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MONTHLY MAINSTORMING

SEPTEMBER 2020

Shankar IAS Academy™

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SEPTEMBER 2020

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G.S PAPER I

1. SOCIETY

Recently the Navy had inducted the first woman pilot, in this aspect, discuss the various rôle and significance of women in the Indian Navy.

KEY POINTS

- The Navy announced the induction of a woman officer as pilot of Dornier aircraft, which are fixed wing aircraft operating from ashore establishments.
- The Navy announced induction of two women officers as observers for the helicopter stream. Observers are airborne tacticians who fly on board helicopters or fixed-wing aircraft operated by the Navy. Till now women were inducted as observers for fixed wing aircraft which take off and land ashore. Entry in the helicopter stream means that women officers can now be deployed on frontline warships from which helicopters can operate.
- Serving and retired women officers from Armed forces in general and Navy in particular, sound a precautionary note against the celebrations about latest developments. They believe that the developments will have to actually result in more women coming into operational streams and new streams being opened for women in coming days. Some are also concerned that too much media and public attention on these new entrants can put unwanted pressure on them.
- In the context of the Armed Forces, specious reasons have been advanced by decision makers and administrators. They range from physiology, motherhood and physical attributes to the male dominated hierarchies.
- A level playing field ensures that women have the opportunity to overcome their histories of discrimination with the surest of responses based on their competence, ability and performance.”
- Women officers hope that these developments would result in them being posted at commanding positions on the ships which are a key for career advancements in the operational streams and also some day lead to women being deployed for most challenging of the deployments including that in the submarines.

GS PAPER -II

2. POLITY

In the view of the pandemic, restricting zero hour and question hour by the Parliament of India is not a wise decision. Comment

KEY POINTS

- The Lok Sabha and Rajya Sabha secretariats notified that there will be no Question Hour during the Monsoon Session of Parliament, and that Zero Hour will be restricted in both Houses. Opposition MPs have criticised the move, saying they will lose the right to question the government.
- Parliament has comprehensive rules for dealing with every aspect of Question Hour. And the presiding officers of the two houses are the final authority with respect to the conduct of Question Hour.

What kind of questions are asked?



- Parliamentary rules provide guidelines on the kind of questions that can be asked by MPs. Questions have to be limited to 150 words. They have to be precise and not too general. The question should also be related to an area of responsibility of the Government of India.
- Questions should not seek information about matters that are secret or are under adjudication before courts. It is the presiding officers of the two Houses who finally decide whether a question raised by an MP will be admitted for answering by the government.

How frequently is Question Hour held?

- Now, Question Hour in both Houses is held on all days of the session. But there are two days when an exception is made. There is no Question Hour on the day the President addresses MPs from both Houses in the Central Hall.
- The President's speech takes place at the beginning of a new Lok Sabha and on the first day of a new Parliament year. Question Hour is not scheduled either on the day the Finance Minister presents the Budget. Since the beginning of the current Lok Sabha, approximately 15,000 questions have been asked in the Lower House.

How does Parliament manage to get so many questions answered?

- MPs can specify whether they want an oral or written response to their questions. They can put an asterisk against their question signifying that they want the minister to answer that question on the floor.
- These are referred to as starred questions. After the minister's response, the MP who asked the question and other MPs can also ask a follow-up question. This is the visible part of Question Hour, where you see MPs trying to corner ministers on the functioning of their ministries on live television. Seasoned parliamentarians choose to ask an oral question when the answer to the question will put the government in an uncomfortable position.

Is there a limit to the number of questions that can be asked?

- Parliament rules limit the number of starred and unstarred questions an MP can ask in a day. The total number of questions asked by MPs in the starred and unstarred categories are then put in a random ballot.

Despite the limited monsoon session, Parliament must scrutinize the government's work and guide policy. Examine

KEY POINTS

- Parliament will be meeting after 175 days, the longest gap without intervening general elections and just short of the six-month constitutional limit.
- This is unlike many other countries where both the plenary and committees have adopted technology to enable members to participate from home. The absence of a functioning Parliament or Committees implies that there has been no check or guidance on government action.

