand Trilateral Highway projects, when contrasted with the China's Belt and Road Initiative, which has gained traction among some ASEAN nations.

d. Trade and Investment Barriers- Non-tariff barriers, such as **complex customs procedures and inconsistent regulations**, hinder smoother trade and investment flows between India and ASEAN countries.

Internal Divisions within ASEAN

Differing Responses to Myanmar- The military coup in Myanmar has led to varied reactions among ASEAN members, and has complicated collective action. This division makes it difficult for India to align its policies with ASEAN regarding the **regional stability and democratic restoration in Myanmar**.

What should be the Way Forward?

1. Redressal of Geopolitical concerns- India should reassert its **stand squarely behind ASEAN in the regional security architecture**. Delhi's efforts at reassuring ASEAN have shown a measure of success, with the region opening up to more defence and security cooperation with India.

2. Focus on emerging areas- India should also focus on enhancing cooperation in new areas such as **digitalisation, health, space technology** and **advanced manufacturing** to strengthen regional ties.

3. Semiconductor Diplomacy- India's '**semiconductor diplomacy**' with Malaysia and Singapore, both of which have significant capabilities in semiconductor production, should be extended with other ASEAN member countries.

4. Accelerated Infrastructure Development- Accelerating key connectivity projects, such as the **India-Myanmar-Thailand Trilateral Highway** and the **Kaladan Multimodal Project**, will further enhance trade and people-to-people connections.

5. Enhanced Trade Agreements- Expansion of the scope and effectiveness of the **ASEAN-India Free Trade Agreement** (FTA) can help in addressing trade imbalances and reduction of non-tariff barriers.

Read More- [The Indian Express](#)

UPSC Syllabus- GS 2 International relations- India and its neighbourhood relations

Public Health Sector- Significance and Challenges- Explained Pointwise

The recently presented **Union Budget 2024-25** has been critiqued for its **inadequate focus** on the social sector, specifically the **public health sector**. Earlier this year, the **Supreme Court of India** expressed **concerns** over the **rising out of pocket Healthcare expenditure in India**, due to the absence of a robust public health sector.

In this article, we will look at what constitutes a public health and the public health sector in India. We will look at the challenges faced by the public health sector in India. We will also look at the significance of a robust public health sector in India and the ways to achieve it.



Source- WHO

What constitutes Public Health? What is the structure of public health sector in India?

Public Health- According to WHO, "Public health refers to all **organized measures** to **prevent disease, promote health**, and **prolong life** among the population as a whole. Its activities aim to **provide conditions** in which people can be **healthy** and **focus on entire populations**, not on individual patients or diseases."

Categorisation of Public Health- Public health needs can be broadly categorised into three groups.

Protection against Diseases of Poverty faced by the Poor and Vulnerable	It includes diseases such as tuberculosis, malaria, undernutrition, maternal death , bouts of illnesses due to food and water-borne infections leading to typhoid, hepatitis, and diarrhoeal diseases . These are faced by the poor and the vulnerable.
Protection against Environmental issue related diseases faced by the Middle Class	It includes air, water, waste management, lack of drainage facility, failure to ensure healthy foods and eateries, road traffic accidents, climate change and the rise of chronic illnesses .
Curative Public health care	Curative care needs of a population are the most popular needs in public health. Provisioning of curative care is the most critical and controversial policy question in public health.

Levels of Public Health Sector in India

Primary	<p>India's primary health sector consists of sub-centers (SCs) and primary health centres (PHCs), which form the foundation of the public healthcare system.</p> <p>Sub-centers- These are the most peripheral units, serving populations of 5,000 in plain areas and 3,000 in hilly/tribal areas.</p> <p>Primary Health Centers- These are the first point of contact with a qualified doctor, serving populations of 20,000-30,000. Each PHC is expected to have 4-6 beds and provide promotive, preventive, curative and rehabilitative care.</p> <p>The poor and the vulnerable rely on primary health-care institutions of the public sector for primary-level care. It is the most affordable public health service and is closer to their places of residence.</p>
Secondary	<p>The secondary health sector in India consists of Community Health Centers (CHCs), which serve as referral units for PHCs.</p> <p>CHCs are 30-bed hospitals providing specialist care in medicine, surgery, obstetrics & gynaecology, and paediatrics. There is one CHC for every 80,000-120,000 population in plain areas and 40,000-60,000 population in hilly/tribal areas.</p>
Tertiary	<p>The tertiary health sector consists of district hospitals, medical college hospitals, and other highly specialized facilities.</p> <p>District Hospitals are 100-300 bed facilities providing specialist care, located at the district level.</p> <p>Medical College Hospitals are tertiary care teaching institutions, located in state capitals and major cities.</p> <p>Specialized Tertiary Care Facilities- These include regional cancer centres, mental health institutes, trauma centres, and other super-speciality hospitals.</p> <p>The tertiary sector provides highly specialized care and acts as a referral point for the secondary and primary levels of the health system</p>

What are the Government initiatives that have been launched for the development of Public Health Sector in India?

National Rural Health Mission (NRHM) and National Health Mission (NHM)	The NHM and NRHM have focussed on strengthening public sector health care through architectural correction . Efforts have been undertaken to follow the principles of primary health by strengthening the primary health care institutions under these missions. These have led to the development of 1,53,655 sub centres, 25,308 primary health centres (PHC) and 5,396 community health centres (CHC) as per the rural health statistics, 2015.
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Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)	It is a publicly funded health insurance scheme (PFHI) that provides financial protection to over 100 million families for secondary and tertiary care hospitalization.
Health and Wellness Centers (HWCs)	The government is working towards transforming primary health centres into HWCs to provide comprehensive primary healthcare services, including preventive and promotive care .
Pradhan Mantri Swasthya Suraksha Yojana	PMSSY aims to enhance tertiary care capacities and strengthen medical education in the country by setting up new AIIMS (All India Institutes of Medical Sciences) institutions and upgrading existing government medical colleges .
Jan Aushadhi Scheme	The Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) aims to provide quality generic medicines at affordable prices through Jan Aushadhi Kendras.
National Digital Health Mission (NDHM)	NDHM aims to create a digital health ecosystem , including health IDs for citizens and the establishment of a national digital health infrastructure.

What are the existing challenges in the public health sector in India?

- 1. Inadequate Access to Healthcare-** Inadequate access to basic healthcare services remains a critical public health issue, particularly in rural and underserved areas. **For ex- Shortage of health Infrastructure and health professionals (shortage of around 600,000 doctors).**
- 2. Myopic focus on short-term results-** There has been focus on promotion of initiatives that promise immediate results, such as **opening new hospitals, subsidised treatments, and populist health policies**. The **neglect** of the **holistic development of primary and secondary healthcare capabilities** has led to deterioration of public health sector in India.
- 3. Low Healthcare expenditure by the Govt-** The **government** (Centre and states put together) spends about **Rs 2.8 lakh crore**, that is roughly around **1.1% of the GDP**. This is extremely low when compared to other government health expenditure in countries like **China (3%), Thailand (2.7%), Vietnam (2.7%) and Sri Lanka (1.4%)**.
- 4. Lack of adequate emphasis on critical areas-** There has been lack of adequate attention to critical areas such as **sanitation, disease surveillance, and public health education**, which are important to maintain population health and prevent disease outbreaks. **For ex- Lack of long-term strategies like understanding vector control or developing effective vaccines** in case of dengue.
- 5. Profit-Driven Pharma Sector-** The pharmaceutical industry's profit-driven nature **often sidelines areas such as public health**. There has been a loss of trust towards health-care providers (private sector due to commercial interests). **For ex- Medical marginalisation of TB patients in India.**
- 6. Lack of a Comprehensive Approach-** India's current public health approach is **physician-centric**, without **adequate focus on expertise from various fields** such as environmental science, sociology, urban planning, and economics.
- 7. Lack of Preventive Care-** Preventive healthcare is undervalued in India, despite its importance in reducing disease incidence and healthcare costs. This is especially significant as India faces a '**triple burden**' of disease, comprising **communicable diseases** (like tuberculosis and malaria), **non-communicable diseases** (such as diabetes and heart disease), and **emerging infectious diseases**.

What are the advantages of robust public health sector in India?

1. Improved the Access to Healthcare- The Lancet in its latest study ranked **India at 145th among 195 countries in terms of quality and accessibility of healthcare**, behind its neighbours China, Bangladesh, Sri Lanka and Bhutan. Thus, there is a need to improve the public health sector by making it more accessible by **improving the quality of medical professionals and infrastructure**.

2. Improved Health Outcomes- Robust public healthcare leads to early detection and treatment of diseases, resulting in improved health outcomes and a decrease in the burden of illness. **For ex- Early detection and treatment of Non-Communicable diseases like Cardiovascular Diseases**.

3. Reduction of Financial Burden- Improved public healthcare services can **alleviate the financial burden and improve household financial stability** by reducing the high out of pocket expenditure. **For ex-** According to the WHO, **55 million people fall into poverty or deeper poverty every year** due to catastrophic expenditures on health.

4. Social Justice- Universal healthcare and publicly funded health system provide timely, effective and free care, irrespective of social class. This in turn promotes social justice and **fulfillment of DPSP principles**.

What Should be the Way Forward?

1. Implementation of the NITI Aayog Action Plan for Health- It has recommended to focus on public health through **significantly increasing government expenditure on it (2.5% of GDP)** and prioritize preventive care rather than provide curative care.

2. National commission for Health care cost management- The government should appoint a **national commission to make recommendations for the spending on healthcare systems** and monitor its performance.

3. Separating Health from Political Processes- Public health decisions should be based on **scientific evidence and long-term goals** rather than short-term political interests.

