

MONTHLY

EPIC!

*Supplementary reading material for MGP and Current Affairs classes of
ForumIAS Academy*

AN EXCLUSIVE CURRENT AFFAIRS MAGAZINE FOR

PRELIMS + MAINS

PREPARATION

July 2022


I enrolled myself in the Forum Mains Guidance Program + for GS and Essay test series. The answer writing practice and written feedback from Forum alongwith 'Best answers' and topper's copies provided helped me improve my answers and get a high score in my General Studies papers.

Ayush sir's regular articles were also fun and encouraging reads - I thank the ForumIAS team for their guidance during my two year association with them.

Shruti Sharma
AIR 1, CSE 2021

forumIAS has been an integral part of my upsc journey, right from my very first attempt. The prelims and mains test series have helped me a lot and I have referred to them in all my three attempts. One on one session with Ayush sir for interview ~~was~~ beneficial too. Always enjoy reading his articles on the forumIAS blog.

With Best wishes,



Vikash Dwivedi
AIR 5, CSE 2021

5 students in Top 10 and 57 students in Top 100 Ranks List of CSE 2021 are ForumIAS Academy students. Total 303 selections out of 685 vacancies.

TABLE OF CONTENT

TABLE OF CONTENT	3
Focus Article	6
Gender Representation in the Parliament.....	6
Gender Pay Gap.....	7
Reproductive Rights in India.....	9
General Studies Paper I.....	10
1. Impact of Caste on Economic Transformation.....	10
2. Issues Related to Population in India	11
3. The Duality of India: Differences in Northern and Southern Indian States	13
4. Erratic Monsoons in India	14
General Studies Paper II.....	16
1. Issues with the Working of Anti-Defection Law	16
2. The Need for Pre-Legislation Consultation Framework in India.....	18
3. The Supreme Court's Observations Regarding Provisions of Bail	20
4. Reforms in Higher Judiciary: Provisions Related to Services of Judges	22
5. Issues with the National Mobile Monitoring Software (NMMS) App	23
6. The Right to Repair.....	24
7. Poor Political Participation of the Disabled Persons.....	25
8. India's Engagement with Taliban.....	26
9. BRICS: Challenges and Possibilities Ahead.....	28
10. Partnership for Global Infrastructure and Investment (PGII) Initiative.....	30
General Studies Paper III	31
1. 5 Years of the Goods and Services Tax (GST).....	31
2. Government as Principal Employer: Union Government's 1 Million Job Promise	34
3. Fall in the Value of Rupee: Reasons, Concerns and Solutions.....	36
4. The State of State Government Finances.....	38
5. Privatization on Banks: Benefits and Concerns	41
6. Issues with Online Marketplace and Large Platforms.....	43
7. NITI Aayog Recommendations on Gig Economy in India	44
8. 12 th Ministerial Conference of the WTO.....	46
9. Rare Earth Elements: Strategic Importance and Reducing Import Dependence	47
10. Ban on Single-use Plastic.....	50
Factly.....	52
Polity.....	52
1. Restrictions on the Use of Unparliamentary Words	52
2. Foreign Contribution Regulation Act (FCRA) Amendment Rules, 2022	52
3. Decision on trying of Juveniles as Adult a difficult task: Supreme Court	53
4. OHCHR Report on Internet Shutdowns	53
Policy.....	54
1. Draft Guidelines for Participation of Children in Entertainment Industry	54

2.	Performance Grading Index for Districts.....	55
3.	Impact of IT Rules 2021	56
4.	State Ranking Index for National Food Security Act	56
5.	Draft Drug, Medical Devices and Cosmetics Bill, 2022	57
6.	India State Programme for Road Safety.....	57
Economy		58
1.	Problem of Twin Deficit in India.....	58
2.	SBI Estimates on Poverty.....	59
3.	'Payments Vision 2025' by RBI	59
4.	Draft Development of Enterprise and Service Hubs (DESH) Bill.....	60
5.	State Start-up Rankings.....	60
6.	Global Findex Report by the World Bank	61
7.	Business Reforms Action Plan (BRAP).....	62
International Relations		62
1.	I2U2 Summit	62
2.	India-Vietnam Defence Partnership towards 2030.....	63
3.	Partners in Blue Pacific Initiative (PBP)	64
4.	Status of BRI Projects.....	64
Science and Technology.....		65
1.	Critical Information Infrastructure (CII).....	65
2.	NITI Aayog Report on 2-Wheeler EV Market Forecast	65
3.	NITI Aayog Report on Green Hydrogen.....	66
4.	3 New exotic Sub-atomic Particles discovered at CERN	67
5.	HPV Vaccine Developed by SII	68
Environment.....		68
1.	Exceptional Warming of Barents Sea and Atlantification	68
2.	Heating-up of Rivers due to Climate Change.....	69
3.	Post-2020 Global Biodiversity Framework	69
4.	'Sustainable Use of Wild Species' IPBES Report	70
5.	Impact of Loss of Biodiversity on Sovereign Credit Ratings	71
6.	Bedti-Varada River Interlinking Project.....	71
7.	National Air Quality Resource Framework of India (NARFI).....	72
8.	CAQM Policy to Mitigate Air Pollution in Delhi-NCR.....	73
9.	Proposed Amendments to the Environment Protection Act, 1986 (EPA).....	73
History, Art and Culture		74
1.	Gifts for G-7 Leaders	74
2.	Swami Ramanujacharya.....	74
3.	Kaukab-i-Tali: Coins Minted During Mughal Era.....	75
4.	125 th Birth Anniversary of Freedom Fighter Alluri Sitarama Raju and Rampa Rebellion.....	75
5.	National Emblem of India	76
Miscellaneous.....		76
1.	The Phenomenon of Cloudbursts.....	76
2.	Global Trends Report.....	77

3.	Global Gender Gap Index, 2022	77
4.	World Mental Health Report	78
5.	World Drug Report, 2022.....	78
6.	World Cities Report, 2022	79
Pointly		80

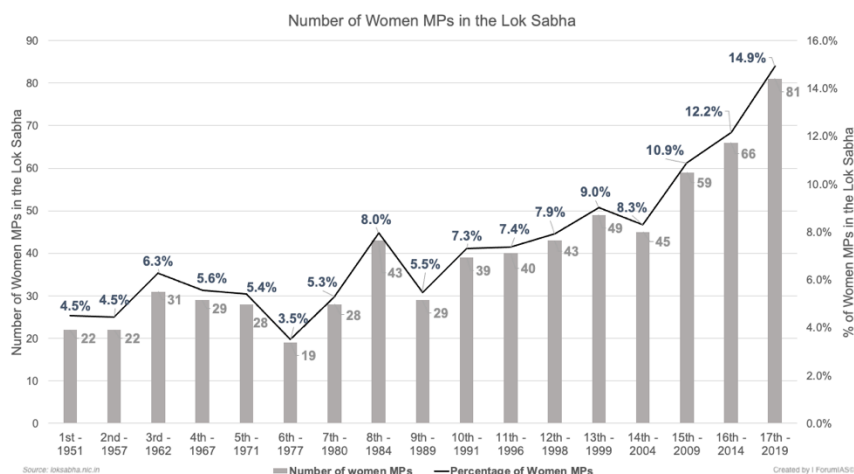
Focus Article

Gender Representation in the Parliament

News: India's Rank in the Global Gender Gap Index, 2022 has improved slightly to 135th (140th in 2021). India has performed the best in the Political Empowerment sub-index (48th). Representation of Women in the 17th Lok Sabha is the highest (14.8%) since 1951. However, women still face considerable challenges in meaningful political participation.

What barriers limit political participation of women? - (1) Political Barriers:

(a) The prevalence of the 'masculine model' of political life and of elected government bodies. Women lack support from the party and have limited access to political networks; (b) Lack of sustained contact and cooperation with other public organizations such as trade and labour unions; (c) Lack of access



to well-developed education and training systems for women's leadership in general, and for orienting young women towards political life; (2) **Socio-economic Barriers:** (a) Women have lower social and economic status. Women have lower literacy levels; (b) Women workers are largely engaged in low-productivity activities in the informal sector; (c) Women entrepreneurs face greater hurdles in accessing credit, operate smaller enterprises and earn lower profits; (d) Educated women earn lower wage than men. This implies women have limited financial resources; (e) Women have limited choice of professions and dual burden of domestic tasks and professional obligations; (3) **Psychological Barriers:** Ideological obstacles result from the traditional roles of women in the society. Women are restricted to the role of mother or caregivers. These roles forge an image of women being apolitical. Women have **internalized the apolitical image** that shapes their view of politics. Ideological and psychological obstacles are gender ideology, cultural patterns, and predetermined social roles assigned to women and men; This results in women's lack of the confidence to stand for election.

What are the gender issues in the Parliament? - There are systemic issues due to which the Parliament of India continues to alienate women. The Parliament as a workspace continues to be built exclusively for men; (1) There is a lack of **gender-neutral language** in the Parliament of India e.g., the Vice-President of India is referred as the ex-officio Chairman, as per the rules of procedure of Rajya Sabha; (2) The gender perspective is missing in legislation. Women have little say in issues directly related to their rights and welfare e.g., the Medical Termination of Pregnancy Act, 2021 is criticized for lack of bodily autonomy for women.

What are the benefits of greater political participation of women? - (a) Focus on Gender issues: According to UN Women, higher numbers of women in parliament generally contribute to stronger attention to women's issues; (b) **Gender Equality:** Women's political participation is a fundamental prerequisite for gender equality and genuine democracy; (c) **Accountability:** It facilitates women's direct engagement in public decision-making

and is a means of ensuring better accountability to women; **(d) Gender-sensitive Governance:** 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.

What steps can be taken to enhance political participation of women? – The way forward

lies in removing barriers to women's entry to politics and on women political effectiveness. **(1)** Emphasis on education and raising political awareness among women; **(2)** Enabling women's organizations to help them to influence political actions and raising awareness on women's issues. They can also help in training younger women that seek to enter politics and raising resources and funds for women's candidates; **(3)** All political parties should consider the passage of the Women's Reservation Bill that seeks to reserve 33% seats for women in the Lok Sabha and the State Legislative Assemblies; **(4)** Reservation of seats for women faces opposition as it restricts choice of voters. Therefore, some experts have suggested alternate methods such as **allocating minimum 33% tickets to women candidates in election** and **dual member constituencies**; **(5)** The Election Commission (ECI) has taken several initiatives to **raise awareness among women voters** which has contributed to the increase in women's turn-out in elections. The ECI could influence political parties' programmatic priorities and improve their responsiveness to women voters' interests, preferences, and concerns, including sexual harassment and gender-based violence.

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).

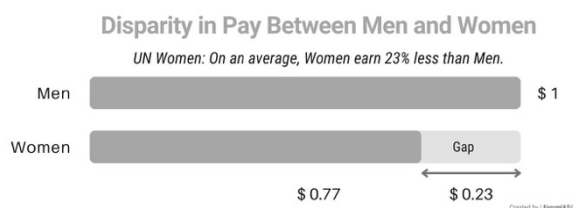
Created by | ForumIAS®

Gender Pay Gap

News: Various studies point out persistent pay gap between men and women. The gap is prevalent in both developed and developing countries, though it is more acute in developing countries.

What is the status of Gender pay gap? – (1)

According to UN Women, women earned 77 cents for every dollar earned by men i.e., women earned 23% less than men; **(2)** An International Labour Organization Policy (ILO) Brief in July 2021 observed the **gendered impact of COVID-19 pandemic** on the global labour market. Women's employment went down by 4.2% compared to 3% for men; **(3)** According to the Global Gender Gap Index, 2022, only 5 countries score higher than 0.8 on the indicator of wage equality for similar work, indicating significant wage gap in both developed and developing countries; **(4)** According to an Oxfam Report (2019), gender pay gap in India is about 34%. Another study found that only 65% of women in India received a pay rise or bonus for taking on extra responsibilities or a new role, compared to 70% of men.



What are the reasons behind the Gender Pay Inequity? – According to the ILO, the gender pay gap exists because: **(1) Under-representation in leadership:** Very few women are part of leadership and management.

Women managers tend to be more concentrated in support functions like Human Resource Management than strategic roles. This brings down the average salary of female managers; **(2) Working hours:** The gap is also a consequence of the different patterns of workforce engagement. In the Global Wage Report 2018-19, the ILO highlighted that more women work on a part-time basis than men. This is due to: **(a)** Women taking on more of the un-paid family responsibilities; **(b)** The lack of affordable and sufficient child care. Part-time work offers lesser remuneration; **(3) Career Gap:** Women are more likely to take career breaks for childbearing. This reduces their work-experience. At the time of re-joining they have fallen behind in career advancement and remuneration; **(4) Education:** Women still lag behind men in Science, Technology, Engineering and Mathematics (STEM) disciplines. These disciplines are typically more remunerative. Women in STEM fields face discrimination as the sector is still male dominated; **(5) Feminized Jobs:** Occupational gender stereotyping results in certain jobs being held predominately by women. This leads to 'female jobs' being undervalued for purposes of wage rate determination. 'Feminized Occupations' tend to have lower wages.

Motherhood Penalty

- A study by the Pew Research Centre in the US showed that the gender pay gap is due lack of work experience of women workers.
- Most women have to leave workforce for **childbearing** and **unpaid care work**.
- Many firms are **reluctant to hire women** because they tend to leave their jobs mid-career due to childbearing responsibilities. This has been termed as '**Motherhood Penalty**'.
- It has been observed that the **pay gap is highest for women in their 30s** (childbearing years).
- The **pay gap decreases with age**. This suggests that women without children face fewer social barriers in securing higher-paying jobs.

Created by | ForumIAS®

Why should Gender Pay Gap be closed? – **(1)** Wage parity will increase income of women. It will enhance their purchasing power which in turn helps stimulate consumer spending and the economy. According to a study by McKinsey, closing the Gender Pay Gap could add US\$ 13 trillion to the global economy by 2030; **(2)** Wage disparity acts as a deterrent to women's participation in work. Eliminating the gender pay gap can provide incentives for more women to be economically active. This would advance gender equality and create a virtuous circle; **(3)** Beyond the economic factors, gender pay disparity impacts equal rights of women. Women must be paid equally as men for same work responsibilities to ensure equality.

What efforts have been made to address the issue? – **(1)** The **Code on Wages Act, 2019**, prohibits gender discrimination in matters related to wages and recruitment. However, lack of a dispute resolution forum leads to poor implementation; **(2)** The **World Bank's Women, Business and The Law 2021 report** said that around 190 economies had undertaken some reforms in laws and regulations that restricted women's economic opportunities like allowing women to work in jobs deemed dangerous for them earlier; **(3)** The EU has launched a **Gender Equality Strategy 2020-25**, identifying key areas of labour-market reforms; **(4)** In the US, more than 14 states have adopted different versions of **pay disclosure laws**. This enhances transparency and provides basis for women to negotiate better pay; **(5)** The UN has been celebrating September 18 (since 2020) as the International Equal Pay Day (IEPD) to raise awareness about the issue.

What steps can be undertaken to address the pay gap? – The ILO suggests that enterprises should take initiatives to enhance gender inclusiveness. They can undertake steps like: **(1)** Promoting a gender-inclusive business culture while adopting a holistic approach to equal remuneration for women and men for work of equal value; **(2)** Basing pay on the position and responsibilities rather than previous pay of the employee. The latter approach perpetuates the gender pay gap; **(3)** Undertaking regular gender pay reviews in the enterprise

to assess and correct any gender pay gap; (4) Taking steps to ensure unconscious gender bias does not affect performance reviews; (5) Making jobs more flexible so that more women access higher-level jobs.

Reproductive Rights in India

News: The overturning of Roe vs Wade Judgment by the US Supreme Court has given rise to intense debate regarding reproductive rights of women. India has provided several reproductive rights to women, but experts say there are several shortcomings in the existing legal framework.

Which Acts regulate the reproductive rights in India? – (1)

The rights related to pregnancy and abortion are regulated by the Medical Termination of Pregnancy Act, 2021; (2) The rights related to surrogacy are regulated by the Surrogacy Act, 2021.

What are the shortcomings of the MTP Act, 2021? – (1) Lack of Rights-based Approach:

Women lack complete bodily autonomy in ending the pregnancy. Abortion is

allowed in limited circumstances (grave danger to the pregnant woman, foetal abnormalities, rape, failure of contraceptives). The opinion of Registered Medical Practitioner (RMP)/Medical Board is necessary. Hence, the decision of abortion does not belong to the pregnant woman; (2) **Gender Exclusion:** Transgender, intersex and gender diverse persons who are biologically capable of bearing children are not covered under the Act; (3) **Procedural Challenges:** Women lack access to RMPs especially in remote areas. Moreover no time limit is prescribed for deciding the cases referred to Medical Board; (4) **Unsafe Abortions:** There are associated issues of affordability and social stigma with abortion. Rural Public Health Centres (PHCs) lack the facilities to undertake safe abortion. Private medical centres are expensive. This forces women to undertake unsafe abortion in sub-standard clinics or self-abortion at homes. According to the **UNs Population Fund (UNFPA) State of the World Population Report 2022**, around 8 women die each day in India due to unsafe abortions. (Refer EPIC May 2022 for Debate Regarding Abortion, EPIC March 2022 for WHO Guidelines on Abortion).

What are the concerns associated with the Surrogacy (Regulation) Act, 2021? – (1) Exclusionary: It doesn't recognize the **reproductive autonomy** of LGBTQ+ persons and single, divorced, and widowed intending parents. Only a **heterosexual married couple** (with certain preconditions) can be the intending parents. It is seen as a violation to the fundamental right to equality; (2) **Privacy Concerns:** The Act requires the intending couple to declare their infertility and reveals the identity of the surrogate. These provisions violate the right to privacy and the **Puttaswamy Judgment**; (3) The Act allows only **altruistic surrogacy**, denying women compensation for their reproductive labour.

What should be done? – (1) Experts believe that there should be regulations instead of a **complete ban on commercial surrogacy**; (2) The gaps in both the MTP Act 2021 and the Surrogacy Act need to be fixed. The Government should strive for inclusivity, complete bodily autonomy, and reproductive equity.

Women-Centric Welfare Measures by the Government

- **Ayushman Bharat - Jan Arogya Yojana (PM-JAY):** Health cover of Rs 5 lakh per family per annum for a wide range of packages pertaining to **obstetrics** and **gynaecology**.
- **Pradhan Mantri Matru Vandana Yojana (PMMVY):** Partially **compensates wage loss** before and after pregnancy.
- **Pradhan Mantri Surakshit Matritva Abhiyaan (PMSMA):** Provides **free antenatal care** to pregnant women every 9th day of the month. It eases the financial burden of pregnant women.
- **Janani Suraksha Yojana:** Promotes safe motherhood through **institutional deliveries**. Institutional deliveries have increased to 89% in NFHS-5.
- **LaQshya:** Provides quality, **respectful care in labour rooms** during deliveries. Maternal Mortality Ratio (MMR) has reduced to 103 per lakh live births in 2019.
- **Beti Bachao, Beti Padhao Campaign:** Promotes girl education.
- **Ujjwala/Jal Jeevan Mission** Save efforts of women to collect fuel-wood and water by providing cooking gas and drinking water at home.
- **Mudra Yojana:** Provides loans to aspiring women entrepreneurs without collateral.

Created by | ForumIAS®

General Studies Paper I

1. Impact of Caste on Economic Transformation

News: Recent increase in agitations like protests for reservation by agrarian castes, against the farm laws or the *Agnipath* Scheme have been attributed to jobless economic growth and poverty in rural areas. Some sociologists have argued that Caste is a major factor impeding India's economic transformation.

How has caste impeded economic transformation in India? - Economist

Theodore Schultz underscored the need for human capital for better transition to modern sectors. An educated workforce enhances productivity while entrepreneurship ability is increased through education and training etc. However, caste acts as a barrier in 3 ways:

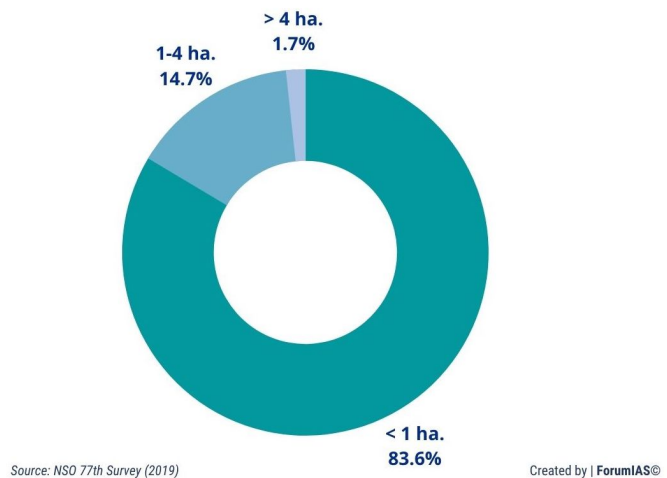
(1) Land Ownership: Caste has led to inequality in land ownership. India has one of the highest land inequalities in the world. The British assigned land ownership to particular castes (cultivators) at the expense of others (labourers of lower caste). This led to entrenched caste inequality in land ownership. Post-Independence land reforms excluded Dalits and lower castes. The Green Revolution benefited only limited castes and the benefits eluded the lower castes;

(2) Higher Education: There is an elite bias in higher education since colonial times. The elite were largely from upper castes. This has continued in the post-independent India. The service growth since 1991 reforms is an outcome of this historic elite bias in education. There has been historical neglect of mass education. India did not achieve much success in human capital formation necessary for success in the manufacturing and services sectors. In contrast, China and other East Asian Countries invested in basic education and gradually shifted towards higher education. They accumulated human capital which led to higher productivity and contributed to their economic success and transformation. Unlike India which concentrated in high-end technology jobs, these countries captured low-end manufacturing jobs. According to a Chinese economist, due to human capital formation, rural entrepreneurship was able to grow out of the traditional agricultural sector on a massive scale in China. This has been absent in India;

(3) Barriers to Modern Sectors: Caste system generated a barrier to entrepreneurship. It was done through its rigid control via social networks (caste-based) which facilitated economic mobility for some castes

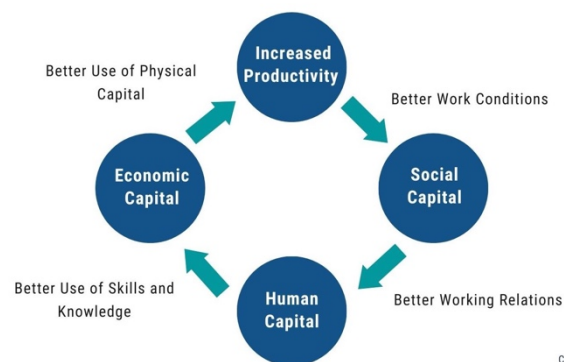
Distribution of Landholdings in India

Almost 5/6th of landholdings in India are smaller than 1 hectare (ha.). The Average area per landholding is 0.9 ha. The average landholding per household is 0.51 ha.



Relationship Between Human, Social and Economic Capital

Economic, Social and Human Capital are closely Inter-related.



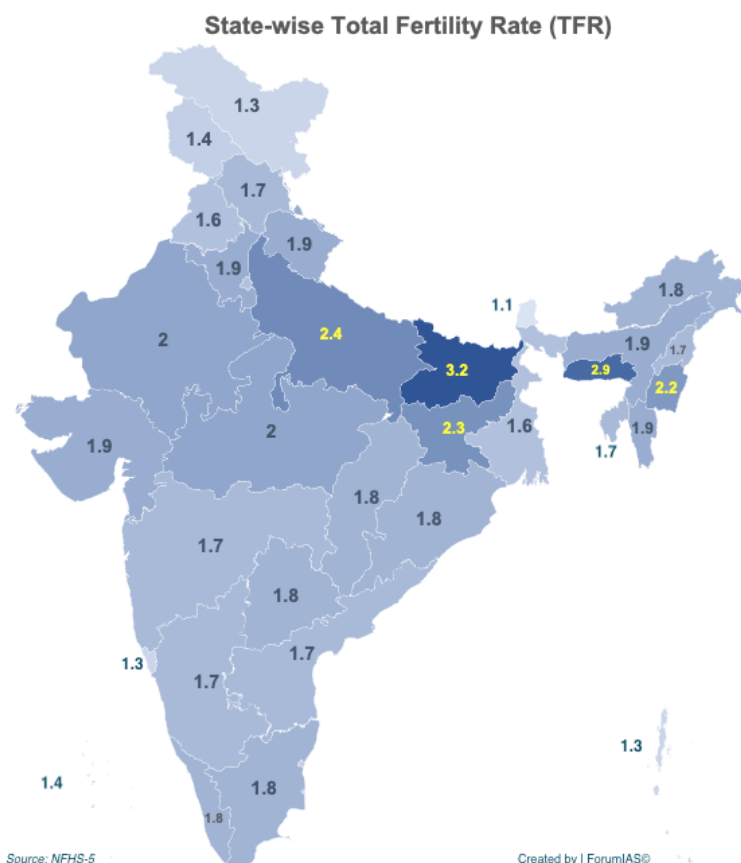
and erected barriers for others in the modern sector. Even the powerful land owners couldn't become capitalist entrepreneurs in modern sector due to lack of education and these entry barriers. The relative success in South India is being attributed to the 'Vaishya vacuum' or an absence of traditional merchant castes. In contrast, agrarian capitalists entered into urban enterprises in the South East Asian Countries.

2. Issues Related to Population in India

News: The UN World Population Prospects Report 2022 observed that India will become the most populous nation in the world in 2023. This has brought into focus the issues related to rising population in India.

What are the Key Findings of the Report? – (1) World Population: Global population is growing, but the pace of growth is slowing down. The global population is expected to grow to ~8.5 billion in 2030 and 10.4 billion in 2100. In 2020, **the global growth rate fell under 1% per year for the first time** since 1950; **(2) Regional Variation:** >50% of projected increase in global population (till 2050) will be concentrated in 8 countries. The 46 least developed countries (LDCs) are among the world's fastest-growing; **(3) Ageing Population:** The proportion of people aged 65 years or more is projected to rise to 16% in 2050 from 10% in 2022; **(4) Working Age Population:** A sustained drop in fertility has led to an increased concentration of the population at working ages (between 25 and 64 years); **(5) International migration:** Over the next few decades, migration will be the sole driver of population growth in high-income countries. Migration could be driven by economic opportunities or security purposes; **(6) Global life expectancy:** It reached 72.8 years in 2019 and expected to reach 77.2 years by 2050; **(7) India as the most populous nation:** India is projected to surpass China as the world's most populous country in 2023. At present, India's population is 1.412 billion compared to China's 1.426 billion.

What are the projected trends of India's Population? – (1) The fertility rate in India has fallen substantially – from 5.7 births per woman in 1950 to just 2 births per woman today; **(2)** According to the **National Family Health Survey (NFHS) - 5**, all states (except Mizoram) have seen **an increase in the use of family planning methods**. Goa (42%) and Bihar (32%) have seen the highest increase in the use of family planning methods; **(3)** Consequently, most states have seen a **decrease in the total fertility rate (TFR)**; **(4)** However, some large States like Bihar (3.2) and UP (2.4) still have TFR much above the Replacement Rate (2.1). This is concerning as both States already have large population base. They'll be the driving force behind India's population rise in the coming decades; **(5)** Due to a large proportion of younger population, India's population will continue to rise (**population momentum**) for



the next 3 decades before stabilizing in the 2060s. India is projected to have a population of 1.688 billion in 2050, much ahead of China's 1.317 billion.

What are the opportunities created by a rising population? – (1) Demographic Dividend: A rise in the working age population creates an opportunity for accelerated economic growth per capita; **(2) Economic Resilience to External Shocks:** It helps in **creating a consumption driven economy** which is less dependent on exports. Such economy has a better capacity to absorb global/external shocks. The large domestic market also attracts foreign investments in the economy; **(3) Immigration and Diaspora:** Rising population opens up prospects of out-migration to other countries. Remittances help in additions to the forex reserve. Large diaspora enhances global soft power.

What are the adverse implications of the current population trend in India? – (1) Demographic Disaster: To reap demographic dividend, there must be commensurate livelihood opportunities. Else, large number of unemployed youth can result in political and social instability. A report by Pricewaterhouse Coopers had estimated in 2019 that India would need to create 100 million (10 Crore) jobs between 2020-27. It will put pressure on India's economy to have productive capacity to create new jobs; **(2) Ageing Population:** India's **population is ageing** due to rising life expectancy. This would require greater expenditure on healthcare and social security schemes for the elderly. The State exchequer will have lesser funds for capital expenditure; **(3) Getting Old before getting Rich:** A study has found that India might grow old before it becomes rich. This is because of failure to realize demographic dividend due to lower focus on education, lack of skilled manpower and lack of employment opportunities. China's Labour Force Participation Rate is ~70% compared to ~43% in India; **(4) Inter-State Disparities:** There are **large inter-state disparities in population and growth rates** in India. Rising population in some States will force out-migration into States with lower population and more developed economies. It might give rise **social tensions** with insider vs outsider debate. States are already **reserving jobs for local population**. Moreover, ageing States will be dependent on outside migrants to maintain their economic growth; **(5) Political Aspect:** The freeze on Parliamentary Constituencies will end in 2026 (Re-adjustment according to 2031 Census). States with rising population will gain more seats at the expense of States that have controlled their population. This will further add to inter-State conflict; **(6) Anthropogenic Footprint:** High population puts high pressure on resources and also reduces their replenishment. Large population has posed challenges to the achievement of the **UN's Sustainable Development Goals (SDGs)**. India has one of the highest CO₂ emission because of large population.

National Population Policy, 2000

Objectives

- **Immediate:** Address the unmet needs for contraception, health care infrastructure, and health personnel, and to provide integrated service delivery for basic reproductive and child health care.
- **Medium-term:** To bring the TFR to replacement levels by 2010, through vigorous implementation of inter-sectoral operational strategies.
- **Long-term:** To achieve a stable population by 2045, at a level consistent with the requirements of sustainable economic growth, social development, and environmental protection.

Themes

- Decentralised Planning and Programme Implementation.
- Convergence of Service Delivery at Village Levels.
- Empowering Women for Improved Health and Nutrition.
- Child Health and Survival.
- Meeting the Unmet Needs for Family Welfare Services.
- Under-Served Population Groups (*Urban Slums, Tribal Communities, Adolescents, Increased Participation of Men in Planned Parenthood*).
- Contraceptive Technology and Research on Reproductive and Child Health.
- Information, Education, and Communication (IEC) and involvement of the NGOs.
- Providing for the Older Population.

Created by | ForumIAS®

How can the population rise be effectively managed? – (1) Social Measures: (a) Raising the Status of Women: Evidence shows that improvement in status of women through education and economic participation reduces TFR; **(b) Raising Age of Marriage:** Fertility depends on the age of marriage. Delay is marriage delays pregnancy/child-birth; **(c) Education and Awareness:** It helps change the outlook of

people. They realize importance of family planning and birth control methods; **(2) Economic Measures:** **(a) Development of Agriculture and Industry:** It will improve living standard of people and help them adopt small family norm; **(b) Urbanization:** TFR in urban and rural areas is 1.6 and 2.1 respectively (NFHS-5). Migration and urbanization tends to lower the birth rate; **(3) Other Measures:** Birth control methods, access to contraceptive methods can help in controlling population. Some experts argue that the Government can incentivize adoption of birth control measures. Monetary incentives and other facilities like leave and promotion can be extended to the working class which adopts small family norms.

Should coercive methods be adopted to control population? – There has been an ongoing debate regarding introduction of coercive measures to force people to adopt birth control measures. However, it is not advisable; **(1)** Most States have already lowered the TFR to below Replacement Rate. This has been achieved through voluntary measures, awareness and education; **(2)** Coercive measures were adopted in the 1970s like forced sterilization, which had resulted in widespread disaffection against the Government. Hence coercive population control measures may not achieve desired results and can cause unintended consequences.

However, several population experts opine that India's Population Policy was formulated in 2000 and need revision to reflect on the development since then. The new policy should address the challenges posed by present population trend.

To maximize the potential benefits of a favorable age distribution, India must invest in the further development of its human capital.

There is a need to ensure access to health care and quality education at all ages and promote opportunities for productive employment and decent work.

Focus Areas for Population Policy

According to an expert working with **Population Foundation of India** (an NGO), the Population Policy should focus on:

- **Reducing disparities in access to family planning:** At present access to family planning is dependent upon **place of residence, age** and wealth quintile (or **social status**).
- Increasing the age of marriage.
- Improving **access to education** (including higher education) **to women** for their empowerment and curbing teen pregnancies.
- Improving awareness about family planning and **driving greater responsibility for men in birth control**.
- Improving healthcare for the elderly population.
- Stabilizing the fertility rate near replacement level so that India doesn't face the situation of China and Japan of supporting a very elderly population.
- India should focus on realizing the Demographic Dividend by improving access to **education, skilling** and creating **livelihood opportunities**.
- Migration and the associated concerns should also be an important consideration.

