

## 7 PM COMPILATION

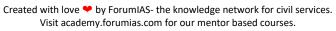
## September, 2024

#### **Features of 7 PM compilation**

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

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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 fivemember 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		
Coloniai Kule	executive branch.		
	The framers of the Indian Constitution, were concerned about the potential for		
Consitutional Debates	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		
Devates	were aimed at balancing the powers of executive and judiciary in safeguarding		
	judicial appointments.		
	A series of rulings by the Supreme Court of India in the First, Second, and Third		
Judicial	Judges case, led to the establishment of collegium system in India. The Judiciary		
Interventions	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 in 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 Respose

99th Constitutional Amendment Act 2014 and the National Judicial Appointments Commission (NJAC) Act, 2014	The NJAC was proposed to be an independent Commission to replace the Collegium System to appoint Judges to the higher Judiciary.  Membersip- It was to be a six member body consisting of  (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)
Fourth Judges Case (2015)	women)  Veto Power- The Act empowered any 2 members of the NJAC to veto a recommendation if they did not agree with it.  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.

#### **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. Ambuiguity 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.

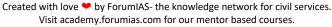
**Collegium-led Appointment-** The **Judicial Appointments** and **transfers** (Higher Judiciary, Supreme Court and the High Courts) are undertaken through the 'Collegium System'.

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  $\sim 50\%$  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.

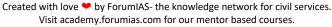
#### What are the Global best practices of appointment of Judges?

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.

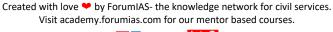
**Read More-** The Hindu

**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.

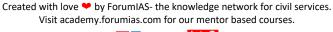
## What are the benefits of well maintained Urban Biodiversity?

## **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 airconditioning demand and reducing energy consumption.

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

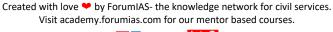
Nagar Van Udyan Program	This initiative aims to develop 200 Nagar Vans (City Forests) across India. It focuses on engaging local communities, educational institutions, and organizations to establish and maintain these urban forests.			
Smart Cities	Under the Smart Cities Mission, many cities have incorporated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

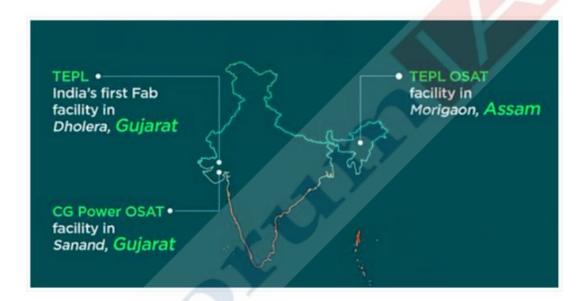




#### Semiconductor Industry in India-Significance and Challenges-Explained Pointwise

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 **semicond**uctors? 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.

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**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.

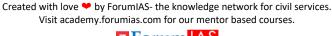
Therefore, many countries are looking to diversify their supply chain. India seeks to take advantage of countries eyeing for diversification of supply chains.

#### 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	It envisions positioning India as a global hub for Electronics System Design
Electronics,	2019		and Manufacturing (ESDM) sector. It aims to encourage the development





	of core components (including chipsets) and create an enabling
	environment for the industry to compete globally.
	The government has approved the Semicon India programme with a total
Semicon India programme	outlay of INR 76,000 crore for the development of semiconductor and
	display manufacturing ecosystem in the country.
	It aims to attract large investments for setting up semiconductor wafer
'Modified Scheme for setting	fabrication facilities in the country. The Scheme extends a fiscal support of
up of Semiconductor Fabs in	50% of the project cost on an equal footing basis for setting up of Silicon
India'	complementary metal-oxide semiconductor (CMOS) based Semiconductor
	fabrication in India.
Modified Electronics	Under this, the government will provide support for the setting up of
Manufacturing Clusters	Electronics Manufacturing Clusters (EMCs) and Common Facility Centres
(EMC 2.0) Scheme	(CFCs).
Foreign Direct Investment	The Government of India has allowed 100 percent (FDI) under the
roreign birect investment	automatic route in the Electronics Systems Design & Manufacturing sector.
<b>Production Linked Incentive</b>	Under this, the government will provide an incentive of 4% to 6% on goods
Scheme(PLI)	manufactured in India and covered under target segments to eligible
Scheme(i Li)	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.	
<b>FABS</b> facilities for	India should focus on setting up of semiconductor fabrication (FABS) facilities for	
advanced chips	making of advanced chips.	
Focus on medium	Due to the pandemic related supply disruptions and tensions between the US and	
and low-end chips	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.

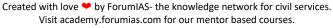
#### Conclusion

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.

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Read More- PIB
UPSC Syllabus- GS 3- Indian Economy
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#### 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.



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	43,057,000	\$3,857b	26.3
9	Netherlands	\$ 65.4	8,792,000	\$818b	27.4

Most Productive Countries, 2015

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.

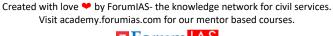
- **2. Dull the edge for breakthrough achievements-** The 'Right to Disconnect' advocates for an employees' right to 'disconnect from work-related communications outside of official working hours', which can dull the edge that drives breakthrough achievements in economies where innovation and rapid progress 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:

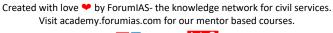
Defamation and Reputational Harm	Defamatory statements made by users on digital platforms often lead to legal disputes and reputational harm. For ex- Defamatory statements on social media platforms like X (formerly twitter)	
Hate Speech and Online Harassment	Hate speech and online harassment regularly 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.

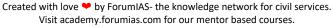
## What are the regulations that seek to induce some sort of liability of Digital Platforms?

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



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.

Figure 2.Source-Indian Express

	India-ASEAN countries formal engagement began in 1992 as a 'Sectoral Dialogue
Initial Years of	Partner' (Secretary level interaction). The partnership was instituted as a 'Dialogue
engagement	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.

#### 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.		

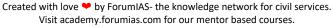
2. India engages in the 'ASEAN-led frameworks'- multilateral platforms chaired by ASEAN. India regularly participates in the meetings of the East Asia Summit (EAS), ASEAN Regional Forum (ARF), ASEAN Defence Ministers Meeting+ (ADMM+) and the Expanded ASEAN Maritime Forum (EAMF) meetings and its supporting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

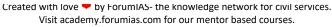
- **1. Geopolitical concerns-** The complex regional environment with the sharpening of US-China conflict and Delhi's own deepening troubles with Beijing, is a major geopolitical concern for the relations. Further, India's membership of the newly revived Quad has also raised concerns in the region.
-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

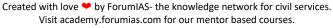


Source- WHO

#### 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.





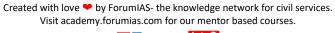
<b>Protection</b> against	It includes diseases such as tuberculosis, malaria, undernutrition, maternal
Diseases of Poverty	death, bouts of illnesses due to food and water-borne infections leading to
faced by the Poor and	typhoid, hepatitis, and diarrhoeal diseases. These are faced by the poor and the
Vulnerable	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

	India's primary health sector consists of sub-centers (SCs) and primary health centres
P. dansa	(PHCs), which form the foundation of the public healthcare system.
	<b>Sub-centers-</b> These are the most peripheral units, serving populations of 5,000 in plain
	areas and 3,000 in hilly/tribal areas.
	Primary Health Centers- These are the first point of contact with a qualified doctor,
Primary	serving populations of 20,000-30,000. Each PHC is expected to have 4-6 beds and provide
	promotive, preventive, curative and rehabilitative care.
	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.
	The secondary health sector in India consists of Community Health Centers (CHCs), which
	serve as referral units for PHCs.
Secondary	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.
	The tertiary health sector consists of district hospitals, medical college hospitals, and other
	highly specialized facilities.
	<b>District Hospitals</b> are 100-300 bed facilities providing specialist care, located at the district
	level.
Tertiary	Medical College Hospitals are tertiary care teaching institutions, located in state capitals
Tertiary	and major cities.
	Specialized Tertiary Care Facilities- These include regional cancer centres, mental health
	institutes, trauma centres, and other super-speciality hospitals.
111	The tertiary sector provides highly specialized care and acts as a referral point for the
	secondary and primary levels of the health system

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

	The NHM and NRHM have focussed on strengthening public sector health care
National Rural Health	through architectural correction. Efforts have been undertaken to follow the
<b>Mission (NRHM) and</b> principles of primary health by strengthening the primary health care in	
National Health	under these missions. These have led to the development of 1,53,655 sub centres,
Mission (NHM)	25,308 primary health centres (PHC) and 5,396 community health centres (CHC)
	as per the rural health statistics, 2015.



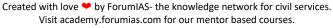


Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB- PMJAY)	It is a publicly funded health insurance scheme (PFHI) that provides financial protection to over 100 million families for secondary and tertiary care hospitalization.
Health and Wellness Centers (HWCs)	The government is working towards transforming 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?

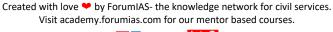
- **1. Implementation of the NITI Aayog Action Plan for Health-** It has recommended to focus on public health through significantly increasing government expenditure on it (2.5% of GDP) and prioritize preventive care rather than provide curative care.
- **2. National commission for Health care cost 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	
challend	70		

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.



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	Pedestrians, cyclists, and motorised two-wheeler riders are the most common victims
victims of road	of road accidents. Trucks are responsible for the highest proportion of impacting
accidents	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.
	India has large gap in road safety as compared with other developed countries like
Increase in	Sweden and other Scandinavian nations, which have excelled in road safety
India's road	governance. An Indian was 40% more likely to die in a road accident than someone in
accident fatalities	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.

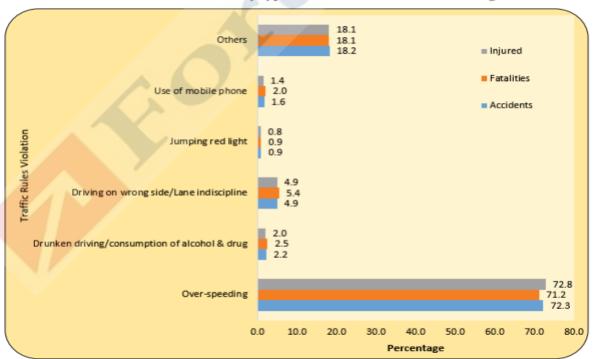


Chart 3.1: Road Accidents by type of Traffic Rules Violation during 2022

Source- MoRTH

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**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.

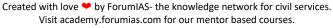
#### What are the impacts of road accidents in India?

- **1. Economic Impact-** As per the World Bank report, Indian economy looses **3** to **5** percent of its GDP each year due to road accidents.
- **2. Social Impact-** Vulnerable Road Users (VRUs) like the male urban poors, 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

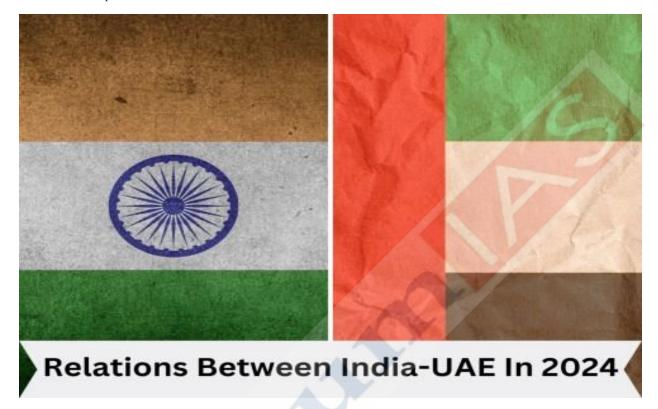
**UPSC Syllabus-** Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

#### **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?

of

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 Engagement **1966-** The relationship flourished after the accession of H.H. Sheikh Zayed Bin Sultan Al Nahyan as the Ruler of Abu Dhabi in 1966.

**1971-** Federation of the UAE was created.

**1972-** India and the UAE established diplomatic relations in 1972.

1981- Indian PM Indira Gandhi visited UAE.

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	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			
Phase of Active	will visit UAE in Feb 2024, where he will inagurate the BAPS Mandir and			
Involvement	address 'Ahlan Modi', a mega diaspora event.			
	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.			

What have been some of the major achievements of the India-UAE relations?

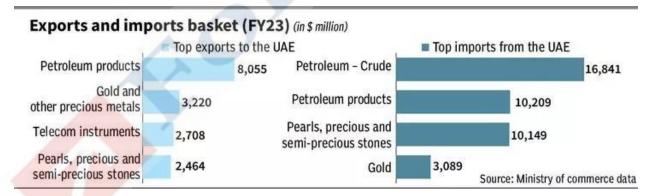
#### **Economic Relations**

**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.

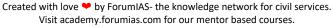
**India's Imports**: UAE is an important partner of India in ensuring energy security. UAE exports to India include petroleum, gems, minerals, and chemicals. UAE is India's 4th largest source for crude oil and the 2nd largest for LNG and LPG.



**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

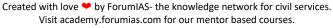
**Indian Diaspora:** The Indian expatriate community, the largest ethnic group in the UAE, makes up around 35% of the population. Over 3.5 million Indians live in the UAE, where Indian culture, cinema, and media are well-integrated. The Indian community in the UAE, contributes significantly to remittances,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

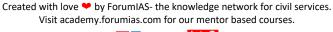






Figure 3. Source- Middle East Institute

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. substantial portion of them reside and work in Gulf the Cooperation Council (GCC) countries (9 million Diaspora) Indian 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.

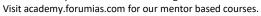
In this article, we will look into the status of elderly in India, the expansion of Ayushman Bharat Scheme to include elderlies, the significance of the inclusion. We will also look at the challenges that persist despite this laudable move.

# 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.

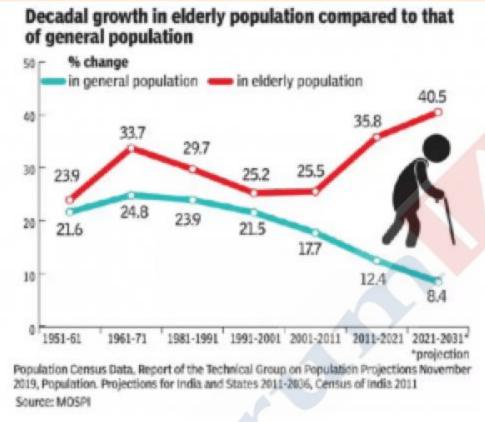


Figure 4.Source- MoSPI

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.

# a. Anyone who has turned 70 as per their Aadhaar can register for the new health cover. 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. 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.

# Health care Concerns of Senior Citizens

- 1. Rise in agerelated 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,

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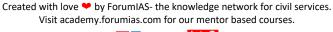
	a. Beneficiaries can register either through the government's Ayushman App or at the		
	Ayushman Bharat counter at any government health facility.		
Registration	<b>b.</b> Beneficiaries will be able to utilise their policy as soon as they complete their eKYC. The		
	portal will also be face-authorisation-enabled, to ensure that even elderly persons whose		
	fingerprints are difficult to read or have changed over time can avail the benefits.		
	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		
Exclusions	their existing coverage.		
and Inclusions	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.		
	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.		

#### 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 (00PE) 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.

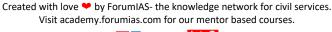
Read More- The Indian Express

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.





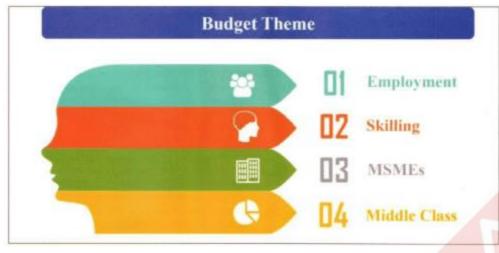


Figure 5.Source-Yojana

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

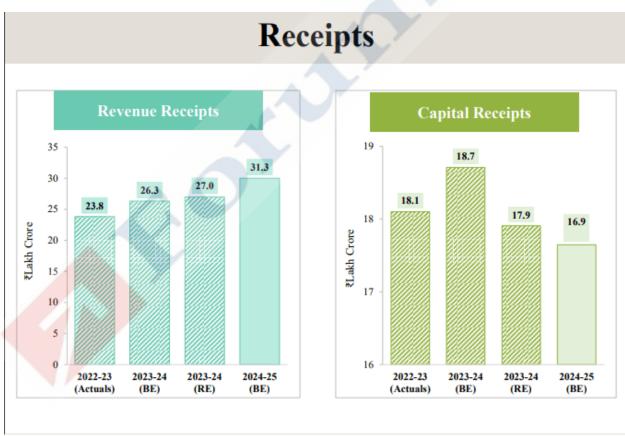
Budget Estimates 2024-25

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.

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.

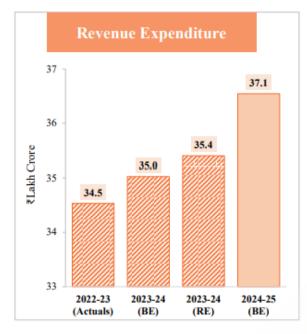


Source-Yojana

**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 Annoucements 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 allround 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.