4. Nutrition Support- Investments in nutrition programmes will have positive long-term implications for health and productivity.

5. Comprehensive Approach- Effective public health management should **encompass preventive measures, policy formulation**, community health, environmental health, etc.

6. Universal health coverage- State governments should **draw up blueprints for universal health coverage** and begin experimenting and innovating with pilot programmes.

Read More- [The Hindu](#)

UPSC Syllabus- GS Paper 2 Social Justice – Issues relating to Health.

Road Safety in India- Reasons and Impact- Explained Pointwise

The 'India Status Report on Road Safety 2024' prepared by the TRIP Centre at IIT Delhi, highlights the lack of focus on road safety in India. The report highlights India's **slow progress** toward **meeting international goals of reducing road accident fatalities**. The report also emphasises on the organic connection between road construction, mobility, and the need for a differentiated approach to mitigate road accidents.

Safety first

In 2021, road traffic injuries were the 13th leading cause of death in India and the 12th leading cause of health loss.

Percentage of road traffic deaths by victims mode of transport in six States						
	Chhattisgarh	Chandigarh	Delhi	Haryana	Maharashtra	Uttarakhand
Pedestrian	19	23	44	29	24	28
Bicycle	4	13	3	3	1	3
Motorised two-wheeler	58	51	40	47	58	48
Motorised three-wheeler	1	7	4	3	1	3
Car	4	4	5	8	6	7
Bus	1	1	0	1	1	4
Truck	5	1	2	5	5	4
Farm tractor	6	0	0	2	2	0
Others	0	1	1	1	2	1
Unknown	0	1	1	0	0	1
Total (%)	100	100	100	100	100	100

Percentage of road traffic deaths by type of impacting vehicle in six States						
	Chhattisgarh	Chandigarh	Delhi	Haryana	Maharashtra	Uttarakhand
Bicycle	0	0	1	0	1	0
Motorised two-wheeler	13	11	6	10	14	10
Motorised three-wheeler	0	7	2	1	0	1
Car	7	36	14	25	14	21
Bus	3	5	6	4	4	7
Truck	24	12	18	32	27	28
Farm tractor	5	1	1	7	4	6
Others	11	12	5	1	5	2
None	16	9	3	2	16	5
Unknown	18	9	45	17	15	21
Total (%)	100	100	100	100	100	100

Source: India Status Report on Road Safety 2024

Source- The Hindu

What are the observations of the Report?

This report analyses road safety in India, using data from **First Information Reports (FIRs)** from States and audits of **state compliance** with Supreme Court directives on road safety governance. It exposes disparities in road traffic death rates across states.

Road accidents remain a major public health challenge	Road traffic injuries remain a major public health challenge in India. There has been little progress in reducing fatalities , despite advancements in other sectors. Road traffic injuries were the 13th leading cause of death in India and the 12th leading cause of health loss (measured in Disability-Adjusted Life Years, or DALYs) in 2021.
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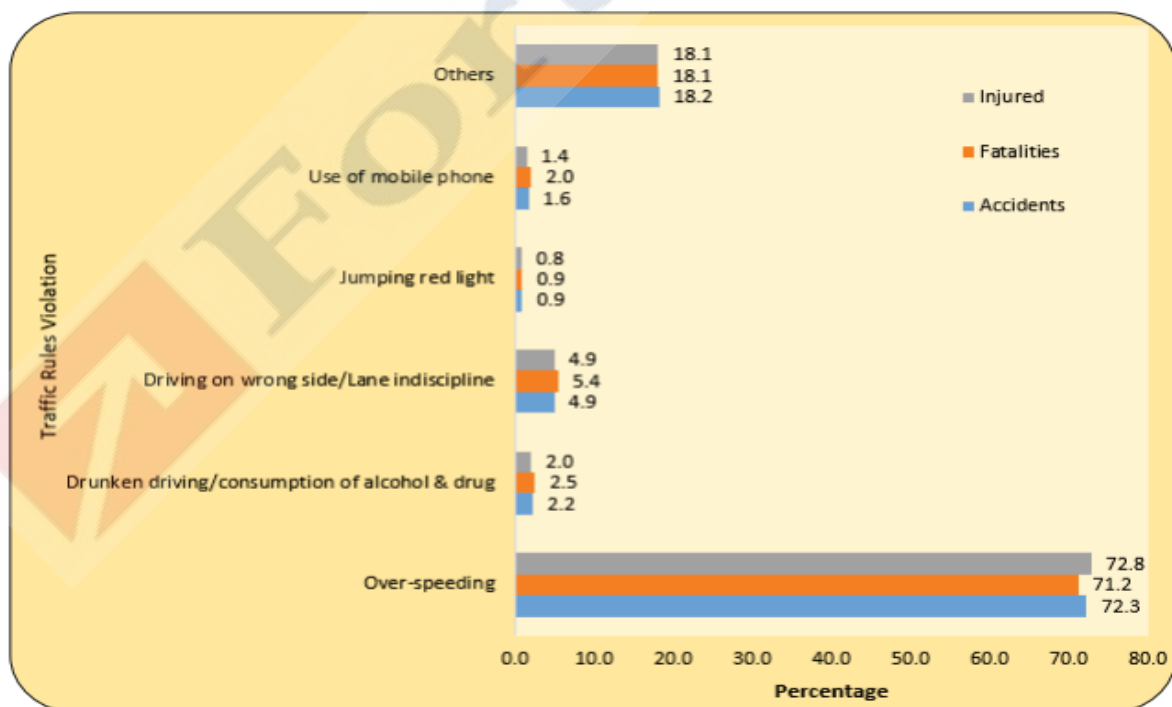
Indian states unlikely to miss the UN target	Most Indian States are unlikely to meet the United Nations Decade of Action for Road Safety goal to halve traffic deaths by 2030.
States with road accidents	Road traffic injuries ranked among the top 10 causes of health loss, in six states of Haryana, Jammu and Kashmir and Ladakh, Punjab, Rajasthan, Uttarakhand, and Uttar Pradesh.
Most common victims of road accidents	Pedestrians, cyclists, and motorised two-wheeler riders are the most common victims of road accidents. Trucks are responsible for the highest proportion of impacting vehicles.
Lack of Basic Traffic Measures	India lacks basic traffic safety measures like traffic-calming, markings, and signage. Helmet usage in rural areas is particularly low , and trauma care facilities are inadequate.
Increase in India's road accident fatalities	India has large gap in road safety as compared with other developed countries like Sweden and other Scandinavian nations, which have excelled in road safety governance. An Indian was 40% more likely to die in a road accident than someone in these countries, in 1990. By 2021, this figure had soared to 600% , indicating a sharp rise in road fatalities.

What are the reasons for the increase in Road accidents?

According to the report, the reasons for the increase in road accidents are mentioned below-

1. Human errors and Traffic Rules Violations- **Over speeding** is the major cause and it accounts for 71.2 percent of the persons killed in 2022. **Driving on the wrong side** is the second reason accounting for 5.4 per cent deaths.

Chart 3.1: Road Accidents by type of Traffic Rules Violation during 2022



Source- MoRTH

2. Faulty Road Designs- Faulty road engineering leading to **black spots**, poor designing of junctions, inadequate signage, haphazard planning of state highways and city roads are also some major factors causing road accidents.

3. Weak Vehicle Safety Standards in India- Crash tests carried out by the Global New Car Assessment Programme (NCAP) in 2014 revealed that some of India's top-selling car models **failed** the **UN (United Nations)'s frontal impact crash test**.

4. Lack of Golden Hour Treatment- Lack of rapid trauma care on highways leads to high fatalities.

5. Low awareness- Indians have very low awareness regarding the importance of safety features like **airbags, Anti lock braking system, safety belt usage** etc.

6. Absence of a crash surveillance system- India's national road safety data systems are insufficient for guiding public policy. Currently, there is no national crash-level database for crash detection.

What are the impacts of road accidents in India?

1. Economic Impact- As per the World Bank report, Indian economy loses 3 to 5 percent of its GDP each year due to road accidents.

2. Social Impact- **Vulnerable Road Users (VRUs)** like the male urban poor, account for more than half of all road crash deaths and serious injuries in the country. These accidents further push them into extreme poverty as they are pushed out of employment.

3. Gender-Specific Impact- According to World Bank's report "**Traffic Crash Injuries and Disabilities: The Burden on Indian Society 2021**", about 50% of Indian women were severely affected by the decline in their household income after a crash.

What measures have been taken in India to reduce road accidents?

1. Formulation of National Road Safety Policy (NRSP), 2010- The policy was formulated based on the recommendations of **S Sundar Committee**. Some important highlights are-

- (a) Establishment of Road Safety Information Database.
- (b) Periodical review of road design standards and Vehicle safety standards.
- (c) Creation of a **National Road Safety Council** to supervise matters related to road safety.

2. Establishment of District Road Safety Committees (DRSC)- Established under the Section 215 of the Motor Vehicle Act of 1988. These have been entrusted with creation of a **district road safety plan** and an **emergency medical plan**.

3. Passage of Motor Vehicles (Amendment) Act 2019- GOI has tried to enhance the road safety measures through this act.

- (a) Creating a **National Road Safety Board** to advise the government on traffic management.
- (b) Higher fines for traffic rule violations.
- (c) Recalling defective vehicles which are dangerous for the environment and people.
- (d) Creation of a '**Solatium Fund**' for victims of hit-and-run accidents.
- (e) Punishment to the owner for violations committed by Juvenile.
- (f) Automated testing for **driver's licence and fitness certificate (FC)**.
- (g) Protection of **Good Samaritans** from civil and criminal liability.