Court interventions

- The lack of parliamentary oversight has been compounded by judicial intervention in many policy issues. For example, the government's actions related to the lockdown and the hardships caused to migrants should have been questioned by Parliament.
- Discussions in parliamentary forums would have helped the government get feedback on the ground situation across the country and fine-tune its response.
- To take another example, the Court decided to limit the period in which telecom companies have to pay their dues to the government, and overruled a cabinet decision.
- This is a policy matter that balances interests of telecom companies, consumers (who suffer through price hikes or potential formation of a monopoly), and banks (which may face defaults by telecom companies). This

issue is best judged by the government with oversight by Parliament. Of course, if there is illegality (say, corruption), then the matter should be judged by courts.

Short session, much business

- Parliament should recover lost ground by fulfilling its constitutionally mandated role. It has a large number of issues to discuss in the short 18-day session.
- The fact that the two Houses are working in shifts to use the same physical space limits the scope of extended sittings on any day. In the period since the last session, the government has issued 11 ordinances.
- While the ordinances related to COVID-19 have a temporary application, Parliament should refer those with long-term implications (such as the farming and the banking ones) to the respective committees for detailed scrutiny.

Core issues

- Several events have taken place over the last six months that need thorough discussion. This includes ways to tackle the spread of the novel coronavirus and limit mortality, and possible paths in the months ahead that could guide government action.
- Economic growth, which has been decreasing for the last couple of years, has had a sharp fall in the first quarter of this fiscal year. This has far-reaching implications for creating jobs, stability of the banking system, and government finances.
- The absence of Question Hour and a shorter Zero Hour restricts the ability of Members of Parliament to hold the government accountable and represent public interest.
- Despite the curtailed session and the constraints due to the coronavirus, they should make the best of the limited time to do so. They need to wrest back their rightful role in our democracy.

India's response to Covid-19 shows carving out specialized roles through consensus can address challenges to federal governance. Comment

KEY POINTS

- In spite of the rather unilateral response in terms of imposing a nationwide lockdown, the Centre eventually chose to work carefully with the states. And, the most cynical of the chief ministers professed working with the Centre and other states to deal with a variety of challenges posed by the pandemic.
- The experience offers an opportunity to revisit the recent debate around the federal organisation of powers under the Constitution's Seventh Schedule. It has been argued that such organisation of powers is not cast in stone and the arrangement requires a review.
- Centrally sponsored schemes must continue but they should be restructured. In addition to the schemes' rationale of reducing the horizontal and vertical imbalances among states, the Centre is also obligated to address the externalities of the states' developmental efforts under the subjects allocated to them.
- Three, there is a need for an appropriate forum to discuss the complex and contentious issue of reviewing federal organisation of powers and restructuring of central transfers.
- The Centre's efforts are now primarily focused on achieving economies of scale in vaccine procurement, knowledge production for setting standards and guidelines for the states, and mitigating inter-state externalities.
- States continue to play the dominant role in the execution of the actual response to the health crisis. The GST reforms is the most recent instance of such reworking of the Centre-state roles for a greater and collective goal. It involved a tortuous, but a new consensus building approach to implement the reforms.
- The ongoing friction between the Centre and the states over GST reforms tells us that consensus-building is not a one-time exercise. It has to allow sustained dialogue and deliberation.

Policing during the pandemic has underscored the need for soft skills to ensure better law and order in the country. Analyse

KEY POINTS

- The National Policy on Disaster Management (NPDM) 2009 describes the police as the “first and key responders” in a disaster.
- They have gone beyond the call of duty — supplying vegetables and groceries to people in containment zones and arranging food and transport for migrant labour on the move. They have protected healthcare workers and ensured the seamless movement of transport and logistics for essential commodities.
- More importantly, the police force has been working under life-threatening conditions, since many of them do not have access to personal protection equipment (PPE).
- The pandemic has taught several valuable lessons. The police needs to better appreciate its role as the first responder in emergencies and consciously adopt disaster management — including disaster risk reduction activities — as one of its primary functions.
- The National Disaster Response Force (NDRF) and SDRFs in some states do have an essential role. But these agencies have their limitations. Therefore, building the ground-level capacity of the police and sister agencies like fire safety authorities is critical to their functioning as the first responder.
- Community policing practices are used in mitigating communal tensions, in dealing with left-wing extremism and urban policing. But these are often localised ad-hoc initiatives. It’s time to integrate community policing into the police’s organisational ethos. Training academies should devote more time to this subject.
- Community policing will be much needed in the coming months, when conflicts at family or village level and petty crimes are likely to come up as social aftershocks of COVID-19. Involving an alert community in the task will help the force.