Created by | ForumIAS®

3. The Duality of India: Differences in Northern and Southern Indian States

News: Political and Social Experts are pointing towards different social and economic trajectories of Northern and Southern States in India. The phenomena will have profound long-term implications.

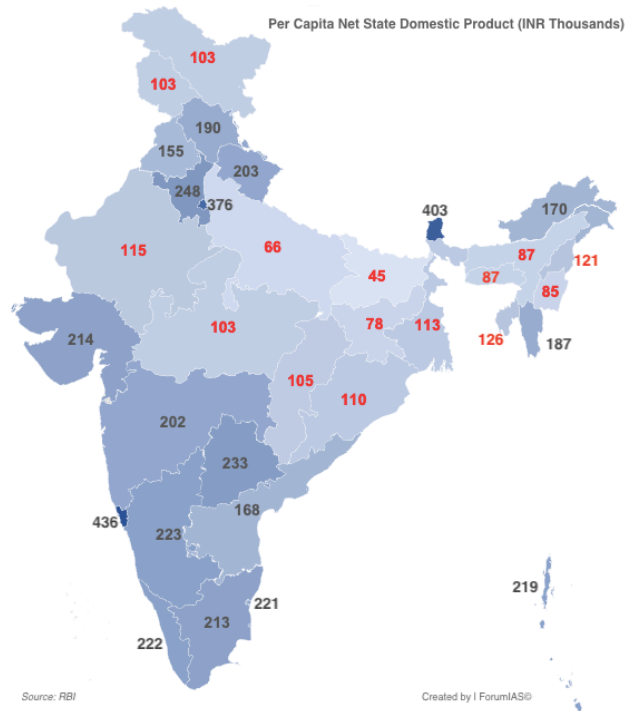
How has the response of Southern States been different with respect to Government decisions? – **(1)** The protests against Farm Laws in 2020-21 were limited to Northern States; **(2)** The violent protests against the Agnipath Scheme were also limited to few States in Northern India; **(3)** The response was very different even in the case of Emergency in 1975.

What reasons are being attributed to the difference in responses? – Experts cite various reasons; **(1)** The economic trajectories of the two regions have been different. Southern States have grown faster compared to the North and East; **(2)** The population of Southern States has grown less rapidly. Consequently, the per capita growth has been faster in the South; **(3)** In South India, **dependence of population on agriculture** for livelihood has seen a gradual reduction. The States' economic activities are dominated by the manufacturing and the technology-enabled services sector; **(4)** The Human Development indicators, in

terms of health, education etc. are better in the South; (5) The **Southern States** lack the political influence exerted by the Northern and Western States.

What are the possible implications of this scenario? – The disparities are giving rise to differences. (1) The Southern States protest the **parameters** (population, development etc.) used by the **Finance Commissions** to allocate central resources to States. The northern states received a higher share; (2) The Southern States feel they lost under the new GST regime as it is a consumption based regime. Consuming States collect more taxes than producer States. So, Northern States with higher populations benefit more; (3) The Southern States fear political disempowerment as the allocation of seats in the Parliament will be adjusted according to 2031 Census. The influence of the Northern States will increase further.

There is a need for positive engagement between the Union Government and the States. The Governments have to find constructive solutions to address the growing divergence, as well as alleviating the concerns of the Southern States.



The above map depicts the per capita Net State Domestic Product in INR Thousands (2019-20). The All-India average was INR 134,186 (or 134 thousand). States with red data labels are below the national average. All such States are in Northern and Eastern India. (Data for Jammu and Kashmir includes Ladakh, separate data not available for 2019-20).

4. Erratic Monsoons in India

News: The seasonal monsoon rains in 2022 have been very erratic. While the Northeast and West India are being ravaged by floods, the rains have been much below normal level in UP and Bihar.

What has been the trend rainfall in Monsoon 2022 till July? – (1) The rainfall has been very erratic. Some states have been dry, while other have witnessed multiple spells of heavy rainfall and floods; (2) UP, Bihar, Jharkhand and most parts of West Bengal have received very deficient rainfall; (3) As of last week of July, UP had 53% deficiency of rainfall relative to normal (long term average) rainfall. The shortfall in Jharkhand, Bihar and West Bengal was 50%, 45% and 26% respectively (Refer Map); (4) State receiving more than average rainfall include Telangana (109%), Tamil Nadu (68%), Gujarat (62%), Rajasthan (55%) and Maharashtra (36%). Rajasthan received 70% of its Monsoon rainfall in 3 weeks.; (4) In June, the weekly rainfall trend in Assam and Meghalaya had exceeded normal rainfall by 30%, 82%, 119% and 82% over 4 weeks, leading to floods.

What were the reasons for heavy rainfall over Assam? – (1) The winds over the Bay of Bengal had been exceptionally strong for a week. These strong winds carried a lot of moisture, and caused heavy rainfall over Bangladesh and Northeast India; (2) The prevalent La Nina conditions in the Pacific in combination with a negative Indian Ocean Dipole (IOD) in the Indian Ocean, had increased the intensity of the floods.

This condition strengthened the winds that blow from the southwest to the northeast (Southwesterlies) in the Bay of Bengal. (Negative IOD happens when the Indian Ocean is cool in the west and warm in the east).

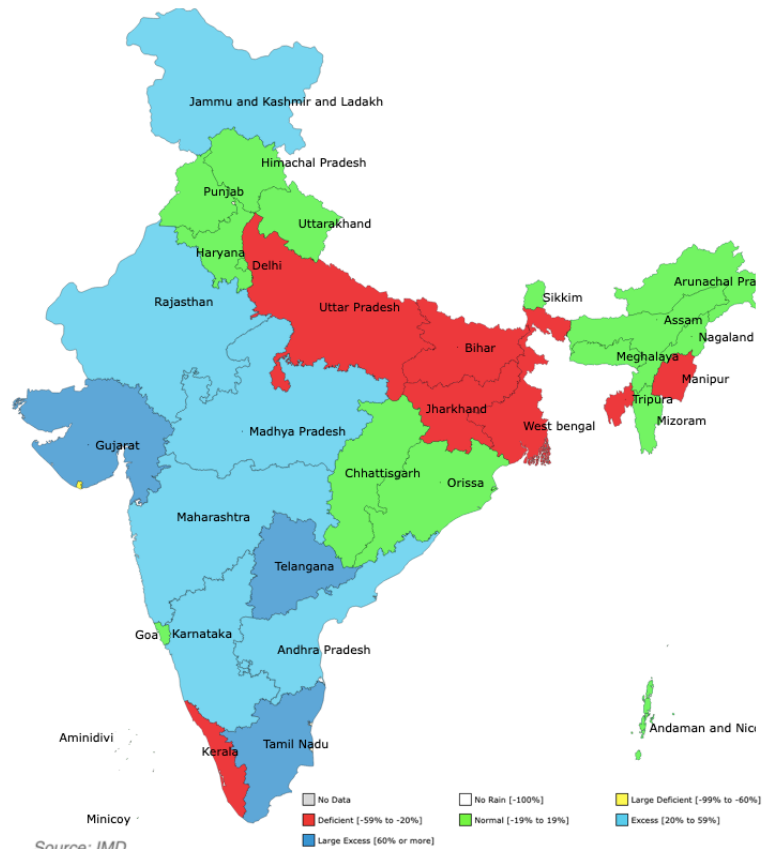
What are the reason for changing the monsoon pattern? – Monsoon patterns have seen a climatic shift over South Asia since the 1950s. This is because: (1) The strong monsoon winds in the Bay of Bengal now **carry a lot more moisture** and result in heavy rains. The **moisture-holding capacity of the air has increased with global warming**; (2) Instead of having moderate rains spread out through the monsoon season, India now has **long dry periods interspersed with short spells of heavy rains**. A month's rain is pouring in a day or two now.

For these reasons, **both droughts and floods occur across South Asia**, and sometimes in the same season. This puts tremendous pressure on the water and food security in the region.

What will be the impact of a 1°C rise in

global temperature for South Asia? – (1) The total amount of rainfall is expected to increase by 7-10% for every 1°C rise in temperature. The extreme rainfall events are also projected to increase proportionally over South Asia; (2) South Asia is the **most vulnerable to climate change** due to its proximity to the **rapidly warming Indian Ocean** on its south and the **rapidly melting glaciers** on its north; (3) The east coast of India and Bangladesh are particularly vulnerable. The sea-level rise in the North Bay of Bengal region is faster than in other regions due to a gradually sinking land. Storm surges are particularly large in the Bay of Bengal as compared to the Arabian Sea; (4) The combined effect of sea-level rise and storm surges leads to the saltwater intrusion that affects agriculture and cholera epidemics on the east coast of India and Bangladesh.

What steps can be taken? – (1) The countries need to **disaster-proof** every district and village of South Asia and make them climate-resilient; (2) Make houses and farms for both droughts and floods; (3) Policies should be framed so that they help to redesign cities and prepare rural areas for intensifying cyclones, floods and heatwaves.



The image represents status of rainfall as on July 25, 2022, as provided by the Indian Meteorological Department. States like Uttar Pradesh, Bihar, Jharkhand, and West Bengal (in red) had deficit exceeding 30%. The deficient rainfall has impacted the sowing of paddy in these States.

General Studies Paper II

1. Issues with the Working of Anti-Defection Law

News: The political turmoil in the State of Maharashtra has brought into focus the working of the Anti-Defection Law. Political Experts are saying that the law has proved to be ineffective in curbing defections. They are calling for amendments to the law to address the shortcomings.

What is the Anti-Defection Law? –

(1) The Tenth Schedule was introduced in 1985 by the **52nd Constitutional Amendment**. ‘Defection’ has been defined as, ‘To abandon a position or association, often to join an opposing group’;

(2) The anti-defection law was enacted to ensure that a **party member does not violate the mandate of the party**. The law applies to both the Parliament and the State Assemblies;

(3) The Law provides for the Presiding Officer of the Legislature to disqualify any defector on a petition by another member.

Grounds for Disqualification: (a) A member voluntarily gives up membership of the party on whose symbol he got elected; (b) A member violates a direction (whip) issued by his party to vote in a particular way or to abstain from voting; (c) A member who is independently elected joins any party; (d) Any nominated member joins any political party after the end of 6 months.

It also states that anyone disqualified under the Tenth Schedule would be automatically disqualified from a ministerial post.

Exception: Under Paragraph 4 of the Tenth Schedule, disqualification due to defection will not apply in case of a **merger of one party with another**. A valid merger occurs when **2/3rd of the party’s total elected strength** agrees to the merger. Paragraph 3, which allowed the **use of a split (1/3rd members) to avoid disqualification** for defection, was deleted by the **Constitution (91st Amendment) Act, 2003**.

What is the significance of Anti-Defection Law? –

(1) It is important to keep a **check on corruption/horse trading in the Parliament**. This helped in curbing the popular phenomenon of “Aaya Ram Gaya Ram” in the Indian polity of the 1960s; (2) It prevents shifting of party allegiance by the members, which **provides stability to the government**; (3) It also **promotes party discipline** by ensuring that the elected candidates remain loyal to the party.

Conditions for Disqualification of a Legislator

Article 102 and Article 191 of the Constitution of India lay down the grounds under which a Member of Parliament (MP) and a Member of Legislative Assembly (MLA) respectively may be disqualified from being a member of the House.

The first part of Article 102 lists the conditions for disqualification for a person:

- Holds any **office-of-profit** under the Government.
- Declared to be of **unsound mind** by a competent court.
- An **undischarged insolvent**.
- Voluntarily acquires citizenship of a foreign State.
- Disqualified by or under any law made by Parliament.

The Second part of Article 102 (and 191) gives authority to the **Tenth Schedule** of the Constitution to disqualify any member. The Tenth Schedule is popularly known as the **Anti-defection Law**.

Created by | ForumIAS®

PT BOX

Paragraph 4(2) of the Tenth Schedule: Exception Clause

For the purposes of sub-paragraph (1) of this paragraph, **the merger of the original political party** of a member of a House shall be deemed to have taken place **if, and only if, not less than two-thirds of the members of the legislature party concerned have agreed to such merger**.

What are the issues in the functioning of the Anti-Defection Law? – (1) Ambiguity over the Merger Clause:

The confusion is about the use of terms ‘Political Party’ and ‘Legislature Party’. Paragraph 4(2) states that merger is deemed to have taken place only if approved by **2/3rd members of the Legislature Party**. However,

it is not clear **whether the merger of 'Legislature Party'** with another party would be deemed to be **merger of the 'Political Party'**; (2) **Partisan Role of Presiding Officer**: The Speaker/Chairperson of the House is the authority to take decisions on the issue of disqualification. Many times the Speakers choose not to act, thus formalizing the defection; (3) **No time limit to decide on disqualification**: The Speaker/Chairperson is expected to give a prompt decision on disqualification under the Tenth Schedule; however no strict time limit has been prescribed e.g., in case of Manipur, the Speaker did not act on the petition for disqualification for over 2 years. The members were eventually disqualified by the Supreme Court; (4) **Freedom of Speech of Legislators**: One of the condition for disqualification is violation of whip issued by the Political Party to vote in a particular manner. Critics argue that this limits the ability of a member to exercise her free opinion on the floor of the House on certain proposed legislations

PT BOX

Legislature Party

A 'Legislature Party' refers to the group consisting of **all elected members of a House** for the time being belonging to the political party. 'Original Political Party' means the political party to which a member belongs. Legislature Party is a part of the Political Party.

Why are there calls to scrap the Anti-Defection Law? – (1) The law has **failed to curb defections** and lacks any deterrence effect on legislators. Further, the re-election in by polls shows public's acceptance of defecting legislators; (2) The present law forbids individual defections but facilitates group defections. While provision for disqualification in case of split has been removed, the Act allows merger with the support of two-thirds members of the party, thus allowing bulk defection; (3) The restriction on freedom of speech of elected legislators **undermines representative democracy**; (4) The **scope of defection is very wide** as it is applicable on every violation of whip. It is also **applicable to members of the Rajya Sabha and Legislative Councils** which don't have a say in the stability of the government.

What should be the approach going forward?

– (1) The Supreme Court should adjudicate whether an actual merger of Political Parties is a condition precedent for the merger of Legislature Parties (i.e., the should the merger of Legislature Parties be deemed as merger of Political Parties); (2)

Judgments Related to the Anti-Defection Law



- **Kihoto Hollohan vs Zachillhu (1992)**: The Supreme Court held that judicial review cannot be available prior to the making of a decision by the Speaker nor at an interlocutory stage of the proceeding.
- **Ravi S. Naik vs Union of India (1994)**: The Supreme Court had said "an inference can be drawn from the conduct of a member that he has voluntarily given up the membership of the party to which he belongs".
- **Nabam Rebia vs Deputy Speaker (2016)**: The Supreme Court said that the Speaker shall not decide the disqualification cases till the no-confidence motion against him is disposed of.
- **Girish Chodankar vs The Speaker, Goa State Legislative Assembly (2021)**: The Bombay High Court held that the merger of two-thirds of Members of the Legislative Assembly is deemed to be the merger of the original party. (An Appeal has been filed in the Supreme Court).

Created by I ForumIAS®

The **Speaker/Chairperson should give decisions within 3 months** as advised by the Supreme Court. Further, **an independent tribunal** can be created in the long run to decide cases under the Tenth schedule. This would reduce the partisan role played by the Speaker; (3) The **Law Commission (1999)** and the **National Commission to Review the Working of the Constitution (2002)** had recommended to **delete the clause related to merger** (Paragraph 4, Exception to Disqualification). Parliament should consider, debate and decide on the recommendations; (4) The **Dinesh Goswami Committee** Report recommended that disqualification of a member should only be attracted in the event a member violates a whip on matters related to **Motion of Vote of Confidence**, a **No-confidence Motion**, **Money Bill** or a **Motion of Vote of Thanks to the President's address**. This shall be adopted by amendment to the Tenth Schedule.

As defections continue unabated and Speakers refrain from acting on these developments based on their political loyalties, there is a strong case to reform the anti-defection law. The Parliament must debate on the issues with the Tenth Schedule and correct the shortcomings with suitable amendments.

2. The Need for Pre-Legislation Consultation Framework in India

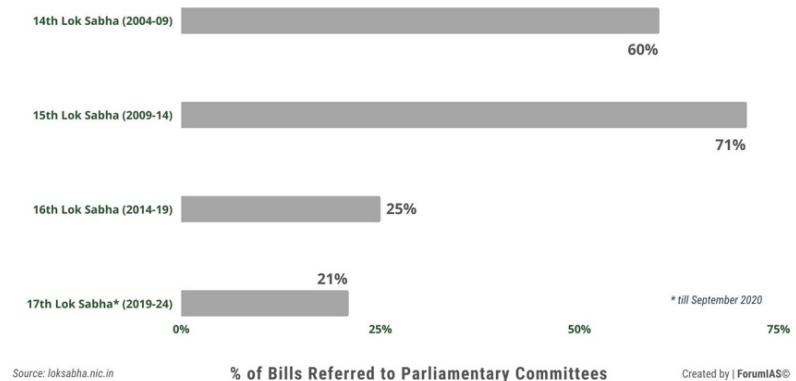
News: Pre-Legislative Consultation process involves scrutiny of a Bill by all stakeholders, to make legislation an inclusive process. However, political experts say that India lacks a robust pre-legislative consultation process, leading to several lacunae in our laws.

What is the current Pre-legislative Consultation Framework in India? –

(1) Consultation: The Ministry of Law and Justice had issued a Pre-Legislative Consultation Policy (PLCP) in 2014. Under the Policy, the Union Government is required to place legislative proposals (Bills, Rules, Regulations etc.) in the public domain for minimum 30 days before they were submitted to the Cabinet for consideration. Each such draft proposal must be accompanied by a brief note: (a) Justifying its necessity; (b) Financial implications; (c) Impact on the environment; (d) Impact on the Fundamental Rights of the people; (e) The social and financial costs of the Bill. The comments received need to be shared with the Cabinet for consideration; (2) Scrutiny by the Parliament: Bills go through varying levels of discussions and scrutiny in the Legislature. The Presiding Officer can refer the Bill to appropriate Parliamentary Committee after introduction. The Parliamentary Committee deliberates the Bill in detail e.g., the Parliament took 5 years to examine the Bill to regulate surrogacy before passing it in 2021. The recommendations of Parliamentary Committee may or may not be incorporated in the final legislation.

Bills Referred to the Parliamentary Committees

The number of Bills referred to the Parliamentary Committees has seen a rapid decline since last 2 Lok Sabhas. Lack of deliberations impact the quality of Legislation.



What is the need to strengthen the Pre-Legislative Consultation Framework? – (1) Non Obligatory Nature of the Current System: The referral of a Bill to the Parliamentary Committee is not mandatory. In the current Lok Sabha (17th), ~ 20% of the introduced Bills have been referred to Parliamentary Committees (till Sept. 2020). Since the introduction of the 2014 Pre-Legislative Consultation Policy, 227 of the 301 Bills (75%) introduced in the Parliament have been presented **without any prior consultation**. Of the 74 placed in the public domain for comments, at least 40 did not adhere to the 30-day deadline. Lately, Parliament has passed many Bills without discussion on the floor of the House e.g., the Constitution Amendment Bill to enable 10% reservation in education and employment for Economically Weaker Sections was passed by the Parliament in just 2 days. Further, the Government is under no obligation to justify why a given suggestion was excluded from the final draft; (2) Improving efficiency of legislations: Effective consultations ensure that the provisions have been properly deliberated. This would ensure benefits outweigh costs and improve efficiency of legislation; (3) Better Policy Formulation: People engagement and participation will result in greater acceptability and better policy formulation. Direct consultation with general public democratizes access to Constitutional Rights and values e.g., civil society organizations had played a key role in drafting of the Right to Information Act; (4) Augmenting Trust in the Legislature: Proper consultation will improve the transparency and accountability in the legislative process thereby enhancing public trust in Legislature; (5) Prevent Dominance of the

Executive: The Executive is an integral part of the Legislature. When coupled with the anti-defection law, it assumes unfettered control over the Legislature. A robust Pre-Legislative Consultation Framework is desirable to control Executive's dominance and ensure accountability to the Legislature; **(6) Overcoming the limitations of the Judiciary:** The Chief Justice of India recently remarked that poorly drafted laws result in lot of ambiguities leading to litigation and undue burden on the Judiciary. Proper consultations will ensure better formulation of laws and reduce litigation.

What is the proposed Legislation and Expenditure Accountability Bill, 2022? – (1) The Bill has been introduced as a Private Member's Bill in April 2022 in the Rajya Sabha. It is based on the **Organization for Economic Cooperation and Development (OECD) recommendations on policy-making practices**; **(2)** The Bill calls for 2 technical assessments: a **Legislation Impact Analysis** or LIA (and correspondingly, a scheme impact analysis for public schemes) and a **Post-Implementation Assessment (PIA) report**; **(3)** The LIA report must offer an assessment of potential costs and benefits to society, the objectives of the intervention with clear measurable outcomes, and the experience of other countries, among other things; **(4)** The **PIA has 3 aspects: (a) Performance measurement** evaluates schemes and laws against the objectives defined in the LIA; **(b) Impact assessment** evaluates qualitative aspects like social, environmental and legal effects and spill-overs; **(c) Perception surveys** measure people's satisfaction; **(5)** The Bill requires laws and schemes to have **expiry dates (sunset clauses)**. Such a provision would grant the Legislature an opportunity to re-make laws and schemes, thus ensuring that the nation stays up to date on the evolving dynamics of the world. Moreover, if a law or scheme fails its PIA test in three consecutive reviews, it would automatically be repealed.

If the Bill is passed and becomes an Act, the provisions will become mandatory. The Government can't bypass the scrutiny of the Bills, and workings of the Acts.

What steps can be taken going ahead? – (1) The proposed Accountability Bill demands considerable effort by the Executive to undertake proper evaluations of schemes and legislative moves. It can **lay the groundwork for a new institutional mechanism** to ensure self-probity in public expenditure and law-making; **(2)** The media should **do constructive reporting of legislative functioning** and

Post-Legislative Scrutiny in India

The lacunae is not just in the Pre-Legislative process. In India, there is **no framework for post-legislative scrutiny** to understand how the legislation has worked on the ground.

- Usually, the concerned Ministry appoints an expert committee to evaluate the working of the law. However, this is not mandatory.
- The **Comptroller and Auditor General (CAG)** occasionally conduct **performance audits** e.g., the performance audit of the implementation of the Food Security Act (2013). However, due to heavy workload, CAG can't audit the working of every law. In the last decade, the **CAG audited fewer than five non-financial laws**.
- **Law Commission of India** also scrutinizes some laws. It is constituted by the Government for 3 years with **specific terms of reference**. The scrutiny is more focused on the legal aspects of laws. Likewise, it reviews very limited number of legislations.
- Most developed countries have specialized mechanisms for reviewing laws. Some countries in Europe have **provisions related to review mechanisms within the law**. These provisions mandate periodic Reviews with specified timeframe and manner.

Created by | ForumIAS®

Recommendations of the Council on Regulatory Policy and Governance (OECD)

- The policy should have clear objectives and frameworks for implementation.
- Adhere to **Principles of Open Government**, including **transparency** and **participation in the regulatory process** to ensure that regulation serves the public interest.
- Establish mechanisms and institutions to **actively provide oversight of regulatory policy**.
- **Integrate Regulatory Impact Assessment (RIA)** into the early stages of the policy process for the formulation of new regulatory proposals.
- **Conduct systematic programme reviews** of the stock of significant regulation against clearly defined policy goals.
- **Regularly publish reports** on the performance of regulatory policy and reform programmes.
- Develop a consistent policy covering the **role and functions of regulatory agencies** in order to provide greater confidence that regulatory decisions are made on an objective and impartial.
- Apply **risk assessment, risk management, and risk communication strategies** to the design and implementation of regulations to ensure that regulation is targeted and effective.
- **Promote regulatory coherence** through co-ordination mechanisms between the supranational, the national and sub-national levels of government.
- Foster development of **regulatory management capacity** and performance at **sub-national levels of Government**.
- Give consideration to all relevant **international standards** and frameworks.

Source: OECD

Created by | ForumIAS®

enlighten the general public about the probable impacts of a proposed legislation on their rights and interests. **Civil society groups** can support the stakeholders for raising their voice in a structured and impactful way; **(3)** The **impacted stakeholders of any legislative Bill need to side-line their rigid ideologies and opinions** in order to build consensus with the Government and fellow stakeholders. Policy-making is an exercise in compromise and that nobody can expect to get their way every time; **(4)** The Government (Executive) has to be mindful of the established procedures and practices. **Proper scrutiny by Parliamentary Committees** can address loopholes in the proposed legislations and reduce the possibility of subsequent backlash (as happened with the Farm Laws). So the process should not be by-passed. **Pre-legislative Consultation can be made mandatory for all Bills.** Certain exceptions can be provided in case the Government feels that urgent legislation is required to address a particular issue; **(5) The Rules of Procedure and Conduct of Business in the Lok Sabha/Rajya Sabha** can be amended. If the Government does not accept the recommendations of a Standing/Select Committee, then the Minister in charge of the Bill must submit a memorandum to Parliament explaining the reasons for rejecting such recommendations.

There is a need to strengthen the Pre-Legislative Consultation Framework in order to improve transparency and accountability of the legislative process

3. The Supreme Court's Observations Regarding Provisions of Bail

News: The Supreme Court has observed that 'there is a pressing need' for reform in the law related to grant of bails. The Court called on the Government to consider framing special legislation related to provision of bails.

What is the law related to grant of bails? –

(1) The Code of Criminal Procedure (CrPC) does not define the word bail. It only categorises offences under the Indian Penal Code as 'bailable' and 'non-bailable'; **(2)** The CrPC empowers magistrates to grant bail for bailable offences as a matter of right (Section 436 CrPC). This would involve release on furnishing a bail bond, with or without security; **(3)** For non-bailable offences, the accused can't claim bail as a matter of right. The discretion lies with the Court. For such offences, police officers can arrest without a warrant, a magistrate has the power to determine if the accused is fit to be released on bail (Section 437, CrPC, except for offences punishable with death or life imprisonment).



What is the law in the UK regarding bail? – The Bail Act, 1976, prescribes the procedure for granting bail. A key aim of the legislation is to 'reduce the size of the inmate population'. Also, the law has provisions for ensuring legal aid for defendants. The **prosecution must justify the rejection of bail** e.g., on the grounds that the accused may not surrender if granted bail or may commit another offence while out on bail or would interfere with the witness etc.

What is the need for a Bail Law in India? – (1) Multiple and Dispersed Provisions: At present, provisions related to arrest and interrogation, issue of warrants and summons, execution of bonds etc. are dispersed across CrPC and various binding SC guidelines. A law collating these in one place can **check arbitrariness in the discretion of the Courts**; **(2) Huge Quantum of Under-trials:** Under-trials constitute more than 70% of the prison inmates. This indicates a very liberal use of arrest provisions. In many cases, persons are wrongfully arrested. Most of them are poor and therefore unable to secure monetary bail; **(3) Colonial Mindset:** The magistrates often ignore the rule of 'bail, not jail' due to persistence of a colonial mindset. The CrPC was first drafted in 1882 and continues to be in use with amendments from time to time; **(4) Delays in Bail application:** In many cases, bail applications are kept pending for months. Appeals by the convicted are pending for decades in some HCs; **(5) Lack of Uniformity:** The SC observed that **magistrates do not necessarily exercise their discretionary powers uniformly** which violates Article 14 and 15 of the Indian Constitution. In most cases, the courts do not record reasons for rejecting the bail.



What Guidelines have been issued by the Supreme Court? – A 2-judge Bench issued certain clarifications to an older judgment delivered in July 2021 on bail reform (**Satender Kumar Antil vs CBI**). It lamented that 'bail continues to be the rule and jail an exception'; **(1)** The Government

Supreme Court's Observations related to Provision of Bail



- **Joginder Kumar vs State of UP (1994):** The Supreme Court stated that 'arrest and detention in police lock-up of a person can cause incalculable harm to the reputation and self-esteem of a person'.
- **Armesh Kumar vs State of Bihar (2014):** The Supreme Court observed that 'arrest brings humiliation, curtails freedom and cast scars forever'.
- **Satender Kumar Antil vs CBI (2021):** The Supreme Court had issued guidelines on the aspect of grant of bail to accused who are not arrested during investigation on charge sheet being filed. The requisite conditions for the guidelines to apply: (a) Not arrested during investigation; (b) Cooperated throughout in the investigation.

Created by I ForumIAS®

should consider framing **a separate law** that deals with the grant of bail. It will help in reducing arbitrariness in grant of bail; **(2)** It emphasized that even for cognisable offences, **arrest is not mandatory and must be 'necessitated'** by conditions like preventing the accused from committing any further offence, threatening the witness, tampering with the evidence or from disappearing or for proper investigation etc.; **(3)** There need **not be any insistence of a bail application while considering the application under Section 88, 170, 204 and 209 of the Code**. These sections relate to various stages of a trial where a magistrate can decide on release of an accused. The Supreme Court held that in these circumstances, magistrates must routinely consider granting bail, without insisting on a separate bail application; **(4)** The bail applications have to be **disposed of within 2 weeks** except when provisions mandate otherwise. On anticipatory bail, a plea has to be decided within 6 weeks; **(5)** Investigating agencies and officers have to **comply with Sections 41 and 41A**. It ruled that non-compliance with Sections 41 and 41A at the time of arrest will entitle the accused to bail. Section 41 deals with the arrest in a cognisable offence where punishment is imprisonment

for a term less than 7 years. A police officer is **required to record reasons for arrest** or not to arrest in writing as per the rule; **(6)** The SC directed State Governments and Union Territories to facilitate standing orders for the procedure to be followed under Sections 41 and 41A to avoid unwarranted arrests; **(7)** The SC directed the High Courts (HCs) to **identify under-trials who are unable to comply with bail conditions** and take action to facilitate their release under sections 436A and 440 of the CrPC.

PT BOX

Cognizable Offense

In a cognizable offense, a police officer has the authority to make an arrest without a warrant. The officer can start investigation without the permission of a Court.

Section 436A CrPC

Under Section 436A, a person imprisoned during investigation or trial shall be **released on bail on completion of half of the jail term** prescribed for that offence

Section 440 CrPC

Under Section 440, the amount of bond shall not be excessive, and HCs and sessions courts may reduce the amount prescribed by the magistrate or a police officer.

What more steps can be taken? – **(1)** Disciplinary action against errant officers of Police and Judiciary may produce salutary changes; **(2)** The Union and State Governments must comply with the directions issued by the Supreme Court with respect to the constitution of special courts; **(3)** The High Courts in consultation with the State governments must undertake an exercise on the need for special courts. The vacancies in the position of Presiding Officers of the special courts must be filled up expeditiously.

A new bail law would take care of not only the unwarranted arrests, but also the clogging of bail applications before various Courts. It will help in bringing more clarity to magistrates thereby minimizing the scope of arbitrariness and improving administration of justice. It can also help in reducing the proportion of under-trial prisoners, and help preserve their fundamental rights.

(Refer EPIC February 2022 for the Issue related to High Proportion of Under-trials in Prisons).

4. Reforms in Higher Judiciary: Provisions Related to Services of Judges

News: There were rumors that the age of Supreme Court Judges might be increased to 67 years, but the Government has denied such possibility. In this context, a prominent Advocate of Madras High Court makes a case for broader reforms with respect to the services and functioning of the Judges of Higher Judiciary.

There are several issues with the functioning of the Judiciary like the pendency of cases (Refer EPIC September 2021 and March 2022) or cases of Constitutional Importance (Refer EPIC May 2022) and Judicial Accountability (Refer EPIC June 2022). Due to this, several shortcomings related to service conditions and functioning of Judges of Higher Judiciary get neglected.