Read More- **Motor Vehicles (Amendment) Act 2019**

4. Other technical initiatives- Further more, other technical initiatives have been taken which are mentioned below-

- (a) **Front and side crash tests** for new car models.
- (b) New cars are required to have airbags fitted as standard.
- (c) Installation of **Roadside Safety Crash barriers** and speed warning boards.
- (d) Rectification of identified Black spots.

Some global initiatives for Road Safety

Brasilia Declaration on Road Safety (2015)- India is a signatory to the Declaration.

The countries plan to achieve Sustainable Development Goal 3.6 i.e., to halve the number of global deaths and injuries from road traffic accidents by 2030.

Decade of Action for Road Safety 2021-2030- The UN General Assembly adopted resolution “Improving global road safety” with the ambitious target of preventing at least 50% of road traffic deaths and injuries by 2030.

What measures must further be adopted to reduce road accidents in India?

1. Indian Vehicles safety features must conform to global best standards- The European Union’s General Safety Regulation which prescribes features like **advanced emergency braking technology** and **intelligent speed assistance** must be adopted in India.

2. Implementation of the important recommendations of the **KS Radhakrishnan panel on Road Safety-**

The important ones are

- (a) Compulsory Audit on road safety by the state governments
- (b) Creating awareness among people on road safety rules, insurance policies
- (c) Providing enough compensation to victims on time.

3. Separation of lanes for different types of Vehicles- There should be separation of lanes for 2-Wheelers and heavy vehicles.

4. Strict implementation of the existing rules-The enhanced fines for traffic rules violations will also help in reduction of road accidents in India.

5. Database for fatal crashes- A national database for fatal crashes should be established. The central and the state governments must undertake efforts towards it.

The approach to road safety has to be **proactive, rather than reactive**. The public has as much role to play as the Government. A concerted and focused effort from both the government and the citizens can help bring down road accidents and help save precious lives.

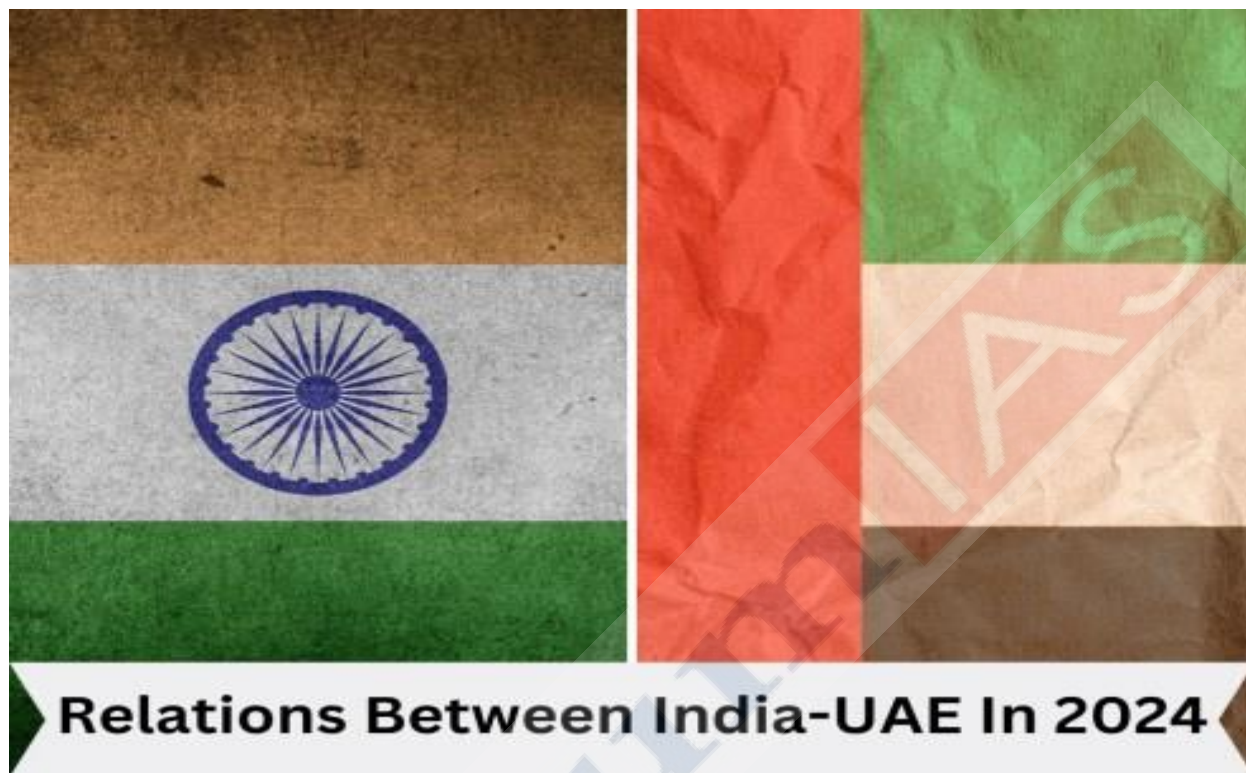
Read More- [The Hindu](#)

UPSC Syllabus- Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

India UAE Relations – Explained Pointwise

India and the UAE bilateral relations enjoy strong bilateral relations based on historical ties, cultural affinity, and shared aspirations. India and the United Arab Emirates (UAE) established diplomatic relations in 1972. While the UAE opened its Embassy in India in 1972, the Indian Embassy in the UAE was opened in 1973. But the relationship witnessed a remarkable transformation in 2015, when Prime Minister Narendra Modi visited UAE, which was the first visit by an Indian Prime Minister after 34 years. It led to upgradation of the India UAE relationship to **Comprehensive Strategic Partnership level**.

At present, **Abu Dhabi Crown Prince Sheikh Khaled bin Mohamed is on visit to India**. It has led to the signing of several key agreements and many symbolic gestures like tree planting, which may further strengthen this relationship.



During the recent visit of UAE Prince to India, following agreements have been signed:

- 1) **Nuclear energy cooperation** between the Emirates Nuclear Energy Corporation (ENEC) and the Nuclear Power Corporation of India Ltd (NPCIL). The MoU is expected to enhance cooperation in the operation and maintenance of nuclear power plants, sourcing of nuclear goods and services from India.
- 2) A **long-term liquefied natural gas (LNG)** supply agreement between the Abu Dhabi National Oil Company (ADNOC) and Indian Oil Corporation Ltd.
- 3) **Strategic petroleum reserve cooperation** between ADNOC and the Indian Strategic Petroleum Reserve Ltd (ISPRL).
- 4) A **production concession agreement** for Abu Dhabi onshore block-one between Urja Bharat and ADNOC.
- 5) An agreement between the Gujarat government and Abu Dhabi Developmental Holding Company PJSC to set up **food parks in India**.

What is the history of India-UAE relations?

India and the United Arab Emirates (UAE) enjoy strong bonds of friendship based on **age-old cultural, religious** and **economic ties** between the two nations.

Initial Phase of Engagement	<p>1966- The relationship flourished after the accession of H.H. Sheikh Zayed Bin Sultan Al Nahyan as the Ruler of Abu Dhabi in 1966.</p> <p>1971- Federation of the UAE was created.</p> <p>1972- India and the UAE established diplomatic relations in 1972.</p> <p>1981- Indian PM Indira Gandhi visited UAE.</p>
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Phase of Active Involvement	<p>Indian PM's visits to the UAE – Indian PM Narendra Modi visited UAE in 2015. It was after 24 years that any Indian PM visited the country, after Indira Gandhi's visit in 1981. PM Modi has visited UAE six times so far since 2015. PM will visit UAE in Feb 2024, where he will inaugurate the BAPS Mandir and address 'Ahlan Modi', a mega diaspora event.</p> <p>Saudi's Pince Visits to India – UAE's President Mohamed bin Zayed Al Nahyan has visited India for four times since 2016, twice as crown prince and twice as President.</p>
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What have been some of the major achievements of the India-UAE relations?

Economic Relations

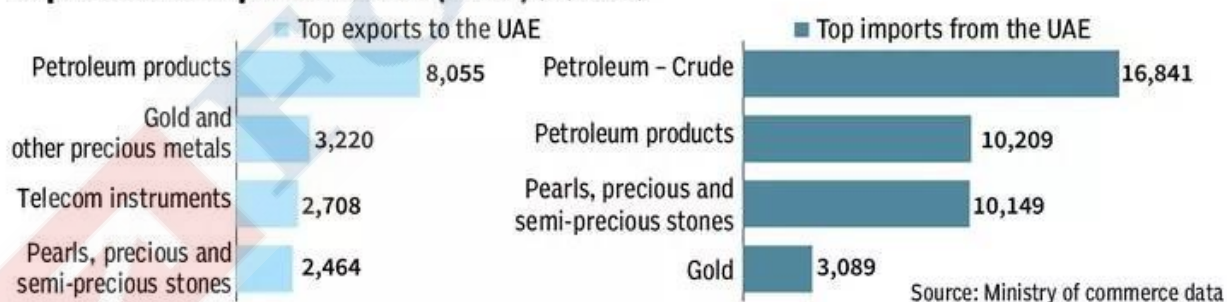
Trade: In February 2022, India became the first country with which the UAE signed a Comprehensive Economic Partnership Agreement. India-UAE trade increased from US\$ 180 million in the 1970s to US\$ 85 billion in 2022-23, making UAE India's 3rd largest trading partner. **Comprehensive Economic Partnership Agreement (CEPA)** has led to slashing of tariffs on more than 80% of goods and gives zero duty access to 90% of India's exports to the UAE. The target of non-oil trade hitting \$100 billion by 2030 seems an imminent possibility now.

Investments: UAE's investment in India is around US\$ 20-21 billion, of which US\$ 15.5 billion is FDI. ADIA, the UAE's Sovereign Wealth Fund, has invested in several Indian projects, including NIIF Master Fund and renewable energy.