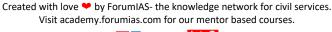
**Scheme B: Job Creation in manufacturing-** An incentive to be provided at specified scale directly both to the employee and the employer, with respect to their EPFO contribution in the first 4 years of employment. The scheme is expected to benefit 30 lakh youth entering employment, and their employers.

**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.



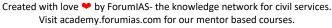


**c. The announcements related to Bihar-** Industrial node at Gaya, connectivity projects, such as (1) Patna-Purnea Expressway, (2) Buxar-Bhagalpur Expressway, (3) Bodhgaya, Rajgir, Vaishali and Darbhanga spurs, and (4) additional 2-lane bridge over river Ganga at Buxar at a total cost of Rs. 26,000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

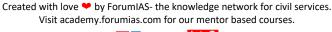
- a. Cities as Growth Hubs and Creative redevelopment of cities- Policies to be formulated for the achievement of both these initiatives.
- **b. Transit Oriented Development- Transit Oriented Development plans** for 14 large cities with a population above 30 lakhs to be formulated.
- **c. Urban Housing-** Housing needs of 1 crore urban poor and middle-class families to be addressed with an investment of  $\mathbb{T}$  10 lakh crore, under the PM Awas Yojana Urban 2.0. Central assistance of  $\mathbb{T}$  2.2 lakh crore to be provided in the next 5 years.
- **d. Water Supply and Sanitation-** Pomotion 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 llong-terminterest 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**

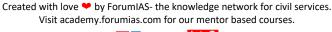
- **a. Economic Policy Framework-** Formulation of an Economic Policy Framework for Improving productivity of factors of production. Facilitating markets and sectors to become more efficient.
- **b. Rural & Urban land related actions-** Efforts will be taken for Rural and Urban Land mapping, such as 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/Benefi
Changes in Custom Duty	ts
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
Reduction of custom duty on gold and sniver to 6% and platmum to 6.4%	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
run exemption to custom unites on 25 critical infinerals	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

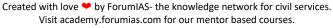
0-3 lakh rupees	Nil
3-7 lakh rupees	5 per cent
7-10 lakh rupees	10 per cent
10-12 lakh rupees	15 per cent
12-15 lakh rupees	20 per cent
Above 15 lakh rupees	30 per cent

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 trising 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.

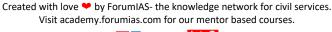
**5. Support to the Annadata (Farmers)-** The promotion of Atmanirbharta in pulses and oilseeds, focus on agriculture research (bearing in mind the realities of climate change), large-scale clusters for vegetable production, and Digital Public Infrastructure (DPI) in agriculture for coverage of farmers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

# Food vs Cars Dilemma- Concerns and Solutions- Explained Pointwise

After the long-standing 'food versus fuel' debate, a similar dilemma has now emerged in the form of 'food vs cars'. The food versus fuel dilemma highlighted the conflict between using crops like sugarcane, rice, maize, palm, and soybeans for ethanol and biodiesel production. The 'food vs cars' dilemma reflects the increasing diversion of phosphoric acid for electric vehicle (EV) battery production, instead of its use in production of diammonium phosphate (DAP) fertilizer.

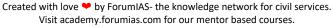


Source- The Indian Express

#### What is the Food vs Cars Dilemma?

**Food vs Cars Dilemma-** This dilemma mainly centres around the diversion of Phosphoric acid for the production of lithium-iron-phosphate (LFP) batteries, from their usage in the production of di-ammonium phosphate (DAP) fertilizer.

**Manufacture of Phosphoric Acid-** Phosphoric acid is manufactured from rock phosphate ore after grounding and reacting with sulphuric acid.





#### **Use of Phosphorous**

**a. Use in Fertiliser-** Di-ammonium phosphate (DAP), is India's second most consumed fertiliser after urea. DAP contains 46% phosphorous (P). Phosphorous is an important nutrient that crops need at the early growth stages of root and shoot development.

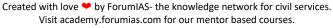
**b.** Use in LFP Batteries- Phosphoric acid is also used the source of Phosphorous 'P' in lithium-iron-phosphate (LFP) batteries. The LFP batteries are gaining market share from normal nickel-based NMC and NCA batteries. (The market share of LFP batteries have increased to 40% of the global EV capacity demand in 2023 from a modest 6% in 2020).

#### What is the Global Trend towards Food Vs Car Dilemma?

- **1. Increasing market share of LFP batteries-** LFP batteries are **gaining popularity due to their lower cost**, **longevity**, and **safety**. The LFP batteries use phosphorous in their development.
- **2. Switch towards LFP batteries in US and Europe-** The US and European EV manufacturers are switching to EV batteries that are less dependent on critical minerals such as cobalt. The world reserves of Cobalt are only 11 MT, of which 6 MT are in the Democratic Republic of the Congo.
- **3. Increasing sales of LFP batteries in China-** Two-thirds of EVs sold in China in 2023 had LFP batteries. China has one of the largest reserves of rock phosphate. The increasing diversion of Phosphorous for LFP battery development instead of fertiliser further aids to Food vs Car Dilemma.
- **4. Increasing investments in Phosphorus mineral rich countries-** Countries like Morocco, which have rich deposits of rock phosphates, are attracting <a href="https://huge.nvestment.com/huge.nvestment.co

#### What are the implications of food vs Car Dilemma on India?

- **1. India's dependence on DAP as fertiliser-** India consumes **10.5-11 million tonnes** (MT) of DAP annually, next only to the **35.5-36 MT** of urea. The diversion of phosphorous creates fertiliser insecurity for India.
- **2. India's Phosphate Dependency-** India has limited phosphate reserves (31 million tonnes) and relies on imports for its agricultural needs. India's reliance on phosphorous relies heavily on imports from countries like **China, Saudi Arabia,** and **Morocco**. The diversion of phosphorous for battery systems will increase India's import dependency.
- **3. Increased Dependency on China- China is a leading DAP supplier to India.** The increase in China's phosphoric acid use towards LFP batteries, will reduce the phosphorous availability for manufacturing DAP fertilizers, and will further exacerbate India's fertilizer crisis.





# TABLE 1

# IMPORTS OF DI-AMMONIUM PHOSPHATE

(lakh tonnes)

	2020-21	2021-22	2022-23	2023-24
China	15,91	20.43	11.97	22.87
Saudi Arabia	18.89	19,33	21.28	15.86
Morocco	14.98	12.13	16.79	10.49
Russia	3.03	1.97	9.69	3.41
Jordan	3.04	2.46	1.81	1.74
US	0.45	0	2.86	0.31
Australia	0	0.52	1.51	0
Tunisia	0	0.44	0.85	0
Egypt	0.84	0.68	0	0.30
TOTAL*	58.00	58.60	66.77	55,96
VALUE**	1,948.90	4,007.50	5,569.51	3,109.86

<sup>\*</sup>Includes other countries; \*\*Million US dollars; Source: Department of Commerce

Source- The Indian Express

- **4. Impact on Indian Agriculture-** The decline in DAP imports may affect the Indian crop production, impacting mustard, potato, chickpea, and wheat planting.
- **5. Increase in Landed Cost of DAP fertilizers-** The diversion of Phosphorous for EV manufacturing has increased the DAP prices. The landing cost of DAP has increased to Rs 61,000 per tonne. This is leading to huge losses for Indian fertiliser firms.

# What Should be the way Forward?

**1. Promotion of Complex fertilizers instead of DAP-** The Government must promote complex fertilizers with lower nutrient content instead of DAP. DAP (which has 46% P plus 18% N) must be replaced with complexes having less P ( 20:20:0:13, 10:26:26:0 and 12:32:16:0). This will be a sustainable move for a country with limited phosphorous resources.



**2. Securing supplies of raw materials-** India must secure supplies of raw materials, especially phosphates, through overseas joint ventures and buy-back arrangements. Indian companies must establish more plants which manufacture phosphoric acid like in Senegal, Jordan, Morocco, and Tunisia.

- **3. Improving nutrient use efficiency-** India must aim to incorporate lesser N, P, K, and S, and achieving higher nutrient use efficiency.
- **4. Handholding DAP sellers-** India should also handhold DAP fertiliser producing companies and compensate their losses on account of increasing prices of DAP worldwide.

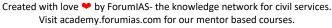
Read More- The Indian Express
UPSC Syllabus- GS 3 Indian Economy

# Political Empowerment of Women-Significance and Challenges-Explained Pointwise

With the historic passage of the Nari Shakti Vandan Adhiniyam (Women's Reservation Bill), 2023, the Rajya Sabha Chairman and Vice president of India has introduced a slew of progressive measures in the proceedings of the Upper House and the Rajya Sabha Secretariat. These measures aim to promote political empowerment of Women. The Vice President has held that these measures will send a powerful message to the world at large, and it would symbolise that women held a 'commanding position' during this epochal period of political empowerment in India.

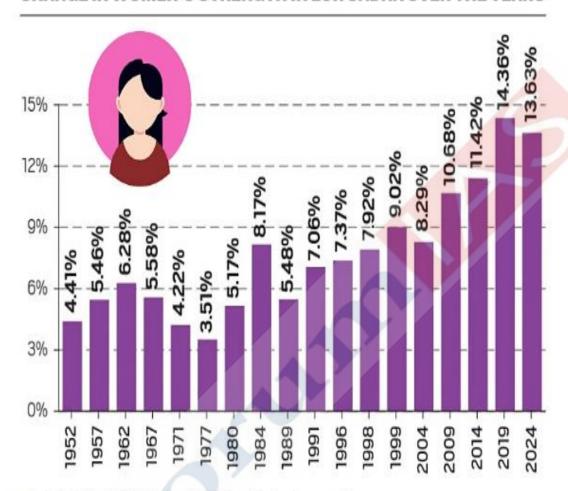
#### What has been the status of political representation of Women in India?

- a. Representation of Women in Parliament over the Years
- 1. Women made up just 4.41% of the strength of the Lower House in 1952. The number increased to more than 6% in the Lok Sabha held a decade later.
- 2. However, the number dipped to below 4% in 1971, ironically, with Indira Gandhi, India's first and only woman Prime Minister, at the helm.
- 3. There has been a slow, but steady rise in women's representation (with a few exceptions). The women representation crossed the 10% mark in 2009 and peaked at 14.36% in 2019.
- 4. Of the 74 women MPs elected in 2024, 43 are first time MPs. Women MPs have an average age of 50 years and are younger as compared to the overall age of the House, which is 56 years. These women MPs are as educated as their male counterparts, with 78% completing under graduation.





# CHANGE IN WOMEN'S STRENGTH IN LOK SABHA OVER THE YEARS



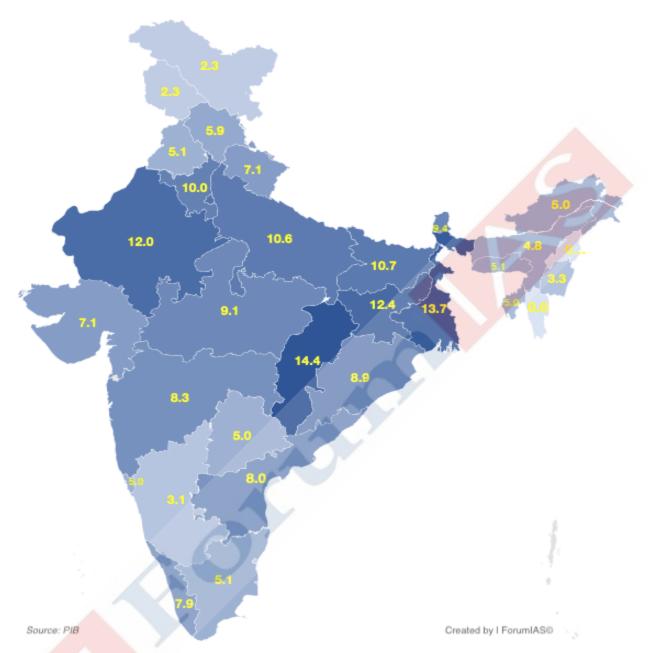
Women in Lok Sabha 2024. (Data via PRS Legislative Research)

Source- The Indian Express

# b. State Legislative assembly representation

The representation of women in State Legislative Assemblies has been low. The highest is in Chhattisgarh (14.4%) followed by West Bengal (13.7%) and Jharkhand (12.4%).



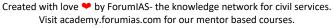


**Source- PIB.** Percentage of Women Representatives in State Legislative Assemblies as on December 31, 2021. The proportion for Jammu and Kashmir/Ladakh is based on last elections held in 2014.

#### c. Comparison with Global Standards

According to the Inter-Parliamentary Union (IPU) 'Women in Parliament' Report (2021), the global percentage of women in parliament was 26.1%. India ranks lower than 140 other nations in terms of the number of women serving in their national legislatures. Even though the representation of women in Lok Sabha has increased post independence (~16% in 17th lok Sabha), India is behind a number of countries of Africa and South Asia (like Nepal, Pakistan, Sri Lanka).

Why is there a need for greater political empowerment of Women in India?



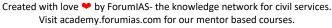


1. Accountability and Gender-sensitive Governance- Political empowerment of women facilitates direct engagement in public decision-making and is a means of ensuring better accountability to women. It helps in undertaking reforms that can help make all elected officials more effective at promoting gender equality in public policy and ensuring their implementation.

- **2. Breaking the Patriarchal mould of Indian Politics-** Indian Politics has been patriarchal with top party positions and positions of power have been occupied by male. Increase in women representation in parliament, dismantles the patriarchal nature of Indian politics.
- **3. Focus on Gender issues-** According to UN Women, higher numbers of women in parliament generally contribute to stronger attention to women's issues. This ensures appropriate policy response to address gender issues and introduce women-sensitive measures.
- **4. Gender Equality-** Women's political participation is a fundamental prerequisite for gender equality and genuine democracy. It helps establish public enquiries on women's issues and use findings to place issues on government agendas and within legislative programmes.
- **5. Change of Stereotypes-** Enhanced representation helps in cooperation with the women's movement and the media to change the stereotyped image of women as only 'homemakers', to change it to 'lawmakers'.
- **6. Improvement of Economic Performance and Infrastructure-** According to UN University, Women legislators improve the economic performance of their constituencies 1.8 per cent more than male legislatures. Evaluation of Pradhan Mantri Gram Sadak Yojana shows the share of incomplete road projects is 22 percentage points lower in female led constituencies.

#### What are the reasons behind low political representation of women in India?

- **1. Gender Gaps in Political Ambition-** Gender conditioning leads to lack of political ambition in women:
- (a) Women are less encouraged to run for office/election than men.
- (b) Women's tendency to shy away from competition also plays a role since the political selection process is likely perceived as highly competitive.
- (c) The fear of 'big politics' and factors such as self-doubt, stereotypes and personal reservations prevent even the most politically gifted women from entering government
- (d) Women's willingness to advance in their political careers can also be influenced by family and relational considerations. For ex- In Sweden, female politicians who are promoted to mayor (i.e. the highest office in municipal politics) experience a significant increase in the likelihood of divorcing their partner, whereas this is not the case for men.
- **2. Patriarchal Society-** The patriarchal nature of Indian politics also prevents the increase in women participation in India.
- (a) **Gender Disparities-** There are still many obstacles in the way of women in positions of leadership due to gender inequality in areas like as education, access to resources, and the persistence of biased views.
- (b) **Sexual division of labour-** Women are responsible for the majority of housework and child care. This creates hindrance for them to enter politics.
- (c) **Cultural and Social Expectations-** Cultural and Social Expectations are **forced upon women** which prevent women from participating in politics.
- **3. Cost of Contesting Election-** Cost of contesting elections is rising with times. Lack of access to resources and assets means that women are much less likely to be able to raise the funds for contesting elections than men.





**4. Male politicians as Gate-keepers-** Party leaders generally prefer to promote male rather than female candidates. There is a general bias in the thinking regarding winnability of female candidates preventing them from selecting women leaders for election.

**5. Growth of criminalisation and corruption-** The exodus of women from politics can also be attributed to a lack of political education coupled with the growth in criminalization and corruption.

What measures have been undertaken for political empowerment of Women and increasing their participation?

#### **Legislative Measures**

- **1.** Nari Shakti Vandana Adhiniyam (Women reservation Act) It has been passed to provide 33% reservation for women in the Lok Sabha and state legislative assemblies.
- **2. 73rd and 74th amendment Act-** This amendment act provided 33% reservation to women in local bodies. Some states like Bihar have increased the women reservation in the local bodies to 50%.
- **3. Parliamentary Committee on Empowerment of Women-** In 1997 (11th Lok Sabha), the Committee on Empowerment of Women was formed to advance the position of women
- **4. Gender-Neutral Rules of Lok Sabha-** The rules of the Lok Sabha were made completely gender-neutral in 2014 under the leadership of Meira Kumar. Since then, every document has called the head of a Lok Sabha Committee as the Chairperson.