What are the suggested reforms? – **(1) Age of Retirement:** The disparity between the retirement ages of HC (62year) and SC Judges (65year) should be removed. The current **differential retirement age** creates intense competition and puts pressure on the HC Judges to get selected for the Supreme Court and get 3 more years of service; **(2) Post-Retirement Engagement:** There are gaps in the post-retirements engagement of the Judges. Many Judges get involved in arbitrations, public services, Constitutional Positions (like State Governors), tribunals, Commissions etc. A **cadre of public service** for retired judges can be created. From this pool, the Government can make appointments to the Constitutional and

Statutory posts and special assignments. Such judges should receive the full pay and the facilities of a judge of the Supreme Court for life; (3) **Appointment of Chief Justice: The Second Judges case (1993)** and the Memorandum of Procedure (MOP) has established the norm that the **senior-most judge** of the SC should be the Chief Justice of India (CJI). However, **Article 124** has not mandated this provision. It states that the President will appoint every judge of the SC, including the CJI. It has no constitutional legitimacy. Therefore, it should be reformed. (Although Judiciary had overturned the NJAC Act). The best reputed Chief Justice of a HC who has proved himself/herself worthy both in judicial office as well as administrative leadership can be raised to the position of the CJI; (4) **Fixed Tenure of the CJI**: The CJI should be given a clear term of **3 years** rather than the left over term, as is the current practice; (5) The CJI should not function as the *primus super pares*. He should function in a **true collegiate manner**, especially in regard to the **roster of allotment** of cases etc. Such a combination of CJI so chosen working with **senior ranking colleagues** will ensure collegium function in a more **efficient and effective way**.

PT BOX

Primus inter pares

Primus inter pares is a Latin phrase meaning **first among equals**. It is typically used for someone who is formally equal to other members of their group but is accorded more respect, traditionally owing to their seniority in office but also due to certain other additional powers and responsibilities.

In India, the **Prime Minister** and the **Chief Justice** are considered *primus inter pares* due to their additional powers (like appointing other Ministers or acting as **Master of Roster** by allocating cases to different benches).

5. Issues with the National Mobile Monitoring Software (NMMS) App

News: The Ministry of Rural Development had launched the National Mobile Monitoring Software App in 2021. The objective was to enhance the oversight and transparency of the NREGA in works. However, workers have raised several issues with the working of the App.

What are the objectives of the App? – The App has been launched with the purpose to ensure proper monitoring of the schemes. It will help increase ‘citizen oversight’ and transparency in the implementation of the scheme. In addition, it will potentially enable **processing payments faster**.

What are the main features of the App? – (1) The App is being used by the NREGA Mates, local women at the panchayat level who are selected, trained and deployed to monitor NREGA worksites; (2) It ensures monitoring the attendance of workers through **real-time, photographed, geo-tagged attendance**. The attendance is being taken once in each half of the day; (3) The Ministry has made NMMS App mandatory for all NREGA worksites that employ more than 20 workers. The workers have no option for manual attendance other than in exceptional circumstances; (4) The App is expected to address the corruption in the NREGA Works. Funds are being siphoned off through fake attendance records.

What are the issues with the NMMS App? – (1) **Lack of flexibility**: The App requires the workers to be present at the worksite all day. However, many workers may have to leave worksite for alternate work or for women to take care of domestic responsibilities (like childcare). This reduces the flexibility of the workers or reduces their alternative income. ~54% NREGA workers are women, taking away flexibility of work may reduce the number of women workers; (2) **Lack of network and Wage Loss**: Many workers miss their attendance due to lack of stable connectivity. Consequently, they suffer from wage loss due to absence; (3) **Exclusionary**: Differently-abled workers are unable to mark their attendance and find it difficult to use the App; (4) **Digital Gender Gap/Access to Smartphones**: NREGA Mates are mandated to

have a smartphone. Men have greater access to smart-phones than women (Refer EPIC May 2022, Digital Gender Gap). This will further reduce participation of women; **(5) Lack of proper training:** This leads to errors in recording attendance, ultimately leading to loss of wage; **(6) Lack of Assessment of Effectiveness:** The Ministry has not provided much information on the extent of corruption in NRERGA. There is no clarification how the NMMS will address the issue, ensure quicker payments and how the App's performance will be measured.

Experts argue that instead of purely technological solution, the Government should make the process of social audit more robust to check corruption and leakage of funds.

6. The Right to Repair

News: The Government has set up a committee to develop comprehensive framework on the Right to Repair. Consumers in Western Countries are already demanding the Right.

What is the Right to Repair? – **(1)** It is a right to give users and third-party companies the required tools, parts and manuals related to a product. This would enable them to **repair a product on their own** instead of depending on the manufacturers; **(2)** The rationale behind the right is that the **individual who purchases a product must own it completely**. Besides the right to use, consumers must be able to repair and modify the product the way they want to; **(3)** Repairing is becoming unreasonably expensive because of the technology becoming obsolete. Companies avoid the publication of manuals that can help users make repairs easily. Manufacturers have proprietary control over spare parts and most firms refuse to make their products compatible with those of other firms.

What are the reasons to provide Right to Repair? – **(1) Pricing:** In the absence of repair manuals manufacturers hold near-monopoly over repair workshops. They charge exorbitant prices; **(2) Tackle planned obsolescence:** Planned obsolescence is a policy of producing consumer goods that become obsolete after a certain period of time. Consumers have to buy the new product once the existing product becomes unusable. It is achieved by frequent changes in design, termination of the supply of spare parts, and the use of non-durable materials. Buying a replacement becomes cheaper and easier than repairing. With the right to repair, companies would be induced to make durable and long-lasting devices; **(3) Right to Choose:** Monopoly on repair processes infringes the customers' 'right to choose' recognised by the Consumer Protection Act, 2019; **(4) Boosting Local Economy:** Right to repair allows opening up of small repair shops in the local area that adds to the revenue of the region and also creates sufficient employment; **(5) Environment protection:** Allowing repair will prevent faster dumping of electronic devices and help reduce e-waste. Manufacturing electronic devices is a highly polluting process. Improving longevity of electronic devices will reduce the impact on environment.

REPAIR is better than Recycling

Making things last longer is more efficient and more cost-effective than mining more raw materials.

REPAIR saves Money

Repairing things is cheaper than replacing them. Self-repair saves money.

REPAIR saves the Planet

Repairing things increases their longevity. It reduces resource consumption and waste generation.

Adapted from iFixit, the community leading the Right to Repair Movement



Created by | ForumIAS®

What are the challenges in granting the Right to Repair? – (1) Security and Privacy: Tech giants contend that allowing third parties to open patented products will lead to security and privacy concerns; **(2) Lobbying by Big Companies:** Large tech companies, including Apple, Microsoft, Amazon, and Tesla, have been lobbying against the right to repair. They claim that they are working towards greater durability e.g., in 2021, Apple took more steps towards reducing its contribution to e-waste. It has now expanded its free, independent repair provider program in 200 countries. Microsoft has pointed out that it has improved the battery and hard drive of its 3rd-generation Surface Laptop after it was criticized for making it next to impossible to replace the battery in older models; **(3) Other mechanisms to restrict independent repairing:** Big companies often deploy mechanisms to forbid other enterprises to repair their products e.g., denial of right to claim warranty if the product is opened by a 3rd party.

What can be done going ahead? –

(1) The Government should enact a dedicated repair law in order to augment consumer welfare.

In *Shamsher Kataria v Honda Sael Cars India Ltd (2017)*, the Competition Commission of India (CCI) ruled that restricting the access of spare parts to independent automobile repair units (by way of an end-user license agreement) was anti-competitive; **(2)** The Government can adopt **good legislations and practices** from other countries

like the prevalence of Repair cafes in Australia; **(3)** A well-drafted legislation may aid in **striking a much-needed balance** between intellectual property and competitive laws in the country. It will strengthen the **circular economy** by improving the life span, maintenance, re-use, upgrade, recyclability and waste handling of appliances.

Global Status of the Right to Repair

Australia

- Under the Australian Consumer Law, consumers have a right to request to repair certain goods if they break too easily or do not work properly.
- Manufacturers must provide spare parts/repair facilities for a 'reasonable' time after an item is purchased.
- Repair cafés are common. These are free meeting places where volunteer fixers gather to share their repairing skills with people who bring in items such as bikes, appliances etc. goods that need mending.

The US

- The Massachusetts Motor Vehicle Owners' Right to Repair Act, 2012 requires automobile manufacturers to provide spare parts and diagnostics to buyers and independent third-party mechanics.
- In July 2021, the US President signed an executive order. It has lifted restrictions imposed by manufacturers that limit consumers' ability to repair their gadgets on their own terms.

The UK

- It introduced the 'Right to Repair' in 2021 that makes it legally binding on manufacturers to provide spare parts.

The European Union

- The EU's laws require manufacturers to ensure that electronic goods can be repaired for up to a decade.

Created by | ForumIAS®

Countries around the world have been attempting to pass effective 'right to repair' laws. But the Right to Repair Movement has faced tremendous resistance from tech giants such as Apple and Microsoft over the years. The establishment of the committee to develop a comprehensive framework is a welcome first step in ensuring Right to Repair for consumers in India.

7. Poor Political Participation of the Disabled Persons

News: The Department of Empowerment of Persons with Disabilities has released the draft of the National Policy for Persons with Disabilities. It will replace the policy released in 2006. The Policy has not addressed the issue of low political participation of the Persons with Disabilities (PwDs).

What is the need for a new policy on disability? – The previous Policy for Persons with Disabilities (PwDs) was released in 2006. There have been some considerable changes since then; **(1)** India signed and ratified the **United Nations Convention on Rights of Persons with Disabilities** in 2007; **(2)** A new law **Rights of Persons with Disabilities Act** was enacted in 2016. It has increased the number of disabilities from 7 to 21;

(3) India has also become a party to the **Incheon Strategy** for Asian and Pacific Decade of Persons with Disabilities, 2013-2022 ('Incheon commitment').

These commitments have changed the discourse around disability by **shifting the focus from the individual to society**, i.e., from a **medical model of disability** to a **social/human rights model of disability**.

What are the associated issues? – (1) **Political participation**: There is a lack of policy commitment to enhance political empowerment, inclusion and participation of the disabled persons; (2) **Issues Related to Accessibility**: (a) Section 11 of the Rights of Persons with Disabilities Act prescribes that Election Commission/State Election Commissions should ensure that all polling stations/materials related to electoral process are accessible to persons with disabilities. However, the mandate is not fulfilled e.g., many polling booths lack ramps. Braille electronic voting machines have not been adopted at a wide scale; (b) Political parties in India still do not find the disabled as the large electorate to specifically address their needs; (c) The **lack of live aggregate data** on the exact number of the disabled people in every constituency furthers the marginalisation; (3) **Inadequate representation**: Representation plays an imperative role in furthering the interests of the marginalised community. Disabled people are not represented enough at all 3 levels of governance. Government does not maintain data on the disability aspect of members e.g., the **first visually disabled Member of Parliament in independent India**, Sadhan Gupta, hardly finds mention in India's political or disability discourse. There has been a **failure to acknowledge disabled political personalities** who have overcome the myriad barriers in India's political space.

What efforts have been made to improve political participation of the disabled? – (1) The Election Commission of India has developed its **own procedures** for handling PwDs during the electoral process; (2) Few States have begun initiatives at local levels to increase political participation e.g., Chhattisgarh has started the initiative of **nominating at least one disabled person in each panchayat**. If a disabled person is not elected, then they are nominated as a panchayat member as per changes in the law concerned.

What should be the approach going ahead? – The goal of the policy document – of inclusiveness and empowerment – cannot be achieved without political inclusion. The policy should follow a four-pronged approach: (1) **Building the capacity** of disabled people's organisations and empowering their members through training in the electoral system, government structure; (2) **Regulatory frameworks** by lawmakers and election bodies to encourage the political participation of the disabled; (3) **Inclusion of civil societies** to conduct domestic election observation or voter education campaigns; (4) A framework for political parties to **conduct a meaningful outreach** to persons with disabilities when creating election campaign strategies and developing policy positions.

8. India's Engagement with Taliban

News: India had withdrawn from Afghanistan after the takeover by Taliban in August 2021. India has taken some initial steps towards engaging with Taliban by deploying a team of officials in its embassy in Kabul. The engagement is going to be challenging. A well-planned strategy is necessary to secure India's long term strategic interests in Afghanistan.

What has been India's Approach towards Taliban? – (1) India had **refused to recognise the Taliban regime of 1996-2001**. At that time, India had supported the 'Northern Alliance' that fought with the Taliban; (2) India has long held the position of **dealing only with the elected government** in Kabul. India supports an **Afghan-led, Afghan-owned and Afghan-controlled peace process**. Due to this, India pulled out officials from its embassy following the Taliban's capture of power in August 2021; (3) India has been showing

flexibility in its earlier rigid policy of engagement with Taliban considering the changing geopolitical landscape.

How has India sustained its engagement after the takeover by Taliban?

– (1) India has continued to express concerns regarding the humanitarian crisis in Afghanistan; (2) It built regional consensus about the threat of terrorism, voiced its support for an inclusive government, and **provided aid and assistance to the people of Afghanistan**. Much of this is in sync with the **Agreement on Strategic Partnership (ASP)** that India had signed in October 2011; (3) **Human Aid**: India has supplied more

than: (a) 20,000 metric tonnes of wheat; (b) 13 tonnes of medicines, winter clothing; (c) 500,000 doses of COVID-19 vaccines to Afghanistan; (d) 1 million doses of Covid-19 vaccines for Afghan refugees in Iran. India has sent a small technical team to Kabul in June 2022, to deal with the humanitarian crisis following the earthquake in Paktika and Khost provinces as a first responder.

5 Pillars of India's Development Partnership with Afghanistan

Humanitarian Assistance

- Indira Gandhi Institute of Child Health: 400-bed hospital for Children.
- Supply of Wheat, Medicines, COVID-19 Vaccines and other essential items.

Infrastructure

- 218 Km Road from Zaranj to Delaram for movement of goods from Iran.
- Salma Dam on River on Hari River with 42 MW capacity.

Connectivity

- Chabahar port in Iran and Connectivity with Afghanistan and Central Asia.
- Direct Air Freight Corridor between India and Afghanistan, established in 2017.

Economic Development

- Private Investments in Afghanistan like India-Afghanistan Trade and Investment Show.
- 116 'High Impact Community Development Projects' in 31 Provinces of Afghanistan.

Capacity Building

- Training and Development programmes for Afghans.
- Support to Students, Defense Personnel among others.

Created by | ForumIAS®

What is the need to engage with the Taliban? – (1) **Security**: A stable Afghanistan is crucial for regional and domestic security of India. Rise of radicalism and violent ideology in Afghanistan will impact Indian interests. Engagement is desired to prevent Afghanistan from becoming another safe haven for anti-India terrorist groups, and also check Pakistan's deepening influence in Kabul; (2) **Connectivity**: Afghanistan is considered **India's gateway to Central Asia**. It implies continental outreach. Connectivity has been the primary the reasons for India's engagement with Iran to develop Chabahar port; (3) **Energy Security**: India sees Afghanistan as an essential component of the TAPI Pipeline (Turkmenistan, Afghanistan, Pakistan, India). TAPI pipeline is crucial to address India's energy needs and to sustain its economic growth; (4) **Trade**: Afghanistan can help India export its products to Central Asia and further to Europe. The railway line from Chabahar to Zahedan in Afghanistan envisages to connect New Delhi with Iran, Afghanistan, Central Asia and Europe; (5) **Diplomatic Outreach by Taliban**: The Taliban have also tried to reach out to India. Indian Officials had first met Taliban's Political Head in Doha (Qatar) in August 2021 at the request of Taliban. In the 1990s, the Taliban had excessive reliance on Pakistan for international recognition. However, Pakistan's economy is in shambles today and its diplomatic space has contracted considerably. India's economy and international standing has improved appreciably since 1990s. Taliban realizes that it has to reach out to all regional powers, especially India, to get international recognition for the Islamic Emirate of Afghanistan.



What does the change in India's stance signify? – (1) There seems to be a realization that the **Taliban regime is there to stay**. No amount of pressure building will dislodge it from power at least in the near-medium term. There is also no indication of a popular countrywide upsurge which could push them out; (2) There seems to be convergence in the strategic circles that **engagement, not complete detachment**, could be the key to **securing India's vital strategic interests in Afghanistan**. This needs to be done when the Taliban regime is still isolated internationally and therefore amenable to India's presence. The complexity of circumstances in Afghanistan leaves very limited options, as summed by the US Officials: **Engage, Isolate**, or **Oppose**. The US officials say they are focusing on the first two options. India's approach appears to be similar; (3) India doesn't want to repeat the events of 1996, when the complete shutdown of embassy led to strategic and intelligence gap in Afghanistan; (4) It will give **India an opportunity to exploit the divisions** within the Taliban to win over the moderates and dilute the agenda of the hardliners; (5) India understood that its **absence was working to the advantage of countries** who did not wish it to return and were using the space to restart proxy warfare.

What are the challenges in engaging with the Taliban? – (1) **Human Rights Violations**: The Taliban have excluded all non-Taliban Pashtuns from public space. There are systematic violations of the human rights of the non-Pashtun communities; (2) **Regressive Outlook**: Taliban is a predominantly Pashtun men-only regime which has imposed harsh restrictions on women at home. Its orthodoxy may bring more misery for women in future. Engaging with such regime undermines India's image; (3) **Mistrust**: Though there are indications of a policy shift but still there has been a high degree of mistrust since Taliban's role in the Hijack of an Air India flight in 1999; (4) **External Influence**: Pakistan and China will try to diminish India's role in Afghanistan and derail the process of engagement; (5) **Lack of Legitimacy**: Taliban doesn't command legitimacy of the majority population. It is controlling them by sheer use of force which may give rise to another civil war.

What lies ahead? – (1) The '**engagement**' formula seems to work for both India and Taliban. It will enhance the profile of Taliban and allow it to plan outreach with more countries. It may help India to moderate the radical stance of the Taliban e.g., the Taliban has expressed its desire to **strengthen defense relationship with India**; (2) India needs to frame a **comprehensive long-term policy of engagement** with all the stakeholders to ensure that peace and stability return to Afghanistan. The people of Afghanistan and not the current regime needs to remain at the centre of its declared Afghan policy; (3) The prospects for peace and stability in Afghanistan with continuous Pakistani interference is not possible. Afghanistan **needs a strong UN mandate**, including a UN-led political transition process supported by a UN peacekeeping force. India can lend its support to such endeavours.

India should work with other regional and global players to push the Taliban to adopt a more inclusive regime. At the same time, it should maintain a policy of gradual bilateral engagement rooted in realism.

9. BRICS: Challenges and Possibilities Ahead

News: The 14th Summit of BRICS was held virtually. It was hosted by China. There have been some successes by the BRICS, but its effectiveness has been limited by the differences within Member nations.

What have been the achievements of BRICS? – (1) The 1st BRICS summit was held in 2009 in Russia. Since then, the summit has been held each year without break; (2) The **New Development Bank (NDB)** was established in 2015. Since its launch, the bank has funded around US\$ 30 billion worth of projects in

emerging nations; (3) The **Contingent Reserve Arrangement (CRA)** was established in 2015 to support in actual or potential short-term balance of payments pressures through liquidity instruments.

What are the challenges in working of BRICS?

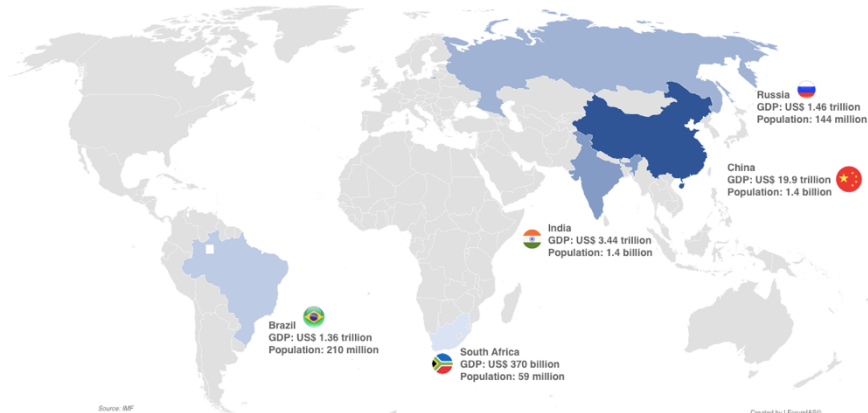
BRICS remains constrained by differences between member nations, most notably India and China: (1) **UN reforms:** India and Brazil have pushed for an **expanded UN Security Council (UNSC)**. But, China is

not in favour of supporting India's candidature; (2) **Terrorism:** China has, on multiple occasion, blocked India's move to sanction the LeT terrorist at the UNSC; (3) **India-China Border Dispute:** Relationship between India and China are at a low after the Galwan Valley clash in 2020. Although, both India and China continued to engage with each other, these differences create doubt on the BRICS' goal of **reorienting the global order**; (3) **Challenge of Russia-Ukraine War:** As the war prolongs, BRICS members will be under intensifying pressure to limit ties with Russia. India, Brazil and South Africa have close ties with the West. As Western sanctions on Russia become more stringent, both Russia and China want to rely on finance and trade mechanisms which are **outside the control of the West**. This would lead to pressure on BRICS members to embrace the same newer mechanisms; (4) **Indo-Pacific:** The BRICS **failed to determine the dynamics of the future course in the Indo-Pacific**. Both China and Russia do not favour even the change of nomenclature of the region from Asia-Pacific to Indo-Pacific. India has aligned its Indo-Pacific strategy with West with the formation of QUAD; (5) **Limited Outcomes:** The BRICS has been able to deliver only on the Economic and Financial fronts. There has been **no significant developments in the political and strategic dimensions**. There have been annual meetings of BRICS Foreign Ministers and Security Advisers since 2009. However, the meetings have been about reaffirming shared perspectives on global governance issues; (6) **Actions of China:** China is **unilaterally trying to expand the BRICS**. It has brought **13 like-minded countries** for a high-level dialogue on global development in the recently concluded summit.

What is the future outlook for BRICS?

(1) **Russia-China recalibration:** Russia and China appear to be keen to readjust the dynamic

between the **economy and security pillars**. President Xi Jinping highlighted in his speech at the summit that China would like to work with BRICS partners to operationalize the **Global Security Initiative (GSI)**. China perceives initiatives like QUAD as efforts for its containment. So it is launching GSI in opposition.



Three Pillars of BRICS

Though BRICS have multiple dimensions, only Economy and Finance pillar has been able to make tangible achievements.



Created by | ForumIAS®

GSI has received Russian support; (2) In contrast, India, Brazil and South Africa largely continue to view BRICS from the **prism of development** as opposed to security. In the long run, however, **India faces the possibility of isolation** in this regard. This situation could be exacerbated with the addition of new members. An expanded BRICS with an evidently anti-Western agenda, as envisioned by China, would likely dilute India's influence.

India's Proposals at BRICS Summit

- Strengthening the **BRICS Identity system**, and creating an online database for BRICS documents.
- Establishment of a **BRICS Railways Research Network**.
- Strengthening **cooperation between MSMEs** to improve connectivity and supply chains between member states.
- Strengthening **civil society organisations** and think-tanks.
- Highlighted the significance of **building people-to-people connect** within BRICS, cooperation in the post-Covid global recovery etc.

Created by | ForumIAS®

India will face great diplomatic challenge in shaping the future of BRICS. India should push for cooperation on issues where **interests align** like financing projects by the NDB, working on **climate change**, or **space cooperation**. BRICS nations have agreed to create a **joint constellation of remote sensing satellites**.

10. Partnership for Global Infrastructure and Investment (PGII) Initiative

News: The US President has launched the Partnership for Global Infrastructure and Investment (PGII) initiative along with the heads of the G7 nations.

What is the PGII Initiative? – (1) It is a US\$ 600 billion global infrastructure investment partnership aimed at helping developing countries; (2) The initiative was first unveiled at the 2021 G7 summit in Britain, UK. At that time, it was called the Build Back Better Initiative; (3) The initiative will help developing countries make improvements in four core areas: (a) Healthcare; (b) Digital connectivity; (c) Gender equality and equity; (d) Climate and energy security; (4) The initiative has been viewed as a counter to China's Belt and Road Initiative (BRI) which critics have termed a 'debt trap'.

How is PGII different from China's BRI? – (1) **Regions:** China's Belt and Road project was started to revive connectivity, trade and infrastructure along what was China's ancient Silk Road. On the other hand, PGII has been set up to help underfunded low and middle-income countries to meet their infrastructure needs; (2) **Climate Action:** PGII has laid focus on climate action and clean energy while China has built large coal-fired plants under BRI along with solar, hydro, and wind energy projects; (c) **Transparency:** G7 leaders emphasized 'transparency' as the cornerstone of PGII projects. On the other hand, BRI has faced criticism for making countries sign confidential tenders for extending massive loans, leaving countries indebted to China; (4) **India's Role:** A PGII project has been announced in India. On the other hand, India has stayed away from China's BRI, being wary of China's aim to increase its influence in the Indian Ocean Region.

Role of G7 Countries in Averting Global Crises

- Many middle- and low-income countries are facing multiple crises:
 - Impact of COVID-19 pandemic.
 - Rising inflation due to Russia-Ukraine war.
 - High indebtedness; more than 24 countries are at risk of default in 2022.
 - Possible currency crisis due to increase in interest rate by the US Federal Reserve.
- G7 Countries can play a major role in averting the crisis:
 - They are biggest source of **development finance**.
 - They are biggest shareholders of IMF and the World Bank. They can urge the IMF to issue their **SDRs** to help **low- and middle-income countries** to avoid **fiscal crises** and defaults while still maintaining **essential public services**.
 - They can urge the IMF to **reform its loan regime**. Most of these agreements contain counterproductive provisions e.g., requirement to **cut public wage bills** or **reduce debt-to-GDP ratios**. These measures reduce state capacity and impact essential services.
 - They can help in the **conditional debt relief**. G7 can urge fellow G20 countries to extend the Debt Service and Suspension Initiative through 2023

Created by | ForumIAS®

General Studies Paper III

1. 5 Years of the Goods and Services Tax (GST)

News: The GST has completed 5 Years since its launch in July 2017. The move towards ‘One Nation One Tax’ has been one of most historic tax reforms in India. The GST has resulted in several benefits for the taxpayer and the economy. However, several key challenges and concerns remain to be addressed which will help in realizing its true potential.

What is the GST and its key provisions? – (1) The Goods and Services Tax (GST) is an **indirect tax** on the **manufacture, sale, and consumption** of goods and services throughout India; (2) It was launched in 2017. It replaced the existing indirect taxes with varying rates levied by the Union and State Governments. It is a **single uniform tax applicable in the whole nation**; (3) It is a **destination-based tax** applied on goods and services at the place where final/actual consumption happens; (4) GST is applied to all goods other than crude petroleum, motor spirit, diesel, aviation turbine fuel, natural gas and alcohol for human consumption; (5) There are **four slabs for taxes** for both goods and services: 5%, 12%, 18%, and 28%. Different tax slabs were introduced because goods of daily necessities could not be subjected to the same rate as luxury items; (6) A cess is levied on the highest tax slab of 28% on luxury, sin and demerit goods. The collection from the cess goes to a separate corpus called **Compensation fund**. It is used to make up for revenue loss suffered by the States due to roll out of the GST. States were promised a compensation for 5 years if their GST collection falls short of the 14 percent compounded revenue growth.

What have been the achievements of the GST regime? – (1) **Revenue Collection:** The revenue collection has witnessed an increasing trend. In recent times, the monthly collection has consistently exceeded INR 1 Lakh Crore. Analysts predict that monthly collection of INR 1.4 Lakh Crore will be new ‘normal’ and can move upward with some more reforms; (2) **Faster Growth in State Revenues:** In the 5 years (2017-22) since the introduction of GST, the overall resource growth for States was 14.8% per annum, versus an annual average growth rate of 9% between 2012 and 2015. Thus, States appear to be better off. The share of GST in States’ revenue has marginally increased in 2018-21 compared to 2014-17; (3) **Avoid Cascading of Taxes:** The GST subsumed 17 local levies like excise duty, service tax and VAT and 13 cesses. In the pre-GST era, the total of VAT, excise, CST and their cascading effect led to average tax payable by a consumer as 31%. With regular adjustment of items in the various tax rate brackets, the **effective GST rate** had come down to 11.6%

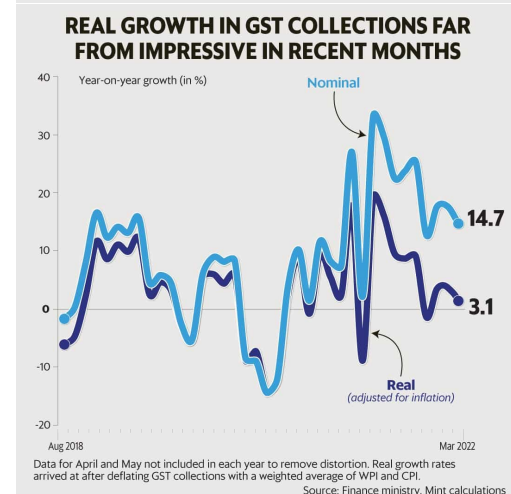
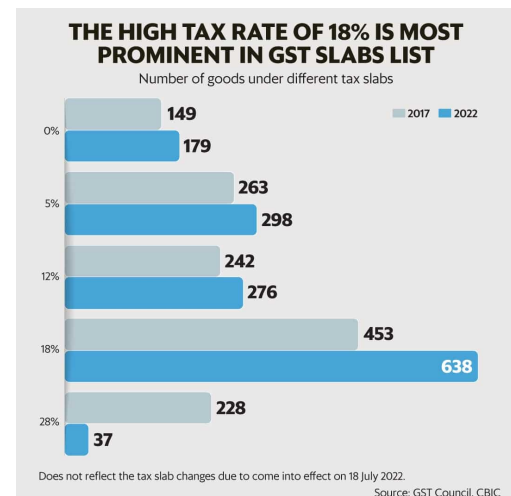
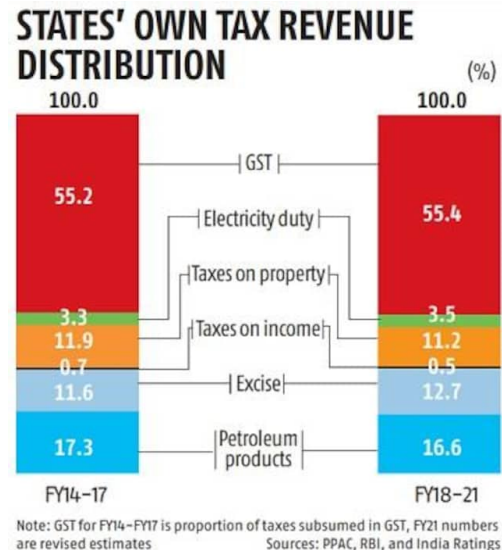


The green trend-line indicates the upward trajectory of GST Revenues. During the initial 2 years, the revenues were lower because of implementation issues (system crashes, compliance problems, lower awareness). The external shock due to COVID-19 induced lockdown led to big dip in April 2020 (and to a lesser degree in June 2021). However, as the system stabilizes and compliance improves further, the collections are expected to settle at new normal upward of INR 140,000 Cr.

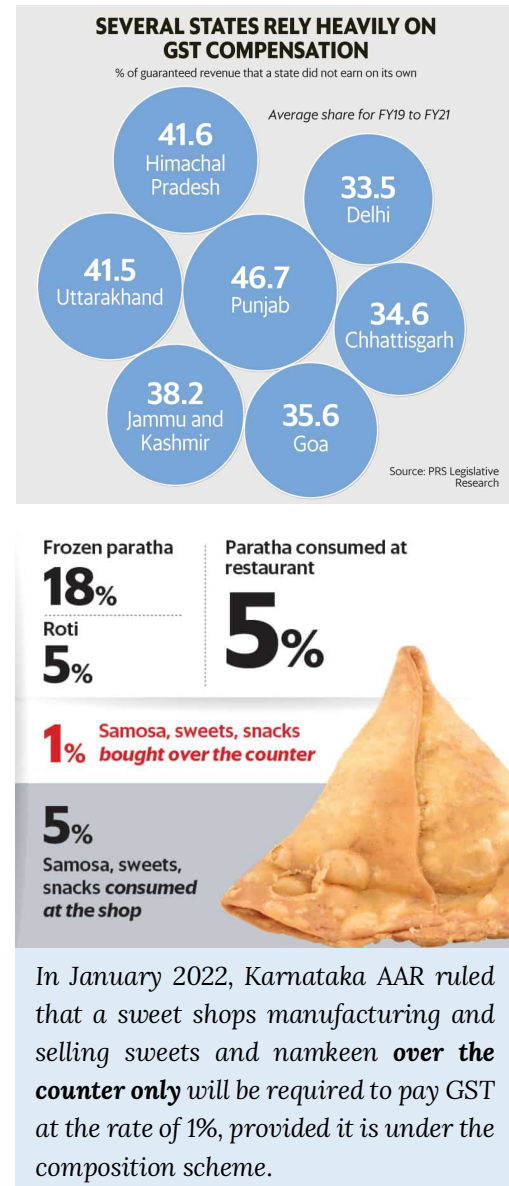
in 2019 from 14.4% at its inception **(4) Promoting Ease of Doing Business:** The Government has been proactively issuing circulars and clarifications to clear doubts regarding taxation under the GST. Continuous improvement in the tax filing process has ensured ease of doing business; **(5) Enhanced Efficiency:** The old system of indirect taxation was **based on origin**. The choice of location of a factory and warehouses was thus based on tax considerations rather than other economic factor. This raised cost of manufacturing. With uniform destination based tax, these inefficiencies will be corrected; **(6) Improving Compliance:** The GST Network (GSTN) provides the technological backbone for the indirect tax regime. It has been using artificial intelligence and machine learning to provide newer data and plug revenue leakages. Compliance has also been facilitated by: **(a)** Input credit availability linked to uploading of supply invoices; **(b)** Introduction of e-invoice for those with an annual turnover of more than INR 20 lakh; **(c)** Filing of e-way bills by transporters for consignment worth more than INR 50,000. The GST-to-GDP ratio went up from 5.8% in 2020-21 to 6.4% in 2021-22, reflecting progressively improving compliance; **(7) Center-State Relations:** Since its inception, all but one decision of GST council have been through unanimous consensus. This shows an improvement in Co-operative Federalism in India.