India's Exports: UAE is India's 2nd largest export destination after the US, with exports worth US\$ 31.61 billion in 2022-23. India exports a wide range of goods to UAE, including petroleum products, gems, food items, textiles, and engineering goods.

India's Imports: UAE is an important partner of India in ensuring energy security. UAE exports to India include petroleum, gems, minerals, and chemicals. UAE is India's 4th largest source for crude oil and the 2nd largest for LNG and LPG.

Exports and imports basket (FY23) (in \$ million)



Connectivity: There is a high level of connectivity between countries, with more than 1,500 flights between the UAE and India every single week.

Financial System: India and UAE signed a MoU for a **Local Currency Settlement (LCS) System** in 2023 to facilitate cross-border transactions in INR and AED. It will enable the use of their local currencies for cross-border transactions. Furthermore, Indian tourists in the UAE and those living in the Emirates who have bank accounts in India can use the UPI network.

Geo-Strategic relations

The Middle-east region is a theatre of warfare like the Israel-Hamas war, Conflicts in Syria, Iraq, Yemen etc. These conflicts have several security implications in India. For ex- Rise of ISIS recruitments from Kerala. Hence, India-UAE relationship becomes significant to bolster internal and external security of both the nations.

India's access to the UAE's Al Dhafra air base for refuelling has enhanced its strategic reach.

India-UAE relations are necessary to **strengthen the security of the Arabian Sea and Indian ocean region**, that is prone to piracy.

India and UAE have been collaborating in joint exercises to counter terrorism. **For ex- Desert Cyclone** (Military), **Zayed Talwar** (Naval) and **Desert Eagle** (Air force).

India-Middle East-Europe Economic Corridor (IMEC)– UAE is a vital cog in the India-Middle East-Europe Economic Corridor (IMEEC) that would boost connectivity and act as a credible alternative to China's Belt and Road Initiative.

Geo-political relations

Cooperation on Multilateral Forums: India and UAE have strong cooperation at the United Nations. UAE supports India's bid for entry in the UNSC. Both countries participate in plurilateral platforms like BRICS, I2U2 (India-Israel-UAE-USA), and the UAE-France-India (UFI) trilateral. UAE was a Guest Country at the G20 Summit during India's presidency.

Better Coordination with Regional Groupings antagonistic to India – UAE commands a significant respect in regional groupings like OIC (Organization of Islamic Cooperation) and GCC (Gulf Cooperation Council). An improvement in relation will open India's door for an OIC membership and India-GCC FTA.

People to people Relations

Indian Diaspora: The Indian expatriate community, the largest ethnic group in the UAE, makes up around 35% of the population. Over 3.5 million Indians live in the UAE, where Indian culture, cinema, and media are well-integrated. The Indian community in the UAE, contributes significantly to remittances, which account for 18% of total remittances to India.

Cultural Relations: In 2021, an agreement was signed between NYU Abu Dhabi and the Indian Council for Cultural Relations to establish a visiting professorship, enhancing academic exchange. A BAPS Mandir is under construction in Abu Dhabi, with the inauguration expected in 2024, enhancing people-to-people ties.

Education: A tripartite MoU was signed in July 2023 to establish an IIT Delhi campus in Abu Dhabi, with programs starting in 2024. Leading Indian institutions like Manipal, BITS Pilani, and Amity University also have campuses in the UAE.

What are the challenges to the India-UAE Relationship?

1. **Non Tariff Barriers (NTBs)**- The Non-Tariff Barriers like **Sanitary and Phytosanitary (SPS)** and **Technical Barriers to Trade (TBT)** adopted by the UAE, has dampened Indian exports related to poultry, meat and processed food.

2. **China's Cheque Book Diplomacy** – China with its deep pockets has been offering low interest loans and **crowding out Indian companies from the UAE** and Middle-east region.

3. **Regional Conflict:** Conflicts in the Middle East which primarily involve Israel-Palestine-Lebanon and indirectly involve Iran, US and other regional countries, are threat to the connectivity projects like **IMEC and**

trade. The UAE's normalization of relations with Israel (Abraham Accords, 2020) could potentially affect India's relations with Iran and few other Arab countries.

4. **Kafala System** – The welfare and rights of Indian expatriates in the UAE, particularly blue-collar workers, remain a concern. The **inhumane conditions** imposed by the Kafala system on immigrants engaged in blue collar jobs in the UAE is a major challenge in India-UAE relations. It gives employers disproportionate control over migrant workers' immigration and employment status.

5. **Extension of Loans to Pakistan** – UAE is a **major lender to Pakistan**. Pakistan sponsors cross border terrorist attacks in India. The money provided by the UAE seems to be used in endangering India's national security.

6. **Trade imbalance:** While trade has been growing, there's a trade imbalance. In **FY 2022-23**, India's trade deficit with the UAE stood at **USD 16.78 billion**. The UAE's efforts to diversify its economy and reduce dependence on expatriate workers could affect Indian interests.

What steps should be taken to further enhance the India-UAE relationship?

1. **Transparency and predictability in the use of Non-Tariff Barriers (NTBs)**- There must be regular information sharing on **labelling, licensing, permit requirements, import monitoring and surveillance requirements**.

2. **Establishment of 2+2 Dialogue** – India must establish more strategic dialogue platforms like **India's 2+2 dialogue with U.S., Russia**.

3. **Alignment with 'Vision 2021'** - UAE, through its 'Vision 2021', seeks to diversify its economy and reduce its dependency on oil. India must use areas like **renewable energy, start-ups, fintech** to deepen its engagement with the UAE.

4. **Reformation of Kafala System** – India should actively engage with the UAE to reform the Kafala system. **For Ex- Qatar has promised to reform the Kafala system** on India's insistence.

[Read More- Moneycontrol](#)

UPSC Syllabus- GS II- International Relations- India's Bilateral Engagements

Indian Migrant Workers Skill Mismatch- Concerns and Solutions- Explained Pointwise

According to some reports, the **construction labour arrangement** agreed between **India and Israel** is under strain due to **glaring skill mismatch between Indian workers' abilities** and the expectations of them. While some workers have now returned to India, others have been redeployed to other sectors, taking into consideration the **strengthening ties between India and Israel**.

The **issue of skill mismatch**, and **shortage of skilled Indian migrant workers** despite a huge labour force, has often been **highlighted in the past**. Several Indian firms have raised this matter in the past with regard to jobs across the entire skill spectrum. In this article, we will delve a little deeper into the issue of skill mismatch of Indian Migrant workers, as it constitutes a significant portion of our domestic revenue.



Figure 3. Source- Middle East Institute

What is the status and importance of Indian Migrant workers?

Status and Data on Indian Migrants abroad- There are approximately **30 million Indians residing overseas**. A substantial portion of them reside and work in the Gulf Cooperation Council (GCC) countries (**9 million Indian Diaspora**) and Southeast Asia. The GCC region is

home to more than **90% of Indian migrant workers**, primarily **low and semi-skilled labourers**.

Sector of Employment- Indian migrant workers typically fill roles in sectors such as **construction, domestic work, and various service industries**. Many are temporary migrants who return to India upon the completion of their contracts.

Remittances- According to World Bank, in 2023, the remittances sent back home by the Indian migrant workers reached a staggering **\$125 billion**. These remittances highlight the significant financial contribution of overseas workforce, which translates to **3.4% of India's GDP**. According to the World Bank, India is the world's leading recipient of remittances, followed by Mexico and China.

Read More- [Indian Migrants in Gulf Countries – Challenges and Way forward](#)

What are the reasons behind the increase in Indian Migrant Workers abroad?

- 1. Demographic Shifts-** India has a large and growing working-age population, with many young people seeking employment opportunities. This demographic dividend creates a significant pool of potential migrant workers to meet labour shortages in other countries. **For ex- Labour Shortage in Israel on account of Israel Palestine War.**
- 2. Skill Shortages-** Destination countries often face **skill shortages in certain occupations** and turn to migrant workers from India to fill these gaps. Indian migrants bring a range of skills and expertise to meet the demands of the global labour market. **For ex- Skilled construction worker shortages in India.**
- 3. Cost Advantages-** Hiring Indian migrant workers is sometimes more cost-effective for employers compared to local labour in destination countries. The wage differential creates an incentive to recruit workers from India. **For ex- Software jobs to Indians with no obligation of minimum wage requirement.**
- 4. Globalization and Mobility-** Increased globalization and mobility have made it easier for workers to migrate across borders in search of better economic opportunities. **For ex- Better flight connectivity between India and Gulf Countries.**

5. Increased demand in labour sector- The **Global Skill Gap report** prepared by the **National Skill Development Corporation (NSDC)** has estimated the demand for labour in key sectors such as construction, trade, health and social care, in the GCC countries (Gulf Cooperation Council) and the EU in 2020. Some countries in the western world are now advocating for temporary work contracts to meet the labour shortages.

What is the Significance of Indian Migrant Workers?

- 1. Economic Contribution-** Remittances from Indians abroad account for around **~3% of India's GDP**.
- 2. Skill Development-** Migrating to different countries help Indian workers to **acquire new skills and gain experience**. When they return to India, they can bring back valuable knowledge and expertise that can help different sectors of the Indian economy.
- 3. Enhancement of India's Soft Power-** The presence of a large Indian diaspora abroad, **strengthens diplomatic and trade relations between India and these nations**. The diaspora serves as a bridge for cultural exchange, investment, and business partnerships between India and other countries.

What are the Skilling challenges with the Indian Migrant Workers?