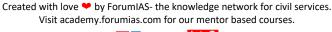
#### **Constitutional Measures**

- **1. Article 14-** It has established equality as a fundamental right. It inevitably necessitates equal opportunity, as stated in Article 15.
- **2. Article 46-** It puts on the state the responsibility to safeguard vulnerable groups against social injustice and all forms of exploitation.
- **3. Article 243D-** It ensures participation of women in Panchayati Raj Institutions by mandating at least 33% reservation for women in total seats and the offices of chairpersons of Panchayats.
- **4. Article 326-** Elections to the House of the People and to the Legislative Assemblies of States to be on the basis of adult suffrage.

#### **International Covenants**

Globally, several international commitments have been made, for achieving gender equality and these have emphasized on enhancing women's representation in political sphere.

- 1. Convention on the Elimination of All Forms of Discrimination against Women (1979) Upheld women's right to participate in public life.
- 2. Beijing Platform for Action (1995), Millennium Development Goals (2000) and Sustainable Development Goals (2015-2030)- All these called for removing barriers to equal participation and also took into account increasing women's representation in parliament to measure progress towards gender equality.





# Political Participation of Women: International Conventions

- Basic Human Right: The Universal Declaration of Human Rights (1948) and the International Covenant on Civil and Political Rights (1966) declare Political Participation as a basic human right.
- Eliminate Discrimination: Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) adopted by the United Nations (UN) General Assembly in 1979.
  - Article 7 calls for the State parties to take appropriate steps to eliminate discrimination against women in the political sphere.
  - Women must have equal right to vote and be eligible to hold public office, participate in policy formulation and implementation.
- Women Participation: The 4th World Conference on Women (Beijing, 1995) considered
   'Women in power and decision making' as one of the 12 critical areas in its Platform of Action.
- 30% Representation at Decision Making Level: The UN Economic and Social Council (ECOSOC) endorsed a 30% target of women participation at decision-making levels (1995).

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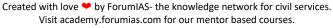
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#### What Should be the Way Forward?

- **1. Checks on the criminialisation of politics-** We must address the larger issues of electoral reforms such as measures to check criminalisation of politics and influence of black money to achieve the desired results of women reservation.
- **2. Intra party democracy-** Institutionalisation of Intra party democracy will make availabe a wider pool of women candidates.
- **3. Nomination to Rajya Sabha and State Legislative Councils-** Every Political Party must nominate 33% women and 67% men for every election to Rajya Sabha and State legislative councils to achieve true women representation.
- **4. Promotion of women participation at panchayat level** through strengthening women self-help groups. This will ensure able women candidates for MP/MLA elections.
- **5. Strengthening women's agencies and organizations** for building a progressive society with equality of opportunities among all citizens.
- **6. Promotion of girl's participation in College/Universities** student political parties and political debate to increase their political prowess for future.
- **7. Reaffirmation to G20 New Delhi Leaders' Declaration** India must be committed and should reaffirm to the G20 New Delhi Leaders' Declaration which underscores investment in political empowerment of women and girls as it has multiplier effects in the implementation of 2030 Agenda for Sustainable Development.
- **8. Gender Sensitisation and Internships-** Gender sensitisation workshops, internships acclaimtising them with the political process will help in the creation of a healthy culture of gender parity in the political sphere.

Read More- The Hindu

**UPSC Syllabus- GS 1** Issues related to women, GS II, Government policies and interventions for development in various sectors and issues arising out of their design and implementation.





#### **Bulldozer Justice- Concerns and Way Forward- Explained Pointwise**

Recently, the Supreme Court of India criticised the practice of 'Bulldozer Justice', which is becoming a norm in the country. The Supreme court has stayed demolition drives through bulldozers till October 31. The Supreme Court has criticised the practice of the practice of demolishing properties based on criminal accusations.

In this article, we will look at the meaning of Bulldozer Justice and its application in India in the recent past. We will also look at the state's arguments in favour of these actions. We will also delve into the concerns and implications surrounding these actions.



Source- Indian Express

#### What is Bulldozer Justice? What is the recent history of this action?

**Bulldozer Justice**- It refers to a controversial practice in India where authorities use bulldozers and heavy machineries, to demolish properties belonging to individuals accused of serious crimes like communal riots, rapes, and murders. The action is often carried out without following due legal process, provided for the demolition of immovable properties.

#### **Instances** of **Bulldozer** Justice

The practice of Bulldozer Justice has been reported in several Indian states, including Uttar Pradesh, Delhi, Madhya Pradesh, Gujarat, Assam, and Maharashtra.

	The use of bulldozer against the immovable properties of individuals accused to be
Uttar Pradesh	involved in serious crimes, has been rampant since 2017. Ex- Demolition of
	Immovable properties of Vikas Dubey, Atiq Ahmed.
Madhya Pradesh	Use of bulldozer to demolish 16 houses and 29 shops across four locations in
Maunya Prauesn	Khargone, following communal clashes.

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Haryana	Bulldozer action in Nuh after communal violence.
Maharashtra	Demolition of a part of actor-turned-politician Kangana Ranaut's bungalow in Pali Hill in Mumbai, after her controversial comments of comparing the city with Pakistan Occupied Kashmir (POK).
Delhi	Bulldozer justice in North West Delhi's Jahangirpuri, in April 2022 following the communal clashes.

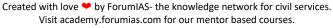
# What are the arguments of the state in favour of Bulldozer Justice?

- 1. Fulfilment of Legal Compliance- State Government officials assert that bulldozer demolitions are carried out in accordance with existing municipal laws and regulations laid down in cases of illegal constructions. For ex- UP government officials contend that actions are carried out by adhering to legal protocols established under acts like the U.P. Municipal Corporation Act and the U.P. Urban Planning and Development Act.
- **2. Creation of Effective Deterrence-** State Governments contend that 'bulldozer action' is part of a broader strategy to deter illegal criminal activities and maintain public order.
- **3. Restoration of law and order-** State governments contend that demolition of illegal properties of those accused in communal tensions, helps to restore order and calm tensions during incidents of communal violence or mass unrest. **For ex-** Haryana Government's Bulldozer action after Nuh Violence.
- **4. Universal and not against specific communities-** Solicitor General of India has stated that demolitions in states like Madhya Pradesh were not targeted against any specific minority communities. It also included properties owned by individuals from various communities, including Hindus.
- **5. Fulfilment of Public demand for visible action-** Supporters often claim that bulldozer justice is a decisive step and serves as an effective response mechanism to public demand for quick, visible action against criminals.

#### What are the concerns with Bulldozer Justice in India?

- **1. Violation of the Rule of Law-** Bulldozer demolitions without due process violate the rule of law and the principles of natural justice, that governs state actions in a country. **For ex-** Demolitions without serving proper advance notices and right of representation.
- **2. Violation of Fundamental Rights-** The hasty bulldozer justice of demolition of private homes is violation of Right to Shelter which has been recognized as a part of the right to life, guaranteed by Article 21 of the Indian Constitution.
- **3. Violation of the established principle of Presumption of Innocence-** Demolition of properties based on alleged criminal charges violates the principle of presumption of innocence until proven guilty.
- **4. Specific targeting of Minorities-** Several reports highlight the selective targeting of minority communities, especially Muslims, by the use of bulldozer demolitions. **For Ex-** Amnesty International reported that 128 properties, mostly owned by Muslims, were demolished in between April and June 2022, affecting 617 people.
- **5. Promotes authoritarianism-** According to some critics, bulldozer action reflects a troubling shift towards authoritarianism by making it a means of political retribution against dissenters or marginalized groups.
- **6. Ethical issues-** Bulldozer justice conflates the roles of judge, jury, and executioner, and goes against the constitutional principle of separation of power. Further, there are ethical concerns of disproportionate punishments involving innocent family members of the accused.

#### What are the Observations of the Supreme Court in Cases of Demolitions?





Maneka Gandhi vs Union of India, 1978	SC held that the executive procedures must be fair, just, and reasonable.
Municipal Corporation of	SC held that no authority can directly proceed with demolitions, even of
Ludhiana vs Inderjit Singh,	illegal constructions, without providing notice and an opportunity of being
2008	heard to the occupant.
Olga Tellis vs. Bombay	SC emphasised the necessity of due process and ruled that eviction without
Municipal Corporation,	notice violates the right to livelihood under Article 21 of the Indian
1985	Constitution.
Punjab and Haryana High	The Punjab and Haryana High Court intervened to stop demolitions in Nuh,
Court's intervention in Nuh	by citing lack of due process and potential ethnic targeting.
demolitions	by citing tack of due process and potential ethnic targeting.

## What Should be the Way Forward?

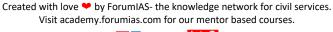
- **1. Adequate surveys before Demolition-** The Supreme Court has mandated the administration to undertake a survey before carrying out demolitions. Also, the enforcement of basic procedural protocols, like giving sufficient advance notices, must be followed by the authorities.
- **2. Pan-India procedural guidelines-** Pan India guidelines should be incorporated into relevant legislation and rules of the municipal authorities. Proper procedures must be followed during the pre-demolition, demolition and post-demolition phase.
- **3. Shifting the Burden of Proof-** The burden of proof should be shifted to the authorities to justify demolition and displacement. This will ensure protection of the basic human right of right to shelter.
- **4. Independent Review Mechanism-** An independent committee with judicial and civil society representatives should be constituted to review the legality of proposed demolitions.
- **5. Focus on Rehabilitation-** Proper guidelines should be drafted for rehabilitation of innocent victims of the accused families in cases of bulldozer actions. International human rights standards also emphasise the right to adequate housing and compensation for forced evictions.

Read More- The Indian Express
UPSC Syllabus- GS 2- Governance Issues

#### Indus Water Treaty-Concerns and Way Forward-Explained Pointwise

Eighteen months after New Delhi's initial request to modify the Indus Waters Treaty (IWT) in January 2023, India has issued another formal notice to Pakistan, now seeking a 'review and modification' of the agreement. The new notice, issued under Article XII (3) of the Indus Water Treaty (IWT), significantly differs from last year's notice. The new notice, which includes the word 'review', signals New Delhi's intent to revoke and renegotiate the 64-year-old treaty. Article XII (3) allows for modifications through a new, ratified agreement between both governments.

Indus Water Treaty negotiated in 1960 between India and Pakistan is a landmark transboundary water-sharing mechanism. However, disagreements have persisted among both India and Pakistan over the treaty. India had called for amendments in the treaty last year due to its dissatisfaction over the dispute resolution process, blaming Pakistan's continued 'intransigence' in implementing the treaty. Pakistan has also raised objections regarding India's construction of Kishenganga and Ratle hydroelectric projects.





This calls for an analysis of the provisions of the Indus Water treaty, the associated concerns and the Way Forward to address these concerns.

# **INDUS WATER TREATY**

#### **Key Provisions**

River Water Distribution	Eastern Rivers- Ravi, Sutlej, and Beas with India. Western Rivers- Chenab, Indus and Jhelum with Pakistan India's Share- 20% and Pakistan's Share- 80%
Western River Water utilization permitted for India	Non Consumptive Use of Western River Water like construction of Run of River Hydroelectric Plants Permitted to India.
Dispute Resolution Mechanism	3 stage Dispute Resolution Mechanism Stage 1- Permanent Commission Stage 2- Neutral Expert (NE) Stage 3- Court of Arbitration

# Significance of the Treaty

- 1. Successful Model- Only cross border water sharing treaty between two nations in Asia. Treaty between two rivals.
- Generous towards lower riparian state- Pakistan's share is about 90% greater than Mexico's share in the 1944 treaty with US.
- 3. Passed the Crisis test- The Permanent Commission has met even during the 1965 and 1971 wars.

# Concerns with the Treaty

#### India's Concerns

- Dispute over India's
  Hydroelectric Projects- Pakistan
  has raised objections on Ratle
  and Kishanganga Projects.

   Climate Change Impact- Indus
- River System is the most water stressed according to NASA.

  3. Loss to Indian States in the
- Indus Basin- J&K and Punjab
  Complain of million dollar
  losses

#### **Pakistan's Concerns**

- Lower Riparian
   Concerns- infrastructure
   developments will reduce
   downstream flows
   Accusations of 'Water
- Terrorism'- Pakistan has raised objections regarding the Shahpurkandi barrage project.

#### Way Forward

- Integration of Ecological Perspectives and Recognisation of Climate Change Impacts.
- 2. Enhanced Water Data-Sharing
- 3. Incorporation of International Legal Standards like 1997 UN Watercourses Convention and 2004 Berlin Rules on Water Resources for sustainable water use
- 4. Pro activeness on India's Part in utilization of allocated water share like desilting of canals and run-off river hydroelectric plants.

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What is the History behind the introduction of the Indus Water Treaty? What are its main provisions?

**History Behind the Indus Water Treaty** 

**History Behind the Indus Water Treaty** 

	Preceding partition, the six rivers of the Indus basin, which originated in the
Pre Independence	Himalayas/Tibet (Indus, Sutlej, Beas, Ravi, Jhelum and Chenab) was a common
	network, for both India and Pakistan.

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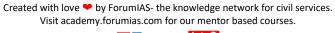
At the Time of Partition	The partition of India raised questions about the distribution of water between
	the two nations. Since the rivers flowed from India, Pakistan felt threatened by the
	prospect of control of river waters by India.
	The Inter-Dominion accord of May 4, 1948 laid out that India would release
Inter-Dominion	enough water to Pakistan in return for annual payments (by Pakistan). However,
accord (May 4, 1948)	the problems of this arrangement were soon realized and it was considered
	necessary to find an alternative solution.
Indus Water Treaty 1960	India and Pakistan signed the Indus Water Treaty with the intervention of the World Bank in 1960. Precise details were laid out regarding the way in which the waters would be distributed.

#### **Main Provisions of the Indus Water Treaty**

	Under the Indus treaty, all the waters of 3 eastern rivers namely Ravi,
Eastern Rivers with India	Sutlej, and Beas (with a mean annual flow of 33 Million Acre-feet (MAF))
	were allocated to India for exclusive use.
Western Rivers with Pakistan	Pakistan gets control of 3 Western Rivers (Chenab, Indus and Jhelum)
Western Rivers with Fakistan	with a mean annual flow of 80 Million Acre-feet (MAF).
	The Indus River treaty allows India to utilize the waters of Western
	Rivers for
	a. Limited irrigation use
Western River Water	<b>b. Non-consumptive use</b> – For applications such as power generation,
utilization permitted for	navigation etc. This, allows India to generate hydroelectricity through a
India	run-of-the-river projects (without the storage of waters) on the western
	rivers, subject to specific criteria for design and operation.
	c. Storage level permitted- India can store up to 3.75 MAF of water of
	the Western Rivers for conservation and flood storage purposes.
Water Division Ratio	The Indus Water treaty gives India 20% of the water from the Indus River
water bivision ratio	System and the rest 80% of the water to Pakistan.
	The Indus Water Treaty provides a three step dispute resolution
	mechanism.
	a. Permanent Commission- The disputes of the parties can be resolved
	at the Permanent Commission, or can also be taken up at the intergovernment level.
Dispute Resolution	b. Neutral Expert (NE)- In case of unresolved questions or 'differences'
Mechanism	between the countries on water-sharing, such as technical differences,
	either side can approach the World Bank to appoint a Neutral Expert
	(NE) to come to a decision.
	c. Court of Arbitration- If either party is not satisfied with the Neutral
	Expert's decision or in case of 'disputes' in the interpretation and extent
	of the treaty, matters can be referred to a Court of Arbitration.

# What has been the significance of the Indus Water Treaty?

The Indus Waters Treaty has been largely successful in maintaining water cooperation between India and Pakistan for over 60 years, despite periods of political tensions and conflict between the two countries.





**1. Only cross border water sharing treaty in Asia-** The Indus water Treaty is the **only cross border water sharing treaty** between two nations in Asia.

- **2. Generous towards lower riparian state-** It is the only water pact that compels an upper riparian state to defer to the interests of a downstream state. Pakistan has been given 80% share in the river water system. This is 90 times greater volume of water than Mexico's share under a 1944 pact with the US.
- **3. Passed the Crisis test-** The Permanent Commission set up as a part of the Dispute Resolution Mechanism under the treaty has met even during the 1965 and 1971 wars between India and Pakistan.
- **4. India's Generosity-** India's respect for the values trans-boundary river treaty is also a major factor behind the successful functioning of the treaty. India chose not to invoke the Vienna Convention on the Law of Treaties, to withdraw from the Indus Water Treaty in the face of terror attacks like Indian Parliament in 2001, Mumbai in 2008, Uri in 2016 and Pulwama in 2019.
- **5. Successful Model-** The Indus Water Treaty serves as a successful model of cooperation between two rival countries.

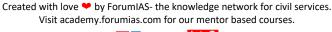
## What are the concerns with the Indus Water Treaty?