What are the challenges associated with the GST? - (1)

Multiple Tax Rates: There are still multiple tax rates (4 slabs + cess). Many other countries have a single tax rate. Multiple tax slabs have led to implementation and classification challenges. Most of the items fall in the high tax category of 18%. This acts as regressive, as it impacts the poorer section of the society. The **current inflationary concerns** have derailed the plans to tweak rates and GST slabs; **(2) Inflation and Revenue Collections:** Some economists argue that the current rise in GST collections is due to **high inflation**. The growth rate of GST collections in real terms (adjusted for inflation) is much lower e.g., the Year-on-Year growth rate in GST Collections in March 2022 was 14.7% in nominal terms, but only 3.7% in real terms (adjusted for inflation); **(3) Hardships for Taxpayers:** There is unwarranted and excessive issuance of show cause notices for reconciliations of financial numbers, grant of registration, etc. that creates severe hardships for the taxpayers; **(4) Lack of Coverage:** With petrol, diesel, ATF outside GST, a large part of the economy is still not covered by the indirect tax regime; **(5) Compensation to States:** The GST (Compensation to States) Act guaranteed compensation to States for the first 5 years of the GST. The compensation is the gap between the actual revenue collected and projected



revenue. The projected revenue is revenue growth of 14% for States per year over the base year 2015-16. A lot of States have been dependent upon the compensation. Since the clause is coming to an end, many States have demanded an extension. However, the Union Government appears to be reluctant. The Union Government had **delayed GST compensation to the States** from 2019-20 when the economy started slowing down. It was paid in May 2022 after much delay; (6) **Conflicting Orders by the AAR**: The State-level Authorities for Advance Rulings (AARs) have given conflicting rulings in various cases on the nature of goods, which determine the tax slab they fall under. These relate to food items such as 'papad' (0% tax), fryums (processed food, 18% tax) and other areas such as setting up a solar power plant, intermediary services, and so on. This leads to confusion and litigation e.g., ID Fresh Food appealed against a GST ruling of the AAR which made a distinction between **rotis** (5%) and **parotas** (18%). Although the number of disputes have shown a falling trend, the absolute number of rulings by AAR continue to remain high, with 305 decisions in 2021; (7) **Bogus or No receipts**: Despite coming out with e-way bills and e-invoicing, genuine receipts are not being given in every segment of the economy. The proportion is higher in the FMCG and pharmaceutical shops; (8) **Technical glitches**: Frequent technical glitches have led to several disruptions. GSTR 2 (a purchase return) and GSTR 3 (an input-output return) forms were first suspended and then scrapped altogether. Launch of e-way bills in February 2018 was suspended because the system could not bear the load. The glitches crop-up even now though the system has stabilized to a large extent; (9) **National Anti-profiteering Authority (NAA)**: The NAA was set up in December, 2017 to ensure that GST rate reductions were passed on by firms to consumers and there was no profiteering. But right from the outset, the process of imposing penalties on companies was criticised for the alleged lack of a proper methodology to ascertain profiteering. As of May, there are close to 400 cases pending with it.



What steps can be taken to make the GST system more efficient? – (1) **Oil Products under GST**: The Governments can **consider bringing petroleum and electricity** under the GST. It will help prevent cascading and ensure further uniformity; (2) **Extension of Compensation to States**: Most states have sought an extension to the compensation mechanism. The Union Government should extend the period for some time, as some States are struggling with low revenues and high fiscal deficits; (3) **Rationalization of Rates**: It is important as the current overall rate is not revenue neutral compared to the taxes subsumed in the GST; (4) **Grievance Redressal**: The Government can consider setting up of **Central authority to resolve conflicting AAR judgements** across States. It can also consider doing away with anti-profiteering provisions freeing businesses to set prices. The Chief Economic Advisor has advised setting up a complaint-redressal mechanism (**a GST Tribunal**); (5) Some checks can also be incorporated on system generated GST

notices, so as to avoid any unnecessary harassment of taxpayers; **(6) Data Analytics and Policy Prescriptions:** The GST system has a rich database. The data can be analysed to provide useful insights about the health of the economy. It can provide information about trends in economic activity like (consumption patterns) or the level of the formalization of the economy. It can also help understand which areas or districts are thriving or lagging behind. The **data-driven insights** can help **prescribe appropriate policy interventions**; **(7) Treatment of Virtual Assets:** New asset classes have emerged like the **virtual digital assets (VDA)** or cryptocurrency. Hence, there is a need for clarity on their classification as 'goods' or 'service' and the tax applicable on them.

While the GST administration has moved forward with great efficiency, it is still a long way to go to achieve the full potential of GST and make it a true 'good and simple tax'.

2. Government as Principal Employer: Union Government's 1 Million Job Promise

News: The Union Government has announced to recruit 1 million people in various Government Ministries in the next 1.5 years. The motive is to ease the burden of unemployment. Some economists have raised concerns regarding Government taking up the role of principal employer in the economy, instead of undertaking economic reforms to create more jobs in the economy.

What is the current situation of unemployment in India? – (1) The Periodic Labour Force Survey (PLFS) revealed that India's unemployment rate in 2017-18 was the highest (6.1%) in four decades; **(2)** In the latest PLFS data, the situation has improved, with the overall unemployment rate at 4.2% in 2020-21 compared to 4.8% in 2019-20; **(3)** In terms of the more widely used statistic internationally, the current weekly status (CWS) of unemployment, the figure of 7.5% for all persons in 2020-21 is still worrying.

What is the current status of employment under the Governments and Agencies? – (1) According to the report of the 7th Pay Commission, the total sanctioned strength of the Union Government fell from 41.76 lakh in 1994 to 38.9 lakh in 2014; **(2)** In 2021, the strength of the Union Government stood at 34.5 lakh; **(3)** As of July 2022, there were around 60 lakh vacancies in the Union Government, State Governments, PSU banks, PSUs and other institutions; **(4)** Government recruitment is getting skewed towards contractual jobs e.g., according to the **Indian Staffing Industry Research 2014 report**, about 43% of government employees (about 12.3 million) had non-permanent or contractual jobs like Anganwadi workers with low wages and no social security cover; **(5)** Some States have sought to amend recruitment for Group B and C employees for increasing contractual employment (for a 5-year period). Post the 5-year period, they can be regularised, only if the workers could pass a **rigorous performance appraisal**. In 2013, the Supreme Court ruled that a **contractual employee** for a government department was not a government servant.

What is the rationale behind providing 1 million jobs? – (1) Changing Structure of Indian Economy: The services sector has rapidly expanded. However, the sector tends to be **less employment intensive**. Most jobs require **skilled workforce**. The gig economy does employ the unskilled but fails to create enough jobs for the millions entering the labour force each year. The economy has not been able to create a robust **labour intensive manufacturing sector** that is able to absorb the low and semi-skilled sections of the workforce; **(2) Accumulation of Vacancies:** The latest data showed that there were 8.86 lakh vacant jobs among all Union government civilian posts as of March 2020; **(3) Demographic Dividend:** India has the largest work-force in the world. The demographic dividend window will last till 2040s. Finding productive employment for its youth is an imperative for the Government; **(4) Mitigating the Impact of Pandemic:** The pandemic led to large loss of livelihoods and shifted employment into low productivity and unpaid jobs

away from salaried employment. Wage rates have continued to remain lower than pre-pandemic period; (5) **Global Uncertainties:** The ongoing Russia-Ukraine conflict will impede economic growth rate. Unemployment is expected to get worse. In this scenario, the creation of 1 million jobs by the Government would be beneficial in mitigating the impact.

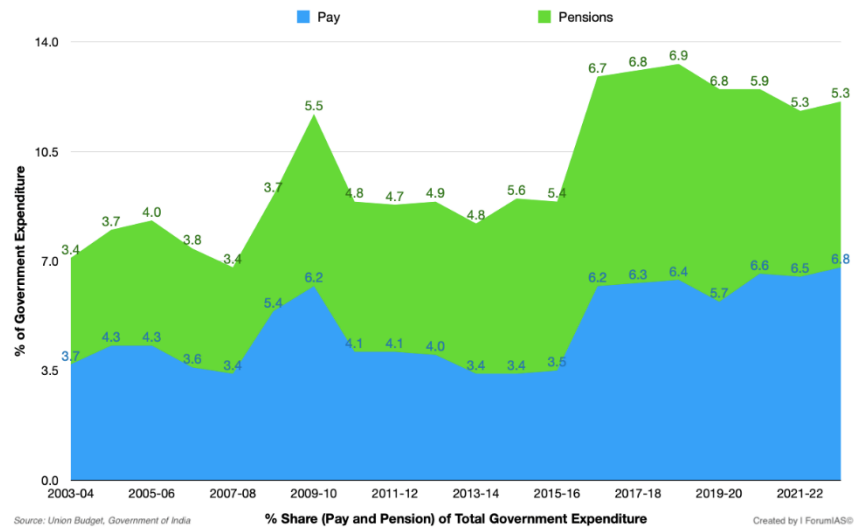
What are the associated challenges? – (1) Lack of Absorptive Capacity of Government:

Government employment actually forms a small proportion of the formal labour force, and an even smaller part of the total labour force. 1 million jobs in the Government will not address the broader problem of unemployment; (2) **Against the notion of Minimum Government Maximum Governance:**

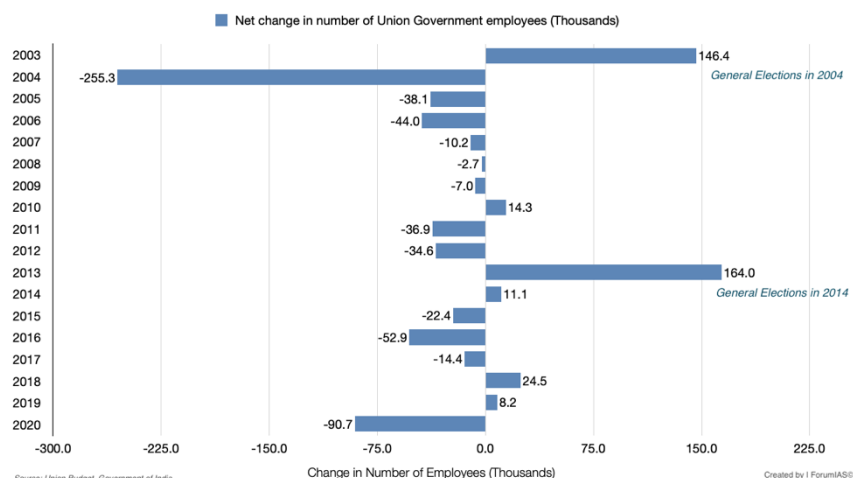
This expansion in public sector jobs poses a challenge to the promise and goal of minimum government. It sends a wrong signal to the economy and foreign investors;

(3) **Budgetary Constraints:** Expansion of Government will increase expenditure on salaries and pensions. It will constrain the more productive capital expenditure. This will reduce creation of productive assets in the economy that could have generated more employment; (4) **Time to Recruit:** The capacity of the recruitment agencies (UPSC, SSC, RRB) may not be enough to recruit so many employees in the short timespan e.g., the three bodies recruited 4.44 lakh persons over a period of 5 years. A **National Recruitment Agency set up in 2020** was expected to subsume the role of multiple government recruiting agencies but is **not yet functional**; (5) **Limited Capacity:** The Government's target is to create 1 million jobs but demand is much more than that. Roughly 12 million individuals enter the working age population each year. Around 6 million jobs need to be created each year, assuming a labour force participation rate of 0.5. Thus, the Government's 1 million jobs plan will have very little impact on wider unemployment in the economy;

(6) **Timed for Elections:** Several critics have criticized the move as a populist measure focused on General Elections 2024. Past trends indicate that the



The combined expenses on Salaries and Pensions has increased from 7.1% of Government expenditure in 2003-04 to 12.1% in 2022-23 (Budget Estimate). This reduces space for more productive Capital Expenditure by Government.



strength of Union Government increases a year before General Elections. The strength is trimmed in the interim periods.

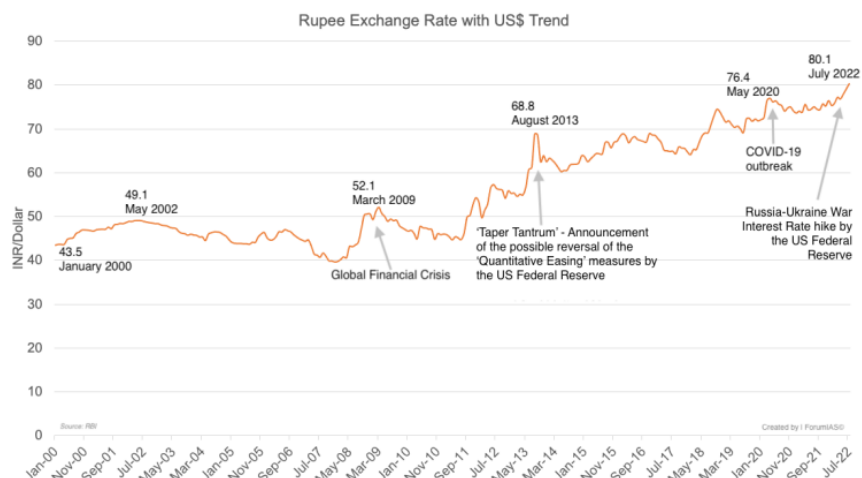
What should be the approach going forward? – (1) Social Security Net: The Government should also focus on **expanding the social security net**. This includes enhancing days under MGNREGA, introducing an urban MGNREGA and taking a decision on Universal Basic Income; **(2) Employment opportunities** for those wanting to shift out of agriculture also need to be factored in. This requires creating jobs at scale which only the private sector can do efficiently; **(3) Enabling Private Sector:** The **private sector should be given greater support to expand capacity**, especially the budding start-ups which have the potential to generate multiple jobs. Effective implementation of current schemes like MUDRA, Start-up India etc. could be a game changer in this regard. The **commercial dispute redressal mechanisms need to be strengthened** in order to attract more investment into the industrial sector. Currently India has 163rd rank in enforcing contracts as per Ease of Doing Business reports; **(4) Skilling:** The Government must focus on skilling and educating the youth as per the demand of the 21st century. They should be **encouraged to learn new age skills** like 5G technology, Big Data, Digital Marketing etc. that would enhance their probability of employment; **(5) The schools and colleges must enhance efforts on inculcating an entrepreneurial mindset in the students.** This will ensure that students become job givers rather than job seekers; **(6) The inefficiencies of government setup** (corruption, maladministration, red tapism etc.) must be addressed. This will ensure optimum utilization of resources and ensure creation of more jobs with minimum inputs.

The Union Government is at best a marginal source for employment generation and considering the scale of the challenge, this recruitment drive will not be enough. There is a need to acknowledge that enough jobs should be created by the private sector which should be the principal driver of employment generation.

3. Fall in the Value of Rupee: Reasons, Concerns and Solutions

News: There has been a consistent deterioration of Rupee's exchange rate with respect to the US Dollar (\$) over the last few months. The falling exchange rate poses another challenge to the policymakers in addition to inflation and unemployment.

What has been the recent trend of Rupee's Exchange Rate? – (1) The Indian Rupee has lost more than 6% against the US\$ since the beginning of 2022. In the last 10 months, the Rupee's exchange rate with the Dollar has fallen from 73.6 to 80; **(2)** However, historically the Rupee depreciates by about 3% to 3.5% in a year; **(3)** Many experts predict that Rupee may weaken to ~US\$ 82 in the coming 3-4 months. The International Monetary Fund (IMF) foresee the Rupee to fall



On July 19, 2022, the exchange rate crossed the INR 80 to a US\$ for the first time, during the intra-day trade. However, later it recovered to close on INR 79.9.

to 94 Rupees to a US\$ mark by FY2029.

What are the reasons for fall in the value of Rupee? – (1) Rise in the Interest Rates in the US: The U.S. Federal Reserve has been **raising its benchmark interest rate** since March 2022. Investors can get better returns in the US with higher rates. Hence, they are pulling-out their money from foreign markets. Other currencies including those of the developed economies have depreciated against the US\$ this year; **(2) Current Account Deficit (CAD):** India's CAD is expected to **hit a 10-year high of 3.3% of GDP** in FY2022-23. The import bill has been rising due to **high price of oil and other commodities** since the war between Russia and Ukraine; **(3) Inflation:** Consistently high domestic inflation has resulted in depreciation of Rupee. Higher inflation in India suggests that the RBI has been creating Rupees at a faster rate than the US Federal Reserve has been creating Dollars.

Currency	Jan 2022	Jul 2022	Change (%)
Yen	114.86	136.73	19
Pound	0.74	0.84	13.4
Euro	0.88	0.98	11.3
Rupee	74.45*	79.38*	6.6
Yuan	6.35	6.72	5.7
Brazilian Real	5.53	5.37	-2.8
Rouble	76.61	59.89	-21.8

Major global currencies have depreciated in relation to the US\$ since January 2022. Apart from the interest rate rise, Russia-Ukraine war and the rise in commodity prices have also contributed to the trend. In relative terms, Rupee has performed better than Yen, Euro and British Pound. Rouble has appreciated because of increase in oil trade in Russian Rouble due to sanctions.

How does the RBI respond to the fall in the Exchange Rate? – (1) As a matter of policy, the RBI has usually tried to slow down or smoothen (*rather than reverse or prevent*) the fall in exchange rate; **(2)** The aim of the RBI's policy is to allow the Rupee to find its natural value in the market but **without undue volatility**; **(3)** State-run banks are usually instructed by the RBI to sell Dollars in order to offer some support to the Rupee. By selling Dollars in the open market in exchange for Rupees, the RBI can **improve demand for the Rupee** and cushion its fall; **(4)** The RBI is also seen **raising benchmark interest rates** to defend the Rupee by preventing any rapid outflow of capital from India.

What are the concerns associated with fall in exchange rate? – (1) Forex reserves have fallen by **over US\$ 50 billion** between September 2021 and June 2022. RBI officials have noted that the drop in forex reserves is due to a **fall in the Dollar value of assets** held as reserves by the RBI, in addition to sale of dollars; **(2)** Import of goods and services will become costlier. This will **widen the trade deficit** and put further pressure on the exchange rate. The Ministry of Finance has hinted that **India's fertilizer subsidy bill** for 2022-23 (FY23) could rise to around INR 2.5 trillion against Budget Estimates (BE) of INR 1.05 trillion (almost 2.5 times); **(3)** Since the Rupee is not the only currency weakening against the Dollar, the net effect on exports will depend on how much has the other currency lost to the Dollar. If the other currency has lost more than the Rupee, the **net effect on exports could be negative**; **(4)** India is already facing high inflation. Costlier imports (because of a weaker Rupee) add to the **cost-push inflation** and enhance domestic inflationary process; **(5)** A weakening Rupee has negative impact on **foreign investors** as well as Indians, who have borrowed loans from abroad.

What are the mitigating factors? – (1) The **Rupee is still more resilient** against the Dollar than it was in some of the previous crises such as the Global Financial Crisis of 2008 and the **‘Taper Tantrum’** of 2013,

when the US Federal Reserve announced possibility of reversal of 'Quantitative Easing'; (2) India's products become more competitive because depreciation makes these products cheaper for foreign buyers. This will give a **boost to domestic producers and enhance exports**; (3) The US Dollar is just one of the currencies for foreign trade. Data suggests the Rupee has **become stronger than**

many other currencies such as the Euro; (4) India is **not facing an external crisis** (or BoP Crisis). The data show that India is in a relatively comfortable position. In 2021-22, the Current Account Deficit stood at US\$ 38.8 billion. There was a surplus of US\$ 86.3 billion in the Capital Account. At the end of the year, the BoP was at a surplus of US\$ 47.5 billion.

What lies ahead? – (1) It is neither wise nor possible for the RBI to prevent the Rupee from falling indefinitely. Defending the Rupee will result in India exhausting its forex reserves over time. Most analysts believe that the better strategy is to **let the Rupee depreciate**. The RBI should focus on containing inflation; **(2)** The Government should contain its borrowings. Higher borrowings (fiscal deficit) by the Government consume domestic savings. Hence, the Industrial and other sectors of economy are forced to borrow from abroad and get exposed to currency risk; **(3)** Over the long run, the Rupee is likely to continue to depreciate against the Dollar given the significant differences in long-run inflation between India and the U.S.

What lies ahead? – (1) It is neither wise nor possible for the RBI to prevent the Rupee from falling indefinitely. Defending the Rupee will result in India exhausting its forex reserves over time. Most analysts believe that the better strategy is to **let the Rupee depreciate**. The RBI should focus on containing inflation; **(2)** The Government should contain its borrowings. Higher borrowings (fiscal deficit) by the Government consume domestic savings. Hence, the Industrial and other sectors of economy are forced to borrow from abroad and get exposed to currency risk; **(3)** Over the long run, the Rupee is likely to continue to depreciate against the Dollar given the significant differences in long-run inflation between India and the U.S.; **(4)** Economies at a global level are raising interest rates to tackle inflation as well as protecting their currencies. As interest rates rise across the globe, the **threat of a global recession also rises**.

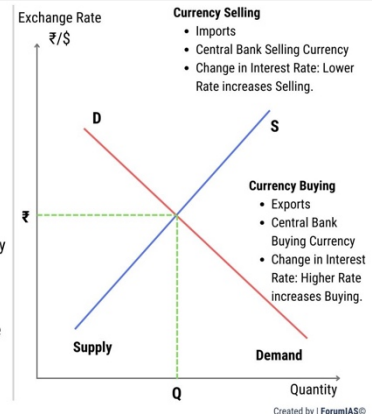
The exchange rate has fallen to its historical low of 80, however Indian Rupee has shown a better performance in comparison to currencies of emerging economies. The inflation divide between the U.S and India will continue to further depreciate the Rupee. Nonetheless, with proactive fiscal and monetary measures, India can stabilize its currency value.

4. The State of State Government Finances

News: Recent studies have pointed out the deteriorating fiscal position of multiple States in India. States are being blamed for aiding freebie culture, although other factors are also at play. Judicious expenditure approach is required so that States' Fiscal Deficits do not reach unsustainable levels.

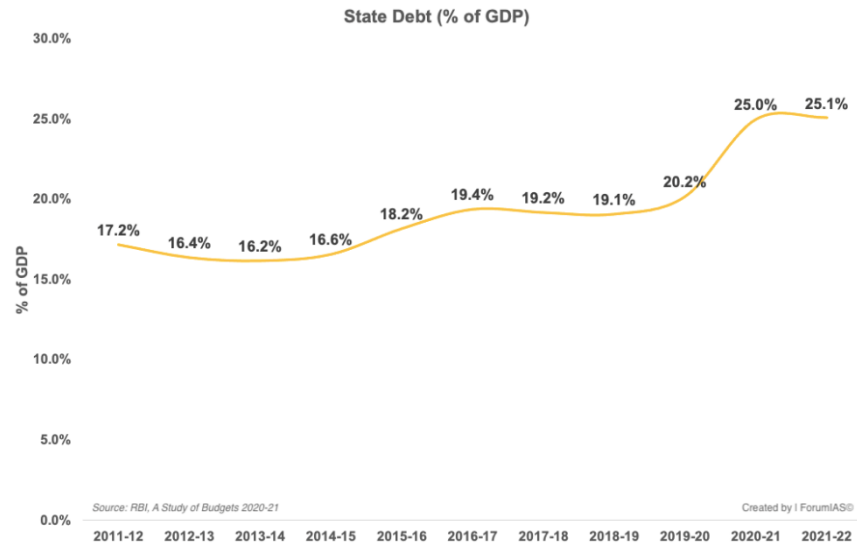
Determination of Exchange Rate

- The value of a currency is determined by its **demand and supply**.
- When **supply** of a currency **increases**, its **value drops**.
- Conversely, the **value rises with increase in demand**.
- The Supply of a currency is determined by the **Central Bank**. The demand depends on the amount of goods and services produced in the economy.
- In the Foreign Exchange (Forex) market, the **supply of Rupees** is determined by the **demand for imports** and foreign assets e.g., a high demand to import oil would lead to an increase in the supply of Rupees and cause the rupee's value to drop.
- The **demand for Rupees** in the Forex market depends on the **foreign demand for Indian exports** and domestic assets e.g., the foreign investments in Indian markets lead to increase in supply of US Dollars. Consequently, the value of Rupee rises.



What is the current status of State Finances? – (1)

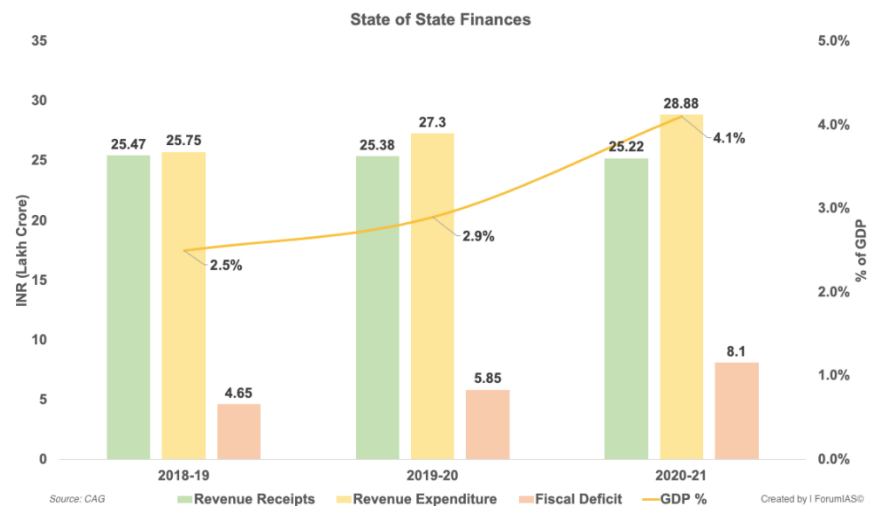
According to a RBI study, 10 states have a significantly high debt burden. These include Punjab, Rajasthan, Kerala, WB, Bihar, Andhra Pradesh, Jharkhand, MP, UP and Haryana. These 10 states account for ~50% of the total expenditure by all State governments in India; (2) Among the 10 states, Andhra Pradesh, Bihar, Rajasthan and Punjab exceeded both debt and fiscal deficit targets for 2020-21 set by the 15th Finance Commission; (3) Punjab's debt-GSDP ratio is projected to exceed 45% in 2026-27. Rajasthan, Kerala and West Bengal are projected to exceed the debt-GSDP ratio of 35% by 2026-27; (4) The cumulative debt of States has risen from 19.1% in 2018-19 to 25.1% in 2021-22.



Source: RBI. The cumulative State Debt Levels have seen a big jump from 2019-20 onward, with debt levels rising from ~20% of GDP to 25%. Many States have debt level >30%.

What are the reasons for the fiscal deterioration in these States? – (1) Impact of Pandemic: Before the pandemic, the average gross fiscal deficit (GFD) to gross domestic product (GDP) ratio was at 2.5%. Some States had fiscal deficits above 3.5%. During the pandemic States' revenues were hit. States had to provide medical care and support to the vulnerable sections of the population. Consequently, the deficits increased;

(2) Declining Tax Revenue: The own tax revenue of some states like Madhya Pradesh, Punjab and Kerala has been declining over time. The revenue might fall sharply if the GST compensation is stopped from July 2022 e.g., significant part of Punjab's guaranteed revenue was met using compensation (37% in 2018-19, 47% in 2019-20, and 56% in 2020-21); **(3) High Revenue Expenditure:** The share of revenue expenditure in total expenditure of these states varies in the range of 80-90%. This results in poor expenditure quality, as reflected in their high revenue spending to capital outlay

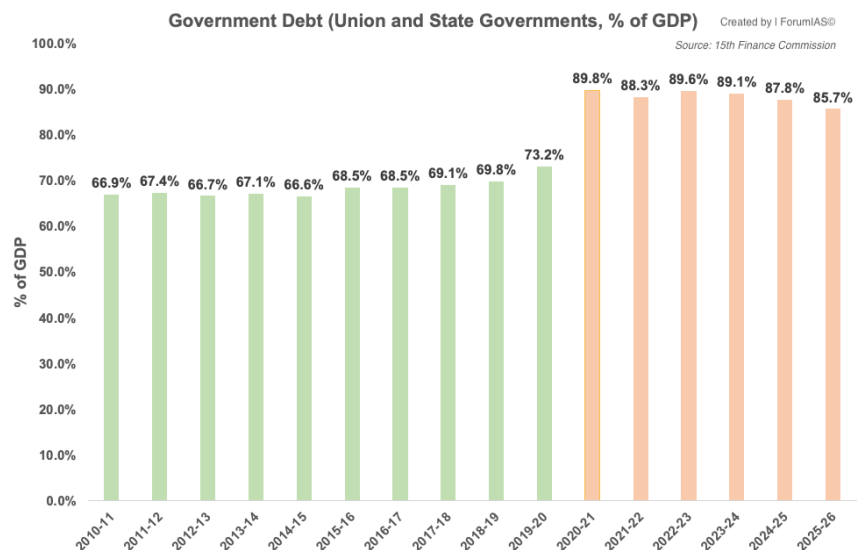


Source: CAG. Due to negative impact of COVID-19, the cumulative revenue receipts of all State Governments fell from INR 25.47 Lakh Crore (2018-19) to INR 25.22 Lakh Crore (2020-21). The Revenue Expenditure rose from INR 25.75 Lakh Crore to INR 28.88 Lakh Crore in the same period. The Fiscal Deficit jumped from 2.5% of the GDP to 4.1% of the GDP.

ratios; **(4) Significant Committed Expenditure:** Committed expenditure like interest payments (on debt), pensions and administrative expenses accounts for a significant portion (over 35%) of the total revenue expenditure in some of these states. For some States, the interest payments exceed 20% of the Revenue Receipts of the Government like Haryana (23%), Punjab (21%), Tamil Nadu (21%). This constraints State finances; **(5) High DISCOMs Losses:** The combined losses of DISCOMs in the 5 most indebted states, viz Bihar, Kerala, Punjab, Rajasthan and West Bengal, constituted 24.7% of the total DISCOMs losses in 2019-20. The sudden jump in cumulative debt (refer debt trend above) from 16% to 18% between 2014-15 to 2015-16 was due to the States assuming DISCOMs' debts; **(6) Freebie Culture:** Political parties are increasingly promising free electricity and water, laptops, cycles etc. The freebies put a significant strain on the fiscal position of State governments and can't be easily taken back by succeeding governments; **(7) Loopholes in FRBM Act:** The current FRBM provisions mandate that the Governments disclose their contingent liabilities, but that disclosure is restricted to liabilities for which they have extended an explicit guarantee. In reality, the State governments resort to **extra-budgetary borrowings** to finance their populist measures. This debt is concealed to circumvent the FRBM targets. Further, there is **no comprehensive information in the public domain** to assess the size of this off-budget debt.

What are the implications of the poor state of State Finances? – The fiscal profligacy can have an adverse impact on India's macroeconomic stability. More spending on transfer payments will reduce spending on physical and social infrastructure. Both are vital for economic growth and generation of jobs. The debt burden might become unsustainable. Economists argue that 'some States might go down the Sri Lankan way'. It may impair the fiscal position of the Union Government.