- 1. Education-Occupation Mismatch-** There exists huge discrepancy between the education levels of migrant workers and the skill requirements of available jobs. **For ex- According to labour force survey, only a small segment of those in the age group of 15-59 years have received formal vocational/technical training.**
- 2. Labour Market Dynamics-** In periods of high demand, employers prioritize filling positions quickly over ensuring candidates meet skill requirements. This results in a workforce that is not adequately qualified for their roles.
- 3. Quality of Education-** The quality of education and training programs in India **does not always align with market needs**. Many educational institutions focus on theoretical knowledge rather than practical skills.
- 4. Geographic and Sectoral Mismatch-** Indian Migrant workers often **face geographic barriers** that prevent them from accessing jobs that match their skills. Also, the **sectoral shifts in the economy leads to a mismatch between the skills of the workforce** and the needs of emerging industries.
- 5. Informal Employment Sector-** A significant portion of migrant workers is employed in the informal sector, where job requirements does not often match their skills. This sector often **lacks proper job descriptions and qualifications**, making it difficult for workers to find positions that suit their expertise.

What are the Skilling initiatives taken up by the Government for Indian Migrant Workers?

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	Under PMKVY, migrant workers can access skill training programs to enhance their employability and earn better wages.
Skill Mapping of Migrant Workers	Several state governments have undertaken skill mapping exercises to assess the skills and competencies of migrant workers. For Ex- Madhya Pradesh
Pravasi Kaushal Vikas Yojana (PKVY)	It is a joint initiative by the Ministry of External Affairs and Ministry of Skill Development & Entrepreneurship , that equips workers with cultural skills for international integration.

What Should be the Way Forward?

- 1. Holistic skilling-** The **National Skill Development Corporation (NSDC)** should **focus on revamping the entire skilling ecosystem**. This should encompass the technical and training institutes, the trainers, and the skilling curriculum.
- 2. Emulating the Sri Lankan Model-** India should aim at emulating the Sri Lankan approach of ensuring that **workers receive a few weeks of additional training before their departure**, and they are exposed to international processes and work practices.
- 3. Identification of Pre-Skilled Candidates-** We should aim at **assessing the existing skill sets of potential emigrants through standardized tests and certifications**. This would enable targeted training programs focused on specific skill gaps.
- 4. Finishing Schools with International Standards-** Finishing schools need to be established across states, adhering to standards aligned with international industry needs. Incorporation of technology upgrades and engaging internationally qualified trainers will ensure the effectiveness of these schools.
- 5. Language Training-** The skilling model should include language training programs that go beyond basic conversational skills, **focusing on business communication and industry-specific terminology**.
- 6. Financial Literacy-** Incorporation of financial literacy programs would **further strengthen the skilling model**. Equipping workers with financial management skills would empower them to maximize the benefits of overseas employment and make wise financial decisions.

The future of work demands continuous learning and adaptability. A well-rounded skilling model can pave the way for a more competitive and globally relevant Indian workforce, leading to increased remittances, economic growth at the national and state levels, and a stronger global presence.

Read More- [The Indian Express](#)

UPSC Syllabus- GS Paper-2-International Relations-Effect of Policies and Politics of Developed and Developing Countries on India's interests, Indian Diaspora.

Health cover for Senior Citizens-Significance and Challenges- Explained Pointwise

Recently, the Central Government has extended the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY) to **provide health cover for senior citizens above the age of 70**. It is a significant step towards **universalising healthcare in the country**. The Rs 5 lakh annual health coverage will **benefit about six crore people**, which translates to roughly 5 per cent of the country's current population.

In this article, we will look into the status of elderly in India, the expansion of Ayushman Bharat Scheme to include elderlies, the significance of the inclusion. We will also look at the challenges that persist despite this laudable move.

What is the Status of Elderly Population in India? What are the Health care concerns of senior citizens in India?

The number of elderlies (persons above 60 years) in India is set to increase from **100 million** in 2011 to **230 million** in 2036. By 2050, the elderly population is expected to constitute nearly **one-fifth of the total population**.

Increase in the old age-dependence ratio-

The old age-dependence ratio denotes the **number of persons aged 60-plus per 100 persons** in the age group of 15-59 years.

According to the Ministry of Statistics and Programme Implementation's (MOSPI) 'Elderly in India 2021' report, the old-age dependency ratio is increasing in India. The old age-dependence ratio has increased from 10.9% in 1961 to 14.2% in 2011 and is projected to increase to 15.7% in 2021 and 20.1% in 2031 respectively.

Decadal growth in elderly population compared to that of general population

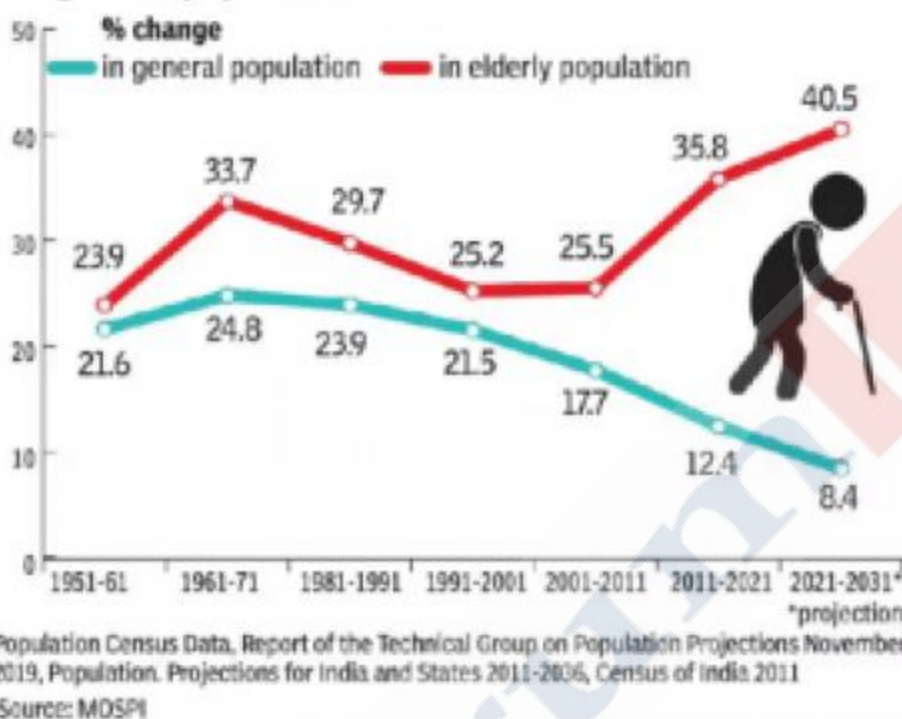


Figure 4. Source- MoSPI

Health care Concerns of Senior Citizens

1. Rise in age-related chronic illness- According to the Longitudinal Ageing Study of India (LASI) in 2021, **One in five elderly persons in India has mental health issues** and around 75 per cent of them suffer from a chronic disease.

2. Increasing need for geriatric care- Increased health-related expenses for the treatment of diseases like **Non-Communicable diseases, cataract,**

hearing loss etc. creates financial problem for the elderly population.

What are the specifications of the expanded Health Cover for Senior Citizens?

AB PM-JAY- AB PM-JAY is already the **world's largest public health insurance scheme**. It provides **free cover upto Rs 5 lakh annually** to all members of eligible families, which are estimated to comprise the bottom 40% of the population economically, irrespective of age.

Health Cover Extension under AB PM-JAY- The Health cover for Senior Citizens has been expanded under the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB-PMJAY). The expanded scheme will **cover almost 6 crore individuals** (from 4.5 crore families), of whom **1.78 crore are already covered by the scheme**.

Beneficiaries	<p>a. Anyone who has turned 70 as per their Aadhaar can register for the new health cover.</p> <p>b. Everyone of age 70 or more will be entitled to a cover of Rs 5 lakh annually, shared within the family. This means if there are two elderly beneficiaries in the household, the cover will be split among them.</p> <p>c. Elderly members (age 70 and more) of families that are already covered in accordance with their economic status will get a top-up cover of Rs 5 lakh- to be used only for the elderly. These elderly beneficiaries will have to re-register to receive the top-up cover.</p>
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Registration	<p>a. Beneficiaries can register either through the government's Ayushman App or at the Ayushman Bharat counter at any government health facility.</p> <p>b. Beneficiaries will be able to utilise their policy as soon as they complete their eKYC. The portal will also be face-authorisation-enabled, to ensure that even elderly persons whose fingerprints are difficult to read or have changed over time can avail the benefits.</p>
Exclusions and Inclusions	<p>a. Option for already covered people- 80 lakh people are separately covered under various government health schemes- the Central Government Health Scheme (CGHS), Ex-Servicemen Contributory Health Scheme, or cover provided to family members of defence and railway personnel. Those who are covered under these government health schemes will have the option of choosing either Ayushman Bharat or continuing with their existing coverage.</p> <p>b. People with ESIC coverage to be included- People who are covered under the Employees State Insurance Corporation (ESIC), however, will be eligible to have both their existing cover and Ayushman Bharat. This is because premiums for ESIC are paid by the insured and their employer, not the government.</p> <p>c. People with private insurance- People who have their own privately purchased insurance cover will be eligible to have the Ayushman Bharat cover as well.</p>

What is the Significance of the Expanded Health Cover for Senior Citizens?