#### **India's Concerns**

- **1. Most Generous treaty-** Experts have termed this the most generous water sharing treaty. The treaty has resulted in unequal sharing of the waters with 80% allotment to Pakistan. It is the only water-sharing pact in the world that compels upper riparian State to defer to the interests of the downstream State.
- **2. Prevents India from building any storage systems on Western Rivers-** Despite the Indus water treaty providing for certain exceptional circumstances for building storage systems on Western Flowing Rivers, Pakistan has deliberately stopped such efforts. The extensively technical nature of the treaty allows Pakistan to stall legitimate Indian Projects.
- **3. Pakistan's continued "intransigence" in India's Hydroelectric Projects-** In recent times disputes over the Kishenganga and Ratle hydroelectric projects have intensified, with Pakistan directly seeking arbitration at The Hague, bypassing treaty-compliant proceedings. Pakistan's proposal for a PCA mechanism in these hydropower projects is in contravention to the graded dispute settlement mechanism provided in Article IX of the IWT.
- **4. Old and Outdated Treaty-** According to the Departmentally Related Standing Committees on Water Resources report of 2021, present day pressing issues such as climate change, global warming and environmental impact assessment have not been taken into account by the Treaty. The Indus basin, which has been ranked as the world's second most over-stressed aquifer by NASA in 2015, has been severely affected by climate change. India seeks renegotiation and amendments to the treaty for sustaining its burgeoning population.
- **5. Loss to Indian States in the Indus Basin-** There have been substantial economic losses to the Indian States in the Indus River Basin. **For ex-** According to J&K Govt's hired consultant report, J&K has been suffering economic losses to the tune of hundred of millions annually due to the Indus Water Treaty.

#### Pakistan's Concerns

**1. Lower Riparian Concerns-** As a lower riparian state, Pakistan fears infrastructure developments will reduce downstream flows.





2. Accusations of 'Water Terrorism' - Pakistan accused India of "water terrorism" for the Shahpurkandi barrage project, despite the project's compliance with the IWT.

3. Environmental Flow Issues- Pakistan insists on maintaining environmental flows, supported by the 2013 Permanent Court of Arbitration ruling on India's obligation to release flows downstream of the Kishanganga

Read More- Need to amend the Indus Waters Treaty

#### What are the Concerns with the termination or abrogation of the IWT?

Renegotiating or abrogating the Indus Waters Treaty (IWT) between India and Pakistan could have serious consequences for the region:

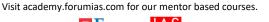
- **1. Escalation of Geopolitical Tensions-** Attempts at renegotiating the treaty or abrogation of the treaty is likely to escalate political tensions between India and Pakistan. This might heighten the risk of water conflicts between the two nuclear-armed neighbors.
- 2. Threat to Regional Stability- The Indus river basin is shared by India, Pakistan, China and Afghanistan. Instability in the IWT could have ripple effects on water cooperation in the wider region.
- 3. Damage to India's International Standing- Unilaterally suspending or withdrawing from the IWT could damage India's image as a responsible global power. It may be a setback for future negotiations of water treaties, like the Teesta Water Treaty with countries like Bangladesh.

#### What Should be the Way Forward?

- 1. Integration of Ecological Perspectives- The ecological perspectives must incorporate Environmental Flows (EF) to sustain the Indus Valley ecosystems, as suggested by the Brisbane Declaration and the 2013 Permanent Court of Arbitration ruling on Kishanganga.
- **2. Recognisation of Climate Change Impacts** Strategies must be developed to manage climate change effects. India should explore the possibility of using climate change as a 'change in circumstances' to initiate conversation on renegotiation of the IWT.
- 3. Enhanced Water Data-Sharing- A World Bank-supervised, legally binding data-sharing framework should be established to monitor water quality and flow changes. Such estimates would add to the accuracy of each side's dependence on the other in sharing the waters of these rivers.
- 4. Incorporation of International Legal Standards- The treaty provisions must be aligned with the 1997 UN Watercourses Convention and the 2004 Berlin Rules on Water Resources for sustainable water use.
- 5. Pro activeness on India's Part in utilization of allocated water share- As suggested by the standing committee of water resources, the canal systems in Punjab and Rajasthan should be repaired to increase their water carrying capacity. Also, India should take steps to completely utilize its entitlement of waters of Western Rivers.
- **6.** Use of pressure tactic in case of escalation- As suggested by some experts, in case of escalation of hostilities by Pakistan in future, India can suspend the meetings of Permanent Commission. If the first state of dispute redressal is not functional, the subsequent two steps of 3-tier dispute redressal don't kick in.

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UPSC Syllabus- GS 2 India and its neighbourhood Relations





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#### One Nation One Election-Significance and Concerns-Explained Pointwise

Recently, The Union Cabinet has accepted the recommendations of the Ramnath Kovind led High Level Committee on One Nation, One Election. The committee has envisaged simultaneous Lok Sabha and State Assembly elections as the first step, followed by municipal and panchayat polls within 100 days of the general election. According to the roadmap presented by the committee headed by former President Ram Nath Kovind, simultaneous elections will require 18 amendments to existing laws, including 15 amendments to the Constitution.

In this article we will look at the issue of one nation one election. We will look at the recommendations of the Ramnath Kovind led panel. We will look at the arguments supporting the idea and the criticisms of the idea of one nation one election.



# Constitutional Amendment Recommendations of Kovind Panel Report on Simultaneous Elections

The committee has suggested 15 amendments to the Constitution of India to be carried out through two Constitution Amendment Bills

#### 1. FIRST CONSTITUTIONAL AMENDMENT BILL

This Bill deals with the transition to a simultaneous election system, and the procedure for fresh elections to Lok Sabha or a state Assembly before the expiration of their stipulated five-year term.

Passage of the Bill- The Bill can be passed by Parliament without the requirement for consultation with state governments or ratification by state Assemblies.

#### Provisions of the Bill

- 1. Insertion of a new article 82A- Article 82A will establish the process by which the country will move to a system of simultaneous elections for Lok Sabha and state Assemblies.
- 2. Amendment of Art 327- Power of Parliament under Article 327 should be expanded to include "conduct of simultaneous elections" as well
- 3. Amendments to Art 83 and 172- To ensure simultaneous elections when Lok Sabha or state Assembly is dissolved before 'full term' ends
- 4. Amendment of Laws of UT for Simultaneous Election- Amendment of the following UT laws for simultaneous elections- a. The Government of Union Territories Act, 1963, b. The Government of National Capital Territory of Delhi Act, 1991 and c. The Jammu and Kashmir Reorganisation Act, 2019.

#### 2. SECOND CONSTITUTIONAL AMENDMENT BILL

This bill deals with municipal and panchayat elections, which fall under Entry 5 of the State List titled 'Local government'.

Passage of the Bill- This bill needs to be ratified by at least half of the state legislatures in the country before it can be passed by the Parliament.

#### Provisions of the Bill

- 1. Inclusion of a new Article 324A- Empower the Parliament to make laws to ensure that municipality and panchayat elections are held simultaneously with the General Elections (to Lok Sabha and state Assemblies)
- 2. Addition of Article 325(2)- Single Electoral Roll for Lok Sabha, State legislature and local bodies

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#### What is the One nation one election?

**Definition-** One nation one election refers to the idea of holding simultaneous polls for State Assemblies and the Lok Sabha instead of separate and continuous elections.

#### Historical Background-

One Nation one election was the norm in India until 1967. Simultaneous elections were conducted for the Lok Sabha and the state assemblies in 1952, 1957, 1962, and 1967.

However, due to the premature dissolution of some Legislative Assemblies in 1968 and 1969 the simultaneous election cycle got disrupted. Further, in 1970, the Lok Sabha was dissolved prematurely, and fresh elections were held in 1971.

All these events led to the breakdown of the cycle of simultaneous elections in India.

#### What is the Kovind Panel on One Nation One Election?

**About the Committee-** The Union government on September 2, 2023 had constituted a committee under the headship of former President of India Ram Nath Kovind to look into the feasibility of 'one nation one election'.

**Members of the Committee-** The Committee was headed by Ramnath Kovind. The members include- Home Minister Amit Shah, former Leader of Opposition in the Rajya Sabha Ghulam Nabi Azad, former Finance Commission chairperson N K Singh, former Lok Sabha secretary-general Subhash C Kashyap, senior advocate Harish Salve and former Chief Vigilance Commissioner Sanjay Kothari.

#### What are the recommendations of the Kovind Panel Report on One Nation One Election?

To give effect to its recommendation, the committee has suggested 15 amendments to the Constitution of Indiain the form of both new provisions and changes to existing provisions- to be carried out through two Constitution Amendment Bills.

#### FIRST CONSTITUTIONAL AMENDMENT BILL

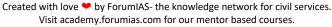
Deals with the transition to a simultaneous election system, and the procedure for fresh elections to Lok Sabha or a state Assembly before the expiration of their stipulated five-year term.

**Passage of the Bill-** The Bill can be passed by Parliament without the requirement for consultation with state governments or ratification by state Assemblies.

#### **Provisions of the Bill**

**1. Insertion of a new article 82A-** Article 82A will establish the process by which the country will move to a system of simultaneous elections for Lok Sabha and state Assemblies.

Provisions of 82A(1)	Article	The President will issue a notification bringing Article 82A into effect, on the date of the first sitting of the House of the People after a general election. The date of this notification "shall be called the Appointed date".
Provisions Article 82A(2)	under	All the Legislative Assemblies constituted in any general election held after the appointed date shall come to an end on the expiry of the full term of the House of the People.
Provisions Article 82A(3)	under	ECI to hold General elections to the House of the People and the Legislative Assemblies simultaneously
Alucie 02A(3)		Assemblies simultaneously





		If the ECI believes that elections to any legislative assembly cannot be conducted
Provisions	under	simultaneously, "it may make a recommendation to the President, to declare by
Article 82A(4)		an Order, that the election to that Legislative Assembly may be conducted at a
		later date"
Provisions Article 82A(5)	under	Even in cases where the state Assembly election is deferred, "the full term of the
		Legislative Assembly shall end on the same date as the end of the full term of the
		House of the People constituted in the General Election"

#### 2. Amendment of Art 327

Art 327 gives Parliament the power to make laws relating to elections to Lok Sabha, Rajya Sabha, and state legislatures, including the preparation of electoral rolls and delimitation of constituencies.

Kovind Panel Report on Simultaneous Elections has recommended that the power of Parliament under Article 327 should be expanded to include "conduct of simultaneous elections" as well.

# 3. Amendments to ensure simultaneous elections when Lok Sabha or state Assembly is dissolved before 'full term' ends

Amendment of 83(2) (Duration of Houses of Parliament) and 172 (1) ("Duration of the State Legislatures")- The committee has recommended that the five-year duration of the House of people and state legislatures should be referred to as "the full term".

**Amendments to Articles 83(3) and 172(3)-** If Lok Sabha or a state Assembly is dissolved before the expiry of the full term, the remaining period will be referred to as the 'unexpired term'.

**Addition of Articles 83(4) and 172(4)-** Lok Sabha or state Assembly that replaces the previously dissolved Lok Sabha or state Assembly will serve only for the remaining 'unexpired term'.

## 4. Amendment of Laws of UT for Simultaneous Election

Kovind Panel on Simultaneous elections has recommended amendment of the following UT laws for simultaneous elections.

- a. The Government of Union Territories Act, 1963
- b. The Government of National Capital Territory of Delhi Act, 1991
- c. The Jammu and Kashmir Reorganisation Act, 2019

# SECOND CONSTITUTIONAL AMENDMENT BILL

This bill deals with municipal and panchayat elections, which fall under Entry 5 of the State List titled 'Local government'.

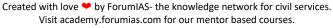
**Passage of the Bill-** This bill needs to be ratified by at least half of the state legislatures in the country before it can be passed by the Parliament.

#### **Provisions of the Bill**

#### 1. Inclusion of a new Article 324A

It would empower the Parliament to make laws to ensure that municipality and panchayat elections are held simultaneously with the General Elections (to Lok Sabha and state Assemblies).

#### 2. Amendment of Article 325





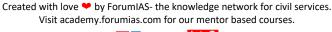
a. Addition of Article 325(2)- This new sub-clause proposed by the committee will create a Single Electoral Roll for every territorial constituency for election to the House of the People, Legislature of a State or to a Municipality or a Panchayat.

**b.** Addition of Article 325(3)- The single electoral roll shall be made by the Election Commission in consultation with the State Election Commissions. It shall substitute any electoral roll prepared earlier by either the Election Commission under Art 325 or the State Election Commissions under Art. 243K and Art. 243ZA.

#### What are the arguments in favour of 'One Nation One Election'?

- **1. Reduction of Financial burden on state exchequer-** Continuous election cycles are a financial burden on the state exchequer. 'One Nation One election' will reduce the overall expenditure on political process by ECI. **For ex-** The 2014 Lok Sabha polls cost Rs 3,870 cr to the exchequer and the 2015 Bihar elections alone cost the exchequer 300 cr. ECI has estimated the cost of 'one nation one election' to be around Rs.4500 cr.
- **2. Better utilisation of financial resources by political parties-** Simultaneous elections will reduce the campaign expenditure of political parties and the candidates. This will help smaller regional parties in better management of financial resources.
- **3. Reduced duration of 'model code of conduct'-** Frequent imposition of the Model Code of Conduct (MCC) during polls stalls all development work for months at a time. It will reduce 'policy paralysis' that results from the imposition of the Model Code of Conduct during election time.
- **4. Focus on governance instead of being in 'election mode'-** One nation one election will ensure continuity of policies and programmes of the central and state governments. It will reduce disruption of normal public life, as political rallies will be kept to a minimum. It will improve the delivery of essential services to the public.
- **5. Increase of administrative efficiency-** During elections the entire state machinery as well as high-ranking officers from other States are also deputed as observers in the poll-bound State. 'One nation one election' will increase efficiency of administrative system.
- **6. Improvement of Internal security-** Frequent deployment of security forces during elections use a considerable size of armed police forces, which can otherwise be better deployed for better management of internal security problems like <u>naxalism</u>.
- **7. Reduced use of 'black money'-** Elections involve considerable expenditure by prospective candidates, most of which is black money. 'One nation one election' will reduce the circulation of black money in the economy.
- **8. Reduction of populist measures- Frequent elections** forces the political class to think in terms of immediate electoral gains rather than focus on long-term programs and policies, which impacts the focus of governance and policymaking. Simultaneous elections would reduce the populist measures.
- **9. Increase of voter turnout-** According to the Law Commission, simultaneous elections will increase voter turnout because it will be easier for people to cast many votes all at once.
- **10. Improvement in social harmony-** Frequent elections perpetuate caste, religion, and communal issues across the country as elections are polarising events that have accentuated casteism, communalism, and corruption. Simultaneous elections would reduce the fault lines between communities created due to multiple elections.

What are the arguments against 'one nation one election'?





1. Reduced Accountability- Regular elections ensure that the government is under an obligation to listen to the will of the people regularly. Regular state elections serve as feedback mechanism for the political parties. Critics argue that if the government is assured of a fixed term it might lead to autocratic tendencies.

- 2. Undermining of Federal Power- In recent years, issues affecting the states have gained political value, which is demonstrated with more regional parties forming state governments like DMK in Tamil Nadu, TDP in Andhra Pradesh & Biju Janata Dal in Odisha. Due to simultaneous elections union elections might overshadow the state election.
- 3. Disadvantage for regional parties- Critics argue that simultaneous election would hamper the prospects of regional parties as national issues would dominate the political narrative instead of local issues. Regional parties would not be able to compete against national parties in both money and election strategies.
- 4. Against Spirit of Democracy- Critics argue that forcing simultaneous elections is against democracy because trying to force an artificial cycle of elections and restricting the choice for voters is not correct.
- 5. Influences choices and electoral behavior- Voters may vote for the same party both at the national and state level which might put regional parties at a disadvantage. According to research report by IDFC Institute, if elections are held simultaneously, there's a 77 percent likelihood of voters favoring the same political party or alliance for both state assemblies and the Lok Sabha. This figure drops to 61 percent if elections are held six months apart.
- 6. Threat to internal security- Deployment of heavy security forces for simultaneous elections is a logistical challenge and might endanger the internal security in the country.
- 7. Tampering with the democratic will- The present system has been consciously chosen by our forefathers to uphold the will of democracy by providing for regular elections so that people can express their will through the right to vote. Modifying the election system and cycle would mean tampering with the power of people to express their democratic will.

## What are the Challenges in the conduct of Simultaneous Elections in India?

The implementation of One Nation, One Election faces significant logistical, financial, and administrative challenges.

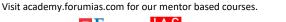
Large requirement of additional electoral equipments- For simultaneous elections in 2029, the ECI has estimated a requirement of 53.76 lakh ballot units, 38.67 lakh control units, and 41.65 lakh VVPATs. This would necessitate adding 26.55 lakh ballot units, 17.78 lakh control units, and 17.79 lakh VVPATs to the current inventory.

Large lead time for manufacture- The manufacturing of additional electoral equipments by Bharat Electronics Ltd (BEL) and Electronics Corporation of India Ltd (ECIL) would require significant lead time.

High cost to the exchequer- The ECI has estimated the manufacturing of these additional units to be Rs. 7,951.37 crore, excluding transportation and warehousing costs. It would cost a huge sum to the public exchequer.

**Large requirement of security personnels-** The smooth conduction of one nation one election, will increase the requirement of number of security personnel. The ECI had estimated a need for 4,719 companies of Central Armed Police Forces (CAPFs) in 2024 general elections, which was a 50% increase from the 2019 requirement.