What recommendations have been given by RBI to improve State Finances? – **(1)** Near term: State governments must restrict their revenue expenses by cutting down expenditure on non-merit goods; **(2)** Medium term: States need to put efforts towards stabilizing debt levels; **(3)** Longer term: States need to increase the share of capital outlays in the total expenditure. This will help create long-term assets, generate revenue and boost operational efficiency; **(4)** States need to undertake **large-scale reforms in the power distribution sector** to reduce losses and make them financially sustainable and operationally efficient; **(5)** State governments need to conduct fiscal risk analyses and stress test their debt profiles regularly to be able to put in place provisioning and other specific risk mitigation strategies; **(6)** A framework was suggested by the RBI study in 2009. This study proposes a **'triple E framework'** to assess expenditure quality **(a)** Expenditure adequacy; **(b)** Effectiveness; **(c)** Efficiency.



The 15th Finance Commission projects the combined Union and State Government Debt levels to hover around 86-89% till 2025-26. Of this, State Debts will be in the range of ~30-31% on an average.

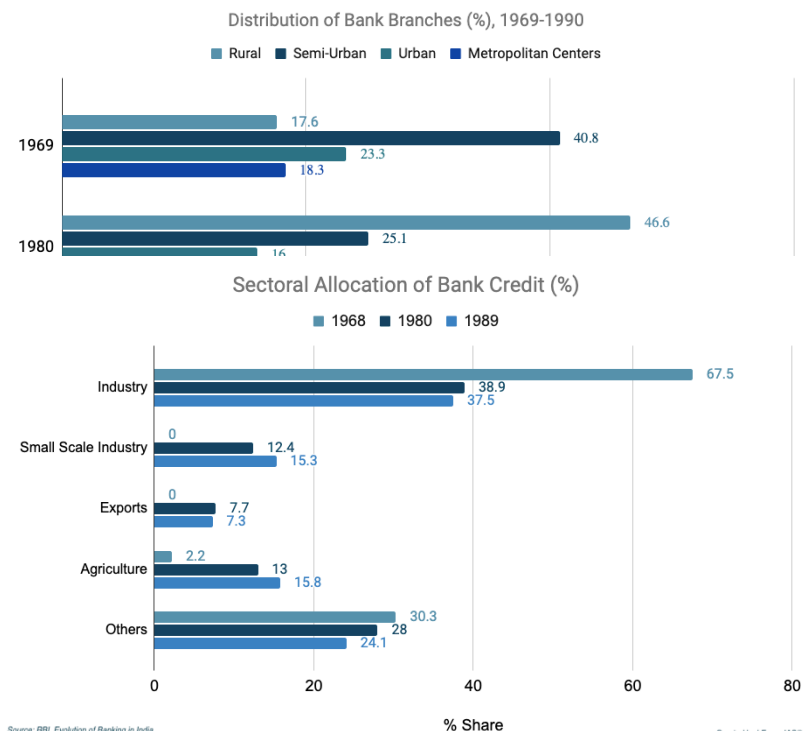
What more can be done? – (1) The FRBM Acts should be amended. The provisions should be expanded to cover all liabilities of the Government whether budget borrowing or off-budget borrowing, regardless of any guarantee; (2) The Government should focus on decreasing the magnitude of black economy. It erodes the fiscal pool of the Government and leads to suboptimal spending; (3) States are required to take the permission of Union Government when they borrow. The Union Government should prescribe objective and transparent conditions before approval to promote fiscal prudence; (4) Eradication of unnecessary freebie culture requires an attitudinal change. Public should elect governments on the basis of performance and development outcomes, rather than doling out of freebies.

Given that the general government debt has increased sharply, India needs an overall medium-term consolidation road map. An unsustainable level of debt in some of the large States would not only affect growth prospects, but could also pose risks to macroeconomic stability.

5. Privatization on Banks: Benefits and Concerns

News: A Report by National Council of Applied Economic Research (NCAER) has recommended that all Public Sector Banks (PSBs) except the SBI should be privatized. Many economic experts have raised concern that complete exit of the Government will give rise to systemic risks in the financial sector.

What have been the benefits of nationalization of banks? – (1) The nationalization of private banks in 1969 resulted in the penetration of banking sector in the rural areas of India. Private Banks were reluctant to open branches in rural India due to low profitability. However, nationalized banks followed the mandate of the Government and helped in financial inclusion; (2) Nationalization of banks enabled the small borrowers to get credit. There was a **shift from class banking to mass banking**. Banks were used to bring about a **revolution in agriculture** and to carry out activities related to it; (3) The proliferation of branches created job opportunities for large section of educated youth. It also benefitted local rural economies; (4) There was an **increased public confidence in the banking system**. The growth rate of saving bank deposits witnessed a rapid rise post 1969. 42 crore ordinary people have opened bank accounts as a



The Sectoral allocation of Bank Credit underwent a change after nationalization of banks. The Share of Agriculture improved from 2.2% in 1968 to 16% in 1989. The share of credit to Industry decreased from 67.5% in 1968 to 37.5% in 1989. This shift happened due to expansion of rural branches and Priority Sector Lending norms.

result of the immense contribution of state-owned banks in **opening Jan Dhan Yojana accounts**.

What are the arguments in favour of Privatization of Banks? – (1) **Performance:** Private banks have emerged as a **credible alternative to the PSBs** with substantial market share. PSBs have lost ground to private banks, both in terms of deposits and advances of loans. Since 2014-15, almost the entire growth of the banking sector is attributable to the private banks and the SBI; (2) **Dual Control:** The Government ownership hinders the ability of the Reserve Bank of India (RBI) to regulate the sector. At present **PSBs are under the dual control** of the RBI and the Department of Financial Services (Ministry of Finance). The RBI handles the governance side of the PSBs (RBI Act, 1934). The Ministry maintains the regulation of PSBs (Banking Regulation Act, 1949). Thus, RBI does not have the powers to revoke a banking license, shut down a bank, or penalize the board of directors for their faults. Privatization will enable a more effective control of the RBI; (3) **High NPAs:** Barring SBI, most **other PSBs have lagged behind private banks in all the major indicators of performance** during the last decade. The non-performing assets (NPA) of PSBs remain higher than those of the private banks even as the government infused US\$ 65.67 billion into PSBs between 2010-11 and 2020-21 to help them tide over the bad loan crisis; (4) **Failure of Corrective Measure:** The under-performance of PSBs has persisted despite a number of policy initiatives. These initiatives include: (a) Recapitalisation of PSUs; (b) Constitution of the Bank Board Bureau to streamline and professionalize the hiring and governance practices; (c) Prompt corrective action plans; (d) Consolidation through mergers; (5) **Loss of value:** The steady erosion in the relative market value of PSBs is indicative of **a lack of trust among private investors** in the ability of PSBs to meaningfully improve their performance; (6) **Fiscal Burden:** The current fiscal position of the Union Government is not strong enough to provide huge sums for re-capitalization and keep on sustaining sick PSBs; (7) **Market Discipline:** Privatization of a few loss-making PSBs will ensure that market discipline forces them to rectify their strategy, and this will have a ripple effect on other PSBs.

What are the challenges in Privatization of Banks? – (1) **Buyers:** According to the policy of the Reserve Bank of India, **banks cannot be run by industrial houses**. However, excluding the industrial houses, there are no entities that have the required financial capability to take over any of the government banks; (2) **Failure of Private Banks:** Private banks have a long history of failures. >1500 banks failed between 1935-1969. Bank failures and lack of Government intervention will increase the systemic risk in the banking system; (3) **Depositor Confidence:** Banks owned by the sovereign government provide more comfort level to depositors. Expansion of private sector in banking will reduce consumer confidence in the sector; (4) **Social and Welfare Aspect:** Private banks operate with the sole aim of **adding shareholder value**. In contrast, the government banks serve society and ensure implementation of all government programmes for the social sector. Privatization might have a negative impact on financial inclusion, agriculture credit etc.

Methods to Privatize Banks

3 options before the Government to undertake privatization of banks



Amendment to the Bank Nationalization Act

- The law requires that government has to hold 50 percent plus in PSU banks,
- The Government can drop this clause by amending the Bank Nationalization Act.



Bringing Banks Under Companies Act

- The Government can repeal the Bank Nationalisation Act and bring banks under the Companies Act.
- This could be more reformist because, under the Companies Act, boards have more power.



Holding Company

- The Government can create a holding company under which all the PSU banks would be owned.
- Privatized Banks will have most freedom under this approach.

Created by | ForumIAS®

What should be the approach going ahead? – (A) Recommendations of the NCAER report: (1) Initially two banks can be privatized on the basis of the highest returns on assets and equity, and the lowest NPAs in the last five years. It has recommended Indian Bank and Bank of Baroda as the two top choices for privatization. This would set an example for the success of future privatizations; (2) Corporate ownership of banks can be allowed after due diligence. The government must allow foreign investors, including foreign banks to enter the auctions; **(B) Recommendations of PJ Nayak Committee:** (1) The government must provide support to the Bank Board Bureau for proper functioning; (2) The government can split the roles of the Chairperson and Managing Director; (3) They should be allowed a fixed tenure of 3-5 years; **(C) Recommendations of Narashimham committee:** (1) The Government can explore the concept of Narrow Banking. Under this weak PSBs will be allowed to place their funds only in the short term and risk-free assets. This will improve the performance of PSBs; **(D) Other Measures:** (1) The Government must create strong recovery laws and take **criminal action against wilful defaulters**; (2) The challenges in the Insolvency and Bankruptcy Code (IBC) must be addressed. This will provide a faster resolution process. In the meantime, the Government can explore alternate steps such as the concept of Bad Banks.

Privatizing all the PSBs and complete exit of the Government might have significant negative consequences. The Government must find ways to strengthen the governance of banking system and ensure safety of depositors' money. Complete exit may not be an option, for now.

6. Issues with Online Marketplace and Large Platforms

News: The proliferation of large number of e-commerce platforms have proved beneficial to consumers. However, the large aggregator platforms have negatively impacted small and medium businesses through their dominant market position.

How have large platforms impacted small businesses? – (1) A few select sellers, generally affiliated with the e-market platforms, reap the benefits of greater visibility and better terms of trade; (2) Platforms have complete control over customer reviews and ratings on the platform. There have been reports of manipulation and arbitrary removal of reviews; (3) Online travel aggregators are often accused of cartelisation e.g., the Competition Commission of India had asked MakeMyTrip to relist hotels of OYO's rivals Treebo and FabHotels; (4) Unreasonable and one-sided contracts allow travel aggregators to have a disparity clause (in the rates). This allows them to offer rooms at a much cheaper rate but bars the hotels from doing so. Restaurants are many a time forced to accept orders at prices much lower than their agreement. The same goes for Taxis attached to aggregators like Ola and Uber; (5) Platforms don't offer a fair and transparent **dispute resolution mechanism** to their sellers; (6) Many platforms offer products/services at very low price despite suffering losses. The predatory pricing distorts the market; (7) Platforms have access to customer data which they analyse to understand consumer preferences. The insights gained allow them to launch their own products taking away business from other sellers on the platform. They exploit information asymmetry for their own benefit; (8) Platforms have also been accused of frequent and random changes to the commission structure and delays in payments to suppliers.

What can be done to protect the online marketplace? – (1) A set of comprehensive regulations can be put together. These regulations need to be inclusive, should eliminate the conflicts of interest inherent in current market practices, and prevent any anti-competitive practices; (2) A model agreement that is fair and allows a level playing field between the aggregators and their business partners should be implemented. For instance, the **Digital Markets Act of the EU**; (3) Strong and quick grievance redressal and dispute resolution mechanisms should be established. The rules should allow for punitive penalties for

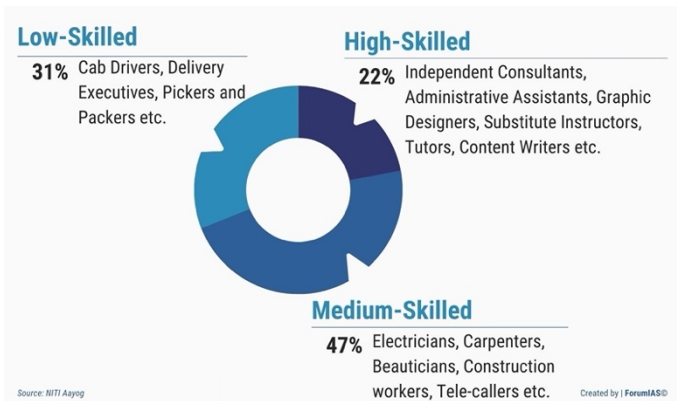
unfair practices; (4) Market dominance and subsequent invoking of fair competition rules should be triggered at the level of micro-markets and for product segments.

7. NITI Aayog Recommendations on Gig Economy in India

News: NITI Aayog has released a report 'India's Booming Gig and Platform Economy' with comprehensive perspective and recommendations on the gig-platform economy in India. The recommendations can help address the concerns of gig workers in India.

What is Gig Economy and Gig Worker? – (1)

Gig Economy is the evolving economic model wherein the firms hire workers on a **part-time flexible basis** rather than as full time employees; (2) The Code on Social Security, 2020 defines gig workers as those engaged in livelihoods outside traditional employer-employee relationship; (3) The workers work as **freelancers or independent contractors**. They generally have flexible and adaptable working hours based on individual preferences; (4) The jobs in gig economy



typically require interacting with the users through online platforms e.g., the drivers engaged with cab hailing platforms (Uber, Ola etc.), delivery workers engaged with restaurant aggregators (Zomato, Swiggy etc.), or tutors delivering lectures over online platforms. The workers engaged in such jobs are called Gig Workers; (5) Gig Workers can be broadly classified into 2 categories: **platform-** and **non-platform-based workers**: (a) Platform workers are those whose work is based on **online software apps or digital platforms**. (b) Non-platform gig workers are generally **casual wage workers** and **own-account workers** in the conventional sectors, working part-time or full time; (6) The Gig workers can also be classified on the **basis of skills**. These are high-skilled, medium-skilled and low-skilled workers. According to the NITI Aayog Report, at present, about 47% of the gig work is in medium-skilled jobs, about 22% in high-skilled jobs, and about 31% in low-skilled jobs. Trends show that the **concentration of workers in medium skills is gradually declining** and that in low skills and high skills is increasing.

What is the size of Gig Economy in India? – (1) According to NITI Aayog Report, India's gig workforce currently stands at 77 lakh (2020-21). It is expected to rise to 2.35 crore by 2029-30; (2) By 2029-30, gig workers will form 4.1% of India's total workforce, rising from 1.5% in 2020-21; (3) Currently 27 lakh gig workers (35% of gig workers) are engaged in retail trade and sale, while 13 lakh (17%) are engaged in transportation sector. There are 6 lakh workers (8%) in manufacturing and another 6 lakh (8%) in finance and insurance; (4) A report by the Boston Consulting Group expects India's gig economy to rise to 90 million jobs (9 crore) in the next 8-10 years; (5) Another industry report indicates that by 2024, more than 75% of the services industry will be staffed by gig workers; (6) A report by Ernst and Young observed that Indian Freelancers hold a **24% share of the global online gig economy**; (7) According to a recent survey by a private firm, **Quick Commerce, Healthtech, Fintech, and e-Commerce** are the **top sectors** in the Indian gig economy. Within the gig workforce, work-from-home jobs account for 33% of the roles and 67% were on-field roles.

What are the recommendations of the NITI Aayog Report? – (1) Accelerating Access to Finance for Workers:

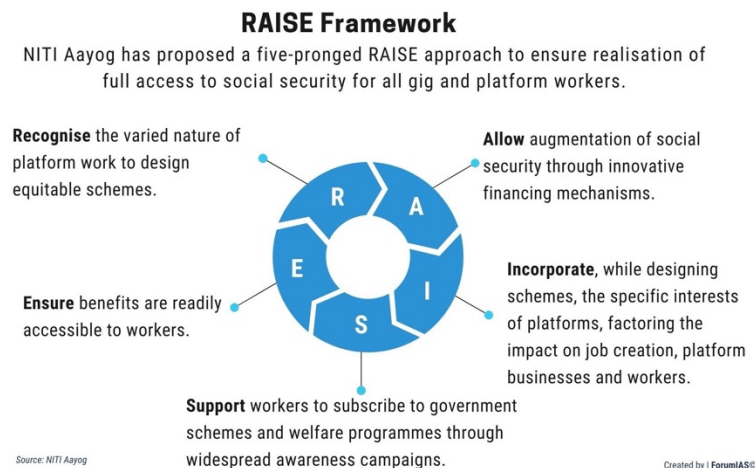
Access to institutional credit may be enhanced through financial products specifically designed for those interested to set-up their own platforms. FinTech and platform businesses may be leveraged to provide cash flow-based loans to workers; (2) **Skill Development for Workers:** Platform-led models of skilling and job creation need to be promoted for the gig and platform sector. **Transformational upskilling** for workers presently engaged in the informal sector in trades such as construction, driving etc. can be undertaken. This will create avenues for **horizontal and vertical mobility** for workers to take up jobs in the gig and platform sector, empowering them to augment their earnings; (3) **Platformization:** A **Platform India**

Initiative can be launched to increase access to the platforms. This can be achieved by simplification and handholding, funding support and incentives, skill development, and social financial inclusion. The horizon of platforms can be broadened e.g., Self-employed individuals engaged in the business of selling regional and rural cuisine, street food, etc. may be linked to platforms; (4) **Enhancing Social Inclusion:** Gender Sensitisation and Accessibility Awareness Programmes for workers and their families should be undertaken. Platform businesses can undertake partnerships with Civil Society Organizations (CSOs) to enable different sections of workers such as women workers and People with Disabilities (PwDs) to take up employment opportunities in the platform sector through skill development, access to finance and assets. Platform businesses can **create a more enabling environment for women and PwD workers** through changes in the work-design and workplace facilities; (5) **Extending Social Security:** Platforms can offer paid leaves, and access to insurance along with pension and retirement benefits. Gig and platform firms may consider providing income support to workers. This will help in providing assured minimum earnings and social security from income loss in the wake of uncertainty or irregularity in work. NITI Aayog has proposed **RAISE Approach for operationalizing the Code on Social Security (CoSS), 2020.**

(Refer EPIC December 2021 for Advantages/Disadvantages of Gig Economy and issues with Code on Social Security).

Why are platform companies reluctant to assign employee status to Gig workers? – If gig workers are classified as employees, platforms and aggregators will have **higher operating costs and lower utilization of the workforce**. The platforms will have to cut down the number of employees, which will impact the customer experience by increasing service delivery time. The power of the platform model lies in the ability to deliver a great customer experience along with high operating efficiency by relying on gig workers. The **whole business model will fail in absence of these cost efficiencies**.

What is the way forward? – (1) Platform companies should explore ways to ensure that every gig worker, irrespective of the number of hours put in every month, will be paid an equivalent living/minimum wages; (2) Uber UK has committed to provide the national living wage, paid holiday time equivalent to about 12% of driver's earnings along with a pension plan to its driver. Other companies can replicate this model; (3) The provisions of Code on Social Security should be put into effect. However, the implementation should



be undertaken in a gradual manner. Platform companies should be provided time to adjust their business to the new conditions that will increase their costs. NITI Aayog's RAISE Approach can be adopted.

Gig Economy has the potential to create jobs for India's large workforce, especially the low-skilled workers. The Government must take appropriate steps to support the expansion of gig economy and platforms. At the same time, the interests of the gig workers must be protected to provide them with just work conditions as well as social security benefits. Achieving the balance will need some effort from all stakeholders.

Global Status of Gig Workers

The status of gig workers is also undergoing transition in major global economies.

- In November 2020, the **US State of California** in a ballot **allowed platforms to classify gig workers as 'independent contractors'**. With this classification, they were kept out of obligatory benefits. The ballot was **termed unconstitutional** by a County Superior Court in California in August 2021.
- The **Supreme Court of the UK** ruled that **Uber must treat its drivers as workers** and not self-employed.
- The **European Commission** is considering proposals that could lead to **classification of gig workers as employees**. This will entitle them to **security and legal protections** that include minimum wage, collective bargaining, paid leave, unemployment and sickness benefits, and pensions. The Commission also wants to **increase transparency** around the management of employees via algorithms, including the right for workers to contest automated decisions.
- The **Supreme Court of Spain** in May 2021 gave 90 days to food delivery companies to **convert their workers to 'staff'**. The Court also asked the companies to provide **greater transparency** on the **working of their Apps**.

Created by | ForumIAS®

8. 12th Ministerial Conference of the WTO

News: The 12th Ministerial Conference of the WTO concluded recently. Several important agreements were reached including temporary waivers on COVID-19 vaccines. However, certain long-standing issues in the WTO must be addressed for it to regain its dwindling stature.

What is WTO's Ministerial Conference? – (1) The Ministerial Conference (MC) is the **WTO's top decision-making body**. It usually meets every 2 years; (2) All members of the WTO are involved in the MC and they can take decisions on all matters covered under any multilateral trade agreements.

What are the key takeaways from the 12th Ministerial Conference? – (1) **Curtailling harmful fishing subsidies:** The WTO has passed a multilateral agreement that would curb 'harmful' subsidies on illegal, unreported and unregulated fishing for the next 4 years. Since 2001, member states have been negotiating the banning of subsidies that promote overfishing; (2) **Exemption for Food Security:** Members agreed to a binding decision to exempt food purchased by the UN's World Food Programme (WFP) for humanitarian purposes, from **any export restrictions**. Countries would be allowed to restrict food supplies to ensure domestic food security needs; (3) **Moratorium on e-commerce transactions:** Members agreed to continue the long-standing moratorium on custom duties on e-commerce transmissions. It will be continued until the subsequent Ministerial Conference or until March 31, 2024, depending on whichever comes first; (4) **Temporary Waiver on COVID-19 vaccines:** WTO members agreed to temporarily waive intellectual property patents on Covid-19 vaccines without the consent of the patent holder for 5 years.

What is the significance of the recent agreements? – (1) The fisheries agreement is of immense significance as it is the first time that members concluded an agreement with **environmental sustainability** at its heart. It will help in the **protection of livelihoods** of the 260 million people who depend on marine fisheries. It is **only the 2nd multilateral agreement on global trade** rules struck in its 27-year history; (2) The exemption of WFP's food from tariffs is vital for **promoting global food security**; (3) The temporary waiver will contribute to ongoing efforts to **concentrate and diversify vaccine manufacturing capacity** so that a crisis in one region does not leave others cut off.

Why are the current agreements being criticized? – (1) Critics believe that the fisheries agreement would only restrict and **not eradicate subsidies on illegal fishing**. After 20 years of delay, the WTO failed again to eliminate subsidized overfishing; (2) India has asked the WTO to review the extension of the moratorium on custom duties on e-commerce transactions. Between 2017-2020, developing countries **lost a potential tariff revenue of ~US\$ 50 billion** on imports from only 49 digital products; (3) India and South Africa had wanted broader intellectual property waivers on vaccines, treatments and tests related to COVID-19. The current waiver does not adequately waive IP on all essential COVID-19 medical tools and it does not apply to all countries; and thus a watered down version of original proposal.

What are other issues related to the WTO? – (1) **Burden on Poor countries:** The non-trade subjects like environment, labour standards, fossil fuel subsidies, plastic pollution and transparency in government procurement have been brought into the fold of the WTO. This is expected to raise costs for the poor and developing countries and impact the competitiveness of their goods e.g., a poor country exporting cotton shirts must first meet high environmental standards. This will raise costs and reduce exports. Moreover, issues like environment are already being discussed at other fora; (2) **Trade wars:** The US administration imposed steep tariffs in January 2018 on China alleging IP violations. In December 2019, the US also blocked the appointment of new nominees to WTO's appellate body. This has paralysed the working of the WTO and the dispute resolution mechanism; (3) **Lack of consensus:** The developed nations' want to put the old obligations on the back-burner and push the WTO to form rules on new areas like e-commerce. It is an area where the US firms have a clear edge. Most developing member countries want them to first deliver on the pending agreed issues like reduction in agriculture subsidies or public stockholding of food.

What lies ahead? – (1) India's key demand to allow it to export food from its public stockholdings to other countries will reportedly be discussed in the next Ministerial Conference in 2023; (2) Majority of negotiations are usually blocked by dissenting countries. Therefore, guidelines should **spell out clear criteria for when a country may use its veto power**. Veto usage needs to be weighed against the interests of all, and in light of the WTO's mandate; (3) An **independent panel** could play the role of arbiter, evaluating the competing claims and helping to overcome the political deadlock; (4) **New rules** are required to keep pace with changes in the market and technology. Rules and disciplines on topics ranging from trade-distorting industrial subsidies to digital trade require updates; (5) **Plurilateral negotiations** should be promoted as they allow like-minded members come together to deliberate on a specific issue. This makes it easier and faster to negotiate than multilateral accord like passage of Trade Facilitation Agreement in 2013.

The WTO holds immense relevance considering the rapid pace of globalization and technological advancement across the world. It is still the most fundamental organization to protect the trade interest of small and developing countries against the developed world. However, the deadlock on contentious issues like agriculture subsidies must be resolved urgently, for WTO to stay relevant. Else, the regional trade agreements will continue to take WTO's place and this will prove detrimental to the interests of the developing countries.

9. Rare Earth Elements: Strategic Importance and Reducing Import Dependence

News: Rare Earth Elements will play a crucial role in many upcoming critical technologies. Controlling the supply chain of Rare Earth Elements is becoming strategically vital. India is almost 100% dependent for most of its needs despite having considerable reserves. The Government must change its approach to mining and other aspects to reduce the dependence on imports.

What are Rare Earth Elements? – (1) Rare earth elements (REEs) are a group of 17 chemically similar metallic elements in the periodic table; (2) The REEs are actually not 'rare' in nature; they occur abundantly but are

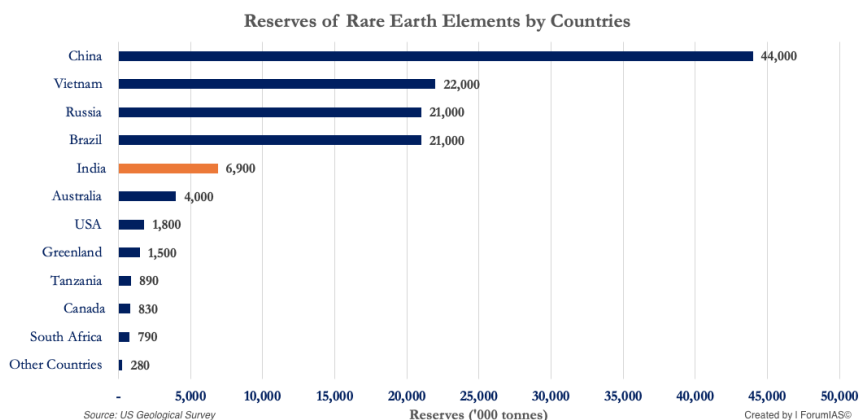
often not concentrated enough to undertake viable extraction; **(3)** REEs are characterized by high density, high melting point, high conductivity, and high thermal conductance. REEs are classified into Heavy REE and Light REE; **(4)** REEs do not occur in a free state. They are found in mineral oxide ores.

PT BOX

17 Rare Earth Elements

They comprise 15 lanthanides elements (lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium and lutetium), along with scandium and yttrium. Lanthanides have atomic numbers from 57 to 71. Scandium has atomic number 21 and Yttrium has 39.

What is the current status of the reserves of REEs? – **(1)** The total global reserves are estimated at 120 million tonnes of rare earth oxides equivalent content (REO); **(2)** China alone accounts for 44 million tonnes followed by Vietnam and Russia; **(3)** China holds the leading position among producers of rare earth oxides with 140 thousand tonnes. The other major producers are Myanmar, Australia, USA, Russia and Malaysia; **(4)** India is ranked 5th in terms of reserves; **(5)** Significant rare earth minerals found in India are ilmenite, sillimanite, garnet, zircon, monazite, and rutile, collectively called **Beach Sand Minerals (BSM)**; **(6)** Monazite is the principal source. Monazite is mainly found in Odisha, Andhra Pradesh, Tamil Nadu, Kerala, West Bengal, and Jharkhand. According to the India Minerals Yearbook (2019), India had 12.47 million tonnes of Monazite Resources; **(7)** They are classified as **atomic minerals** and are therefore not at par with other minerals. The reason that they are classified as atomic minerals is because some of these elements occur in the earth's surface along with thorium and uranium which are radioactive minerals.



What is the strategic significance of Rare Earth Elements? – **(1) Multiple Uses:** They are used in multiple hi-tech applications, including many upcoming technologies in future; **(2) Rising Demand:** The multifarious uses of rare earth elements in new age technologies shows that their demand is going to rise in future e.g., Neodymium is critical in production of EV traction motors. Hence, it is going to be crucial for EV transition; **(3) Reducing Import Bill:** India is almost 100% import dependent for most rare earths. Prices of rare elements are consistently rising due to the rising demand e.g., the price of neodymium has doubled in last 3 years. Imports will have forex implications in future; **(4) Highly Concentrated Supply Chain:** The global supply for rare earths is highly concentrated, much more than oil and hydrocarbons. This poses a strategic challenge. Until a few years ago, China controlled 90% of the supply of rare earths though it has come down to 60% now. In 2010, following dispute with Japan over Senkaku Islands in the East China Sea; **China shut down exports of Rare Earth Elements to Japan.** Given India's border dispute, China might resort to similar tactics in future; **(5) Huge potential:** India has greater reserves than the US and Australia, only behind China, Vietnam, Russia, and Brazil. With Russia embroiled in conflict, the onus is on India to emerge as a supplier not just for domestic use but for international consumption.

What are the reasons behind the limited production of RREs in India?

– **(1) Commercial Viability:** RREs are not concentrated enough in many geographical locations with respect to **commercial viability**. It is expensive to produce them at commercial scale; **(2) Atomic Minerals:** At present they are classified as atomic minerals. The **mining of RREs is reserved exclusively for government companies**. Only two companies,

Indian Rare Earths Ltd (IREL, owned by GoI) and Kerala Minerals and Metals Ltd (owned by Kerala government) can mine them at present. The production capacities and technological capabilities of these two are limited; **(3) Limited R&D:** This arrangement has also isolated the RRE research from other R&D ecosystems like electronics or metallurgy. R&D is dominated by DAE and the Bhabha Atomic Research Centre (BARC), with negligible participation by the Academia and private sector; **(4) Low Production Incentive:** IREL's primary source of revenues is not rare earths but other minerals contained in beach sands. Thus, IREL has poor incentives to focus itself as a globally competitive rare earth extraction and processing firm; **(5) Beach sand mining** was permitted until a few years ago but was **banned in 2016** in an attempt to conserve strategic minerals including rare earths and thorium.

Use of Rare Earth Elements

Rare earths are used in small quantities but have important uses in emerging hi-tech technologies.

- **Aerospace and Defence:** Precision-guided munitions in missiles, high-power sonar on ships and submarines, stealth helicopters, etc.
- **Health care:** Medical imaging devices, such as MRIs, modern surgical machines.
- **Clean Energy:** Wind turbines, electric car batteries and energy-efficient lights (LEDs and CFLs).
- **Nuclear Energy:** Control rods for controlling nuclear reactions.
- **Green Energy:** Permanent Magnets for use in Wind Turbines, EV Traction Motors.
- **Electronics:** Phosphors in cathode ray tubes, fluorescent lamps, X-ray intensifying screens, optical lasers.
- **Chemicals, Oil Refining, and Manufacturing:** Speciality metal alloys, make the refining of crude oil into gasoline more efficient.

Created by | ForumIAS®

What steps can be taken to boost domestic production? – **(1) The Ministry of Mines has proposed to move the 17 RREs** outside the ambit of atomic minerals. This will allow commercial mining by private entities. This should be expedited. Private players can be mandated not to extract thorium and uranium from monazite rock and restrict themselves to rare earths; **(2) India** has an established relative abundance of Light RREs: elements from Lanthanum to Samarium. The initial focus can be on extraction of these elements. Efforts are already on to discover Lithium deposits as well. A joint venture of 3 PSUs, named Khanij India Bidesh Limited (KABIL), has been entering into long-term contracts for India's critical mineral needs; **(3) The Government can create a new Department for Rare Earths (DRE)** under the Ministry of Mines. This DRE should oversee policy formulation and focus on attracting investment, promoting R&D and building strategic reserves of RREs; **(4) The government** should also create an autonomous regulator, **the Rare Earths Regulatory Authority of India (RRAI)**. It would resolve disputes between companies in this space and check compliance; **(5) IREL** can be de-merged into two different entities: One exclusively for Thorium extraction (under the Department of Atomic Energy) and the other can specialise in other available RREs processing and can be under the control of the proposed DRE; **(6) Private industry must be incentivized** and enabled to set up processing capabilities beyond the extraction phase. Private Industry linkage is necessary to promote R&D Ecosystem as well; **(7) The Government** should create **RRE Strategic Reserves**, similar to the Strategic Petroleum Reserves. Having such reserves can help provide a **consistent demand environment**, as well as a **fallback at times of any unfavourable action** by the Chinese Government.