- 1. Expansion of Health Care ambit for Senior Citizens-** According to the India Ageing Report 2023 barely 20% of India's population above the age of 60 is currently covered by any government, employer-provided, or personal insurance scheme. Extension of the ambit of the world's publicly-funded health assurance scheme is a crucial step towards ensuring a more fulfilling life for the senior citizens in India.
- 2. Increasing elderly population in India-** According to the government's Longitudinal Ageing Study in India (LASI), the percentage of elderly population over the age of 60 years is set to increase to 19.5% by 2050 from 8.6% in 2011. In terms of numbers, Indians over the age of 60 are likely to be 319 million in 2050, which will be three times from the 103 million in 2011. This will increase the geriatric health care needs in India.
- 3. Increase in hospitalisation rates among elderly-** The rate of admission among the elderly already covered under the AB PM-JAY scheme has been more than 7%, which is double the 3-4% admission rate for the younger people covered under the scheme.
- 4. Gender Justice by catering to elderly women-** According to a survey by NITI Aayog, women constitute the larger share of the elderly population, with 58% of the elderly being women, and 54% among them being widows. The extension of health cover will provide immense help to women, and especially widowed women.
- 5. Reduction of the out-of-pocket health care expenditure-** This will help in reducing the out-of-pocket expenditure (OOPE) for senior citizens, as the OOPE for health care in India is among the highest in the world.

What are the challenges that remain despite the expansion of health coverage?

- 1. Low penetration of AB PM-JAY-** There has been a lower penetration of PM-JAY into smaller cities and towns in most states, since its launch in 2018. This lower penetration will create a challenge in achieving universalisation of health care needs of the elderly.
- 2. Absence of coverage of outpatient care-** Most of the health-care expenditure by the elderly is through outpatient care (40%-80%). The absence of coverage for outpatient care, diagnostics, and medicines for the elderly is particularly concerning as chronic diseases have increased sharply in India in the last few decades.

3. Limitation of the scheme to secondary and tertiary care hospitalisation- The expanded health assurance scheme remains limited to secondary and tertiary care hospitalisation. The **primary and secondary health care** in the public sector **remains largely inadequate** and **ill-equipped** to meet the demands of the senior citizens.

4. Functional challenges with AB PM-JAY- There are serious functioning challenges in the implementation of AB PM-JAY, which are explained below-

a. Misinformation- There are numerous reports showing that doctors indulge in spreading misinformation to already stressed families of the grievously ill, that **availing benefits under AB-PMJAY could take months**.

b. Overburdened Staff- There are reports regarding the overburdened staff at **government institutions not wanting to take on the additional task of filling up documents related to the insurance scheme**.

c. Limited role of Arogyamitras- The role of Arogyamitras is limited to registering claims under the scheme. Their role has been limited in counselling relatives of patients.

5. Failure of insurance model over primary health care improvement- The reliance of U.S., on **insurance-based schemes has led to the surging costs of health care**. While Thailand on the other hand has focused on progressively strengthening its primary health-care system and attaining universal health coverage.

What Should be the Way Forward?

1. Improvement in AB PM-JAY's functioning- The Arogya mitras should be **empowered to handhold patients** in cases of claim settlement and ironing out of glitches.

2. Expansion of Health care infrastructure- According to NITI Aayog's report, the increased nuclearisation of families is making the senior citizens more vulnerable to health care needs. Policymakers should aim to improve the number of health care centres and to **narrow down the doctor-patient asymmetry**.

3. Increasing the robustness of primary and secondary public health care- Robust primary and secondary public health care **will sharply cut the load on tertiary health care** and **the need for curative care**. A reduced curative care load at tertiary hospitals will help in the success of PM-JAY scheme.

4. Address the concerns of private health care providers- The concerns of the private sector, like **low treatment rates** and **delayed payment**, must be addressed at the earliest for the success of the health coverage of senior citizens.

Read More- [The Indian Express](#)

UPSC Syllabus- GS 2- Issues related to health

[Yojana September 2024 Summary] Union Budget 2024-25- Explained Pointwise

The Union Budget 2024-25 lays out a comprehensive roadmap for the growth and development of the agriculture, manufacturing and services sectors, by recognising their pivotal role in driving economic growth and employment. The budget is focused on four major groups: **Garib** (poor), **Mahilayein** (women), **Yuva** (youth) and

Annadata (farmers). The Union Budget 2024-25 charts a promising course for India's economic growth, emphasising manufacturing, services, and digital technologies.



What are the Macro-economic highlights of the Budget 2024-25?

Budget Estimates 2024-25

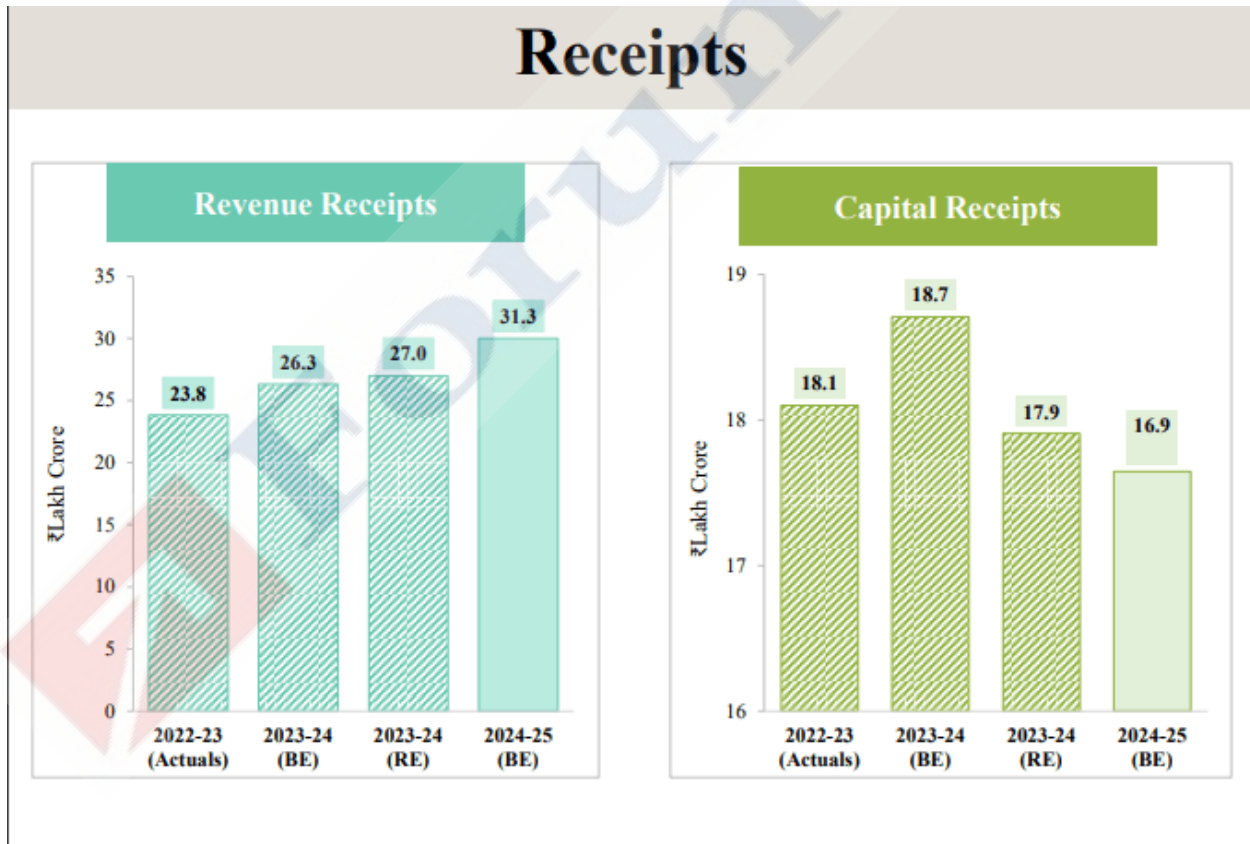
Total Receipts for FY 2024-25-

The total receipts other than borrowings for the year 2024-25, is estimated to be at **Rs. 32.07 lakh crore.**

Figure 5.Source-Yojana

The gross and net market borrowings through dated securities during 2024-25 are estimated at **Rs.14.01 lakh crore** and **Rs. 11.63 lakh crore** respectively. Both will be less than that in 2023-24.

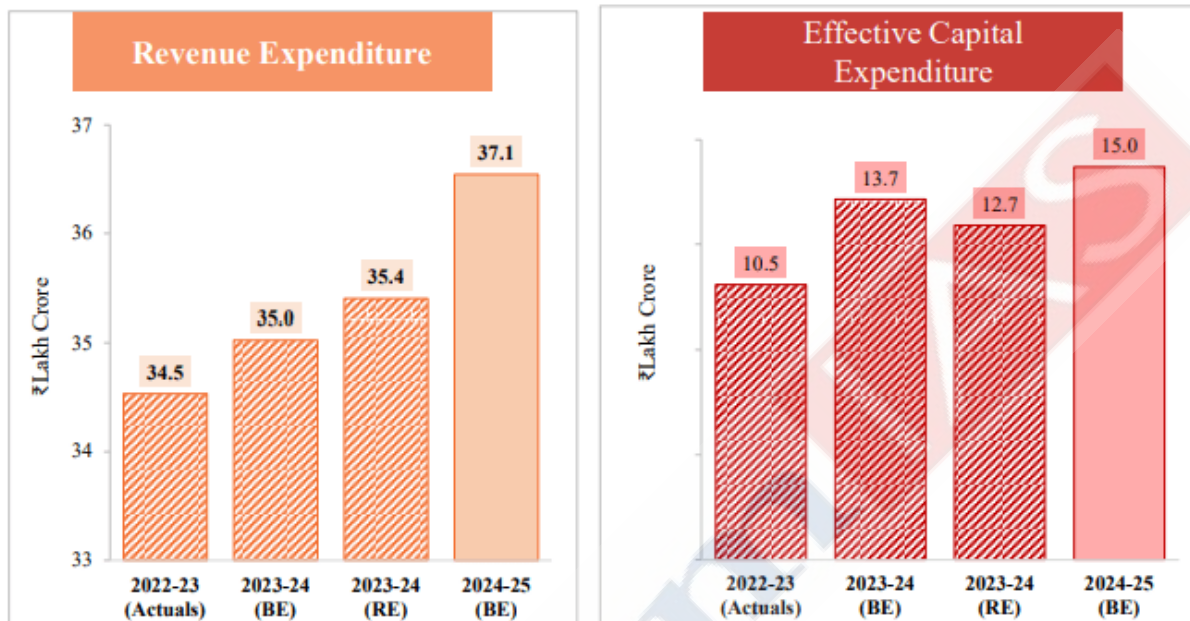
The net tax receipts are estimated at **Rs. 25.83 lakh crore.**



Source- Yojana

Total Expenditure for FY 2024-25- The total expenditure is estimated at **Rs. 48.21 lakh crore.**

Expenditure



Source- Yojana

Fiscal Deficit- The fiscal deficit is estimated at **4.9 per cent of GDP**.