Practical Challenges of Simultaneous Elections- The ECI has faced difficulties in holding simultaneous elections due to security, weather, and festival-related constraints. For ex- Elections in Jammu and Kashmir





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could not be held concurrently with the Lok Sabha elections due to high security needs. Around 400-500 additional companies of security forces were required, making it logistically challenging.

#### What Should be the Way Ahead?

- **1. Build All party Concensus-** The government must be build an all party concensus before introducing the two constitutional amendment bills as recommended by the Kovind Panel Report on Simultaneous Elections.
- **2. 22nd Law Commission Report on simultaneous polls-** The government must also wait for the recommendations of the 22nd Law Commission Report on simultaneous polls before moving ahead with the idea.
- **3. Public awareness-** Public awareness must be created around the issue of simultaneous election through media deliberations.

Simultaneous election is an idea whose time has come. However, since the issue is concerned with the federal structure of the Constitution, it needs to be discussed and debated properly across the political spectrum to assuage the concerns of regional parties. This will make it easier to implement the idea in the country.

If India opts for 'one nation, one election', the world's biggest democracy will set another unique example as India will be the 4th country in the world after Belgium, Sweden and South Africa which will conduct simultaneous election.

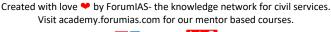
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**UPSC Syllabus- GS 2-** Issues related to elections

# **HC verdict on Fact-Check Unit-Explained Pointwise**

The Bombay High Court struck down a provision in the 2021 IT Rules allowing the government to identify 'fake news' on social media through a Fact Check Unit (FCU). The ruling, with a 2-1 majority, deemed the amended provision of the IT Act which provided for the establishment of Fact Check Unit, as unconstitutional.

Earlier this year, Government of India had notified the PIB's Fact-Check Unit (PIB-FCU) under the Ministry of Information and Broadcasting (MIB) as the fact check unit of the Central Government. Ministry of Electronics and Information Technology (MeitY) had notified the PIB's FCU as the fact check unit under the provisions of Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, Amendment Rules, 2023.







# PIB's Fact-Check Unit (PIB-FCU)

Ministry of Electronics and Information Technology (MeitY) has notified the PIB's FCU as the fact check unit under the provisions of Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021.

ESTABLISHMENT- The Fact Check Unit was established under PIB in November 2019.

OBJECTIVE- Its objective is of acting as a deterrent to creators and disseminators of fake news and misinformation.

#### MANDATE

- 1. The PIB-FCU is mandated to counter misinformation on Government policies, initiatives and schemes either suo motu or under a reference via complaints.
- 2. The PIB-FCU actively monitors, detects, and counters disinformation campaigns, ensuring that false information about the Government is promptly exposed and corrected.

#### **FACT CHECKING PROCEDURE**

The PIB fact-check unit categorises any information received by it into three categories- fake, misleading, and true

Fake News- If a piece of information is completely false and can "deceive or manipulate the audience, with or without the intention to cause potential harm", it is classified as 'fake news'.

Misleading- If a content uploaded has "selective presentation of facts or figures or with distortion of facts or figures" and can mislead or deceive readers, it is classified as 'misleading' by the fact-check unit.

True- Content that the fact-check unit finds factual after review is classified as 'true'.

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## What is the background of the Case?

Introduction of IT rule amendment	The Ministry of Electronics and Information Technology (MEiTY) introduced the IT (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2023, which amended the 2021 IT Rules.
Provision of the Amendment	The amendment broadened the definition of 'fake news' to cover 'government business'. Ministry of Electronics and Information Technology (MeitY) notified the PIB's FCU as the fact check unit under the provisions of the amended rules.
Aim of FCU	The FCU would flag any social media posts it deemed 'fake,' 'false,' or 'misleading' regarding government affairs. It could also compel platforms to remove such content to maintain their "safe harbour" status and legal immunity.



This raised concerns over free speech and the extent of government regulation, as it positioned the government as the sole arbiter of truth regarding its own activities.

# What does the Judgement of the Bombay High Court entail?

The Bombay HC held that the amended rules were unconstitutional, with a 2-1 verdict.

- a. Restriction of Fundamental Rights- The majority judgement has held that the amended Rule violated Articles 14, 19(1)(a), and 19(1)(g) of the Constitution by restricting fundamental rights beyond permissible limits.
- **b. Vague and Misleading Terms-** The verdict holds that the terms like 'fake, false, or misleading' are vague and overbroad. It is not the state's role to ensure citizens receive only 'truthful' information.
- **c.** Chilling effect on Freedom of Speech and Expression- The verdict has noted that the threat to social media platforms of losing their "safe harbour" status, created a chilling effect on freedom of speech.
- **d. Overarching powers of the Fact-Check Unit-** The verdict criticized the Fact Check Unit's (FCU's) power as overreaching. The verdict holds that the state classifying speech as true or false and forcing non-publication, tantamounts to censorship.

# What is the PIB's Fact-Check Unit (PIB-FCU)?

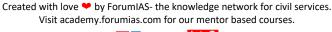
**PIB's Fact-Check Unit (PIB-FCU)-** PIB's Fact-Check Unit was established in November 2019 with a stated objective of acting as a deterrent to creators and disseminators of fake news and misinformation. It aims to provide people with an easy avenue to report suspicious and questionable information pertaining to the Government of India.

#### Functions/Mandate of PIB-FCU

- **a.** The PIB-FCU is mandated to counter misinformation on Government policies, initiatives, and schemes either suo motu or under a reference via complaints.
- **b.** The PIB-FCU actively monitors, detects, and counters disinformation campaigns, ensuring that false information about the Government is promptly exposed and corrected.
- c. When this unit flags a piece of content as fake, social media platforms will have to take it down as part of their due diligence requirement under the IT Rules. Also, the internet and telecom service providers like Jio and Airtel will have to block the web link of a particular fake news information.

# What was Govt's rationale for notifying PIB's Fact-Check Unit (PIB-FCU) as the Central Govt's Fact-check Unit?

- **1. Addressing the issue of fake news-** The fact-checking body can help to address the issue of fake news and misinformation on online platforms, which can potentially cause harm to society.
- **2. Improved accountability of Social Media Intermediaries-** The notification of PIB's Fact-Check Unit as the Govt's Fact-checking unit will increase accountability of social media intermediaries like Facebook, Twitter etc., which will now be required to remove false and misleading content.
- **3. Enhancement of Cybersecurity-** PIB's Fact-Check Unit can improve the cybersecurity by preventing the misuse of online platforms for illegal or harmful activities. **For ex-** Regulation of Sharing of Deepfakes.





**4. Prevention of Hate Speech and Violence-** The Fact-Check unit seeks to ensure compliance with Indian laws like IT Act and laws related to national security. This helps to prevent the misuse of social media platforms and other digital media outlets to incite violence or spread hate speech.

# What were the Concerns with notification of fact-check Unit by the Government of India?

- 1. 'Chilling effect' on freedom of speech and expression- There were concerns that PIB's fact-check unit and its power to censor content could have a chilling effect on free speech and expression provided under Art 19(1)(a). There were concerns that people would be hesitant to express their opinions online for fear of being censored or facing legal consequences.
- **2. Potential for Misuse by the Govt-** The fact-check unit's power could be misused by the government to silence dissenting voices or criticism of government actions. This could have serious implications for democracy and human rights.
- **3. Conflict of interest-** The role played by the fact-checking unit has a significant conflict of interest as it plays the role of judge, jury, and executioner.
- **4. Lack of clarity on what constitutes "fake or false or misleading" information-** There is lack of a clear definition of what types of information qualify as 'fake or false or misleading'. This lack of clarity creates ambiguity and can lead to arbitrary censorship by the government.
- **5. Short-circuiting established legal procedures-** The notification of a fact-checking unit with powers to issue directions to take down content, short-circuit the procedures, safeguards, and conditions laid out in Shreya Singhal v. Union of India and Section 69A of the IT Act. The judgement extends the right to free speech into the online space.

# What Should be the Way Forward?

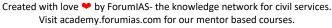
- **1. Final Verdict of the SC-** The Bombay HC Verdict in the Kunal Kamra v. Union of India (2023) case held the establishment of fact check units under the amended rules as unconstitutional. The SC must deliver final verdict on other concerns of IT Rules, such as mandates for social media platforms to establish grievance redressal and compliance mechanisms.
- **2. Develop a more transparent and participatory process-** The government should work with civil society, media organizations, and other stakeholders to develop a more transparent and participatory process for determining what content should be considered fake or misleading.
- **3. Need an independent and non-partisan fact-checking body-** The government should ensure that anybody tasked with fact-checking is independent and non-partisan, with clear guidelines for how decisions are made.
- **4. Ensure functioning according to judicial and legal guidelines-** The government should ensure that any takedown requests are made in accordance with the procedures and safeguards laid out in Shreya Singhal v. Union of India or under Section 69A of the IT Act. These define and restrict the conditions under which government can take down online content.

Read More- The Indian Express

**UPSC Syllabus-**

GS 3 Security Issues - The role of media and social networking sites in internal security challenges

GS 2- Government Interventions for regulation of the sector





# **Quad Grouping- Significance and Challenges- Explained Pointwise**

The latest Quad Summit 2024 was held in Delaware, USA, on September 22, 2024. The summit focused on various critical areas aimed at enhancing cooperation among the member countries of the Quad- The United States, Australia, India, and Japan.

# Key Outcomes of Quad 2024 **Maritime Initiatives** It is a new regional maritime initiative for training the Quad Partners to **MAITRI** Initiative monitor and secure their waters, enforce their laws and deter unlawful behaviour. The inaugural symposium will be hosted by India in 2025. This initiative seeks to improve interoperability among coast guard **Ouad Coast Guard** forces of member nations. Also, a Quad-at-Sea Ship Observer Mission Cooperation has been scheduled for 2025. **Humanitarian Assistance and Disaster Relief** Indo-Pacific A joint airlift capability will be developed to enhance the efficiency of **Logistics Network** humanitarian assistance and disaster response operations in the Indo-Pilot Pacific region. **Health Initiatives** This initiative aims to combat cervical cancer by promoting increased **Ouad Cancer** HPV vaccinations, expanding access to screenings, and enhancing **Moonshot Initiative** treatment options across the Indo-Pacific region. **Education and Research** India has announced a new initiative offering fifty scholarships worth **Quad Scholarships** \$500,000 for students from the Indo-Pacific to pursue education in various fields. **Ouad BioExplore** This Quad initiative will focus on joint research of utilizing AI for Initiative agricultural advancements across member countries. Infrastructure and Connectivity Centre for Cable This centre will focus on developing and managing undersea cable Connectivity and networks critical for global data traffic, enhancing regional digital Resilience infrastructure. Climate Change and Clean Energy The Quad Climate Change Adaptation and Mitigation Package (Q-Q-CHAMP

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across the region.

CHAMP) initiative aims to enhance resilience against climate impacts

# What is the Quad Grouping? What is the History of its formation and the objectives of the grouping?

**Quadrilateral Security Dialogue (QSD) or Quad-** It is an informal strategic forum among like-minded democracies across the Indian and the Pacific Ocean, which is aimed to ensure and support a 'free, open and prosperous' Indo-Pacific region. It comprises-the USA, India, Japan, and Australia.

# **History of Quad**

Quad 1.0 (0	Origin of Quad)		
2004	The grouping traces its genesis to 2004, when the four countries, came together to coordinate relief operations in the aftermath of the tsunami.		
2007	The idea of Quad was initiated in 2007 by the Japanese Prime Minister, Shinzo Abe. But it was dropped with the withdrawal of Australia, due to the political pressure from the Chinese government and in the wake of the growing conflict between the US and China in the Asia-Pacific region.		
Quad 2.0 (F	Quad 2.0 (Revival of Quad)		
2012	The Japanese PM emphasised the idea of Asia's 'Democratic Security Diamond' comprising the US, Japan, India, and Australia.		
2017	The resurgence of the Quad began in 2017, coinciding with changing geopolitical dynamics and increasing assertiveness from China in the South China Sea and along its borders with India.		
2021	The first formal summit of the Quad began in 2021. The Official declaration was laid out in March 2021. The declaration states that the Quad aims to create a region that is free, open, inclusive, healthy, anchored by democratic values, and unconstrained by coercion.		

# What are the recent Outcomes of the Quad Summit 2024?

# **Maritime Security**

- **1. MAITRI maritime initiative-** It is a new regional maritime initiative for training the Quad Partners to monitor and secure their waters, enforce their laws and deter unlawful behaviour. The inaugural symposium will be hosted by India in 2025.
- **2. Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA)-** The Quad will expand this partnership to enhance regional capabilities against illicit maritime activities through improved training and resources
- **3. Quad Coast Guard Cooperation-** This initiative seeks to improve interoperability among coast guard forces of member nations. Also, a Quad-at-Sea Ship Observer Mission has been scheduled for 2025.

# Humanitarian Assistance and Disaster Relief

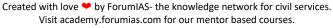
- **1. Indo-Pacific Logistics Network Pilot-** A joint airlift capability will be developed to **enhance the efficiency of humanitarian assistance** and **disaster response operations** in the Indo-Pacific region.
- **2. Aid and Assistance for Cyclone Yagi-** \$4 million in humanitarian assistance has been announced for Vietnam following Typhoon Yagi.

### **Health Initiatives**

**1. Quad Cancer Moonshot Initiative-** This initiative aims to combat cervical cancer by promoting increased HPV vaccinations, expanding access to screenings, and enhancing treatment options across the Indo-Pacific region.

### **Education and Research**

1. Quad Scholarships- India has announced a new initiative offering fifty scholarships worth \$500,000 for





students from the Indo-Pacific to pursue education in various fields.

**2. Quad BioExplore Initiative-** This Quad initiative will focus on joint research of utilizing AI for agricultural advancements across member countries.

# **Infrastructure and Connectivity**

- **1. Centre for Cable Connectivity and Resilience-** This centre will focus on developing and managing undersea cable networks critical for global data traffic, enhancing regional digital infrastructure.
- **2. Quality Infrastructure Development-** The Quad is committed to improving connectivity through sustainable infrastructure projects, including training initiatives for telecommunications readiness in South Pacific nations.

# **Climate Change and Clean Energy**

**1. Quad Climate Change Adaptation and Mitigation Package (Q-CHAMP)-** The Q-CHAMP initiative aims to enhance resilience against climate impacts across the region.

# What is the Significance of the Quad Grouping?

**1. Strategic Counterbalance to China-** The Quad serves as a counterbalance to China's growing influence and assertiveness in the Indo-Pacific. This cooperation aims to uphold a 'free and open Indo-Pacific', which is critical for maintaining regional stability and security.

**For ex-** The Quad's statements and joint declarations often emphasise support for ASEAN centrality, UNCLOS (United Nations Convention on the Law of the Sea), and peaceful resolution of disputes like the South China Sea Dispute.

**2. Maritime Security-** The grouping aims to enhance maritime security through joint exercises and coordinated responses to potential threats.

**For ex-** The creation of Indo-Pacific Partnership for Maritime Domain Awareness (IPMDA), conduction of Malabar exercise on an annual basis which aim to secure rule based order in the Indo-Pacific region.

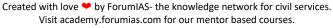
- **3. Economic Cooperation-** The Quad countries collaborate on economic issues, which includes infrastructure development and economic resilience in the Indo-Pacific.
- **For ex-** Establishment of the Quad Infrastructure Coordination Group to identify, design, and fund infrastructure projects in the region, and to provide alternatives to China's Belt and Road Initiative.
- **4. Technology and Supply Chain Resilience-** The Quad grouping aims to create more resilient supply chains, particularly for critical technologies, components, and minerals. **For ex-** Launch of initiatives like the semiconductor supply chain Initiative, Quad Partnership for cable connectivity and resilience to secure the critical supply chains of materials and technologies.
- **5. Public Goods provisions-** The grouping has evolved to address broader issues beyond security, which includes health security.

**For ex-** Launch of initiatives like the Quad Vaccine Partnership and Quad Cancer moonshot initiatives which aims to secure common public goods like vaccines.

**6. Humanitarian Assistance and Disaster Relief (HADR)-** The HADR operations of the Quad group aims to provide disaster relief to the countries of the Indo-Pacific.

**For ex-** Indo-Pacific Logistics Network Pilot and aids during the times of devastating cyclones like Cyclone Yagi.

What is the Significance of the Quad Grouping for India?





**1. Strengthening of India's Global Standing-** India's active role in the Quad has positioned it as a key player in the Indo-Pacific. It has enhanced its influence in international forums and with other major powers. It has also helped India to become the Voice of the Global South.

- **2. Support for India's vision of Free and Open Indo-Pacific-** India's 'Act East' policy and its Indo-Pacific Oceans Initiative (IPOI) find resonance in the Quad's commitment of promoting regional stability and prosperity in the Indian Ocean region. This enables India to pursue its strategic interests in Southeast Asia and beyond.
- **3. Strategic Counterbalance to China-** The Quad's initiatives on infrastructure development and alternative financing provides India with options to effectively counter Chinese investments under the Belt and Road Initiative (BRI).
- **4. Access to Advanced Technologies-** The Quad's focus on creating resilient supply chains for semiconductors and rare earth elements is beneficial for India, as it seeks to boost its own tech industry and reduce dependency on imports.
- **5. Collaboration on Health and Vaccine Distribution-** The Quad Vaccine Partnership, which aims to expand vaccine manufacturing in India and distribute vaccines across the Indo-Pacific, reinforces India's position as the 'pharmacy of the world.'