3. GOVERNANCE

The programme to reform the Civil Services is well intended, but its success depends on transparent implementation. Explain

KEY POINTS

- Mission Karmayogi is meant to bring transformational changes by organically linking the transformation of work culture, strengthening public institutions and adopting modern technology to build capacity with the overall aim of ensuring efficient delivery of services to citizens.
- It proposes a PM-led HR Council to approve and monitor capacity building plans. It also proposes a capacity building commission to ensure a uniform approach to managing and regulating the capacity building ecosystem on a collaborative basis. It is to assist the PM Public Human Resource Council in approving the Annual Capacity Building Plans among others.
- There will also be a coordination unit headed by the Cabinet Secretary. The official statement added that recognising this unique opportunity to drive citizen-centricity through a competency-driven HR Management policy, which aims to assign the ‘right person’ to the ‘right role’.
- In the long run, the programme will not be dependent on funding from government or multilateral agencies. Even though the government will hold extensive discussions with national and international experts in designing the programme structure, they will not decide the form or policies.
- The government believes that capacity building of the Civil Services is central to any Civil Services Reform and such a critical initiative warrants monitoring and guidance at the highest levels of executive leadership.



- At the core of the programme is the development of a Civil Service Competency Framework — FRAC (Framework of Roles, Activities and Competencies) — which will contain the competency requirements for every role. The learning records of the officials will signal their existing competency details. Matching the two will help to identify the right person with the right competencies for the right job.

Do you think that the Government of India is promoting the culture of secrecy by undermining the right to information act? Explain

KEY POINTS

- While transparency is a cornerstone of democracy, today's India is cultivating secrecy. Paradoxically, this culture of secrecy is sometimes justified in the name of transparency.
- Electoral bonds also made it impossible to check whether a company was giving to parties more than what the Companies Act (2013) permitted, that is 7.5 per cent of the net average profit of the three preceding financial years.
- First, the government did not appoint a Chief Information Commissioner for a year after the incumbent retired in August 2014, and did not fill vacant information commissioner posts in the Central Information Commission (CIC) between 2016 and 2018, a year when, consequently, only seven commissioners out of the sanctioned strength of 11 were in place.
- Second, the government refused to disclose information which was previously available under the RTI Act. Queries about phone tapping are not responded to anymore. The RBI, for instance, refused to give any information about the decision-making process that led to demonetisation.
- The government also diluted the Whistleblower's Protection Act. Whistleblowers can now be prosecuted for possessing the documents on which the complaint has been made.
- Similarly, the National Crime Records Bureau has been affected by delays (its 2017 report was released in October 2019) and deletions. For instance, lynchings and "religious killings" are no longer enumerated and the number of members of religious communities in the police forces (information that had been introduced by the Vajpayee government) is not listed.
- The National Sample Survey Office has also not been spared. In 2019, nearly 200 scholars wrote to the government to release the 75th round survey of consumer expenditures — which had found that the percentage of citizens living below the poverty line had increased between 2011-12 and 2017-18.
- Transparency is not only necessary for maintaining a democratic polity, it is also necessary for making the economy work. Facts are sometimes unpleasant, but the nation needs to know — and may be wants to know, even if nobody is asking any more.

State and local governments across India should digitize property tax systems to unlock their revenue-raising potential. Explain

KEY POINTS

- Under the Atmanirbhar Bharat Abhiyaan, states will be permitted to borrow more money than before. Of this, additional borrowing of nearly Rs 50,000 crore has been linked to an increase in urban local body (ULB) revenues.