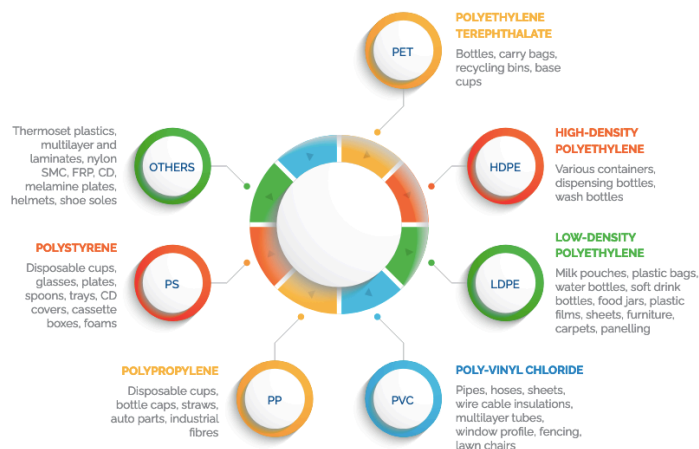
The time is right to focus on boosting the indigenous supply of RREs. A sustained supply is also essential to reduce its dependence on Chinese imports.

10. Ban on Single-use Plastic

News: The Government has put a ban on the 'Single-use Plastic' under the Plastic Waste Management Amendment Rules, 2021. Plastic waste management is becoming a challenging task. The ban is a welcome first step in plastic waste management, but more steps are required.

What is Single-Use Plastic (SUP) and magnitude of its usage? - (1) The Plastic Waste Management Rules, (amended in 2021), define single-use plastic as plastic item intended to be used once for the same purpose before being disposed of or recycled; (2) Single-use plastic has among the highest shares of plastic manufactured and used. It is present in packaging of items, bottles (shampoo, detergents, cosmetics), polythene bags, face masks, coffee cups, cling film, trash bags, food packaging etc.; (3) A 2021 report by the Minderoo Foundation (Australian philanthropic organization) said **single-use plastics account for ~33% of all plastic produced globally**. It accounts for the majority of plastic discarded – 130 million metric tonnes globally in 2019. All of this is **burned, buried in landfills** or **discarded** directly into the environment; (4) The report found that India features in the top 100 countries of single-use plastic waste generation – **at rank 94**. With domestic production of 11.8 million metric tonnes annually, and import of 2.9 MMT, India's net generation of single-use plastic waste is 5.6 MMT, and per capita generation is 4 kg.

What is the current status and coverage of plastic ban? - (1) The Ministry of Environment had **already banned polythene bags under 75 microns in September 2021**, expanding the limit from the earlier 50 microns; (2) **The ban will be extended to polythene bags under 120 microns** from December 2022. The ban is being introduced in phases to give manufacturers time to shift to thicker polythene bags that are easier to recycle; (3) According to the **Plastic Waste Management Rules, 2016**, there is also a complete ban on sachets using plastic material for storing, packing or selling gutkha, tobacco and pan masala.



How will the ban be enforced? - (1) The ban will be monitored by the CPCB from the Centre, and by the State Pollution Control Boards (SPCBs) that will report to the Centre regularly; (2) Directions have been issued at national, state and local levels e.g., petrochemical industries have been instructed to not to supply raw materials to industries engaged in the banned items; (3) Directions have also been issued to SPCBs and Pollution Control Committees. They must modify or revoke 'consent to operate' issued under the Air/Water Act to industries engaged in single-use plastic items; (4) Those found violating the ban can be **penalized under the Environment Protection Act 1986**. It allows for imprisonment up to 5 years, or a penalty up to INR 1 lakh, or both. Violators can also be asked to pay Environmental Damage Compensation by the SPCB; (5) In addition, there are municipal laws on plastic waste, with their own penal codes.

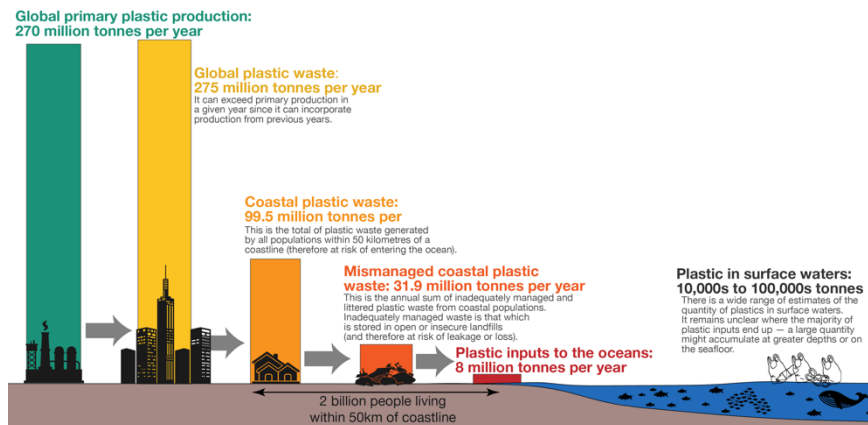
What are the harmful effects of plastic pollution? - (1) **Longevity**: The chemical bonds of plastics are very strong. The decomposition rate of plastic typically ranges from 500 to 600 years, depending on the type; (2) **Greenhouse gas Emissions**: On the current trajectory of production, it has been projected that single-use

plastic could account for 5-10% of greenhouse gas emissions by 2050; **(3) Creation of Landfills:** India has been witnessing a rise in landfill creation especially in major cities like Delhi, Mumbai etc. The Ghazipur landfill in Delhi is soon expected to surpass the height of Qutub Minar. Single use plastic is a major contributor in raising the extent and height of landfills. Plastics keep on **releasing harmful toxins** in the adjacent

The pathway by which plastic enters the world's oceans

Estimates of global plastics entering the oceans from land-based sources in 2010 based on the pathway from primary production through to marine plastic inputs.

Our World in Data



areas **polluting local soils and groundwater**; **(4) Impact on Health:** Prolonged exposure of plastics to the environment turns them into micro-plastics. Micro-plastics enter food sources and then the human body, causing severe health problems; **(5) Impact on the Marine Ecosystem:** According to the International Union for Conservation of Nature, the world produces over 300 million tonnes of plastic every year, of which 14 million tonnes end up in the ocean. Marine species **ingest or are entangled by plastic debris**, which causes severe injuries and death.

What are the challenges in plastic waste management? – **(1)** Manufacturers can use the same machine for 50- and 75-micron bags. The machinery will need to be upgraded for 120 microns. This will **enhance the cost of production** and put a greater burden on consumers. Similarly many sellers fear that the **alternatives will cost more** than single-use plastic. The availability of the **substitutes might not be enough to meet the demand**; **(2)** There is **no dedicated international instrument** in place designed specifically to prevent plastic pollution throughout the entire plastics lifecycle; **(3)** The success would rely largely on how effectively these norms are governed by the Central and State Pollution Control Boards. Their **past records in plastic waste management are quite uninspiring** with frequent violations of existing rules; **(4)** The **prevalence of corruption** impedes the effective implementation of ban and fails to create a substantial deterrence on violators; **(5) Informalized Structure of Rag Pickers** inhibits a strong linkage between waste collectors and processing plants.

What more steps can be taken to combat plastic pollution? – **(1)** An **international instrument** to manage plastic pollution can be formulated by parties of the UN Environment Assembly. Earlier this year, 124 parties of UNEA including India, signed a resolution to draw up an agreement. The agreement will make it legally binding for the signatories to address the full life of plastics from production to disposal, to end plastic pollution; **(2)** The Government should support the **creation of sustainable bioplastics**. These plastics can be decomposed by the action of living organisms, usually microbes, into the water, carbon dioxide, and biomass. Recently, the BIS passed standards for biodegradable plastic; **(3)** The general public should be sensitized over adverse impacts of plastic use by collaborating with organizations like **Hasiru Dala**. It is an organization that seeks to enhance the lives of waste-pickers and improve waste collection in Bengaluru; **(4)** The Government should **take proactive steps** to ensure that plastic ban becomes a success. The launch of a public grievance app to track complaints of single plastic use is a laudable step in this regard; **(5)** An **independent environment regulator** as envisaged by the Supreme Court should be created to oversee prudent implementation of the new rules.

Factly

Polity

1. Restrictions on the Use of Unparliamentary Words

News: The Lok Sabha Secretariat has issued a list of words that will be viewed as ‘Unparliamentary’ in both the Houses of the Parliament.

Provisions of the Constitution and Rules of the House

Article 105(2) of the Constitution lays down that no Member of Parliament shall be liable to any proceedings in any Court in respect of anything said or any vote given by him in the Parliament. However, MPs are subject to the discipline of the Rules of Parliament, and hence there are certain restrictions.

Rule 380 (“Expunction”) of the **Rules of Procedure and Conduct of Business in Lok Sabha** says: “If the Speaker is of opinion that words have been used in the debate which are **defamatory** or **indecent** or **unparliamentary** or **undignified**, the Speaker may, while exercising discretion order that such words be expunged from the proceedings of the House”.

Rule 381 says: “The portion of the proceedings of the House so expunged shall be marked by asterisks and an explanatory footnote shall be inserted in the proceedings as follows: ‘Expunged as ordered by the Chair’”.

Unparliamentary Words

There are phrases/words, both in English and in Indian languages, that are considered ‘unparliamentary’. The Presiding Officers – Speaker of Lok Sabha and Chairperson of Rajya Sabha – have the job of keeping such words out of Parliament’s records.

For their reference, the Lok Sabha Secretariat has brought out the book ‘Unparliamentary Expressions’. The last such book was published in 2009. The State Legislatures too are guided mainly by the same book, first compiled in 1999.

2. Foreign Contribution Regulation Act (FCRA) Amendment Rules, 2022

News: The Government has notified the Amendment Rules under the Foreign Contribution (Regulation) Amendment Rules, 2022

Key Features of the Rules

(a) The new rules have allowed Indians to receive up to INR 10 lakh annually from their relatives abroad under FCRA. The limit earlier was Rs 1 lakh. If the amount exceeds, the individuals will now have 90 days to inform the government instead of 30 days earlier.

(b) The Rules have given individuals and organizations or NGOs 45 days to inform the ministry about bank account(s) that are to be used for the utilization of such funds. This time limit was 30 days earlier.

PT BOX

Compoundable Offence

Compoundable offences are those offences where, the complainant (one who has filed the case, i.e. the victim), enters into a compromise and agrees to have the charges dropped against the accused. However, such a compromise should be a ‘Bonafide’, and not for any consideration to which the complainant is not entitled.

- (c) Organizations receiving foreign funds will not be able to use more than 20% of such funds for administrative purposes. This limit was 50% before 2020.
- (d) The rules have done away with the provision where an organization/individual receiving foreign funds had to declare such contributions every quarter on its official website. Now, anyone receiving foreign funds under the FCRA will have to follow the existing provision of placing the audited statement of accounts for every financial year beginning on the first day of April.
- (e) The Rules have made 5 more offences under the FCRA 'compoundable', making 12 such offences compoundable instead of directly prosecuting the organizations or individuals.

3. Decision on trying of Juveniles as Adult a difficult task: Supreme Court

News: The Supreme Court has said that the task of deciding whether juveniles (16-18 years) accused of heinous crimes should be tried as adults is a difficult task. The decision should be based on meticulous psychological investigation.

Method of Assessment

Section 15 of the Juvenile Justice (Care and Protection of Children) Act of 2015 requires a 'preliminary assessment' to be done of the mental and physical capacity of juveniles (aged between 16 and 18), who are involved in serious crimes.

The assessment is meant to gauge: (a) A **child's ability to understand the consequences of the offence**; (b) the **circumstances in which he or she allegedly committed the offence**.

If the Juvenile Justice Board is of the opinion that the juvenile should not be treated as an adult, it would not pass on the case to the children's court and hear the case itself. In that case, if the child is found guilty, he would be sent to juvenile care for 3 years.

If the Board decides to refer the case for trial as an adult, the juvenile, if guilty, could face punishment much harsher punishment, as prescribed for adults.

Supreme Court's Observations

The Supreme Court noted that there were **neither guidelines** nor a **specific framework** in place for the conduct of the preliminary assessment.

The Court observed that the board which conducts the assessment of the child **should have at least one child psychologist**. It should further take the **assistance of experienced psychologists** or psychosocial workers.

4. OHCHR Report on Internet Shutdowns

News: The Office of the United Nations High Commissioner for Human Rights (OHCHR) has released a report 'Internet Shutdown: Trends, Causes, Legal Implications and Impacts on Human Rights'.

Key Findings of the Report

Internet Shutdowns: Internet shutdowns are measures taken by a government or on behalf of a government, to intentionally disrupt access to and the use of information and communications systems online. The shutdowns are often ordered during civil society movements, security measures as well as electoral proceedings.

History of Internet Shutdowns: The first major internet shutdown that captured global attention took place in Egypt in 2011 during Arab Spring. The #KeepItOn coalition which monitors internet shutdown episodes across the world documented 931 shutdowns in 74 countries from 2016-2021.

The majority of these shutdowns have been reported from Asia and Africa. Almost half of all shutdowns recorded by civil society groups from 2016-2021 were carried out in the context of protests and political crisis

Internet Shutdowns in India: According to the report by digital right advocacy group Access Now, India blocked or disrupted internet connections 106 times and at least 85 of India's internet shutdown episodes were in Jammu & Kashmir.

Economic Impact of Internet Shutdowns: Internet shutdowns carry major economic costs for all sectors, disrupting financial transactions, commerce and industry e.g., the World Bank recently calculated that Internet shutdowns in Myanmar alone had cost nearly US\$ 2.8 billion from February-December 2021 reversing economic progress made over the previous decade.

Suggestions by the Report

The report urged States to refrain from imposing shutdowns, to maximize Internet access and remove the multiple obstacles standing in the way of communication.

It also called upon companies to speedily share information on disruptions and ensure that they take all possible lawful measures to prevent shutdowns they have been asked to implement.

Policy

1. Draft Guidelines for Participation of Children in Entertainment Industry

News: The National Commission for the Protection of Child Rights (NCPCR) has published draft 'Guidelines to Regulate Child Participation in the Entertainment Industry'. The guidelines also cover social media and OTT Platforms.

Need for the Guidelines

Children are now being participating in videos across social media and in the content on OTT platforms which had not been covered by the existing guidelines.

Children are often exposed to unsuitable, anxiety-inducing, and at times, dangerous operational hazards and situations.

The children are also susceptible to crimes like sexual exploitation, child trafficking, bonded labour, etc.

Salient Features

The aim of the guidelines is to ensure a healthy work environment for children in the Entertainment Industry with minimal physical and psychological stress.

Coverage: The guidelines will cover TV programmes including reality shows, serials, news, movies, content on OTT platforms, content on social media and any other kind of involvement of children in commercial entertainment activities.

Accountability: Parents have to be held accountable. At least one parent or legal guardian has to be present during a shoot, and for infants, a registered nurse needs to be present along with the parent or legal guardian.

Focus on child education: The producer also needs to ensure the child's education under the RTE Act, to ensure no discontinuity from school or lessons as well as adequate and nutritious food, and water for the children.

Mandatory registration: The guidelines mandate child artists and children participating in entertainment need to be registered with District Magistrates.

Inclusion of different Acts protecting children: Provisions under the Juvenile Justice Act, 2015, Child Labour Amendment Act, 2016, Protection of Children from Sexual Offences Act, 2012, Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, etc., have been included in the guidelines.

Prohibited activities: Children cannot be shown imbibing alcohol, smoking or using any other substance or shown to be indulging in any sort of antisocial activity. Further, no child can be engaged in any situation involving nudity.

Salary-related norms: At least 20% of the income earned by the child shall be directly deposited in a fixed deposit account which may be credited to the child on attaining the majority.

Penal provisions: The guidelines include stringent penal provisions for violating the guidelines, including imprisonment. These penalties cover different acts including the Child and Adolescent Labour Act, 1986, the Protection of Children from Sexual Offences Act, 2012, and the Juvenile Justice (Care and Protection of Children) Act, 2015.

2. Performance Grading Index for Districts

News: The Department of School Education and Literacy, Ministry of Education has released the Performance Grading Index for Districts for 2018-19 and 2019-20.

About the Index

The aim of the Index is to assess the performance of the school education system at the District level by creating an index for comprehensive analysis.

The index comprises a total weightage of 600 points across 83 indicators which are grouped under 6 categories: **(a)** Outcomes; **(b)** Effective Classroom Transaction; **(c)** Infrastructure Facilities & Student's Entitlements; **(d)** School Safety and Child Protection; **(e)** Digital Learning; **(f)** Governance Process.

Categorisation of Districts: The index grades the districts into 10 grades: Highest achievable Grade is **Daksh** which is for Districts scoring more than 90% of the total points in that category or overall. The lowest grade called **Akanshi-3** which is for scores upto 10% of the total points.

The index is expected to help the state education departments to identify gaps at the district level and improve their performance in a decentralized manner.

Key Findings of the Index


No district achieved the 'Daksh' rating in both years.

3 districts from Rajasthan have scored more than 80% in school education performance and achieved the '**Utkarsh**' grade which is the second highest grade.

Schools across India performed poorly under the category of digital learning.

Around 61% of districts of the country had **very little exposure to digital learning** due to limited availability of computers, Internet facilities and teachers trained to handle technological tools in schools.

There is also a clear **rural-urban divide in the area of digital learning**. For instance, while districts in cities like Chandigarh and Delhi scored between 25 and 35 out of 50, places like Bihar's Araria and Kishanganj scored as low as 2.

THE GRADING INDEX			
PARAMETERS CONSIDERED Learning outcomes, Effective classroom transaction, Infrastructure facilities and student's entitlements, school safety and child protection, digital learning and governance process			
OVERALL SCORE		DIGITAL LEARNING SCORE	
Percentage	Districts	Percentage	Districts
Over 90%	0	71-80%	8
* 81-90%	3	61-70%	41
71-80%	86	51-60%	71
61-70%	276	41-50%	79
51-60%	238	31-40%	83
41-50%	87	21-30%	125
31-40%	39	11-20%	146
* 21-30%	3	Below 10%	180
* 11-20%	2		
DISTRICT SCORES			
11-20% Shi Yomi (Arunachal Pradesh), Lawngtlai (Mizoram)		21-30% Kra Daadi and Longding (Arunachal Pradesh), Mamit (Mizoram)	
		81-90% Sikar, Jhunjhunu, Jaipur (all in Rajasthan)	

3. Impact of IT Rules 2021

News: The Internet and Mobile Association of India (IAMAI) has released a report titled 'IT Rules, 2021: A Regulatory Impact Assessment Study'.

Key Observations

Originator Traceability provision: This provision is 'technically infeasible' as implementing it on end-to-end encrypted platforms would **break the encryption technology**. Hence, the study has recommended removal of this provision.

Threshold of SSMI: According to rules, intermediaries having **5 million users** are considered as significant social media intermediaries (SSMI). The report observed that the figure is **too minuscule** for a country with a population of 1.3 billion.

Data Retention: Experts have highlighted the inconsistency of the data retention mandate. Hence, they have suggested a 90+90 days approach where the intermediaries might store data for the original 90 days and would retain it after that only if needed.

Content Takedown: The singular timeline for the takedown of all grades of harmful content is burdensome. Hence, the study has recommended the creation of a **risk-based content gradation mechanism** to provide specific timelines for different grades of harmful content

SOPs on information assistance requests by LEAs: The majority of respondents from all stakeholder groups mentioned the need for clear Standard Operating Procedures to delineate the process and format of information requests by law enforcement officials.

(Refer EPIC June 2021 for Focus Article on IT Rules, EPIC June 2022 for Proposed Amendments to IT Rules).

4. State Ranking Index for National Food Security Act

News: The Union Minister of Consumer Affairs, Food and Public Distribution has released the 1st edition of 'State Ranking Index for NFSA'.

About the Index

The aim of the Index is to document the status and progress of implementation of NFSA and various reform initiatives across the country post consultation with States.

The States and UTs were ranked on the basis of three parameters: **(a)** NFSA coverage, rightful targeting and implementation of all provisions under the Act; **(b)** The delivery platform while considering the allocation of food grains, their movement and last-mile delivery to fair price shops; **(c)** Nutrition initiatives of the department.

The index will help create an environment of competition, cooperation and learning among states and help address matters of food security and hunger. The Index denotes only the efficiency of Targeted Public Distribution System (TPDS) operations. It does not reflect the level of hunger, if any or malnutrition, or both, in a particular state or union territory.

Key Takeaways

General Category States: **Odisha** has been ranked as the top State followed by Uttar Pradesh and Andhra Pradesh.

Special Category States: (the North-eastern States, Himalayan States and the Island States): **Tripura** has obtained the first rank. Himachal Pradesh and Sikkim are in the second and third positions.

5. Draft Drug, Medical Devices and Cosmetics Bill, 2022

News: The Union Ministry for Health and Family Welfare has released the new draft Drug, Medical Devices and Cosmetics Bill, 2022.

About the Bill

The Bill seeks to replace the Drugs and Cosmetics Act of 1940 with an updated law laying down strict regulatory guidelines to keep pace with changing needs and technology.

Salient Provisions

Separate Definition of Medical Devices: The Bill has a separate definition for medical devices that bring under its ambit diagnostic equipment, its software, implants, devices for assistance with disabilities, life support, instruments used for disinfection, and any reagents or kits. The previous 1940 Act regulated medical devices as one of the four categories of ‘drugs’.

Medical Technical Advisory Board: The Bill proposes a Medical Technical Advisory Board along the lines of the existing drugs technical advisory board. This board will include medical professionals and people with technical knowledge of the devices.

Medical Devices Testing Centre: The Bill proposes medical device testing centres on the lines of drug laboratories in states and at the central level.

Clinical Trials: The Bill proposes **compulsory permission of the central licensing authority for clinical trials** or clinical investigation of drugs and medical devices. Although companies at present also have to seek permission from the apex drug regulator to conduct trials, it was never mentioned in the previous law. Additionally, medical management and compensation have to be provided to persons who are injured while participating in clinical trials. In case of death, the legal heir of the participant should be awarded compensation.

Regulation of e-pharmacies: The Central government must come up with rules to regulate the online sale of drugs and for online pharmacies to operate “in accordance with a licence or permission issued”.

6. India State Programme for Road Safety

News: The World Bank has approved a US\$ 250 million loan to support the India State Support Program for Road Safety.

About the Programme

The aim of the Programme is to help participating States **reduce road crash fatalities** and injuries through **improved road safety management**, institutional reform and results-based interventions on high-risk roads. It also aims to strengthen emergency medical and rehabilitation services for post-crash care.

The programme will be implemented in seven states namely: Andhra Pradesh, Gujarat, Odisha, Tamil Nadu, Telangana, Uttar Pradesh and West Bengal.

Steps under the Programme

A **single accident reporting number** will be set up to better manage post-crash events.

A **National Harmonized crash database system** will be established in order to analyze accidents and use that to construct better and safer roads.

The program will also fund **network expansion of basic and advanced life support ambulances** and training of first responder caregivers to road crash victims on the spot.

It will also provide incentives to the States to leverage private funding through Public-Private Partnership (PPP) concessions and pilot initiatives.

Road Accidents in India and their impact on the economy

According to government data, each year road accidents in India kill about 1,50,000 people and injure another 4,50,000. More than half of the victims are pedestrians, cyclists, or motorcyclists and almost 84% of all fatalities are among road users between the working ages of 18-60 years.

Poor households that account for over 70% of crash victims bear a higher proportion of the socio-economic burden of road crashes due to loss of income, high medical expenses and limited access to social safety nets.

According to a World Bank study, road crashes are estimated to cost the Indian economy between 5% to 7% of GDP a year.

Economy

1. Problem of Twin Deficit in India

News: The Ministry of Finance has warned of a Twin Deficit Problem due to higher commodity prices and a rising burden of subsidies.

About Twin Deficit

A twin deficit refers to a situation where an economy runs relatively large Current Account and Fiscal deficits. A higher twin deficit is inherently destabilizing and was the primary reason why India faced a currency crisis back in 1991.

About Fiscal Deficit

A fiscal deficit (FD) situation occurs when the government's expenditure exceeds its income. It is the difference between the total expenditure of the government and its total revenue (excluding borrowings). It indicates the extent by which government spending exceeds its income and the total borrowings needed by it to fill this gap.

Report on India's Fiscal Deficit

The Government revenues have taken a hit following cuts in excise duties on diesel and petrol. Hence, the government needs to trim its revenue expenditure (or the money the government spends just to meet its daily needs). This is necessary in order to protect growth-supporting Capital Expenditure (Capex).

About Current Account Deficit

The current account measures the flow of goods, services and investments into and out of the country. There is a deficit in Current Account if the value of the goods and services imported exceeds the value of those exported.

Current Account Deficit = Trade gap + Net current transfers + Net income abroad

Trade Gap = Exports – Imports

Current account balance measures the external strength or weakness of an economy. A current account surplus implies the country is a net lender to the rest of the world while a current account deficit indicates it is a net borrower.

Report on Current Account Deficit

The costlier imports such as crude oil and other commodities will widen the Current Account Deficit (CAD) and put downward pressure on the rupee. A weaker rupee will, in turn, make future imports costlier.

If, in response to higher interest rates in the western economies especially the US, foreign portfolio investors (FPI) continue to pull out money from the Indian markets, that too will hurt the rupee and further increase CAD.

2. SBI Estimates on Poverty

News: SBI Research has released new estimates on poverty.

Findings of the Estimates

As per SBI Research, **Poverty in India declined** to 17.9% in 2020-21, compared with the last available official estimate of 21.9% in 2011-12.

These new estimates suggest an **annual decline of 2.75 million** in number of poor during 2012-21, as against a drop of 20 million every year between 2004-05 and 2011-12.

The data confirms a **sharp slowdown in India's rate of poverty reduction** by two other estimates by authors affiliated to the World Bank and the International Monetary Fund released earlier this year.

Data indicating a slowdown in poverty reduction

There is sufficient evidence to suggest that economic conditions of most people at the bottom of the distribution have worsened.

PLFS Data

Per capita real income from PLFS surveys shows a 1.1% decline per annum between 2018-19 and 2020-21. The drop was largely due to weakening urban per capita incomes, which went down by 4.2% per year over that period.

Per capita monthly consumption declined at 0.12% per annum between the years 2018-19 to 2020-21. Urban areas saw a 4% annual decline in per capita consumption, against a **3.7% annual rise in rural per capita consumption**.

The proportion of India's population for whom per capita income was not sufficient to meet consumption expenditure was 26% in 2018-19, which increased to 29% in 2020-21.

Both agricultural as well as non-agricultural wages fell in the last year, with farm wages declining at an annual 2% and non-farm wages at 3.8%. Urban income and consumption declines raise questions on claims of an economic revival.

Implications

The decline in urban incomes will result in lower demand, which has implications for revival of economy. Some of the trends could worsen in the wake of an inflationary spiral India is going through that will reduce real disposable incomes.

3. 'Payments Vision 2025' by RBI

News: The RBI has released the 'Payments Vision 2025'.

About 'Payments Vision 2025'

The core theme is E-Payments for Everyone, Everywhere, Everytime (4 Es). The vision is to provide every user with **Safe, Secure, Fast, Convenient, Accessible, and Affordable** e-payment options (6 Attributes).

The activities to be taken up by the RBI till 2025 have been captured across 5 anchor goal posts: **(a)** Integrity; **(b)** Inclusion; **(c)** Innovation; **(d)** Institutionalization; **(e)** Internationalization.

Actions to be taken under the Payment Vision 2025 include: **(a)** Regulations for BigTechs and fintech in payments; **(b)** Guidelines on payments involving “Buy Now Pay Later” (BNPL) services; **(c)** Introducing the **central bank digital currency (CBDC)**; **(d)** Geotagging of digital payment infrastructure and transactions; **(e)** Create a payments system for processing online merchant payments using internet/mobile banking; **(f)** Linking credit cards and credit components of banking products to the Unified Payments Interface (UPI).

The **expected outcomes** of the Vision Document include: **(a)** Restrict the volume of cheque-based payments to less than 0.25% of the total retail payments; **(b)** Increase the number of digital payment transactions three times; **(c)** UPI register 50% annualized growth; **(d)** IMPS and NEFT register 20% growth; **(e)** Reduction in Cash in Circulation (CIC) as a percentage of GDP.

4. Draft Development of Enterprise and Service Hubs (DESH) Bill

News: The Government plans to table the Development of Enterprise and Service Hubs (DESH) Bill in the upcoming Monsoon Session. The Bill will replace the Special Economic Zones (SEZ) Act, 2005.

Need to replace the SEZ Act, 2005

The World Trade Organization’s dispute settlement panel has ruled that the SEZ Scheme was inconsistent with WTO rules. Its provisions **directly linked tax benefits to exports**. Countries aren’t allowed to directly subsidize exports as it can distort market prices.

SEZs also started losing their attraction after the introduction of minimum alternate tax (MAT) and a sunset clause to remove tax sops. SEZ units used to enjoy 100% income tax exemption on export income for the first 5 years, 50% for the next 5 years, and 50% of the ploughed back export profit for another five years.

Key Provisions of the Draft DESH Bill

- (a)** Special Economic Zones will now be renamed as Development of Enterprise and Service Hubs (DESH).
- (b)** These hubs will no longer be required to be **net foreign exchange positive** cumulatively in 5 years (i.e., export more than they import) as mandated in the SEZ regime.
- (c)** The hubs will be allowed to sell in the domestic market easily with duties only to be paid on the imported inputs and raw materials instead of the final product. In the current SEZ regime, duty is paid on the final product when a product is sold in the domestic market.
- (d)** The Bill proposes an equalization levy for goods or services supplied to the domestic market to bring taxes at par with those provided by units outside.
- (e)** The units operating within the new hubs will no longer benefit from direct tax incentives. This will make the hubs compliant with World Trade Organization rules.
- (f)** The Bill does not limit how long units can store goods, which is one year currently. Besides, there is no mandatory payment requirement in foreign exchange.
- (g)** In the current SEZ regime, most decisions were made by the Department of Commerce. The Bill allows states to participate and even directly send recommendations for development hubs to a Central Board for approval. Besides, State Boards would be set up to oversee the functioning of the hubs.

5. State Start-up Rankings

News: The 3rd edition of the Start-up Ranking has been released by the Ministry of Commerce and Industry.

About the State Start-up Ranking

The ranking is undertaken by the Department for Promotion of Industry and Internal Trade (DPIIT) since 2018. Its aim is to support States and Union Territories in developing their start-up ecosystem and learn from the best practices of others.

The States are evaluated across 7 **broad Reform Areas**: (a) Institutional Support; (b) Fostering Innovation and Entrepreneurship; (c) Access to Market; (d) Incubation support; (e) Funding Support; (f) Mentorship Support; (g) Capacity Building of Enablers.

The States and Union Territories are classified into 5 categories: (a) Best Performers; (b) Top Performers; (c) Leaders; (d) Aspiring Leaders; (e) Emerging Start-up Ecosystems.



Rankings 2021

Best Performers: Gujarat and Karnataka appeared as the Best Performers in the States category. Meghalaya topped among UTs and North-eastern States category.

Top Performers: Kerala, Maharashtra, Orissa and Telangana won the Top Performers award among states category. Jammu and Kashmir appeared as the Top Performer among UTs and NE states category.

6. Global Findex Report by the World Bank

News: The World Bank has released the Global Findex Report 2021.

About the Report

The report surveyed over 125,000 adults in 123 economies during COVID-19 to better understand how people use formal and informal financial services and digital payment.

Key Findings of the Report

Increase in Bank account Ownership: Account ownership worldwide increased by 50% to reach 76% of the global adult population.

Access to Formal Banking: Large shares of the global population without formal banking lives in India and China because of their size. India is among 7 countries home to half the world's 1.4 billion adults without access to formal banking.

Gender Gap: Women are often excluded from formal banking services because they lack official forms of identification, do not own a mobile phone or other forms of technology and have the lower financial capability. 74 % of men had an account in developing countries while women account for 68%.

COVID-19 and Digital Payments: COVID-19 pandemic catalyzed growth in the use of digital payments. In developing countries in 2021, 18% of adults paid utility bills directly from an account. About 33% of these paid bills online for the first time.

Mobile Money: Mobile money has become an important enabler of financial inclusion —especially for women e.g., in Sub-Saharan Africa.

Recommendations of the Report

As access to digital banking services expands, Government policies must factor in protections for the most vulnerable, including women, the poor and those with limited educational attainment or financial literacy.

Moreover, the gender gap in mobile access must also be addressed to ensure equitable progress on financial inclusion.