## What are the Challenges faced by the Quad grouping?

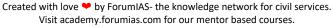
- **1. Perception of Anti-China Alignment-** The grouping is often perceived as an 'anti-China alliance'. China has criticized the grouping as a 'mini-NATO' and accused it of sowing discord in the region.
- **2. Divergent Strategic Interests Among Members-** The Quad countries have different strategic priorities and threat perceptions.

**For ex-** Even though the U.S., Japan, and Australia expressed support for India during the 2020 Galwan Valley clashes between India and China, their direct involvement was limited. This reflects divergent levels of strategic commitment.

- **3. Lack of Institutionalization-** The Quad remains an informal grouping without a formal secretariat or institutional framework. This limits its ability to execute long-term strategic projects or maintain consistent policies.
- **4. Economic Dependencies on China** All Quad members, particularly **Australia**, **Japan**, and **India**, have significant economic ties with China. This **economic interdependence** often **constraints their ability to fully align on anti-China** measures.

**For ex-** Australia's experience of severe trade disruptions in 2020 after China's imposition of tariffs and trade restrictions in response to Australia's call for an independent investigation into the origins of COVID-19.

- **5.** Lack of Consensus on Security Issues- India's traditional wariness of formal military alliances and preference for strategic autonomy, impedes the further deepening of cooperation on security issues.
- **6. Challenges in expansion of membership-** Expansion of the Quad grouping to include other like-minded countries like South Korea, Vietnam, or New Zealand, poses challenges such as the risks of dilution of the group's cohesion and focus.
- **7. ASEAN concerns-** Some ASEAN members, like Indonesia and Malaysia, have expressed concerns that the Quad could increase regional polarization. Quad poses a threat to ASEAN's role as the primary platform for regional dialogue and cooperation in the Indo-Pacific.





# What Should be the way forward?

1. Strengthening Institutionalization- The Quad should consider establishing a more formal institutional framework, such as a secretariat or regularized meetings at multiple levels (e.g., working groups, ministerial, and leaders' summits).

- **2. Enhancing Military and Security Cooperation-** The Malabar naval exercise should be expanded to include more complex joint operations, such as anti-submarine warfare and amphibious operations.
- **3. Engaging with ASEAN and Other Regional Partners-** Initiating a **Quad-ASEAN dialogue** could **help** align efforts on issues like maritime security, infrastructure development, and economic resilience.
- **4. Establishment of Quad Economic framework-** A Quad economic framework must be established to include initiatives for digital trade, investment in high-tech industries, and collaboration on setting international standards for emerging technologies.
- **5. Expansion of membership for better collaboration-** A 'Quad Plus' dialogue can be launched on infrastructure development which could include countries like South Korea, Vietnam, and Singapore.

**Read More-** The Indian Express

UPSC Syllabus- GS 2- International Organisations- Their structure and Mandate

# White Revolution 2.0- Significance and Challenges- Explained Pointwise

Recently, Union Home and Cooperation Minister Amit Shah announced plans for 'White Revolution 2.0', which aims to further revolutionize the dairy industry. Also, the Ministry of Cooperation unveiled standard operating procedure (SOPs) for White Revolution 2.0. It will on the line of Operation Flood, which was launched in 1970 catalysed the White Revolution, and transformed India's dairy sector.

White Revolution 2.0 focuses on expanding the cooperative model, which was the backbone of Operation Flood. The government plans to increase milk procurement by cooperatives from 660 lakh kg per day in 2023-24 to 1,007 lakh kg per day by 2028-29.



Source- Indian Express

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# What is the current status of dairy sector in India?

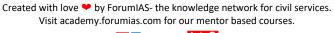
Milk Production Data	India is the world's leading milk producer. The milk production has reached 230.58 million tonnes in 2022-23, up from 17 million tonnes in 1951-52. The per capita availability of milk in India is 459 grams per day, surpassing the global average of 323 grams per day.
Milk Sector contribution to Agri GDP	The milk sector (milk consumed or sold in liquid form, ghee, butter, and lassi produced by producer households) contributed almost 40% (Rs 11.16 lakh crore) to agriculture and related sectors.
Top Five Milk producing states in India	The top five milk-producing states- Uttar Pradesh, Rajasthan, Madhya Pradesh, Gujarat, and Andhra Pradesh – contribute over 53% of the country's total milk production.
National Average Yield and production data	The national average yield is 8.55 kg per animal per day for crossbred animals and 3.44 kg for indigenous ones. Indigenous buffaloes account for 31.94% of production, followed by crossbred cattle at 29.81%.
Handling of milk	The organized sector, led by cooperatives, manages about one-third of the marketable milk. The unorganized sector handles the remaining two-thirds.

# What is the government's roadmap for achieving White Revolution 2.0?

	Presently, there are 1.7 lakh dairy cooperative societies (DCSs) covering 2 lakh			
	villages (30% of the country's villages, and 70% of India's districts). However, only 10-20% of villages are covered in states like Uttar Pradesh,			
Expansion	of Uttarakhand, and Madhya Pradesh, while states like West Bengal, Assam, and			
Cooperative reach	Odisha have less than 10% coverage.			
	The National Dairy Development Board (NDDB) plans to establish 56,000 new			
	multipurpose DCSs and strengthen 46,000 existing ones over the next five			
	years, particularly in Uttar Pradesh, Odisha, Rajasthan, and Andhra Pradesh.			
	A pilot project was launched in February 2023, with a budget of Rs 3.8 crore,			
Planned Expansion	to set up dairy cooperatives in uncovered gram panchayats across Haryana,			
	Madhya Pradesh, and Karnataka.			
National Programme for Dairy Development (NPDD) 2.0 will provid				
	funding for White revolution 2.0. This scheme will provide financial assistance			
Funding	for village-level milk procurement systems, chilling facilities, and capacity-			
	building, targeting 1,000 Multipurpose Primary Agricultural Credit			
	Cooperative Societies (MPACSs) with Rs 40,000 each.			

# What is the Significance of White Revolution 2.0?

1. Increase in the share of agri and allied sector GDP- White revolution 2.0 will lead to enhanced milk production, which will add to the growth of the agri and allied sector in India. For ex- Currently, the milk sector (milk and its derivative products) contribute to around 40% (Rs 11.16 lakh crore) to agriculture and related sectors.



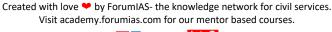


**2. Generation of rural employment and women empowerment-** White revolution 2.0 will generate employment and contribute to the empowerment of women in the process. **For instance-** The Indian dairy industry today, directly or indirectly, supports over **8.5** crore people, predominantly women.

- **3. Improving Market Access and Income for Farmers- White Revolution 2.0** will enable more farmers to participate in the **organized dairy market by providing market access to farmers** in areas previously uncovered by cooperatives. This will ensure better prices for their produce and more stable incomes.
- **4. Reducing Regional Disparities-** White Revolution 2.0 aims to address regional disparities in cooperative coverage. The initiative will target the underserved regions of Uttar Pradesh, Odisha, and West Bengal, and hence will ensure more equitable development across the country.
- **5. Food and nutritional security-** The initiative aims to increase daily milk procurement by dairy cooperatives from 660 lakh kg to 1,007 lakh kg by 2028-29. This expansion will enhance the availability of milk, contributing to both food security and nutritional needs in the country.

# What are the challenges in achieving White Revolution 2.0?

- **1. Uneven Presence of Cooperative-** While states like Gujarat and Kerala have well-established cooperative networks, others like West Bengal, Assam, and Jharkhand have less than 10% coverage. This imbalance limits the ability to scale up production uniformly across the country.
- **2. Declining annual growth rate of milk production-** The annual rate of milk production has declined from 6.47% in 2018-19 to 3.83% in 2022-23.
- **3. Variability in yield and per capita availability across states** States like West Bengal and Odisha have much lower milk yields compared to states like Punjab and Gujarat. **For ex-** While Punjab boasts a high yield of **13.49** kg per animal per day, West Bengal's yield is only **6.30** kg.
- **4. Low cattle Productivity-** As per Integrated Sample Survey, average annual productivity of cattle in India during 2019-20 is 1777 kg per animal per year, as against the world average of 2699 kg per animal per year during 2019.
- **5. Prevalence of Diseases-** There has been a surge in the prevalence of contagious diseases among cattles. **For ex-** Outbreak of Lumpy Skin Disease (LSD), Foot and Mouth Disease (FMD), Black Quarter infection.
- **6. Feed and fodder scarcity-** The Jhansi-based Indian Grassland and Fodder Research Institute has estimated that there is a deficit of 12% green fodder, 23% dry fodder, and 30% grains-based concentrated animal feeds.
- **7. Inadequate policy support-** The bulk of the agricultural subsidies by the central and state governments goes to the crops sector. **For ex-** In the 2023-24 Union Budget, the allocation for the Department of Animal Husbandry and Dairying is merely Rs 4,328 crore while well over Rs 4 trillion has been allocated to food, fertiliser, and other agricultural subsidies.
- 8. **Lack of marketing support-** Milk and milk products lack price and marketing support that are enjoyed by the crop-based commodities in the form of MSP and official state procurement by FCI.
- 9. Lack of Institutional finance- The share of livestock in the total agricultural credit (short-term, medium-term and long-term) is only around 4%.
- 10. **Greenhouse gas contribution-** The diary sector is a major contributor to the greenhouse gases like Methane, which have a very high global warming potential (GWP).





11. **Lack of advancements in technology-** Fewer artificial inseminations, lower-quality germplasm and insufficient technical staff have inhibited the development of high quality cattle breed.

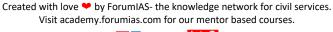
# What are the other government schemes for the development of dairy sector?

	It is being implemented for development and conservation of	
Rashtriya Gokul Mission (RGM)	indigenous bovine breeds since December 2014. Its aim is to enhance	
	milk production and to make it more remunerative to the farmers.	
	National Livestock Mission (NLM) scheme has been restructured for	
National Livestock Mission	2021-22 to 2025-26. The scheme focuses on entrepreneurship	
(NLM)	development and breeds improvement in poultry, sheep, goat and	
	piggery, including feed and fodder development.	
National Artificial Insemination	To suggest novel methods of bringing about impregnation in female	
	breeds and prevent the spread of certain diseases which are genital in	
Programme	nature.	
National Cattle and Buffalo To genetically upgrade important indigenous breeds on a p		
Breeding Project	basis with a focus on development and conservation.	
	Implemented to control FMD and Brucellosis by completely	
National Animal Disease Control	vaccinating cattle, buffalo, sheep, goat and pig populations against Foot	
Programme	& Mouth Disease (FMD) and bovine female calves of 4-8 months of age	
	against Brucellosis.	
Animal Husbandry Startup	To appreciate innovations coming from the villages to expand the dairy	
Grand Challenge	sector in India.	

What Should be the Way Forward?

- **1. Expansion of Cooperative led procurement in the organised sector-** Presently, about two-thirds of the marketable milk is in the unorganised sector, where informal middlemen dominate the supply chain. The potential for expanding organized sector's share in marketable milk (which is led by the cooperative sector) must be explored.
- **2. Providing sufficient feed and fodder resources-** Providing sufficient feed & fodder and drinking water is the need of the hour to increase productivity of cattle stock in India, particularly in the rain-shadow region.
- **3. Value addition and Marketing-** The milk producers should be given the requisite support to enter into value-added segments such as ice cream, yogurt, cheese, and whey. These segments have profit margins of 20%, which is much higher than the 3-5% margin in the case of simple milk produce.
- **4. Promoting indigenous breeds-** Our indigenous breed of cattle must be promoted, like the genetic enhancement of Badri Cow.
- **5. Research and development-** Government should focus on Research & Development in livestock sector to increase per livestock productivity to provide more benefits to small & marginal farmers.

Read More- The Indian Express
UPSC Syllabus- GS 3- Economics of animal rearing





# The Issue of Overwork in India - Explained, Pointwise

The issue of overwork in India has gained significant attention recently, particularly following the tragic death of Anna Sebastian Perayil, a 26-year-old employee at Ernst & Young (EY). Her parents allege that the overwhelming work stress she experienced contributed to her untimely demise. This incident highlights a growing concern regarding employee welfare and the unsustainable demands placed on workers in India, where long hours and high expectations have become normalized.

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In September 2023, a series of media reports highlighted the severe toll of overwork on employees in India's tech sector, with burnout being cited as a leading cause of resignation from major IT firms.

All these incidents and facts necessitates the reasons behind the widening issue of overwork in India.

[ToC]

# Data and Facts Related to Issue of Overwork in India

Country	Share of employed working 49 or more hours per week		
	week		
Bhutan	61 percent		
India	51 percent		
Bangladesh	47 percent		
Mauritania	46 percent		
Congo	45 percent		
Burkina Faso	41 percent		
Pakistan	40 percent		
United Arab Emirates	39 percent		
Lebanon	38 percent		
Myanmar	38 percent		

**Average Working Hours**: According to the **Organization for Economic Co-operation and Development (OECD)**, an Indian worker typically works **48–52 hours per week**, far exceeding the international standard of **40 hours per week**. It is also very high compared to the global average of 34–36 hours.

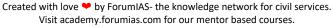
**Overwork related mortality**: An ILO and WHO report found that overwork led to **745,000 deaths globally in 2016**, due to ischemic heart disease and stroke, and India was among the top contributors.

**India's ranking: India** is ranked as the **second most overworked country** globally, with an average of **46.7 hours per week** per employed person. Bhutan tops the list, with **61%** of its workforce working more than 49 hours weekly.

**Stress and Burnout**: As per a report by digital healthcare platform MediBuddy and CII, around 62 percent of Indian employees experience burnout. It is triple the global average of 20 percent, due to work-related stress and poor work-life balance.

# What are the legal aspects of overwork in India?

**Ambedkar on Overwork:** Ambedkar actively advocated for an **eight-hour work day**, which became a cornerstone of his legacy. In the 7th Indian Labour Conference in New Delhi on November 27, 1942, he





emphasised the necessity for humane working conditions. During his tenure, Factories Act of 1934 was amended to include provisions for betterment of workers which also included provisions for working hours.

#### Factories Act, 1948:

- Limits working hours to 48 hours a week and mandates rest days.
- Provides for overtime pay at twice the regular wage rate if an employee works beyond 9 hours a day or 48 hours a week.
- Applicable to workers in factories, this law ensures that employees aren't burdened with excessive working hours without due compensation.

ILO's convention on working hours: According to ILO's Hours of Work (Industry) Convention, 1919, the working hours of persons employed in any public or private industrial undertaking shall not exceed 8 hours in the day and 48 hours in the week.

### What are the Reasons Behind Overwork in India?

Concurrent List: Labour matters fall under the Concurrent List, both Parliament and state legislature hold the authority to enact relevant laws. There multiple laws for every state, therefore, bringing uniformity in labour laws becomes a difficult task.

Economic Pressures: Many sectors in India, particularly tech, finance, and gig economy jobs, demand extended working hours due to fierce competition and economic pressures to deliver results.

Toxic Work Environments: Companies often foster environments where long hours are expected and rewarded, discouraging employees from taking breaks or prioritizing personal time.

**Hustle Culture**: Hustle culture is defined as one that encourages employees to work more than normal working hours. The idea that success requires relentless work and long hours, was promoted by Silicon Valley entrepreneurs. The idea of working long hours as a sign of dedication and hard work is deeply embedded in Indian work culture. Employees often feel pressured to stay longer at the office to impress superiors.

Lack of Regulation: India has insufficient regulation on maximum working hours, especially in white-collar sectors. Although the Factories Act (1948) sets limits for industrial workers, there are no strict laws governing overtime for IT, service sectors, or gig workers.

Work-from-Home Trend: The pandemic-induced shift to remote work increased the working day by 1-2 hours for many employees, as reported by several surveys. The lack of work-life balance and the expectation to be always available has exacerbated this issue.

**Government backing:** Many governments are favoring longer working hours. For example, recently Karnataka government proposed an amendment to the Karnataka Shops and Commercial Establishment Act that increased the maximum length of the workday from the previously mandated 10 to 14 hours.

# What are the Impacts of Overwork?

Physical and Mental Health Issues: Overwork is associated with health problems such as hypertension, heart disease, and sleep disorders. Mental health conditions like depression, anxiety, and burnout are increasingly being reported among employees.

Impact on Personal Life: Overwork severely affects work-life balance, with employees finding less time for family, social engagements, or personal development. It leads to a cycle of dissatisfaction both at work and home.





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**Reduced Productivity**: While longer hours may initially lead to increased output, sustained overwork often results in **diminished productivity**, as employees become physically and mentally fatigued. On the contrary, Countries with shorter working weeks often report higher employee satisfaction and productivity levels, demonstrating the benefits of a balanced approach.