- As property tax is the biggest source (approximately 60%) of self-generated revenue for ULBs, this automatically means a greater focus on property tax reforms. ICRIER reports that property tax collections as a share of India's GDP stood at only 0.15% in 2017-18.
- Further, informal urban growth makes it difficult to estimate what percentage of properties are excluded. The valuation formula, which determines how much tax is charged on a property, is often indexed to outdated rental values—a poor reflection of the market value of the property today. Finally, low collection rates compound the challenge: on average, only 37% of billed tax is collected.
- Dues are calculated manually, based on entries in physical registers; bills are printed and then delivered by post or hand, and citizens pay their taxes in person at ULB offices or service counters, often carrying stacks of paper receipts from previous years—just in case a dispute arises.
- A digital property register can integrate records from multiple departments or silos, serving as a “single source of truth” to which various users can refer. For instance, one source of revenue loss is that industrial or commercial properties which would be charged higher taxes are misclassified as residential properties.
- Automating the billing process and making bills accessible through a website or mobile app can also improve collections significantly. In Andhra Pradesh, an integrated e-bill, combining property taxes and utility charges, was found to particularly enhance the convenience for citizens.
- They could receive real-time updates on payments due, and make a single consolidated payment at one click. It also cut down the time taken to raise bills from four months to one week and saved considerable money and effort on the billing process.
- Digitisation is, in itself, a key first step to enhance property tax collection; it will also enhance the quality of subsequent analyses and policy decisions, by providing high-quality data from cities' own administrative systems. State and local governments across India should see digitisation as a key to unlocking their revenue-raising potential.

Lack of trust, friction between the Centre and states is a result of the erosion of faith in the Centre administering GST fairly. Do you agree with this view? Comment

KEY POINTS

- The compensation cess, or lack thereof, has placed the states under a great amount of financial stress. Inevitably, the central and state tax administrations will resort to creative means to increase tax collections, causing a great amount of pain to businesses.
- Information obtained under the RTI Act reveals that ITC of approximately Rs 210 crore of businesses assessed by central tax officers in Punjab, Haryana, Himachal Pradesh and J&K has been blocked.
- This amount excludes information from some major jurisdictions, such as Central Tax Gurugram, which claims not to maintain a record of this information.
- The GST law, through a web of complex provisions, determines the state to which the business must pay the tax. State governments are bound to use this complexity to ensure that taxes are to be paid in their respective state.
- The Centre enacted a law which assured that the revenue from the states will grow year on year by 14 per cent (while our economy was growing at just under 7 per cent) and the shortfall in revenues, which did not match the projected growth, would be made good by the Centre.
- In the long term, this fiscal desperation could lead to the emergence of varying degrees of rogue states. “One Nation One Tax” is balanced on a common set of rules applicable from Kashmir to Kanyakumari.
- States could refuse to adopt the administrative orders issued by the central government leading to different interpretation and implementation.

- This would lead to an interesting constitutional crisis, where the Supreme Court will be forced to address the question of whether a state legislature, comprising of democratically-elected members, is sovereign or is it subservient to an executive body with recommendatory powers — the GST Council.

4. JUDICIARY

The land acquisition process needs to be simplified to prevent litigation in courts. Do you agree with this view? Comment

KEY POINTS

- DAKSH's Access to Justice 2017 survey showed 29.3% of civil disputes concerned land and property. Apart from disputes between private parties over inheritance, encroachment and eviction, there is widespread litigation over the compulsory acquisition of land by the state.
- Cases involving a challenge to compensation constituted 52.9% and 51% of the land acquisition litigation before the Bombay and Karnataka High Courts, respectively.
- Among such cases, reference courts (district courts hearing appeals from the decision of the land acquisition officer) have almost always enhanced compensation owed to landowners. Despite the increase in compensation by the reference courts, people still approached High Courts, seeking a further increase in compensation.
- The other major reason for litigation at the high court level is procedural irregularities. The most common procedural irregularities alleged were related to the preliminary notification of acquisition, declaration of public purpose and invocation of the urgency provision.
- These echo one of the major criticisms of the Land Acquisition Act 1894, of unbridled executive discretion. This kind of discretion led to a lot of room for arbitrary actions, various interpretations of statutory provisions and hence created fertile ground for litigation.
- The 2013 Land Acquisition Act has reduced executive discretion to determine compensation and has delineated the ambit of 'urgency' and 'public purpose'. However, the new provisions relating to compensation, social impact assessment, rehabilitation and resettlement still leave scope for executive discretion and hence the possibility of protracted litigation.
- State governments need to create guidelines and set up protocols that narrow the scope of executive discretion and hence create more equitable outcomes for all parties concerned. It would be useful to have nodal officers at the department-level to avoid and contain litigation.
- The 2013 Act has also ousted the jurisdiction of district courts over land acquisition, and references from Collectors' awards now lie with an authority to be created under the Act. However, several states are yet to establish these authorities seven years after these were mandated.
- It is imperative that state governments issue guidelines on implementation and establish these authorities. Any changes in land laws will fall short on expectations unless the basic infrastructure for dispute prevention and resolution is in place.