Inflation Target- India's inflation continues to be low, stable and moving towards the 4 per cent target. Core inflation (nonfood, non-fuel) currently is **3.1 per cent**.

India's Growth on a robust path

India's economic growth continues to be the shining exception and will remain so in the years ahead.

What are the 9 priority areas and Related Policy Announcements for the achievement of Viksit Bharat in the Budget 2024-25?

Priority 1: Productivity and resilience in Agriculture

a. Transformation of agriculture research- Focus on raising productivity and developing climate resilient varieties. Provision for funding for agricultural research in challenge mode, including the private sector.

b. Release of new varieties- Release of new **109 high-yielding and climate-resilient varieties** of 32 field and horticulture crops for cultivation by farmers.

c. Natural Farming- Initiation of **1 crore farmers across the country into natural farming** supported by certification and branding, in the next two years.

d. Missions for pulses and oilseeds- Launch of a mission for achieving '**atmanirbharta**' for oil seeds such as mustard, groundnut, sesame, soybean, and sunflower.

e. Digital Public Infrastructure (DPI) for Agriculture- The use of DPI in agriculture for coverage of farmers and their lands in 3 years. **Details of 6 crore farmers and their lands to be brought into the farmer and land registries.** Enabling the Issuance of Jan Samarth based Kisan Credit Cards in 5 states.

f. Shrimp Production & Export- Financial support for setting up a network of **Nucleus Breeding Centres for Shrimp Broodstocks.** Facilitation of finance for shrimp farming, processing and export through NABARD.

g. National Cooperation Policy- Formulation of a **National Cooperation Policy** for systematic, orderly and all-round development of the cooperative sector.

Priority 2- Employment & Skilling

a. Employment Linked Incentive- 3 schemes for '**Employment Linked Incentive**', to be launched as part of the Prime Minister's package.

Scheme A: First Timers- This scheme is to be launched to provide **one-month wage to all persons newly entering the workforce in all formal sectors.** The direct benefit transfer of one-month salary in 3 instalments to first-time employees, as registered in the EPFO. The support will be upto Rs. 15,000. The eligibility limit will be a salary of Rs. 1 lakh per month. The scheme is expected to benefit 210 lakh youth.

Scheme B: Job Creation in manufacturing- An incentive to be provided at **specified scale directly both to the employee and the employer,** with respect to their EPFO contribution in the first 4 years of employment. The scheme is expected to benefit 30 lakh youth entering employment, and their employers.

Scheme C: Support to employers- This employer-focused scheme will cover additional employment in all sectors. All additional employment within a salary of **Rs.1 lakh per month** will be counted. The government will reimburse to employers up to **Rs. 3,000 per month for 2 years towards their EPFO contribution** for each additional employee. The scheme is expected to incentivize additional employment of 50 lakh persons.

b. Participation of women in the workforce- Facilitation of higher participation of women in the workforce through setting up of **working women hostels** in collaboration with industry, and establishment of creches.

c. Skilling programme- A new centrally sponsored scheme to be launched to **skill 20 lakh youth over a 5-year period.** 1,000 Industrial Training Institutes to be upgraded in hub and spoke arrangements with outcome orientation.

d. Skilling Loans- The **Model Skill Loan Scheme** to be revised to facilitate loans up to **Rs. 7.5 lakh with a guarantee from a government promoted Fund.** This measure is expected to help 25,000 students every year.

e. Education Loans- Financial support for loans upto **Rs. 10 lakh for higher education** in domestic institutions. E-vouchers for this purpose to be given directly to **1 lakh students every year** for annual interest subvention of 3 per cent of the loan amount.

Priority 3: Inclusive Human Resource Development and Social Justice

a. Saturation approach- Saturation approach to be employed for covering all eligible people through various programmes.

b. Purvodaya- A plan, Purvodaya, for the **all-round development of the eastern region of the country** covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh to be launched. This will cover human resource development, infrastructure, and generation of economic opportunities to make the region an engine to attain Viksit Bharat.

c. The announcements related to Bihar- Industrial node at Gaya, connectivity projects, such as (1) Patna-Purnea Expressway, (2) Buxar-Bhagalpur Expressway, (3) Bodhgaya, Rajgir, Vaishali and Darbhanga spurs, and (4) additional 2-lane bridge over river Ganga at Buxar at a total cost of Rs. 26,000 crore.

d. The announcements Related to Andhra Pradesh- Reiteration of the firm commitment to Andhra Pradesh Reorganization Act provisions. Rs. 15,000 crores to be arranged in the current financial year, with additional amounts in future years. Financing and early completion of the Polavaram Irrigation Project and Grants for backward regions of Rayalaseema, Prakasam and North Coastal Andhra.

e. PM Awas Yojana- **Three crore additional houses** under the PM Awas Yojana in rural and urban areas in the country.

f. Women-led development- An allocation of more than **Rs. 3 lakh crores for schemes** benefitting women and girls and promoting women-led development

g. Pradhan Mantri Janjatiya Unnat Gram Abhiyan- The abhiyan aims to **improve the socio-economic condition of tribal communities**, by adopting saturation coverage for tribal families in tribal-majority villages and aspirational districts. This will cover 63,000 villages benefitting 5 crore tribal people.

h. Bank branches in North-Eastern Region- More than **100 branches of India Post Payment Bank** to be set up in the North East region to expand the banking services.

Priority 4: Manufacturing & Services

a. Support for promotion of MSMEs- The following initiatives have been announced as part of the Budget-Credit Guarantee Scheme for MSMEs in the Manufacturing Sector without collateral or third-party guarantee

b. Public sector banks to build their **in-house loan assessment model MSMEs for credit**

c. Credit Support to MSMEs during **Stress Period** through a guarantee from a government promoted fund.

d. **Enhanced Mudra Loan limits**, from 10 lakhs to 20 lakhs, for MSME entrepreneurs who have repaid loans under Tarun category

e. Turnover threshold of buyers for mandatory onboarding on the **TReDS platform reduced to Rs. 250 crores from Rs. 500 crores**

f. Establishment of **SIDBI branches in MSME clusters**

g. Establishment of **50 MSME Units for Food Irradiation, Quality & Safety Testing**.

b. Internship in Top Companies- A comprehensive scheme for providing **internship opportunities in 500 top companies to 1 crore youth in 5 years**. An internship allowance of **Rs. 5,000 per month** along with one-time assistance of **Rs. 6,000 to be provided**. Companies to bear the training cost and 10 per cent of the internship cost from their CSR funds.

c. Industrial Parks- Development of **investment-ready “plug and play”** industrial parks with complete infrastructure in or near 100 cities. **Sanctioning of twelve industrial parks** under the National Industrial Corridor Development Programme.

d. Rental Housing- Rental housing with **dormitory type accommodation for industrial workers** to be facilitated in PPP mode with VGF support and commitment from anchor industries.

e. Critical Mineral Mission- **Launch of Critical Mineral Mission** for domestic production, recycling of critical minerals, and overseas acquisition of critical mineral assets.

f. Digital Public Infrastructure Applications- Use of **DPI applications at population scale for productivity gains**, business opportunities, and innovation by the private sector. These are planned in credit, e-commerce, education, health, law and justice, logistics, MSME, services delivery, and urban governance.

g. Debt recovery and IBC- Steps for **reforming and strengthening debt recovery tribunals to be taken**. Additional tribunals to be established. Out of those, some will be notified to decide cases exclusively under the Companies Act.

h. Voluntary closure of LLPs- The services of the **Centre for Processing Accelerated Corporate Exit (C-PACE)** to be extended for voluntary closure of LLPs to reduce the closure time.

Priority 5- Urban Development

a. Cities as Growth Hubs and Creative redevelopment of cities- Policies to be formulated for the achievement of both these initiatives.

b. Transit Oriented Development- **Transit Oriented Development plans** for 14 large cities with a population above 30 lakhs to be formulated.

c. Urban Housing- Housing needs of **1 crore urban poor and middle-class families to be addressed** with an investment of ₹ 10 lakh crore, under the PM Awas Yojana Urban 2.0. Central assistance of ₹ 2.2 lakh crore to be provided in the next 5 years.

d. Water Supply and Sanitation- Promotion of water supply, sewage treatment and solid waste management projects and services for **100 large cities through bankable projects in partnership** with the State Governments and Multilateral Development Banks.

e. Street Markets- The development of **100 weekly 'haats' or street food hubs** in select cities.

f. Stamp Duty- The states to be encouraged to consider further lowering duties for properties purchased by women.