7. Business Reforms Action Plan (BRAP)

News: The Ministry of Commerce and Industry has announced the assessment of States/UTs under the Business Reforms Action Plan (BRAP) 2020.

About the Business Reforms Action Plan (BRAP)

The Assessment has been released by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry since 2014. The aim is to boost investor confidence, foster business-friendly climate and augment the Ease of Doing Business. This is done by introducing an element of healthy competition through a system of assessing States based on their performance in the implementation of the Business Reforms Action Plan.

It includes 301 reform points that cover 15 business regulatory areas such as access to Information, single window system, labour, environment, sectoral reforms and other reforms spanning across the lifecycle of a typical business. Sectoral reforms have been introduced for the first time in BRAP 2020 wherein 72 reforms were identified across 9 sectors namely: Trade license, Healthcare, Legal metrology, Cinema halls, Hospitality, Fire NOC, Telecom, Movie shooting and Tourism.

The report categorizes States into: **(a)** Top achievers; **(b)** Achievers; **(c)** Aspires; **(d)** Emerging business ecosystems as against the earlier practice of announcing ranks.

Key Rankings of BRAP 2020

Top Achievers: Andhra Pradesh, Gujarat, Telangana, Haryana, Karnataka, Punjab and Tamil Nadu.

Achievers: Himachal Pradesh, Madhya Pradesh, Maharashtra, Odisha, Uttarakhand and Uttar Pradesh.

Aspires: It includes seven states – Assam, Kerala, Goa, Chhattisgarh, Jharkhand, Kerala, Rajasthan and West Bengal.

Emerging Business Ecosystems: There are 11 states and UTs including Delhi, Puducherry and Tripura in this category.

Observations made by the Finance Minister: The nature of reforms had undergone change since 1991. The reforms of 1991 were out of compulsion. The objective now is to see what will bring out improvement in systems and ensure better lives. Hence, an element of nudge has been brought into every layer of the government. Nudge policies gently steer people towards desirable behaviour while preserving their liberty to choose.

The purpose is to infuse a culture of learning from each other's best practices and improve business climate in each state or UT with a unified objective for India to emerge as most favoured Investment Destination across globe.

International Relations

1. I2U2 Summit

News: The Leaders of the I2U2 have held their first Summit.

About I2U2

I2U2 is the group formed by 4 nations: India, Israel, the UAE and the US. The 1st summit of I2U2 nations was held in a virtual mode in July 2022. Issues like food security and other areas of cooperation were discussed at the summit. The group members met for the first time under a new framework in October 2021. At that time, the grouping was called '**International Forum for Economic Cooperation**'. The Ambassador of UAE to India had referred to the new grouping as the '**West Asian Quad**'.

Key Takeaways from the Summit

Integrated Food Park in India: India will provide land for Integrated Food Parks across the country that will be built in collaboration with Israel, the United States and the United Arab Emirates.

UAE will invest US\$ 2 billion in India to create these food parks backed by technology from the US and Israel. India was chosen as the location for the food project because of its proximity to Israel and the UAE which will help in creating a smooth agriculture supply chain.

Hybrid Renewable Energy Project in Gujarat: I2U2 Group will support a Hybrid Renewable Energy Project in Gujarat consisting of 300 Megawatts (MW) of wind and solar capacity complemented by a battery energy storage system.

The project is expected to be another step in India's quest for 500 GW of non-fossil fuel capacity by 2030.

2. India-Vietnam Defence Partnership towards 2030

News: India and Vietnam have recently signed the Joint Vision Statement on India-Vietnam Defence Partnership towards 2030.

About Joint Vision Statement on India-Vietnam Defence Partnership towards 2030

The aim is to boost the scope and scale of the existing defence cooperation between the two nations. The vision document facilitates both sides to expand avenues of effective and practicable collaboration in bilateral defence engagements pertaining to regional and global issues.

This is the first agreement of its kind that Vietnam has entered into with any other country. The agreement also elevates the standing of the Comprehensive Strategic Partnership (CSP) which Vietnam shares with India since 2016 (along with only Russia and China).

India-Vietnam Ties

Maritime domain: Both countries find convergence in their approaches toward the maintenance of stability and security of the Indo-Pacific which has translated into diplomatic and political support in the context of developments within the region.

Geostrategic collaboration: China's expanding footprints in the Indo-Pacific is a concern for both countries. Vietnam, like India, supports freedom of navigation and opposes any threats to sovereign maritime territorial rights. India has not backed down from continuing ONGC Videsh Ltd (OVL)'s oil exploration project in Block 128 (which is within Hanoi's EEZ) despite China's protests.

Defence partnership: Defence collaboration has grown steadily since the signing of Defence Protocol in 2000. Today it covers extensive navy-to-navy cooperation spanning the exchange of intelligence, production and logistical support for Vietnam's defence requirements, development of naval facilities such as Nha Trang, defence dialogues, high-level visits and the supply of warships and cruise missiles.

India's Act East Policy, maritime multilateralism, maritime security outreach and the building of stronger networks across the Indo-Pacific are some of the key elements which have made India and Vietnam natural partners.

3. Partners in Blue Pacific Initiative (PBP)

News: The US and its allies - Australia, New Zealand, Japan and the UK - have launched the 'Partners in Blue Pacific' Initiative.

About the Partners in the Blue Pacific (PBP) Initiative

It has been launched by the US, Australia, New Zealand, Japan and the United Kingdom. It is an 'informal mechanism' to support Pacific islands and to boost diplomatic, and economic ties in the Pacific region.

The objectives include: **(a)** To deliver results for the Pacific more effectively and efficiently; **(b)** To expand cooperation between the Pacific and the rest of the world; **(c)** To focus on bolstering '**Pacific regionalism**'.

The areas where PBP aims to enhance cooperation with the Pacific islands include climate crisis, connectivity and transportation, maritime security and protection, health, prosperity, and education.

China Transformation of its ties with the Pacific

China has signed a security pact with the Solomon Islands in April 2022. This deal has raised serious concerns for the US and its allies as the Chinese will be setting up a military base in the southern Pacific close to the US island territory of Guam and right next to Australia and New Zealand.

China has also signed an agreement called the 'Common Development Vision' with the 10 Pacific nations. The agreement speaks about China wanting to work with traditional and non-traditional security and expand law enforcement cooperation with these countries.

4. Status of BRI Projects

News: The announcement of the Partnership for Global Infrastructure and Intelligence (PGII) by G7 countries has brought focus on the status of Belt and Road Initiative (BRI) of China.

Progress of the BRI

More than 60 countries have now joined BRI agreements with China. Infrastructure projects under the initiative are being planned or are under construction in Asia, Africa, Europe, and Latin America.

However, in recent years, the BRI seems to have experienced a slow-down. The annual Chinese lending to countries under the initiative has come down from its peak of US\$ 125 billion in 2015 to around US\$ 50-55 billion in 2021.

Moreover, the West has accused China of **debt-trapping** by extending 'predatory loans' that force countries to cede key assets to China.

Progress of BRI in South Asia

Pakistan: China unveiled the BRI's flagship project and its biggest one in a single country – the China-Pakistan Economic Corridor (CPEC) in 2015. However, the CPEC has been met with multiple roadblocks and China seems to have reduced its US\$ 62-billion pledges to the project.

Sri Lanka: Hambantota Port (deep sea port) was established near the existing busy Colombo port. It was supposed to spur industrial activity. The Sri Lankan government took US\$ 1.4 billion in Chinese loans for the port's expansion. The project failed to generate expected revenue. Unable to service the huge loan, the government handed Hambantota port to a Chinese state-owned company on a 99-year lease in 2017.

Nepal: Nepal formally joined the Belt and Road Initiative in 2017 submitting a list of 35 infrastructure projects. After the Chinese request, Nepal shortlisted 9 projects including an ambitious trans-Himalayan rail road from Nepal to China, construction of roads, laying of power transmission lines and hydropower

projects. 5 years after signing the framework agreement, work has not been started on any of the nine projects as of May 2022.

Afghanistan: Afghanistan has not comprehensively been brought into the BRI, despite a Memorandum of Understanding (MoU) to promote BRI projects being signed with China in 2016.

Maldives: One of the most prominent BRI projects undertaken in the Maldives is the 2 km long Sinamale bridge or the China-Maldives Friendship Bridge. However, Maldives current regime has tried to distance itself from the BRI focusing more on its 'India First' policy.

Bangladesh: Bangladesh joined BRI in 2016. Multiple studies show that Bangladesh has been able to benefit from the BRI while maintaining diplomatic and strategic ties with both India and China.

But, Bangladesh has also avoided Chinese interference in its internal matters by stressing its sovereign power when China warned it about joining the Quad.

Science and Technology

1. Critical Information Infrastructure (CII)

News: The Union Ministry of Electronics and IT (MeitY) has declared the IT resources of ICICI Bank, HDFC Bank and UPI managing entity NPCI as Critical Information Infrastructure.

About Critical Information Infrastructure (CII)

The **Information Technology Act, 2000** defines CII as a computer resource, the incapacitation or destruction of which shall have a **debilitating impact on national security, economy, public health or safety**.

Under the Act, the Government has the power to declare any database, IT network or communications infrastructure as CII to protect that digital asset.

Any person who secures access or attempts to secure access to a protected system in violation of the law can be punished with a jail term of up to 10 years.

Protection of CIIs in India

National Critical Information Infrastructure Protection Centre (NCIIPC) was created in 2014. It is the nodal agency for taking all measures to protect the nation's Critical Information Infrastructure (CII).

Functions of NCIIPC: (a) To guard CIIs from unauthorized access, modification, use, disclosure, disruption, incapacitation or distraction; (b) To monitor and forecast national-level threats to CII for policy guidance, expertise sharing and situational awareness for early warning or alerts.

2. NITI Aayog Report on 2-Wheeler EV Market Forecast

News: NITI Aayog and Technology Information, Forecasting and Assessment Council (TIFAC) have released a report titled 'Forecasting Penetration of Electric Two-Wheelers in India'.

Key Findings of the Report

The report has predicted 8 scenarios for analyzing the future penetration of electric 2-wheelers in the country. These are Performance Driven, Low Battery Cost, Technology Driven, Incentive Driven, and Optimistic among others.

In an optimistic scenario, the report forecasts 100% penetration of electric two-wheelers in the Indian market by FY 2026-27.

In technology-driven scenarios, where current incentives are withdrawn by 2024, the report predicts 72% penetration by 2031.

Constraints: The report has also identified 4 broad constraints for the 8 scenarios in terms of installed vehicle manufacturing capacity and available charging infrastructure: **(a)** Full constraint (where both **vehicle production** and **charging infrastructure** are constraints); **(b)** production constraint (where only vehicle production is a constraint); **(c)** charge constraint (where only the charging infrastructure is a constraint); **(d)** no constraint. The recent petrol hike and 'positive mindset' about EVs could also play a pivotal role in the switch to EVs. However, higher battery costs and higher dependency on exports for EV components and subsystems may affect domestic manufacturing capabilities and other policy-related measures. The report has also called on the stakeholders to increase the penetration of charging points across the country and said that the safety of EVs will be an important issue for the widespread adoption of EVs.

PT BOX

TIFAC

Technology Information, Forecasting and Assessment Council is an autonomous organization set up in 1988 under the Department of Science & Technology to look ahead in the technology domain, assess the technology trajectories and support innovation.

3. NITI Aayog Report on Green Hydrogen

News: NITI Aayog has released a report titled 'Harnessing Green Hydrogen: Opportunities for Deep Decarbonisation in India'.

About Green Hydrogen

Green hydrogen is hydrogen gas produced through the electrolysis of water using renewable power. Electrolysis is an energy intensive process for splitting water into hydrogen and oxygen.

Demand for Green Hydrogen

The report predicted that hydrogen demand in India could grow more than 4-fold by 2050, representing almost 10% of global hydrogen demand. In the longer term, steel and heavy-duty trucking are likely to drive the majority of demand growth, accounting for almost 52% of total demand by 2050.

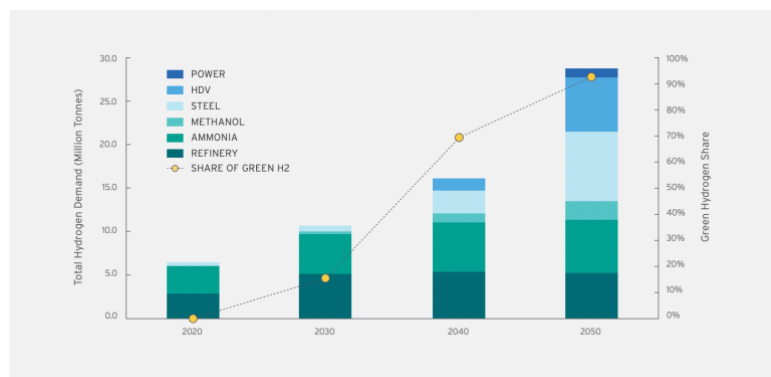
Benefits of Adoption of Green Hydrogen

Adoption of green hydrogen will result in 3.6 giga tonnes of cumulative CO₂ emissions reductions between 2020 and 2050.

Energy import savings from green hydrogen can range from US\$ 246 billion to US\$ 358 billion within the same period.

Beyond the financial savings, the energy security that green hydrogen provides will translate to less volatile price inputs for India's industries as well as strengthen India's foreign exchange situation in the long run.

Recommendations given by the Report to adopt Green Hydrogen



Source: MoS, MoC&F, MoPNG, IEA, TERI, BCG, World Bank, RMI Analysis

- (a) It has recommended **tax breaks** like reduction or exemption of GST and customs duties on green hydrogen production.
- (b) **Facilitate investment** through demand aggregation and dollar-based bidding for green hydrogen.
- (c) Set up **green hydrogen corridors** in participation with States starting with three such corridors, and funding start-ups working in this segment.
- (d) **Promote exports** of green hydrogen and green hydrogen-embedded products through a global hydrogen alliance.
- (e) Initiate green hydrogen standards and a labelling programme.

(Refer EPIC March 2022 for reading more about Green Hydrogen and Green Hydrogen Policy).

4. 3 New exotic Sub-atomic Particles discovered at CERN

News: The Large Hadron Collider (LHC) has observed 3 new particles; a ‘pentaquark’ and a pair of ‘tetraquarks’.

About the Large Hadron Collider

The Large Hadron Collider is a giant, complex machine built to study particles that are the smallest known building blocks of all things. It is a 27-km-long track-loop buried 100 meters underground on the Swiss-French border. It has been built by the European Organization for Nuclear Research (CERN) between 1998 and 2008 in collaboration with over 10,000 scientists from hundreds of universities and laboratories. It is the world’s largest and most powerful particle accelerator.

Experiments conducted at LHC

ATLAS is the largest general-purpose particle detector experiment at the LHC

The **Compact Muon Solenoid (CMS)** experiment is one of the largest international scientific collaborations in history with the same goals as ATLAS but which uses a different magnet-system design.

In 2012, scientists at CERN discovered the **Higgs boson** or the ‘God Particle’ during the LHC’s first run. The Higgs boson is the fundamental particle associated with the Higgs field, **a field that gives mass** to other fundamental particles such as electrons and quarks. Peter Higgs, who predicted the particle, was awarded Nobel Prize for Physics in 2013.

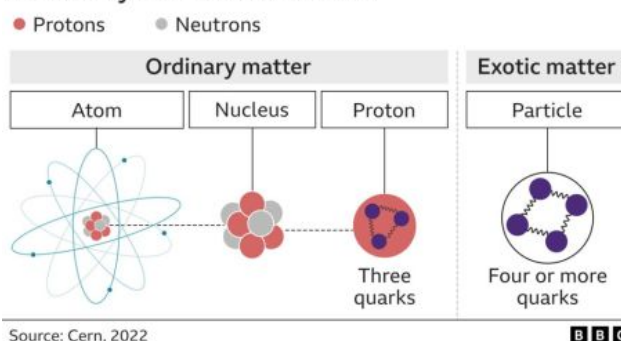
About Quarks, Pentaquark and Tetraquark

Quarks are elementary particles that come in 6 ‘flavours’: up, down, charm, strange, top, and bottom. They usually combine together in groups of twos and threes to form **hadrons** such as the protons and neutrons that make up atomic nuclei.

But they can also combine into four-quark and five-quark particles called **tetraquarks and pentaquarks**.

These exotic hadrons were predicted by theorists about six decades ago – around the same time as conventional hadrons – but they have been observed by the Large Hadron Collider and other experiments only in the past 20 years.

Ordinary and exotic matter



5. HPV Vaccine Developed by SII

News: The Serum Institute of India has developed a vaccine 'Cervavac' against Human Papilloma Virus. It has received the Drug Controller General of India's approval for market authorisation.

About Cervavac

Cervavac is India's first quadrivalent human papillomavirus vaccine (qHPV) vaccine. It is intended to **protect women against cervical cancer**.

The vaccine is based on VLP (virus-like particles), similar to the hepatitis B vaccine and provides protection by generating antibodies against the HPV virus's L1 protein.

The approval of this vaccine will allow the government to procure enough HPV vaccines at a special price to vaccinate nearly 50 million girls aged 9–14 years in India who are waiting to receive the vaccine. This will be a huge step to accelerate cervical cancer elimination in India and globally.

About Cervical Cancer

Cervical cancer occurs in the cells of the cervix – the lower part of the uterus that connects to the vagina. It is a common sexually transmitted infection. HPV is responsible for more than 95% of cervical cancer cases, and it kills more than 60,000 women in India every year.

Cervical cancer is preventable as long as it is detected early and managed effectively.

Worldwide, cervical cancer is the second most common cancer type and the second most common cause of cancer death in women of reproductive age (15–44).

India accounts for about a fifth of the global burden of Cervical Cancer.

Environment

1. Exceptional Warming of Barents Sea and Atlantification

News: According to a study, the region around the northern Barents Sea in the Arctic Region has been warming at an alarmingly high rate.

About the Barents Sea

The Barents Sea is a marginal sea of the Arctic Ocean located off the **northern coasts of Norway and Russia**. It is divided between Norwegian and Russian territorial waters. The Barents Sea is bounded by the Svalbard archipelago in the northwest, Franz Josef Land islands in the northeast, the Novaya Zemlya archipelago in the east, the Norwegian Sea and the Greenland Sea in the west, and by the Kola Peninsula in the south.



Atlantification

Streams of warmer water from the Atlantic Ocean flow into the Arctic at the Barents Sea. The warmer, saltier Atlantic water is usually fairly deep under the more buoyant Arctic water at the surface.

Lately, the Atlantic water has been creeping up. The heat in the Atlantic water is helping to keep ice from forming and melting existing sea ice from below. This process is called 'Atlantification'.

Hence, the ice in the Arctic is now getting hit both from the top by a warming atmosphere and at the bottom by a warming ocean.

According to a study, the region around the northern Barents has been warming 2-2.5 times the average warming of the Arctic region and 5-7 times the warming in the rest of the world.

The reason for this is **global climate change**. The Arctic sea ice extent and thickness have been dropping for decades as global temperatures rise. As the Arctic loses ice and the ocean absorbs more solar radiation, **global warming is amplified**.

It affects ocean circulation, weather patterns and Arctic ecosystems spanning the food chain, from phytoplankton all the way to top predators.

Impact of warming Arctic ice

The rapid warming of the Arctic region had made the local weather more erratic such as the **first recorded rainfall** at the Summit Station of Greenland in August 2021 and back-to-back storms in July.

Lightning strikes which were once rare in the region, have also increased by eight times in the last decade. Apart from the local consequences, the warming of the Barents Sea also led to an extreme snowfall event, often dubbed as the 'Beast from the East', across most of Europe in 2018.

In India, Arctic warming has been **linked to the sweltering heat waves** across most of the Northwest, Central and some parts of Eastern India in 2022.

2. Heating-up of Rivers due to Climate Change

News: According to a study, climate change may turn India's rivers into hostile environments for aquatic life by 2070-2100.

About the study

The study covered 7 Indian basins: Ganga, Narmada, Cauvery, Sabarmati, Tungabhadra, Musi and Godavari. The study used machine learning to predict the historical, present and future river water temperatures for each of the basins. This was then converted into dissolved oxygen levels.

Key Findings of the Study

By 2070-2100, river water temperatures may increase and dissolved oxygen levels may decrease due to the impact of climate change. For instance, under a high-emissions scenario, average river water temperatures are expected to climb 7°C in summer reaching close to 35 °C by 2070-2100.

On the other hand, dissolved oxygen levels can drop to 7.3 milligrams/litre of water from 7.9 mg/l at present. This may impact aquatic life.

Dissolved Oxygen

Dissolved oxygen (DO) is the amount of oxygen present in water. Water bodies receive oxygen from the atmosphere and from aquatic plants. Running water, such as that of a swift-moving stream, dissolves more oxygen than the still water of a pond or lake.

Importance: Aquatic organisms use dissolved oxygen to breathe. But oxygen becomes less soluble in warmer and polluted waters. The riverine species cannot survive for long when the level of dissolved oxygen drops below 4-5 mg/l of water.

3. Post-2020 Global Biodiversity Framework

News: The meeting of the Working Group on the Post-2020 Global Biodiversity Framework failed to achieve much. The meeting was supposed to reach a consensus on the text of the framework which is to be finalized at the 15th CoP of the Convention on Biological Diversity (CBD).

About the Post-2020 Global Biodiversity Framework

The aim of the Framework is to implement broad-based action to bring about a transformation in society's relationship with biodiversity ensuring that by 2050 the shared vision of 'living in harmony with nature' is fulfilled.

The framework is built around a **theory of change** which recognizes that **urgent policy action globally, regionally and nationally** is required to transform economic, social and financial models.

4 goals to achieve under the framework by 2050 are: **(a)** Halt the extinction and decline of biodiversity; **(b)** Enhance and retain nature's services to humans by conserving; **(c)** Ensure fair and equitable benefits to all from the use of genetic resources; **(d)** Close the gap between available financial and other means of implementation and those necessary to achieve the 2050 Vision.

2030 Action Targets

The framework has 21 action-oriented targets for urgent action over the decade to 2030, which include:

- To bring at least 30% of land and sea under the world's protected areas.
- A 50% greater **reduction in the rate of introduction of invasive alien species**, and controls or eradication of such species to eliminate or reduce their impacts.
- **Reducing nutrients lost** to the environment by at least half, and pesticides by at least two-thirds, and eliminating the discharge of plastic waste.
- **Nature-based contributions** to global climate change mitigation efforts of at least 10 GtCO₂e (gigatonnes of equivalent carbon dioxide) per year, and that all mitigation and adaptation efforts avoid negative impacts on biodiversity.

4. 'Sustainable Use of Wild Species' IPBES Report

News: The Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) has released a report titled 'Sustainable Use of Wild Species'.

Purpose of the Report

The report offers insights into the sustainable use of wild species. It reminds the global community how human beings are interdependent with all living beings. The Report emphasizes the importance to conserve biodiversity by stopping overexploitation and protecting habitats.

Key Findings of the Report

Dependence on Wildlife Species: 50,000 wild species are used for different human purposes. More than 10,000 wild species are harvested directly for food.

70% of the world's poor are directly dependent on wild species. ~20% people rely on wild plants, algae, and fungi for their food and income. 2.4 billion people rely on fuel wood for cooking.

Non-Extractive use: Non-extractive uses of wild species are also important e.g., tourism based on observing wild species is an important revenue source.

KEY STATISTICS FROM THE REPORT

<p>➤ Nearly 50,000 wild species used for food, energy, medicine, material and other purposes</p> <p>➤ Annual value of illegal trade in wild species (especially timber and fish): US\$ 69-199 billion (It accounts for the world's third largest class of illegal trade)</p> <p>➤ Globally, nearly 7,500 species of wild fish and aquatic invertebrates directly used by people</p> <p>➤ More than 10,000 wild species harvested for human food</p> <p>➤ Nearly 70% of the world's poor directly dependant on wild species</p>	<p>8 bn annual visitors as tourists to protected areas worldwide generated US\$ 600 billion per year during pre-pandemic period</p> <p>2.4 bn people (approximately one third of humanity) rely on fuel wood for cooking</p> <p>880 million log firewood or produce charcoal, particularly in developing countries</p> <p>50% of all wood consumed globally is logged for energy (90% of them in Africa)</p> <p>1.1 bn people without access to electricity or alternative energy sources rely on fuel wood logging</p> <p>More than 25% of world's forests subject to industrial logging</p> <p>12% of wild tree species threatened by unsustainable logging</p> <p>55%-75% of wild meat biomass derived annually from hunting of large mammals</p>
---	--

Cultural Significance: Certain species have cultural importance. They offer multiple benefits that define tangible and intangible features of people's cultural heritage.

Threats faced by Wildlife Species: Overexploitation, climate change, pollution, and deforestation are pushing one million species towards extinction.

Hence, humans must improve the sustainable use of nature. The Earth is on its way to losing 12% of its wild tree species, over a thousand wild mammal species, and almost 450 species of sharks and rays among other irreparable harm.

Suggestions Given by the Report

Integration of diverse value systems, equitable distribution of costs and benefits, changes in cultural norms and social values, and effective institutions and governance systems can facilitate the sustainable use of wild species.

Bringing scientists and indigenous peoples together to learn from each other will strengthen the sustainable use of wild species.

Reducing illegal, unreported, and unregulated fishing, suppressing harmful financial subsidies, supporting small-scale fisheries, adapting to changes in oceanic productivity due to climate change, and proactively creating effective transboundary institutions.

5. Impact of Loss of Biodiversity on Sovereign Credit Ratings

News: According to a study by British economists, loss of biodiversity will downgrade the Sovereign Credit Ratings of several countries including India, increasing the risk of bankruptcy.

Sovereign Credit Ratings

Sovereign credit ratings are an independent assessment that determines the creditworthiness of a country. It can give investors insights into the level of risk associated with investing in the debt of a particular country, including any political risk.

Link between Sovereign Credit Ratings and Biodiversity Loss

Loss of biodiversity will lead to 'partial ecosystem collapse' such as in fisheries, tropical timber production and wild pollination. This will have a deep impact on economic output. It can lead to downgrade of the sovereign credit ratings of several countries, increasing the risk of bankruptcy. China and Malaysia would be the worst affected with downgrades of more than 6 notches. India, Indonesia, Ethiopia and Bangladesh can expect downgrades of 4 notches while a third of the countries studied would experience more than three.

The downgrades means that the countries will be burdened with billions of dollars in interest.

The study has estimated that repercussions to the situation would result in additional interest costs between US\$ 28 billion and US\$ 53 billion per annum on the global capital markets.

Impact on ordinary people

As nature loss reduces economic performance, it will become harder for countries to service their debt, straining government budgets and forcing them to raise taxes, cut spending, or increase inflation. This will have grim consequences for ordinary people.

6. Bedti-Varada River Interlinking Project

News: Environmental groups in Karnataka have criticized the Bedti-Varada Interlinking Project, calling it unscientific and needless.

Bedti-Varda Interlinking Project

The Bedti-Varada project was envisaged in 1992 to supply drinking water. The plan aims to link the Bedti, a river flowing west into the Arabian Sea, with the Varada, a tributary of the Tungabhadra River, which flows into the Krishna, which in turn flows into the Bay of Bengal.

A massive dam will be erected in the Gadag district. A second dam will be built on the Pattanahalla river in Sirsi, Uttara Kannada district. Both dams will take water to the Varada via tunnels.

The project thus envisages taking water from the water surplus Sirsi-Yellapura region of Uttara Kannada district to the arid Raichur, Gadag and Koppal districts.

Opposition by Activists

Difficult to redirect river: It is difficult to redirect a westward-flowing river to flow eastward.

Rain-fed Rivers: In early summer, the Bedti and Varada rivers begin to dry up. Hence, interconnecting these rivers under the pretext of providing drinking water despite knowing well that they do not flow all year is wrong.

Environmental Impact: Over 500 acres of forests will be lost. The end result will be that there will still be no water. Moreover, the Bedti valley has been designated as an active biodiversity zone by IUCN.



Impact Livelihoods: The Bedti and Varada rivers are also lifelines for thousands of farmers in the Malenadu region, the foothills of the Western Ghats, in addition to fishing communities along the coast.

7. National Air Quality Resource Framework of India (NARFI)

News: A brainstorming workshop was organized recently to kick start the National Mission on 'National Air Quality Resource Framework of India' (NARFI).

About the National Air Quality Resource Framework of India

It has been developed by The National Institute of Advanced Studies (NIAS), Bengaluru with the support from the Office of the Principal Scientific Adviser.

The framework is an information mechanism to help decision-makers in government, municipalities, start-ups and in the private sectors to address air pollution issues in different climatic zones of India.

As part of the framework, short-term basic training modules tailored for different groups such as active ground-level staff in government establishments, implementers, media and policymakers would be provided. All of this can help enrich communication and enhance general awareness leading to self-mitigation.

Modules: The training will evolve around the following five modules: **(a)** Emission Inventory, Air Shed and Mitigation, **(b)** Impacts on Human Health and Agriculture, **(c)** Integrated Monitoring, Forecasting and Advisory Framework, **(d)** Outreach, Social Dimension, Transition Strategy and Policy; **(e)** Solutions, Public-Industry Partnership, Stubble Burning & New Technologies.

8. CAQM Policy to Mitigate Air Pollution in Delhi-NCR

News: The Commission on Air Quality Management (CAQM) has formulated a policy to abate the air pollution in Delhi-NCR.

Background

The Supreme Court of India in *Aditya Dubey and Anr v/s UOI & Ors* had directed CAQM to **find a permanent solution to the air pollution** menace occurring every year in Delhi and NCR.

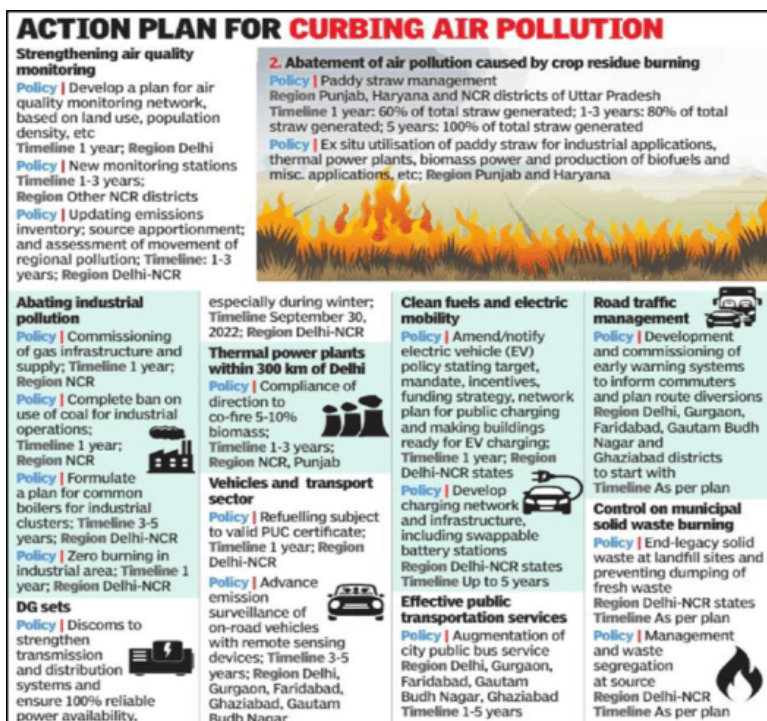
The Commission had constituted an Expert Group to come up with a comprehensive policy.

Suggested Key Actions

The policy has given suggestions to prevent and control air pollution from industries, vehicles, construction and demolition (C&D), municipal solid waste burning, crop residue burning etc.

The policy has suggested short-term (up to 1 year), medium-term (1-3 years) and long-term (3-5 years) actions. Some of the actions include:

- Widespread access to affordable clean fuels and technology in industry, transport and households.
- Mobility transition includes mass transit, electrification of vehicles, building walking and cycling infrastructure and reducing personal vehicle usage etc.
- Circular economy for material recovery from waste to prevent its dumping and burning.
- Dust management from C&D activities, roads/Right of Ways (RoW) and open areas with appropriate technology, infrastructure and greening measures.
- Strict time-bound implementation, improved monitoring and compliance.



9. Proposed Amendments to the Environment Protection Act, 1986 (EPA)

News: The Ministry of Environment has proposed to amend the Environment Protection Act, 1986 and decriminalize certain offences.

Current penal provisions under the EPA, 1986

It was enacted under Article 253 of the Indian Constitution which provides for the enactment of legislation for giving effect to international agreements. The Act establishes the framework for implementing long-term requirements of environmental safety. It lays down a system of speedy and adequate response to situations threatening the environment.