**Economic Costs**: The economic cost of overwork is substantial, with **increased absenteeism**, **healthcare costs**, and **high turnover rates**. It is estimated that burnout could cost Indian companies billions annually in lost productivity.

# What are the International Best Practices Regarding Overwork?

**Japan's "Karoshi" Laws**: After decades of grappling with "Karoshi" (death by overwork), Japan introduced measures to limit overtime. Companies are required by law to ensure employees do not work more than **45** hours of overtime per month, and employees can report overwork directly to labor authorities.

**France's "Right to Disconnect"**: In 2017, France implemented a law allowing workers the **right to disconnect** from work-related emails and calls outside of office hours, ensuring a balance between work and personal life.

**Germany's Work-Life Balance**: German companies, especially in tech and manufacturing, have a culture of respecting **short working hours and strict rules** around overtime. In fact, **employees** in Germany work fewer hours but maintain higher productivity levels.

**Nordic Model**: Scandinavian countries such as Denmark and Sweden prioritize **shorter working hours** and **flexible work policies**. Their focus on **worker welfare** has led to better productivity and work satisfaction.

# What are the Suggestions to improve the situation of overwork in India?

**Legal Framework**: India needs to revise its **labour laws** to include clear limits on working hours for all sectors, not just industrial workers. An updated **overtime regulation** for white-collar and gig workers is essential.

**Cultural Shift**: A significant shift in **corporate culture** is needed, where companies reward productivity over long hours. Encouraging **employee well-being** and introducing **flexible work hours** can improve morale and reduce burnout.

**Government Intervention**: The government could introduce policies such as **mandatory annual leaves**, **caps on weekly working hours**, and **compulsory breaks** for employees in stressful sectors.

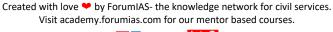
**Corporate Responsibility**: Corporations should focus on employee welfare through initiatives like **employee assistance programs**, **mental health support**, and **wellness initiatives** to address the problem of overwork.

**Embracing Technology for Work Management**: Companies can use **time management tools** and other technological solutions to monitor employee workloads and avoid overburdening staff.

**Promoting Work-Life Balance**: Both employers and employees need to actively promote and **maintain work-life balance**, which includes recognizing when employees are overworked and taking proactive steps to redistribute tasks.

**Read More -** The Indian Express

**UPSC Syllabus - GS 3-** Indian Economy - Issues related to Employment





# India-Sri Lanka Relations- After Elections in Sri Lanka- Opportunities and Challenges-Explained Pointwise

In the recent elections held in Sri Lanka, Anura Kumara Dissanayake has been elected as the new president. Dissanayake, is the leader of the National People's Power (NPP) and is known for his leftist and populist stance. The NPP is a coalition of interest groups around the left-wing Janatha Vimukthi Peramuna (JVP). The JVP was traditionally an anti-capitalist nationalist movement with an anti-Indian focus. Dissanayake's party has historically espoused Sinhala nationalism and has been critical of Indian influence in Sri Lanka.

However, following the recent economic crisis and widespread public protests that led to significant political changes, Dissanayake appears to recognize the importance of maintaining a pragmatic relationship with India. The election of Dissanayake introduces both opportunities and challenges for India, reflecting a complex geopolitical landscape.



Figure 6.Source- The Indian Express

What is the NPP group? What has been its stance towards India? What has been India's approach towards NPP in recent times?

NPP- The NPP is a coalition of interest groups like artists, business people, academics, and women's groups, who want a change from the traditional parties and their discredited and

corrupt ways. It is centred around the left-wing Janatha Vimukthi Peramuna (JVP). The JVP was traditionally an anti-capitalist nationalist movement with an anti-Indian focus.

# NPP's and Anura Kumara Dissanayake's Relationship with India

- 1. Refutation of anti-India bias- Anura Kumara Dissanayake (AKD) has visited India earlier this year on invitation and met with the External Affairs Minister, and the National Security Advisor. He has been prompt in responding to PM Modi's congratulatory message and has promised to work together. The Indian High Commissioner in Colombo was among his first visitors after his election.
- **2. Acknowledgement of India's support during Sri Lanka's economic crisis-** AKD acknowledges that **India** has supported Sri Lanka at a critical time in 2022 with a massive infusion of finance and materials.
- **3. Emergence of India as a positive factor in the recent elections-** India has not been portrayed in a negative light in the recent Sri Lankan election. **India's timely help** and the **willingness to partner Sri Lanka's debt restructuring** has had a positive influence across all party lines.

What has been the history of relationship between India and Sri Lanka?

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	India and Sri Lanka have a shared legacy of historical, cultural, religious, spiritual		
Ancient Ties and	and linguistic ties that is more than 2,500 years old. Buddhism is one of the		
<b>Cultural Relations</b>	strongest pillars connecting the two nations and civilizations from the time of the		
	Great Indian Emperor Ashoka.		
Civil War and Indian	Relations between India and Sri Lanka began to sour in the 1980s due to the Sri		
Intervention	Lankan Civil War. The war primarily involved the Liberation Tigers of Tamil Eelam		
intervention	(LTTE).		
	In an effort to resolve the conflict, India signed the Indo-Sri Lankan Accord with		
Indo-Sri Lankan	Sri Lanka, which aimed to provide regional autonomy to Tamil areas. This		
Accord (1987)	included deployment of the Indian Peace Keeping Force (IPKF) to maintain peace.		
Accord (1907)	However, this intervention faced significant backlash and ultimately led to India's		
	withdrawal in 1990 after considerable military engagement and casualties.		
Post-Civil War	After the end of the civil war in 2009, India played a crucial role in reconstruction		
Relations war	efforts in Sri Lanka. However, tensions resurfaced due to India's stance on human		
Relations	rights violations during the civil war and the subsequent UN resolutions.		

# India's help during the recent economic crisis in Sri Lanka

During Sri Lanka's severe economic crisis in 2022, India played a crucial role in providing substantial support. India extended a credit support amounting to approximately \$4 billion.

**Credit Lines and Currency Support-** India also extended \$400 million currency swap and deferrals on trade liabilities worth about \$500 million due to imports from India.

**India's support during Debt restructuring-** India was the first country to provide a **letter of support for Sri** Lanka's debt restructuring to the International Monetary Fund (IMF), facilitating the start of the IMF process.

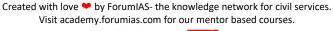
**Humanitarian Aid-** The humanitarian aid included the essential goods and services aimed at alleviating the immediate hardships faced by the Sri Lankan population.

All this good will and radically improved India's bargaining power with Sri Lanka. India's efforts had also resulted in some tangible outcomes-

- a. India signed a deal with Sri Lanka to develop Trincomalee oil tank farm.
- b. India's National Thermal Power Corporation is also going to develop a 100-megawatt power plant in Sampur, a strategic point at the Trincomalee's natural harbour.
- c. Sri Lanka cancelled a Chinese company's licence to build a micro electricity grid close to India.

### What is the importance of Sri-Lanka for India?

- **1. Strategic location-** Sri Lanka is strategically located in the Indian Ocean. The East-West maritime route passing around the island state carries around two-thirds of the world's oil and half of the world's container transportation.
- **2. Maritime security-** Sri Lanka is home to ports that have the potential to become important maritime hubs (Hambantota Port) and securing the strategic Sea Lanes of Communication in the Indian Ocean.
- **3. Geographical proximity to India-** Sri Lanka is located very close to India. Moreover, India has **invested** heavily in Sri Lanka after the end of the civil war in 2009, and after the unprecedented economic crisis in 2022. Hence, it wants to safeguard its strategic interest.
- **4. Maintenance of stability, peace, and security-** The recent rising aggressive footprint of China in the Indian Ocean region makes Sri Lanka even more significant in terms of maintenance of stability, peace, and security.





### What has been the other positive developments in India-Sri Lanka Relations?

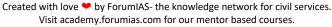
1. Commercial Relations- India and Sri Lanka enjoy a vibrant and growing economic and commercial partnership, which has witnessed considerable expansion over the years. a. India-Sri Lanka Free Trade Agreement (ISFTA)- India-Sri Lanka Free Trade Agreement (ISFTA) in 2000 has contributed significantly towards the expansion of trade between the two countries. b. Bilateral trade- India was Sri Lanka's largest trading partner, with an overall bilateral trade of USD 5.5 billion in 2022.

- c. **FDI Investment from India-** India is also one of the largest contributors to **Foreign Direct Investment** in Sri Lanka. According to the Central bank of Sri Lanka, the total FDI from India so far exceeds **US\$ 2.2 billion**.
- **2. Development Cooperation-** Sri Lanka is one of India's major development partners and this partnership has been an important pillar of bilateral ties between the two countries over the years. a. **Grant commitments-** The overall commitment by India is more than **USD 3.5** billion. Grant projects cut across sectors such as education, health, livelihood, housing, industrial development etc. b. **Demand driven development partnership-** Demand-driven and people-centric nature of India's development partnership with Sri Lanka have been the cornerstone of this relationship.
- 3. Cooperation in Maritime Security-
- a. **Joint Exercises-** The **SLINEX naval exercises** have become one of the most visible manifestations of Indo-Sri Lanka cooperation in maritime security.
- b. **Partnership in regional maritime security architecture-** Sri Lanka is a part of India's regional maritime security architecture, with Sri Lankan coastal surveillance radars being integrated to the **International Fusion Center Indian Ocean Region** (IFC-IOR) at Gurugram in India.

### What are India's concerns with Sri-Lanka?

- 1. **Rising Chinese Footprint-** China is spreading its tentacles in Sri Lanka by bagging the project to develop an airport in capital Colombo. India remains concerned due to lack of a level playing field for economic projects in Sri Lanka, with the Sri Lankan government at times openly siding with the Chinese.
- **2. India's security concerns-** The regular movement of Chinese naval vessels, particularly submarines and the so-called research ships, is a matter of grave security concern to India.
- **3. Safeguarding India's strategic interests-** The environmental groups, which are an important part of the NPP, have demanded the scrapping of the Adani group backed renewable energy project. India is concerned about protecting its strategic interest in the island nation, especially after giving millions of rupees in aid and loan to Sri Lanka.
- **4. Exclusion of minority groups-** India is concerned regarding the **exclusion of Tamils and Muslims** from the governance structure of the newly formed government.
- **5. Fishing disputes-** Despite reaching an agreement 47 years ago through the **1974 Indo-Lanka Maritime** Boundary Agreement, India and Sri Lanka have not yet resolved their maritime disputes, like **Katchatheevu Island dispute**. Indian fishermen continue to cross the maritime border into Sri Lanka in the **Palk Strait**, resulting in encounters with the Sri Lankan Navy, leading to tensions and assaults.
- **6. Tamil issue-** There is concern regarding Sri Lanka's lack of measurable progress in fulfilling its commitment to finding a political solution to the Tamil issue. The Tamil community in Sri Lanka has been demanding the implementation of the 13th Amendment that provides for devolution of power to it.

# What Should be the Way Forward?





**1. Addressal of India's security concerns-** India's security concerns must be taken care of and the newly elected Sri Lankan government must take care that the China does not disrupt Indian shipping movements or use visits to Sri Lanka for spying on India.

- **2. Use of Diplomatic Skills-** India should use its diplomatic skills to ensure that a **power project** awarded to Adani Energy in northern Sri Lanka is not reviewed.
- **3. Wait and Watch Policy-** India must follow a wait and watch policy like done in the case of Maldives, and should refrain from hasty diplomatic decisions and rush.
- **4. Operate within the established framework-** India's relationship with Sri Lanka is framed within India's 'Neighbourhood First' policy and 'SAGAR' framework. Both the nations, must aim to work within the laid down framework.

Read More- The Indian Express
UPSC Syllabus- GS 2- India and its neighbourhood relations

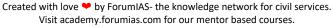
# **Indian Pension System-Significance and Challenges-Explained Pointwise**

Indian pension system has evolved through three key phases- from the the Old Pension Scheme (OPS), to the New Pension Scheme (NPS), and to the proposed Unified Pension Scheme (UPS). Each pension scheme marks a shift in policy and impacts retirees differently.

The OPS was considered more secure, while the NPS tied retirement funds to market fluctuations. However, amid a global retreat from neoliberalism, India has re-examined its approach to pension schemes and has come up with the Unified Pension Scheme (UPS).

# What are the different Pension Schemes introduced in India? What are their provisions?

Pension Scheme	Applicability	Features		
Old Pension Scheme (OPS)	Applicable to all government employees appointed before January 1, 2004.	<ul> <li>a. It is a 'defined benefit scheme' as the government employees were paid 50% of their last drawn salary plus Dearness Allowance (DA) as pension after their retirement.</li> <li>b. Under this scheme, the entire pension amount was borne by the government while fixed returns were guaranteed for employee contribution to the General Provident Fund (GPF).</li> </ul>		
National Pension System (NPS)	<ul> <li>a. Introduced on January 1, 2004. All central government employees joining after January 1, 2004, were compulsorily enrolled in NPS</li> <li>b. It was voluntary for the state governments to join the NPS. Almost all the states except for West Bengal and Tamil Nadu migrated to the NPS.</li> <li>c. Rajasthan, Chhattisgarh, Jharkhand,</li> </ul>	<ul> <li>a. The scheme is a "defined contribution scheme" as the government employees have to make defined contribution of 10% of basic pay and dearness allowance (DA). There is matching contribution by the government.</li> <li>b. There is no defined benefit. The pension benefit is determined by factors such as the</li> </ul>		





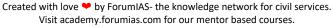
	Punjab, and Himachal Pradesh announced a shift back to the OPS.	amount of contribution made, the age of joining, the type of investment and the income drawn from that investment. c. It remained voluntary for the workforce in the unorganized sector.
Unified Pension Scheme	a. It will be applicable from April 1, 2025 to all those who have retired under the NPS from 2004 onwards. b. Employees can still opt to remain under the NPS. c. Currently for central government employees, but states can also adopt it.	a. It is an assured Pension Scheme and does not leave things to vagaries of market forces. b. The structure of Unified Pension Scheme (UPS) has the best elements of both OPS and NPS. Like OPS, it provides an assured pension and, like NPS, it has provisions of employee contribution to the pension corpus. c. The UPS is a funded contributory scheme, while the OPS is an unfunded noncontributory scheme.

What were the concerns with the Old Pension Scheme which led to the introduction of the NPS?

- 1. Limited Coverage of the Old Pension Scheme(OPS)- The Old Pension Scheme(OPS) covered only the government employees, which formed  $\sim$ 12% of the total workforce of the country. National Pension Scheme aim was to provide pension coverage to even the workers of the unorganised sector. Workers of the unorganised sector could also join the NPS voluntarily.
- 2. Huge Fiscal burden on the Central and State Governments due to OPS- With every new pay commission awards, the basic salaries of the Government servants were increasing. This was increasing the burden on the Union and state exchequers in making pension payments under OPS scheme. For instance- According to the India Pension Research Foundation, the expenditure on Union civil service pensions was around be 2.31% of the GDP in 2004-05 and the implicit pension debt of the Government of India was around 56% of the GDP.
- **3. Burden on the future Generation due to OPS-** Under the OPS Scheme, contributions of the current generation of workers were explicitly used to pay the pensions of pensioners. Hence, OPS scheme involved direct transfer of resources from the current generation of taxpayers to fund the pensioners.
- **4. Disincentivised Early Retirement-** The OPS scheme used to disincentivise early retirement, as the pension was fixed at 50% of the last drawn salary. Hence, even the disinterested government employees used to linger around to reach till their retirement age to avail maximum pension. This resulted in massive under utilisation of human resources.

#### What advantages were sought by the introduction of NPS?

- **1. Flexibility-** NPS allowed the subscriber to choose the fund manager and the preferred investment option, including a 100% government bond option. A guaranteed return option could also be considered to provide an assured annuity.
- **2. Simplicity and portability-** Opening of account with NPS provided a Permanent Retirement Account Number (PRAN) which remained valid throughout the lifetime of the subscriber. The NPS is also portable across jobs, as PRAN account remains the same.





**3. Well Regulated Scheme-** An NPS Trust was also constituted to regularly oversee performance of fund managers, with a trustee bank to efficiently manage fund flows. A custodian was also appointed to hold the securities, with subscribers being beneficial owners of the assets.

### What were the issues with the introduction of NPS?

- **1. Market Volatility/Uncertainty-** Contributions under the NPS scheme were invested in the markets through the fund managers. There were apprehensions that the new NPS will not deliver the same benefits as the old scheme. The returns were prone to the market volatility and uncertainty. As per SBI report, NPS asset growth has been affected by the Ukraine-Russia conflict and may fall short of the declared target of Rs 7.5 lakh crore by March 2022.
- **2. Increased burden on Employees-** Under the old pension scheme, all the burden of pension was borne by the government. There was no requirement of monthly contribution from employees in the pension fund. Hence, the employees used to get greater disposable monthly income in their hands along with an assurity of pension.

NPS had decreased the disposable monthly income in the employees hands as 10% of their basic pay and DA is deducted every month.