Priority 6- Energy Security

a. Launch of Initiatives with private sector Collaboration in Nuclear Energy- Setting up **Bharat Small Reactors** and **R&D of Bharat Small Modular Reactor** and newer technologies for nuclear energy.

b. PM Surya Ghar Muft Bijli Yojana- Steps to be taken for encouragement of **PM Surya Ghar Muft Bijli Yojana** to install rooftop solar plants to enable 1 crore households obtain free electricity up to 300 units every month.

c. Pumped Storage Policy- A policy for **promotion of pumped storage projects** to be brought out for electricity storage.

d. Advanced Ultra Super Critical Thermal Power Plants- A joint venture between **NTPC and BHEL to set up a full scale 800 MW commercial plant** using **Advanced Ultra Super Critical Thermal Power Plants (AUSC)** technology.

e. Roadmap for 'hard to abate' industries- Appropriate regulations for transition of these industries from the current '**Perform, Achieve and Trade**' mode to '**Indian Carbon Market**' mode to be put in place.

f. Support to traditional micro and small industries- An **investment-grade energy audit** of traditional micro and small industries in 60 clusters, including brass and ceramic, to be facilitated. The scheme to be replicated in another 100 clusters in the next phase.

Priority 7- Infrastructure

a. Infrastructure provisions- Provision of **₹11,11,111 crore for infrastructure** (3.4% of GDP) for capital expenditure. Provision of ₹1.5 lakh crore to states as long-term interest free loans to support resource allocation.

b. Pradhan Mantri Gram Sadak Yojana (PMGSY)- Phase IV of PMGSY to be launched to provide all-weather connectivity to **25,000 rural habitations**, which have become eligible in view of their population increase.

c. Irrigation and Flood Mitigation- **Financial support of ₹11,500 crore** for projects such as the **Kosi-Mechi intra-state link** and 20 other ongoing and new schemes.

d. Tourism- Support for the comprehensive development of **Vishnupad Temple Corridor** and **Mahabodhi Temple Corridor** modelled on the successful Kashi Vishwanath Temple Corridor.

Priority 8- Innovation, Research & Development

a. Anusandhan National Research Fund- Operationalization of the **Anusandhan National Research Fund** for basic research and prototype development.

b. Private Sector Driven Research- Private sector-driven research and innovation at commercial scale with a financing pool of **₹1 lakh crore**.

c. Space Economy- **A venture capital fund of ₹1,000 crore** to be set up for the development of space economy.

Priority 9- Next Generation Reforms

a. Economic Policy Framework- Formulation of an Economic Policy Framework for Improving productivity of factors of production. Facilitating markets and sectors to become more efficient.

b. Rural & Urban land related actions- Efforts will be taken for Rural and Urban Land mapping, such as Assignment of Unique Land Parcel Identification Number or **Bhu-Aadhaar for all lands**, Digitization of **cadastral maps and GIS mapping of Urban lands**, Establishment of **land registry and linkage to the farmers registry**.

c. NPS Vatsalya- It is an investment plan for **contribution by parents and guardians**, for minors. On attaining the age of majority, the plan can be converted seamlessly into a normal NPS account.

d. Ease of Doing Business- Drafting of Jan Vishwas Bill 2.0 for enhancement of '**Ease of Doing Business**'. States to be incentivized for implementation of their Business Reforms Action Plans and digitalization.

e. Taxonomy for climate finance- Enhancement of the **availability of capital for climate adaptation and mitigation related investments**.

f. New Pension Scheme (NPS)- A solution to be evolved to address the relevant issues in the **New Pension Scheme** (NPS) while maintaining fiscal prudence to protect the common citizens.

What have been the Tax Related Announcements in Budget 2024-25?

Indirect Tax Proposals

a. Rationalisation of GST Tax Structure- The GST Tax structure to be further simplified and rationalized to multiply the benefits of GST.

b. Sector Specific Customs Duty Proposals- Comprehensive review of the custom duty rate structure undertaken for ease of trade, removal of duty inversion and reduction of disputes.

Changes in Custom Duty	Beneficiaries/Benefits
Full exemption to 3 more cancer medicines from custom duties	Affordable medicines
Reduction of Basic Custom Duty (BCD) on Mobile phone, Mobile PCBA and charger to 15%	Mobile industry

Reduction of custom duty on gold and silver to 6% and platinum to 6.4%	Domestic value addition
Reduction of BCD on shrimp and fish feed to 5%	Marine exports
Exemption of more capital goods for manufacturing of solar cells & panels	Energy transition
Full exemption to custom duties on 25 critical minerals	Boost to strategic sectors

Direct Tax Proposals

a. Review of the Income Tax Act 1961- Simplification of Charities, TDS. This will reduce the compliance burden, promote entrepreneurial spirit and provide tax relief to citizens.

b. Rationalisation of Capital Tax-

a. **Short Term Capital Gains Tax-** Short term gains of financial assets to attract **20% tax rate**.

b. **Long Term Capital Gains Tax-** Long term gains on all financial non-financial assets to attract a **tax rate of 12.5%**.

c. **Exemptions limit increase-** Increase in exemption limits in capital gains on financial assets to **₹1.25 lakh per year**.

Abolition of Angel Tax- ANGEL tax abolished for all classes of investors

Reduction in corporate Tax for foreign companies- Corporate tax rate on foreign companies reduced from 40% to 35%.

Personal Income tax

a. Standard Deduction for salaried employees increased from **₹50,000** to **₹75,000**

b. Deduction on family pension for pensioners increased from **₹15,000** to **₹25,000**

Revision of Tax rate Structure in New Tax Regime

0-3 lakh rupees	Nil
3-7 lakh rupees	5 per cent
7-10 lakh rupees	10 per cent
10-12 lakh rupees	15 per cent
12-15 lakh rupees	20 per cent
Above 15 lakh rupees	30 per cent

What are the positives of the Budget 2024-25?

1. Delivering on the rising aspirations of the Youth- The incentives have been provided to first time employees and employers with an **outlay of ₹10,000 crore**. Further there has been incentivization of internships with an outlay of ₹2,000 crore and emphasis on Skill development with state government's cooperation (**Model Skill Loan Scheme**).

These steps taken in the Budget 2024-25, deliver on the the rising aspirations of the Youth as recommended by the Economic Survey 2024-25.

2. Concerted Bid to address the Challenges Faced By MSMEs- The steps taken in the Budget 2024-25 like **Credit Guarantee Scheme, New assessment model, Credit Support during Stress Period**, are attempts to address the financial and working capital challenges faced by the MSMEs.

3. Tax relief for the salaried class- The standard deduction has been raised and the tax slabs with their relevant tax rates have been **revised in the Budget 2024-25**. This will leave a little more money in the hands of the salaried class, post taxes. Pensioners are also set to benefit by a marginal increase of ₹10,000 in the deduction allowed on family pensions.

4. Sticking to the Fiscal Consolidation Plan- Budget for 2024-25 sticks to the government's fiscal consolidation path, with the **Fiscal Deficit proposed to be pared to 4.9% of GDP**.

This increases the **possibility of a sovereign rating upgrade of domestic bonds** have embarked on a maiden journey of getting included in global bond indices. The Budget unveils the unequivocal focus on fiscal stability and continuity of sustainable growth impulses.

5. Support to the Annadata (Farmers)- The **promotion of Atmanirbharta in pulses and oilseeds**, focus on **agriculture research** (bearing in mind the realities of climate change), **large-scale clusters for vegetable production**, and **Digital Public Infrastructure (DPI)** in agriculture for coverage of farmers and their lands, are all likely measures to support the Annadata (i.e., farmer).

A thriving agriculture sector will allow the government to deliver on its promise of food grains under the **Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)**, which has now been extended for five years.

6. Push towards Housing for all- The outlay for **Pradhan Mantri Awas Yojana (PMAY)- Urban and Rural** has seen a **massive jump** of **37%** and **70%** respectively. The Budget reaffirms that housing for all remains a key hallmark of the government.

7. Boost to PLI Scheme for Atmanirbhar Bharat- The **outlay on Production Linked Incentive (PLI)** was increased by **75% in the Budget for FY25**. This increase accompanied by tweaks to sectoral custom duties is a bid to support domestic manufacturing and deepen local value addition.

What are the concerns with the Budget 2024-25?

1. Cuts in the Social Sector Schemes- The Budget has cut the share of Social sector schemes outlays which includes school and higher education. The outlay for the rural job guarantee scheme- **MGNREGA is at a nine-year low share of 1.78% of overall outlay**.

2. Reduction in schemes for Minorities- The Budget has seen a reduction in the budget for education schemes for Madrasas and Minorities from **₹10 crore to ₹2 crore in 2024-25**.

3. Removal of Indexation- The **removal of indexation for calculating the value of the Long term asset** (Real estate), is being viewed as an additional tax burden for the real estate property dealers.

4. No announcement on Indian Railways- The country's largest employer, the Indian Railways, **was a glaring absence in the Budget speech of the Finance Minister**. There were no announcements on the Railway sector which continues to suffer from low freight and passenger capacity, low staff and manpower and safety issues.

5. No announcement regarding the indirect tax system of MSMEs- The budget has failed to address the demands of MSMEs for simplification and rationalization of the GST regime.

6. Obsession with fiscal consolidation- Some critics hold that government's obsession with fiscal consolidation, which is visible in its bid to reduce the **fiscal deficit to 4.9% of GDP in 2024-25 from 5.1% in the interim budget**, may constrain government spending.

7. Lack of a clear economic strategy or vision to tackle the economic slowdown- Critics have also pointed that the budget lacks the clear economic strategy and vision to tackle the slowdown in aggregate demand,

private investment, exports and the resulting jobs crisis. The measures announced, like employment-linked incentives, seem too small to have a meaningful impact.

Source- Yojana, [The Hindu](#)

Articles Covered- Chapter 1-8

UPSC Syllabus- GS 3- Government Budgeting