In case of any non-compliance or contravention of the current provisions of the EPA, the violator can be punished with imprisonment up to 5 years or a fine up to Rs 1,00,000, or both.

In case of continuation of such violation, an additional fine of up to Rs 5,000 for every day can be levied. If the violation continues beyond a period of one year after the date of conviction, the offender can be punished with imprisonment for a term which may extend to 7 years.

Proposed Changes

The Government has proposed to replace **imprisonment with a monetary penalty** for the 'less severe' contraventions under the EPA.

However, serious violations of EPA which lead to grievous injury or loss of life shall be covered under the provision of the Indian Penal Code.

It has also proposed the creation of an '**Environmental Protection Fund**' in which the amount of penalty will be remitted.

History, Art and Culture

1. Gifts for G-7 Leaders

News: The Prime Minister of India has presented artistic gifts to each of G7 Leaders in the recently concluded Summit.

Gifts Given by the Prime Minister

Gulabi Meenakari to the President of the US: It is a GI-tagged art form of Varanasi in Uttar Pradesh. In this, a piece of pure silver is molded into a base form and the chosen design is embossed on the metal.

Black Pottery to the PM of Japan: The black pottery pieces were sourced from Nizamabad, Uttar Pradesh. The pottery uses a special technique to bring out the black colour. The pottery is baked in the oven at very high heat in the absence of oxygen.

Metal Marodi carving matka to the Chancellor of Germany: This nickel-coated, hand-engraved brass vessel is a masterpiece from Moradabad, also known as the *Peetal Nagari* or 'brass city' of Uttar Pradesh.

Marble Inlay Table Top to the PM of Italy: *Pietra dura* or marble inlay has its origin in the Opus sectile – a form of pietra dura popularized in the ancient and medieval Roman world where materials were cut and inlaid into walls and floors to make a picture or pattern.

Dokra art with Ramayana theme to President of South Africa: It is a non-ferrous metal casting art using the lost-wax casting technique and it has been in India for over 4,000 years.

Nandi-themed Dokra art to the President of Argentina: It is an art piece from Chhattisgarh. According to Hindu mythology 'Nandi – the Meditative Bull' is considered as the vehicle of Lord Shiva.

Lacquerware 'Ram Durbar' to the President of Indonesia: The GI-tagged lacquerware art form has its roots in Varanasi, Uttar Pradesh. It was given to celebrate the shared *Ramayana* links between India and Indonesia. It is believed that the Indonesian version of *Ramayana* – known as *Kakawin Ramayana* – was written during the Medang Kingdom (8th-11th century) in Central Java.



2. Swami Ramanujacharya

News: The Union Home Minister has unveiled the Statue of Peace of Swami Ramanujacharya in Srinagar.

About Swami Ramanujacharya

Swami Ramanujacharya was born in Tamil Nadu in Vikram Samvat 1074. He was the child of Keshavacharya and Mata Kantimani.

He is known to have revolted against the discrimination of untouchability and played a role in bringing a big change in society. Sri Ramanuja named subjugated classes as '**Thirukkulathar- Born Divine**'

Seeing his compassion towards the oppressed, his delighted guru honoured him with the coveted title '**Em-perum- anar**' - you are ahead of us.

He is believed to be the first Hindu acharya to **initiate women into 'sanyasa'** (renunciation of the world).

The **Yathiraj Math of Yadugiri located in the Mandya district of Karnataka** is the only original Math in Melkot that has existed since the time of Ramanujacharya. This math was established by Ramanujacharya on the orders of his Guru Yamunacharya.

Narsi Mehta, the famous poet of Gujarat, composed '**Vaishnav Jan To Tene Kahiye Je Peer Parai Jaane Re**', with the message of Ramanujacharya.

He was an inspiration for mystic poets like Kabir, Meerabai, Annamacharya, Bhaktha Ramdas, Thyagaraja and many others.

3. **Kaukab-i-Tali: Coins Minted During Mughal Era**

News: The Union Government has renewed its efforts to trace two special coins minted during the Mughal era.

About the 2 Special Coins

One of coin weighs about 12 kg. It is the biggest and heaviest gold coin ever minted in the world. It was minted during the reign of Emperor Jahangir, who referred to it as *Kaukab-i-Tali*. The other coin weighs ~1 kg belonged to Emperor Shahjahan.

Kaukab-i-Tali is 20.3 cm in diameter and was minted in Agra. The coin is also inscribed with the Persian script in different calligraphic styles. Both of these were last seen with the Asaf Jahi dynasty. The 12-kg coin was inherited by Mukarram Jah, the titular Nizam VIII of Hyderabad. It was last seen in a bank in Europe in 1987. Mukarram Jah was trying to sell it along with the 1-kg coin at a Swiss auction. Its valuation then was US\$ 16 million.

About the *Kaukab-i-Tali*'s journey

The metrology of coins of Jahangir's reign shows that in the early 17th century, gigantic coins and zodiacal coins had started to be minted. Noted Italian traveller Niccolao Manucci wrote that such coins were not currency; rather the Mughal emperors gave them as presents to ambassadors and special guests, and they appear to have been significant valuables in their collection.

The coin was gifted to the Ambassador of Shah of Iran by Jahangir. But it eventually passed onto the Nizam-ul-Mulk Asaf Jah I during the reign of Aurangzeb. The coin remained in the possession of the Asaf Jahis until Independence. However, the whereabouts of the coin are not known with certainty after that.

4. **125th Birth Anniversary of Freedom Fighter Alluri Sitarama Raju and Rampa Rebellion**

News: The Prime Minister has launched the 125th birth anniversary celebration of freedom fighter Alluri Sitaram Raju in Bhimavaram, Andhra Pradesh.

About Alluri Sitarama Raju

Alluri Sitarama Raju was born on 4th July 1897. He is remembered for his fight against the British, in order to safeguard the interests of the tribal communities in the Eastern Ghats region. He is referred to as

‘Manyam Veerudu’ (Hero of the Jungles) by the local people. He had led the **Rampa rebellion** which was launched in 1922. He laid down his life for the freedom in 1924 at the young age of just 27 years.

About the Rampa Rebellion

The Rampa Rebellion is also known as the Manyam Rebellion. It was a tribal uprising in Godavari Agency of Madras Presidency, British India.

Cause: The Rampa administrative area was home to about 28,000 tribes. These tribes followed the ‘Podu’ system of cultivation whereby every year some amounts of forest tracts were cleared for cultivation, The British wanted to evict them so that they could plunder these areas for wood. To get the forests cleared, ‘**The Madras Forest Act, 1882**’ was passed, thereby restricting the free movement of the tribal communities and prohibiting them from engaging in their traditional Podu agricultural system. This oppressive order was the beginning of the Rampa Rebellion.

The rebellion began in August 1922 and lasted until the capture and killing of Raju in May 1924.

5. National Emblem of India

News: The Prime Minister has unveiled the National Emblem cast on the roof of the New Parliament Building.

About National Emblem on the New Parliament Building

The National Emblem is made of bronze with a total weight of 9500 Kg and is 6.5 m in height. It has been cast at the top of the Central Foyer of the New Parliament Building.

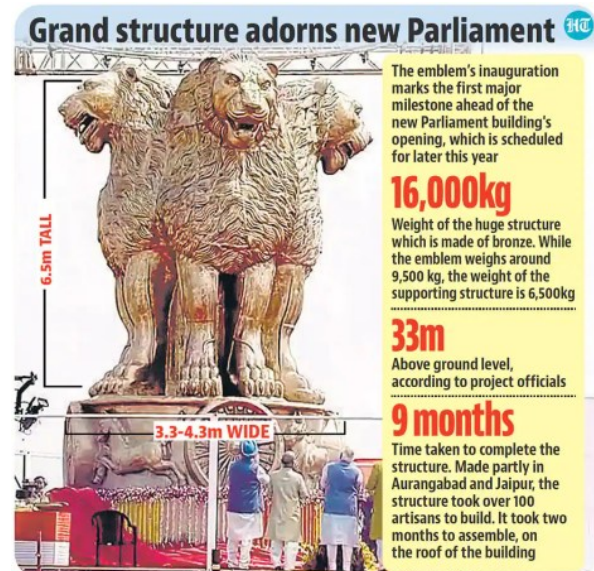
A supporting structure of steel weighing around 6500 Kg has been constructed to support the Emblem.

The new Parliament Building is part of the **Central Vista Project** which also includes a joint central secretariat, revamp of the Rajpath, a new Prime Minister’s residence, a new Prime Minister’s Office, and a new Vice-President’s enclave.

About the National Emblem of India

The National Emblem is an adaptation from the Sarnath Lion Capital of Ashoka which is preserved in the Sarnath Museum. The Lion Capital has 4 lions mounted back-to-back on a circular abacus. The frieze of the abacus is adorned with sculptures in high relief of an **elephant**, a galloping **horse**, a **bull** and a **lion** separated by intervening Dharma Chakras.

The words ‘*Satyameva Jayate*’ from **Mundaka Upanishad**, meaning ‘Truth Alone Triumphs’, are inscribed below the abacus in the Devanagari script. The emblem of India was adopted on January 26, 1950 – the same day when the constitution of India came into force.



Miscellaneous

1. The Phenomenon of Cloudbursts

News: A sudden heavy spell of rainfall in Amarnath (J&K) led to deaths of 16 pilgrims. Some news report called the phenomenon as cloudburst. But the IMD clarified they event was not a cloudburst.

About Cloudbursts

A cloudburst refers to an extreme amount of rain that happens in a short period, sometimes accompanied by hail and thunder.

The India Meteorological Department (IMD) defines a Cloudburst as unexpected **precipitation exceeding 100 mm (or 10 cm) per hour** over a **geographical region of approximately 20 to 30 square km**.

All instances of cloudbursts involve heavy rain in a short period but all instances of heavy rain in a short period are not cloudbursts if they do not fit this criterion.

Conditions during Cloudburst

The relative humidity and cloud cover are at the maximum level with low temperature and slow winds because of which a high amount of clouds may get condensed at a very rapid rate and result in a cloudburst.

Frequent Cloudbursts occur in Hilly areas

Experts have said it is difficult to predict when exactly a cloudburst will occur. But they are more likely to occur in mountainous zones mainly because of terrain and elevation. This is because, in hilly areas, sometimes saturated clouds ready to condense into rain cannot produce rain due to the upward movement of the very warm current of air. Instead of falling downwards, raindrops are carried upwards by the air current. New drops are formed and existing raindrops increase in size. After a point, the raindrops become too heavy for the cloud to hold on to, and they drop down together in a quick flash.

2. Global Trends Report

News: United Nations High Commissioner for Refugees (UNHCR), the UN Agency for Refugees has released a report titled 'Global Trends Report'.

Key Findings of the Report

Forceful Displacement: The number of people forced to flee due to persecution, conflict, violence, human rights violations and events seriously disturbing public order has reached 89.3 million by the end of 2021. The number has more than doubled from 42.7 million in 2012.

Above 1% of the world's population – or 1 in 88 people – were forcibly displaced at the end of 2021. This compares with 1 in 167 at the end of 2012.

Low and middle-income countries hosted 83% of the world's refugees.

Turkey hosted nearly 3.8 million refugees, the largest population worldwide.

By the end of May 2022, more than 100 million people were forcibly displaced worldwide.

War in Ukraine: The war in Ukraine has led to more than 7 million Ukrainians displaced within their country and more than 6 million refugee movements from Ukraine having been registered.

It is one of the largest forced displacement crises since World War II, and certainly the fastest.

India: In India, ~ 5 million people in India were internally displaced due to climate change and disasters in 2021.

3. Global Gender Gap Index, 2022

News: The Global Gender Gap Index, 2022 has been released by the World Economic Forum.

About the Global Gender Gap Index

The purpose of the index is to benchmark the current state and evolution of gender parity across 4 key dimensions: **(1) Economic Participation and Opportunity**; **(2) Educational Attainment**; **(3) Health and Survival**; **(4) Political Empowerment**.

On each of the above four dimensions as well as overall, the index provides scores between 0 and 1 where 1 shows full gender parity and 0 is complete imparity.

Key Findings of the Index

Global findings: Iceland has retained its place as the world's most gender-equal country, followed by Finland, Norway, New Zealand and Sweden.

At the global level, only 68.1% of the gender gap has been closed, meaning it will take another 132 years to reach gender parity.

India's Rank: India has been ranked at 135 out of 146 countries. In 2021, India was ranked 140 out of 156 countries. In 2022, India's overall score has improved from 0.625 (in 2021) to 0.629.

INDIA'S REPORT CARD				
Index/sub-index	2022 (146 countries)		2021 (156 countries)	
	Rank	Score	Rank	Score
Global Gender Gap Index	135	0.629	140	0.625
Political empowerment	48	0.267	51	0.276
Economic participation & opportunity	143	0.350	151	0.326
Educational attainment	107	0.961	114	0.962
Health and survival	146	0.937	155	0.937

Source: World Economic Forum

4. World Mental Health Report

News: The WHO has released the World Mental Health Report.

Key Findings of the World Mental Health Report

Mental Health Issues: Almost a billion people or **1 in 8 people worldwide** were living with some form of mental health issue in 2019. Deaths by suicide accounted for 1 in 100 death. More than half of suicides happened before the age of 50. Depression and anxiety spiked 25% in the first year of the pandemic (2020). People with mental health issues live ~2 decades less than the general population.

Major Threats to Mental well-being: COVID-19 Pandemic, social and economic inequalities, public health emergencies, war and the climate crisis.

Access to Mental Health Care: Access to mental health services remains poor. Globally, 71% of psychosis patients don't receive treatment. High-income countries provide treatment to 70% of psychosis patients and low-income countries manage the same for just 12%. Only 2% of national health budgets and less than 1% of all international health aid goes to mental health.

All 194 WHO member states have adopted the **Comprehensive Mental Health Action Plan 2013–2030**, but progress has been slow.

Suggestions given by the Report

The Report has called for an end to the stigma attached to mental health. It lists 3 key 'paths to transformation' to quicken progress on the Comprehensive Mental Health Action Plan 2013–2030. These include: **(a)** More focused investment in mental health; **(b)** Reshaping environments such as homes, communities, schools, workplaces and health care services that influence mental health; **(c)** Strengthening the quality of mental health care by diversifying it.

5. World Drug Report, 2022

News: The UN Office on Drugs and Crime (UNODC) has released the World Drug Report, 2022.

Key Findings of the Report

Globally

Compared to the previous decade, the number of drug users has increased by 26% globally.

Although women remain in the minority of drug users globally, their consumption rate has increased more rapidly than men on average. Young people continue to use more drugs than adults and have higher levels of use than in past generations.

Environmental Impact: Deforestation is associated with illicit coca cultivation; waste generated during synthetic drug manufacturing and dumping other waste can affect soil, water and air directly.

India

India has the most number of opiate users in the world. This trend is expected to rise with an increase in trafficking.

Recommendations of the Report

- (a) Direct law enforcement resources to target maritime and container drug trafficking.
- (b) Develop national drug prevention systems that reach children as early as possible in their development and focus on building resilience.
- (c) Integrate outreach, psychosocial, pharmacological, healthcare and social support services to better protect the health of people who use drugs.
- (d) Integrate drug policy approaches into conflict and peacebuilding responses and when addressing crises and weak rule of law.
- (e) Mainstream the objective of “do no harm to the environment” in drug policy responses.

6. World Cities Report, 2022

News: The UN-Habitat has released the World Cities Report, 2022.

Key Findings of the Report

Global Urban Population: The urban population is forecast to grow from 56% in 2021 to 68% by 2050. The growth will be driven by middle- and low-income countries.

India's Urban Population: By 2035, India's urban population is expected to reach 43.2% (675 million). This will be the second-highest behind China's 1 billion.

Challenges faced by Urban Areas

(a) **Urban poverty** and **inequality** remain the major issue confronting cities; (b) Cities in tropical areas and land low-lying coastal areas face existential threats due to climate change and extreme weather events.

Suggestions given by the Report

The report calls for greater commitment by national, regional and local governments and encourages the further adoption of innovative technologies and urban living concepts such as the ‘15-minute city’. ‘15-minute city concept’ was popularized in Paris, Melbourne and other places. It envisages that residents can meet most of their daily needs within a 15-minute journey.

Pointly

1. Expansion of the Shanghai Cooperation Organization (SCO): Iran and Belarus might join

The SCO has 8 members at present: India, Russia, China, Kazakhstan, Uzbekistan, Tajikistan, Kyrgyzstan and Pakistan. Iran and Belarus might join as new members soon. In the 2021 summit in Dushanbe, the members of SCO agreed to admit **Iran** as a member. **Belarus** has also applied for the membership.

China and Russia are looking to frame the SCO as a counter to the West — particularly after Russia's invasion of Ukraine.

2. Fujian Aircraft Carrier

Fujian is China's first 'fully domestically developed and constructed' aircraft carrier. It has been named after China's eastern coastal province which lies across from Taiwan. It joins two other carriers currently operated by China: Shandong, commissioned in 2019 and the Liaoning, bought second-hand from Ukraine in 1998. The Fujian's displacement is 80,000 tonnes, much more than the existing Chinese carriers, and comparable to the U.S. Navy aircraft carriers. It also has the latest launch technology — the Electromagnetic Aircraft Launch System (EMALS), first developed by the U.S. Navy.

3. Electromagnetic Aircraft Launch System (EMALS)

It is a catapult system which helps to provide the extra push to aircraft. Once the catapult is released, the aircraft attached to the catapult moves forward with great speed in a short time, which helps it to gain the speed required to take-off before it reaches the end of the runway of the aircraft carrier.

4. GSAT-24

India's GSAT-24 satellite was successfully placed into the geostationary orbit by French agency Ariane space. GSAT-24 is a 24-Ku band **communication satellite**. The satellite will provide high-quality television, broadcasting and telecommunications services. GSAT-24 has been built by ISRO for New Space India Limited (NSIL). It weighs ~4200 kg. It is the first 'demand-driven' communication satellite mission undertaken by NSIL post space sector reforms. NSIL has leased the entire satellite capacity to **Tata Play**.

5. Gateway

Gateway is a major component of NASA's Artemis Mission. Gateway is a small space station around the moon. That would make it easier for astronauts to reach more parts of the moon. This outpost is to be placed in what is known as a Near-Rectilinear Halo Orbit (NRHO).

6. Halo Orbit

Halo orbits are those influenced by the gravity of two bodies like in Gateway's case, the Earth and the moon. The influence of two bodies helps make the orbit highly stable, minimizing the amount of propellant needed to keep a spacecraft circling the moon.

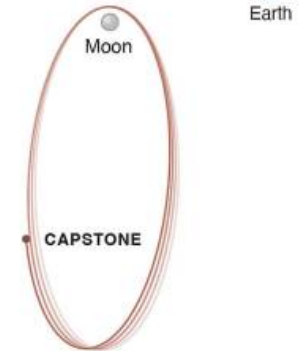
7. CAPSTONE

NASA has launched CAPSTONE, a microwave oven-sized CubeSat weighing just 25 kg. It stands for Cislunar Autonomous Positioning System Technology Operations and Navigation Experiment (CAPSTONE). Its aim is to help reduce risk for future spacecraft by validating innovative navigation technologies and by **verifying the dynamics of the halo-shaped orbit**.

At the Moon, CAPSTONE will enter NRHO, where it will fly within 1,600 km of the Moon's North Pole on its near pass and 70,000 km from the South Pole at its farthest.

The spacecraft will repeat the cycle every six-and-a-half days and maintain this orbit for at least six months **to study dynamics**. The study will provide useful insights for Gateway mission.

CAPSTONE will orbit the moon in a stable and efficient path called a near-rectilinear halo orbit.



8. ARYABHAT-1

Researchers at the Indian Institute of Science have developed an **analogue chipset** called ARYABHAT-1. It stands for Analog Reconfigurable Technology and Bias-scalable Hardware for AI Tasks. It will allow Artificial Intelligence (AI) and Machine Learning apps to perform much better and faster. It is useful for AI-based applications which deal with object or speech recognition systems, like Alexa or Siri. They are also very useful in operations that require massive parallel computing at high speeds.

9. Web 5.0

Former Twitter CEO, Jack Dorsey, has announced his vision for a new decentralized web platform that is being called Web 5.0. It is being built with an aim to return ownership of data and identity to individuals. Web 5.0 is aimed at building an **extra decentralized web** that puts one in **control of their data and identity**.

10. Surya Nutan

Indian Oil Corporation Limited has developed an indoor solar cooking stove named **Surya Nutan**. It is a stationary, rechargeable and always a kitchen-connected indoor solar cooking system. The stove works in a hybrid mode i.e., capable of running both on solar and an auxiliary energy source simultaneously. This makes it a reliable cooking solution for all weather conditions. The stove can help to cut down gas consumption.

11. Mo Bus Service

It was launched by the Government of Odisha in 2018 to serve the public transport needs of Odisha's Capital Region (Bhubaneswar, Cuttack). The Mo buses are designed to integrate smart technologies such as free onboard Wi-Fi service, digital announcements, surveillance cameras, and electronic ticketing. An e-Rickshaw system called '**Mo e-Ride**' is also introduced as a **last-mile feeder service** to Mo Bus.

57% of the commuters in the city are now using Mo Bus. e-Ride will promote a green, sustainable transportation solution with an estimated pollution reduction of 30 – 50%. 40% of Mo Bus conductors are women and 100% of Mo E-Ride drivers are women, transgender people and people from disadvantaged communities.

Mo Bus was one of the 10 recipients of the UN Public Service Award (UNPSA) for 2022.

12. UN Public Service Awards

They were launched in 2003. Their purpose is to identify excellence in delivering public service, which promotes effectiveness, inclusiveness, and transparency to achieve the region's Sustainable Development Goals (SDGs). Every year 10 initiatives are awarded.

13. Carbon Bomb

A Carbon Bomb is 'an oil or gas project that will result in at least **a billion tonnes of CO₂ emissions over its lifetime**'. In total, around 195 such projects have been identified the world over. The listed carbon bomb projects include Carmichael Coal Project (Australia) owned by the Adani Group, Gevra Coal Mines in Chhattisgarh owned by Coal India, and Rajmahal Coal Mines in eastern Jharkhand owned by Eastern Coalfields.

14. 'Leave it In the Ground' Group

A group of environmentalists, lawyers and activists have come together to 'defuse the carbon bombs'. The group is called **Leave It In the Ground Initiative (LINGO)**. Its mission is to leave fossil fuels in the ground and learn to live without them. It believes that 100% use of renewable energy sources is the solution to global warming.

15. Living Lands Charter

The Commonwealth leaders have adopted the Living Lands Charter at the 2022 Commonwealth Heads of Government meeting in Kigali, Rwanda. It is a non-binding agreement. The Charter mandates member countries to **safeguard global land resources** and **arrest land degradation** while acting against climate change, biodiversity loss and towards sustainable management.

The commonwealth members have also agreed to **voluntarily dedicate 'living land' in their respective countries to future generations**, in line with the strategy set for the United Nations Decade on Ecosystem Restoration.

16. EU's Nature Restoration Law

The European Commission (EC) has unveiled a draft 'Nature Restoration Law' to restore nature and mitigate climate change on the European continent. It aims to **cover at least 20% of the EU's land and sea areas by 2030 with nature restoration measures**, and extend these to all ecosystems in need of restoration by 2050. It sets several targets like to halve the use of pesticides across Europe by 2030, no net loss of green urban spaces by 2030 etc. The EU countries and the European Parliament will need to approve the draft legislation before it becomes law. Under the law, ~€100 billion (\$105 billion) will be available for biodiversity spending, including restoration.

17. Ramagundam Solar Plant

It is **India's largest floating solar plant**. It is now fully operational at Ramagundam in Telangana's Peddapalli district. It is a 100MW floating solar power photovoltaic project commissioned by the National Thermal Power Corporation (NTPC). The plant has several benefits like reduced demand of land, reduced evaporation of water and reduced CO₂ emissions

18. More Precipitation Likely in India in the next Decades

According to a study published in Nature, India is likely to see more precipitation (rain and snowfall) within the next 30 years. There is likelihood of 15-30% relative increase in precipitation by 2050 under a high-emissions scenario. By 2100, the majority of India will see a 30% relative increase in precipitation. However, drought frequency may slightly increase in northern India.

In contrast, Mediterranean regions, Southern and Central South America, Australia and Northern Africa are likely to see a decrease in precipitation and likely to become 'drought hotspots'.

19. Banni Grasslands

Banni Grassland is situated near the Great Rann of Kutch in Gujarat. It stretches ~2,500 sq. km. It was declared a Protected Forest in 1955, under the Indian Forest Act, 1927. The grasslands have native trees like *Acacia nilotica*, *Salvadora persica* and *Capparis decidua* which are protected under Section 26 in the Indian Forest Act, 1927. The Gujarat Forest Department plans to restore 10,000 hectares of the Banni grasslands in the coming year and every year, thereafter, in the coming decade.



20. Use of Sirens to prevent Human-Elephant Conflict

The Odisha Forest Department in association with a non-government organization has started a pilot project on a siren system to alert traffic about elephant movement. The siren system detects elephant herds approaching the National Highway by its infrared sensor system. Once detected, the siren would go off alerting traffic from both sides.

21. Wetland Status for Rajasthan's Menar Village

Menar is a village located in Udaipur district, Rajasthan. It is recognised as the '**bird village**' following community-driven conservation efforts. The village has two lakes – the **Brahma** and **Dhandh**. These lakes play host to more than 150 species of local and migratory birds in the winter season like Greater Flamingo, White-tailed Lapwing, Pelican, Marsh Harrier, Bar-headed Goose, Common Teal, Greenshank, Pintail, Wagtail, Green Sandpiper and Red-wattled Lapwing. The volunteers known as **Pakshi Mitras (friends of birds)** are maintaining the lakes as a safe haven for birds. The village is set to be notified as a wetland.

22. Chenkurinji Tree

Chenkurinji (*Gluta travancorica*) is a species of plant in the family Anacardiaceae. It is endemic to the Agasthyamala Biosphere Reserve. The **Shendurni wildlife sanctuary** in the Kollam district is named after this tree. Though the flowering of Chenkurinji usually happens in January. But of late, the plant species have reported a tendency to extend the process due to climate change. The tree is used to lower blood pressure and treat arthritis.



23. Red Panda

Red panda (*Ailurus fulgens*) is a small mammal native to the eastern Himalayas and southwestern China. It is classified as **Endangered** under the **IUCN Red List** and falls under Appendix I of CITES and Schedule I of the **Wildlife Protection Act 1972**. The red panda inhabits coniferous forests as well as temperate broadleaf and mixed forests, favouring steep slopes with dense bamboo cover close to water sources. It is solitary and largely arboreal (i.e. lives on trees). It is the **state animal of Sikkim**.

Padmaja Naidu Himalayan Zoological Park has started an ambitious programme to release 20 Red Pandas in about five years to the forests. Singalila National Park will get Red Pandas as part of this programme.



24. Padmaja Naidu Himalayan Zoological Park

Padmaja Naidu Himalayan Zoological Park is located in Darjeeling in West Bengal. It was opened in 1958. It is the largest high-altitude zoo in India. The zoo is internationally recognized for its conservation breeding programmes for Red Panda, Snow Leopards, Tibetan Wolf and other highly endangered animal species of Eastern Himalayas.

25. Kai Chutney

Tribals of the Mayurbhanj district in Odisha are seeking a Geographical Indications (GI) tag for **Kai Chutney**. It is a food item made from Kai (Red Weaver Ant). This chutney is rich in valuable proteins, calcium, zinc, vitamin B-12, iron, magnesium, potassium, sodium, copper, fiber and 18 amino acids and is known to boost the immune system and keep diseases at bay.

Kais are also **bio-control agents**. They are aggressive and due to their predatory habit, Kais are recognised as biological control agents in tropical crops as they are able to protect a variety of crops against many different insect pests.

26. Hariyali Mahotsav

The Ministry of Environment, Forest & Climate Change is organizing the 'Hariyali Mahotsav'. It is also known as the **Tree Festival**. Its aim is to create awareness about the importance of trees and green cover to protect the environment against air pollution and global warming. The festival involves planting 75 saplings in 75 urban forest spaces across the country as part of the 75th anniversary of Indian Independence. Tree plantation is one of the actions towards Lifestyle for Environment (LiFE) as announced by the Prime Minister in CoP 26 at Glasgow.

27. Global Liveability Index

It is published by the Economist Intelligence Unit(EIU) annually. Its aim is to quantify the challenges presented to an individual's lifestyle in 173 cities. The index ranks the cities based on the categories: **stability, healthcare, culture and environment, education and infrastructure**. Austrian capital Vienna has topped the list of most liveable cities in the world. New Delhi has been ranked 112th on the list while Mumbai is ranked at 117th position.

28. Places Associated with Dr. Ambedkar

The National Monuments Authority (NMA) has recommended 2 sites associated with Dr. Ambedkar be declared Monuments of National importance.

Sankalp Bhumi Banyan tree campus in Vadodara: Here, Dr. Ambedkar had taken a resolve to eradicate untouchability on 23rd September, 1917.

Pratap Rao Bhosale High School in Satara (Maharashtra): Here, Dr. Ambedkar received his primary education. The school now under Zila Parishad is in very bad condition.

29. UNESCO Award to CIET

The Central Institute of Educational Technology (CIET) has been awarded the UNESCO's King Hamad Bin Isa Al-Khalifa Prize. The award has been given for use of ICT in Education under a comprehensive initiative called PM eVIDYA. PM eVIDYA was launched in 2020 by the Ministry of Education. It is a comprehensive initiative which unifies all efforts related to digital/online/on-air education to enable multimode access to education.

30. Central Institute of Educational Technology (CIET)

It is a constituent unit of the **National Council of Educational Research and Training (NCERT)**. It was established in 1984. Its aim is to promote utilization of educational technologies viz. radio, TV, films, Satellite communications and cyber media either separately or in combinations.

31. Nadaprabhu Kempegowda

He was a 16th-century chieftain of the Vijayanagara empire. He belonged to the Vokkaliga community in South Karnataka. He is credited as the founder of Bengaluru City. He is also known to have developed around 1,000 lakes in the city to cater to drinking and agricultural needs.

A bronze statue of Nadaprabhu Kempegowda will be unveiled soon at the premises of the Kempegowda International Airport (KIA).

32. Balika Panchayat

It is an initiative of the Gujarat Government under the 'Beti Bachao Beti Padhao' campaign. Its aim is to promote the social and political development of the girls and to ensure their active participation in politics. *Balika Panchayat* is managed by girls in the 11-21 age group. Members of the *Balika Panchayat* are elected after an intense campaigning process.

33. Mission Shakti

It has been launched by the Ministry of Women Child Development (MWCD). It is a mission mode scheme aimed at strengthening interventions for women's safety, security and empowerment. 'Mission Shakti' has two sub-schemes – '**Sambal**' and '**Samarthya**'.

34. Sambal

It is for safety and security of women. The components consist of erstwhile schemes of One Stop Center (OSC), Women Helpline (WHL), Beti Bachao Beti Padhao (BBBP) with a new component of **Nari Adalats** – women's collectives to promote and facilitate alternative dispute resolution and gender justice in society and within families.

35. Samarthya

It is for the empowerment of women. The components consist of erstwhile schemes of Ujjwala, Swadhar Greh and Working Women Hostel have been included with modifications. The existing schemes of National Creche Scheme for children of working mothers and *Pradhan Mantri Matru*

Vandana Yojana (PMMVY) under umbrella ICDS have also been included. A new component of Gap Funding for Economic Empowerment has also been added.

36. Rise in Toy Exports

According to Ministry of Commerce and Industry data, the import of toys is down by 70% in the last 3 years. The exports of Toys have jumped by 61.38% over the same period. India's Toys Industry is estimated to be US\$1.5 bn with 0.5% of the global market share. The sector is fragmented with 90% of the market being unorganized and 4,000 toy industry units from the MSME sector.

37. National Industrial Corridor Development Programme (NICDP)

It is India's most ambitious infrastructure programme aiming to develop new industrial cities as 'Smart Cities' and converge next-generation technologies across infrastructure sectors. Its objective is to **(a)** expand the industrial output; **(b)** increase employment opportunities; **(c)** provide better living and social facilities for the new and growing workforce.

NICDC is developing **11 Industrial corridors** comprising 32 projects in 4 Phases. The Asian Development Bank (ADB) and the Government of India have signed a \$250 million loan to support the NICDP. National Industrial Corridor Development and Implementation Trust (NICDIT) is the implementing agency.

NOTE: With effect from 1st February, the monthly ForumIAS Epic Magazine, for the month will provide wholistic coverage for the said month up to 20th of the month. This ensures that issues / stories that occur after 21st of the month are allowed to fully develop and are covered wholistically in the next month.