- **3. No General Provident Fund (GPF) benefits-** Under the Old Pension Scheme (OPS), fixed returns were guaranteed for employee contribution to the General Provident Fund (GPF). However, NPS had no General Provident Fund (GPF) provisions.
- **4. No assured Family Pension-** There were no provisions for assured family pension in the NPS, unlike the OPS. The pension was dependent on the pension corpus.
- **5. No indexation for Inflation-** The NPS lacked any indexation to account for inflation. The pension was entirely market linked.

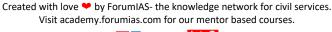
### What is the Significance of the Unified Pension Scheme?

**1. Assured Pension-** UPS provides a fixed, assured pension amount, unlike the market-linked returns of the NPS

Employees who have served for at least 25 years will receive 50% of their last drawn salary from the previous 12 months as pension.

- **2. Higher Government Contribution** The government's contribution rate in UPS is 18.5%, which is higher than the 14% in NPS. This increased contribution can significantly boost the pension corpus, providing greater financial security in retirement.
- **3. Inflation Indexation-** Employees who have served for over 25 years will be eligible for post-retirement inflation-linked increments to their pension. This protects the real value of the pension against rising prices.
- **4. Assured Family Pension-** UPS includes an assured family pension of 60% of the employee's basic pay, payable to dependents upon the employee's death.
- **5. Combination of Defined Benefits and Contributions-** UPS blends the guaranteed pension features of OPS with the investment flexibility and portability of NPS. This balanced approach offers both stability and growth potential for retirement benefits.

What are the Concerns with the Unified Pension Scheme?



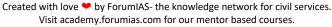


**1. Increased Fiscal Burden-** The introduction of a defined pension could significantly increase the financial burden on the government. **For ex-** The expenditure on arrears will be Rs 800 crore in the first year of implementation, and would cost the exchequer roughly Rs 6,250 crore.

- **2. Potential for Unsustainable Liabilities-** As the UPS combines features of both the Old Pension Scheme (OPS) and the National Pension System (NPS), there is concern that it may lead to unsustainable liabilities for the government. The **defined benefits could constrain spending on other essential services**, as a larger portion of the budget may need to be allocated to cover pension costs.
- **3. Inequitable Benefits-** The scheme primarily benefits a small section of the workforce, the central government employees. While the NPS was voluntary for the workforce in the unorganized sector, there are no such provisions in the UPS.
- **4. Transition from NPS-** This transition raises questions about the management of the existing NPS corpus and the potential for reduced participation in the NPS.
- **5. Concerns of lower returns-** Critics argue it offers lower returns compared to the OPS and leaves retirees vulnerable to market risks. There are concerns about underfunding which may lead to delayed payouts.
- **6. Disadvantegeous for late joiners-** The requirement of 25 years of service for a full pension under UPS is disadvantageous for late joiners.
- **7. Exclusionary-** The UPS currently covers only Union government employees, and excludes many public sector workers, which may hinder further pay commissions.

# What is the comparative analysis of the three pension schemes?

Features	Old Pension Scheme (OPS)	National Pension System (NPS)	Unified Pension System (UPS)
Pension Amount	50% of last drawn salary.	Market-linked pension. There is no defined pension and the pension value depends upon the performance of the selected investment funds.	Guaranteed pension of 50% of the average basic pay from the last 12 months before retirement.
Inflation Indexation	Adjusted for inflation through Dearness Allowance (DA).	Not applicable, the pension is market linked.	Indexed for Inflation based on the All India Consumer Price Index for Industrial Workers (AICPI-IW)
Employee Contribution	No contribution from employee.	Defined contribution of 10% of basic pay and dearness allowance (DA).	Defined contribution of 10% of basic pay and dearness allowance (DA).
Government Contribution	Full Funding	Defined contribution of 14% of the employee's basic pay and dearness allowance.	Defined contribution of 18.5% of the employee's basic pay and dearness allowance.
Family Pension	Yes. Continues after retirees death.	Corpus Dependent	Yes. It is 60% of employee's pension.
Risk	No market risk	Market risk	Lower risk than NPS





Flexibility	Low, fixed benefits	High, with investment choice	Limited,	with	assured
riexibility	Low, fixed belieffts	flexibility	pension		

# What Should be the Way Forward?

**1. Inclusion of informal labor under UPS-** The government should focus on increasing the government's contribution and expanding the scheme to include informal labor. UPS must broaden its scope to provide pension security for all citizens, not just government employees.

- **2. Regular Assessments-** Periodic evaluations should be conducted to ensure that the scheme remains financially viable. The government contributions should be adjusted based on these assessments to maintain a balance between employee benefits and fiscal responsibility.
- **3. Stakeholder Consultations-** There must be regular engagement with government employees, unions, and other stakeholders to gather feedback and address concerns regarding the UPS. This can help in refining the scheme.
- **4. Performance Metrics-** The government should aim to establish clear performance metrics to evaluate the effectiveness of the UPS in meeting its objectives. Regular monitoring can help in making informed decisions about necessary adjustments to the scheme.

A restructured UPS could offer a balance between state responsibility and market participation, protecting retirees from market risks while ensuring a robust welfare system.

Read	More-	The	Hindu
UPSC Syllabus- GS-3 I	ndian Economy		

# India's increasing Imports from China - Reasons and way forward- Explained Pointwise

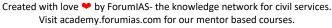
The "Make in India" initiative was launched by Prime Minister Narendra Modi on **September 25, 2014**, with the vision to transform India into a global manufacturing hub. This year, this program has completed it's 10 years. Therefore, it becomes important to analyse the achievements and challenges during 10 years of make in India Program. Now let's start with the introduction of the same.

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### What were the objectives of Make in India?

- **Boost Manufacturing** Aims to raise manufacturing sector growth to 12-14% per annum, create 100 million additional jobs by 2022, and increase manufacturing sector's contribution to GDP to 25% by 2025
- **Global Competitiveness**: Improve India's competitiveness by attracting foreign direct investment (FDI), modernizing infrastructure, and simplifying bureaucratic processes.
- Focus Sectors: 25 sectors, including automobiles, textiles, electronics, pharmaceuticals, defence manufacturing, renewable energy, and more.
- **Now, with the "Make in India 2.0" phase**, it includes 27 sectors, the program continues to drive forward with significant achievements and renewed vigour.
- Designed to transform India's economic trajectory and generate employment opportunities for the vast young workforce

#### Pillars of 'Make in India':





1. **New Processes** It identified 'Ease of Doing Business' as crucial for promoting entrepreneurship. Measures like Streamlined processes, simplified regulations, and reduced bureaucratic hurdles were implemented to enhance the business environment for startups and established enterprises.

- 2. **New Infrastructure:** Under this government focussed on development of industrial corridors and smart cities with state-of-the-art technology, high-speed communication and creating world-class infrastructure to support industrial growth. It also focussed on improving intellectual property rights (IPR) infrastructure.
- 3. New Sectors: In included opening up various sectors for Foreign Direct Investment (FDI).
- 4. **New Mindset:** Government embracing a role as a facilitator rather than a regulator. **It created** partnership with industry to drive the country's economic development.

# What are the key Initiatives taken under 10 Years of Make in India?

# **Production Linked Incentive (PLI) Scheme:**

PLI scheme was launched to **incentivize domestic manufacturing** and **reduce imports**. It was aligned with India's vision of becoming 'Atmanirbhar' (self-reliant). The primary goals of the PLI Schemes are to attract substantial investments, incorporate advanced technology, and ensure operational efficiency.

It covers 14 sectors, including **electronics**, **solar panels**, **and pharmaceuticals**, aiming to create large-scale manufacturing ecosystems.

The scheme was launched with an incentive outlay of ₹1.97 lakh crore and ₹1.23 lakh crore worth of investment was realized by companies by March 2024.

**PM Gati Shakti**: The Plan launched in Oct 2021 to create multi-modal and last mile connectivity infrastructure, aimed at US\$5 trillion economy by 2025.

**The plan is driven by 7 engines, namely**: 1. Railways 2. Roads 3. Ports 4. Waterways 5. Airports 6. Mass Transport 7. Logistics Infrastructure.

The government has focused on developing industrial corridors, including: Delhi-Mumbai Industrial Corridor (DMIC), Bengaluru-Mumbai Economic Corridor (BMEC), etc.,

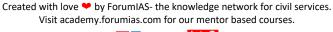
**Semiconductor Ecosystem Development** – Semicon India Programme launched with outlay of ₹76,000 crore to develop sustainable semiconductor and display ecosystem. It resulted in projects like Tata's joint venture with Taiwan's Powerchip in Dholera.

**National Logistics Policy** – Launched in Sept 2022 to improve logistics efficiency and reduce costs, targeting top 25 rank in Logistics Performance Index by 2030.

**Boost in FDI**: Several reforms have been implemented to ease the flow of FDI, including raising the **FDI cap** in critical sectors like **defence** (from 26% to 74%), insurance, and railways. This has led to a consistent increase in FDI inflows, with \$84 billion received in 2021-22, making India one of the largest FDI destinations globally.

**Skill Development Initiatives**: To meet the demand for skilled labor, the government launched initiatives like **Skill India** and the **Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**, which have trained **millions of youths** across India.

**Startup India:** launched for building a robust startup ecosystem, and transforming India into a country of job creators instead of job seekers. As of September 25, 2024, India boasts the third-largest startup ecosystem in the world, with 148,931 DPIIT Recognized Startups, which have created over 15.5 lakh direct jobs.





**Tax Reforms:** It included implementation of the Goods and Services Tax (GST) on July 1, 2017. Simplification of the tax reforms lowered production costs, making local manufacturing more competitive.

**Unified Payments Interface:** India's Unified Payments Interface (UPI) has emerged as a frontrunner in the global digital payments landscape. UPI processed nearly ₹81 lakh crore in transactions between April and July 2024 alone.

## What are the achievements in 10 Years of Make in India?

**Vaccines:** India supplies nearly 60% of the world's vaccines, meaning every second vaccine globally is proudly made in India. India not only achieved COVID-19 vaccination coverage in record time but also became a major exporter of much-needed life-saving vaccines.

**Rise in Mobile Manufacturing**: India is now the **second-largest mobile phone manufacturer globally**. From having **two mobile manufacturing units** in 2014, the country now hosts **over 200 units**, producing 99% of the mobile phones used in India. Mobile exports surged from **₹1,556 crore to ₹1.2 lakh crore** in 2024 .

**Defence Manufacturing**: India has made significant strides in defence production, particularly in reducing imports. For example, **Hindustan Aeronautics Limited (HAL)** and other domestic players are producing key military equipment like **fighter jets and submarines**. In 2023-24, defence production has soared to ₹1.27 lakh crore, with exports reaching over 90 countries, showcasing India's growing strength and capability in this critical area.

**Semiconductor and Chip Manufacturing:** The semiconductor sector, once nearly absent, attracted investments worth ₹1.5 lakh crore with five semiconductor fabrication plants in the pipeline. These plants are set to have a combined daily capacity of **7 crore chips**.

**Railway infrastructure:** Vande Bharat Trains, India's first indigenous semi-high-speed trains, are a shining example of the success of the 'Make in India' initiative. Featuring state-of-the-art coaches, these trains offer passengers a modern and enhanced travel experience.

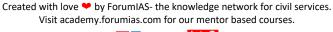
**Renewable Energy Growth**: India has emerged as the **4th largest renewable energy producer globally**. The country has witnessed a meteoric rise from 76.38 gigawatts (GW) in 2014 to an impressive 203.1 GW in 2024.

**Steel Production**: India became a **net exporter of finished steel**, with production increasing by **50%**. This is a direct impact of the policy focus on domestic capacity building.

**Automobile Industry Growth**: India is now a global leader in **automotive manufacturing**, particularly in two-wheelers and electric vehicles (EVs). The EV market, valued at **\$3 billion**, grew substantially after 2014, contributing to sustainable mobility goals

# What are the challenges faced by Make in India program during last 10 years?

**Slowing growth rate:** According to the National Accounts Statistics (NAS), the manufacturing real gross value added (GVA) growth rate has slowed down from 8.1 during 2001-12 to 5.5% during 2012-23.





# SHARE OF MANUFACTURING IN GDP- SAME AS A DECADE AGO



Note: Data is in constant prices.

Source: Ministry of Statistics and Programme Implementation

**Image Credit:** The Print

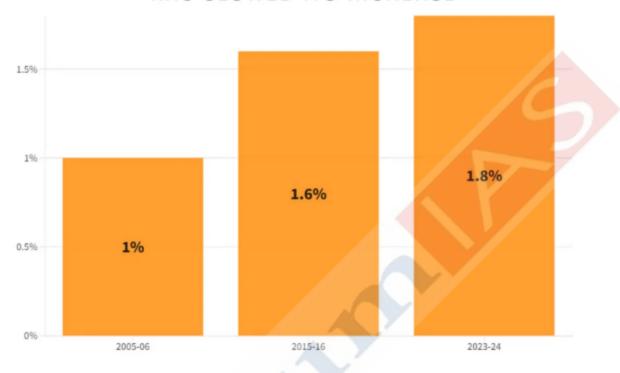
**Lagging Manufacturing Share in GDP:** The sector's GDP share has stagnated at 17%-18% over the last three decades, though it is slightly higher in the latest GDP series due to methodological changes. This is still far from 25% target.

**Limited Job Creation:** The growth in output has not been mirrored by growth in employment . As per the NSSO sample surveys, manufacturing employment has declined from 12.6% in 2011-12 to 11.4% in 2022-23. Agriculture's share in the workforce increased from 42.5% in 2018-19 to 45.8% in 2022-23. As per surveys of unincorporated sector enterprises, employment in Unorganised or informal sector manufacturing still accounts for most employment. But, still, it was reduced from 38.8 million in 2015-16 to 30.6 million by 2022-23.

**Exports:** India's exports as a share of GDP has fallen from 25.2 percent in 2013-14 to 22.7 percent in 2013-24. India's contribution to global exports has increased at a slow pace, in 2005-06, India contributed 1 percent to global exports. By 2015-16, this had grown to 1.6 percent. However, by 2022-23, it stood at just 1.8 percent — a significantly lower increase.



# INDIA'S SHARE IN GLOBAL GOODS EXPORTS HAS SLOWED ITS INCREASE



Source: The print

# What are causes of challenges faced during 10 Years of Make in India?

**Supply Chain and Infrastructure Bottlenecks**: While industrial corridors and infrastructure projects have progressed, certain areas still suffer from **inadequate logistics**, poor connectivity, and inefficient supply chains .

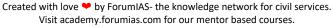
**Complexity in Regulatory Environment**: Although reforms have eased some processes, **bureaucratic hurdles** and delays in approvals remain in specific sectors, leading to challenges for businesses.

**Overdependence on Imports**: Several critical components, especially in high-tech sectors like **electronics** and semiconductors, are still heavily dependent on imports, limiting India's self-reliance in strategic areas. Furthermore, trade imbalance is growing from 2020-21 to 2023-24.

**High Logistics cost:** Logistics cost in India is higher at 13% to 14% of GDP compared to 8% to 9% of GDP in other developed economies such as the USA. Higher logistics cost reduces the competitiveness of 'Made in India' products in global markets.

**R&D:** The India Innovation Index 2021 has found that the overall spending on R&D by India has been relatively low across the country. The funding is less than 1% of the GDP. Further there are no extra provisions for R&D in the sunrise sectors. The best talent of our country migrates to foreign countries resulting in brain drain.

**GFCF**: As per National Accounts Statistics (NAS) and Annual Survey of Industries (ASI), Gross Fixed Capital Formation (GFCF) reduced from 4.5% in 2012-13 to 0.3% in 2019-20.





**FDI:** FDI in India did not grow at a required pace, even though India's rank in the World Bank's Ease of Doing Business (EDB) index, improved from 142 in 2014-15 to 63 in 2019-20.

#### What more can be done?

**R&D:** India must aim at investment-led growth and technological catching up. They must be supported by domestic R&D to promote adaptive research and the indigenisation of imported technology.

**Finance:** Publicly funded development finance institutions or "policy banks" are needed to provide affordable long-term credit. It will be beneficial for socialising the risks of learning and catching up with the technological frontier.

**Deepening Domestic Value Chains**: India needs to build **backward linkages** in manufacturing sectors such as electronics and automotive by promoting domestic production of key components and raw materials.

**Enhancing Innovation and R&D**: Greater emphasis is needed on **research and development (R&D)**, especially in areas like **semiconductors**, **electric vehicles**, and **clean energy**. Establishing **R&D hubs** and offering greater tax incentives for innovation will help.

**Strengthening Skill Development**: Expanding the scope and depth of skill development programs, with a focus on **digital and high-tech skills**, will enable India's workforce to better align with the demands of modern industries.

**SME Empowerment**: Small and medium enterprises (SMEs) should be provided targeted support through **financial incentives, easier credit access**, and **technological support** to help them integrate into global supply chains .

**Focus on Green Manufacturing**: With increasing focus on **sustainable development**, promoting **green manufacturing** practices by incentivizing renewable energy use, energy-efficient technologies, and ecofriendly production methods can boost India's standing in the global market.

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**UPSC Syllabus** – GS 3- Indian Economy – Changes to industrial Policies