5. GOVERNMENT POLICIES

Pradhan Mantri Annadata Aay Sanrakshan Abhiyan can enhance market efficiency, is cost-effective, and help raise farmers' incomes. Explain

KEY POINTS

- As per the Department of Administrative Reforms and Public Grievances' (DARPG) latest report related to agriculture ministry, 46% grievances pertained to low crop prices received by farmers.



- Different states have different levels of capabilities; some like Punjab and Haryana have historically been in a better position to procure major crops (paddy and wheat), while others like Bihar, Odisha and states in the east have limited capabilities to procure. Because of this Punjab and Haryana farmers receive higher prices than farmers in states like Bihar.
- To correct the policy bias in procurement, the government started the Pradhan Mantri Annadata Aay Sanrakshana Abhiyan (PM-AASHA) in 2018, to ensure that farmers growing pulses and oilseeds get MSP as promised.
- It also takes care of differences in crops, state capabilities and local preferences and feasibilities, and gives flexibility to state governments to choose from different operational modalities to ensure MSP for each crop. PM-AASHA has three sub-schemes—price support scheme (PSS), price deficiency payment scheme (PDPS) and pilot of private procurement & stockist scheme (PPSS).
- Under PM-AASHA, PSS is implemented for procurement of pulses, oilseeds and copra at MSP. Past experience shows that implementation of PSS is hindered by lack of awareness about MSP, procurement operations, lack of working capital with procurement agencies.
- Under PPSS, private players can procure oilseeds at the state-mandated MSP during the notified period in select districts or APMC markets, for which they would be paid a service charge not exceeding 15% of the notified support price.
- However, the most suitable mechanism for oilseeds is PDPS as they don't require physical procurement by government agencies and depend on market signals and market players for buying at the ongoing market price.
- PPSS is a non-starter in many states due to the limit imposed on service charges to be paid by the government to private procurement agencies, as 15% is uneconomical in procuring from scattered and thinly distributed oilseed production areas.
- PDPS can take advantage of huge procurement, storage and distribution networks of private players like HUL in procuring, transporting, storing and disposing of oilseeds coupled with price deficiency payment to farmers using JAM. This also reduces the burden on the government, enhances market efficiency and is cost effective.

Relaxing clauses of the Payment Gratuity Act could help draw in more workers, especially those in the unorganized sector, under its ambit. Explain

KEY POINTS

Relevant clauses

- The PG Act regulates the payment of gratuity to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops, or other establishments.
- The Act applies only to organisations that employ 10 or more employees. Second, the organisation has to fall under the definition of “establishment” under the PG Act. The laws in respective states define whether an organisation or institution falls under the definition of “establishment” and, unsurprisingly, the state laws differ in their definition.
- To get payment of gratuity, an employee has to work for at least five years continuously under the same employer or be separated due to death or disablement.
- PG Act, the employees have to work for at least 240 days per year for five years continuously to be eligible for gratuity payment in most industries. Thus, if an employee has to return to her village for attending to some personal misfortune, she can be denied gratuity payment if she cannot meet the prescribed annual quota of 240 days.



- The above points make it amply clear that for the unorganised sector workers, it is almost impossible to receive any gratuity and for most organised workers working as contract labourers, ticking all the boxes under the PG Act is easier said than done.

Measures

- Under the deferred gratification option, the conditions would be the same as prescribed under the PG Act currently the employees would have to work for at least five years continuously under an employer and they would receive gratuity payment at the rate of 15 days' salary for every year of continuous service.
- The immediate gratification option, on the other hand, would help employees who are forced to work on short-term contracts with durations of less than five years. This option would involve paying the gratuity amount to the employees along with their monthly salaries.
- To increase the coverage of the PG Act, our legislators can mandate that any person receiving a salary be entitled to gratuity under the Act. The condition of 10 or more employees in an organisation should be removed and the definitions of "employees" and "establishments" should be made more exhaustive and inclusive.
- Such simplification would also help in reducing the burden of the labour authorities and the courts of our country who have to adjudicate claim cases and associated appeal petitions under the PG Act.

India's efforts to attract capital will not result in a flood of FDI until investors see policy stability.

Analyse

KEY POINTS

- Prime Minister elaborately pitched India as an investment destination that could serve as a manufacturing hub at the heart of global supply chains.
- The pitch made at the U.S.-India Strategic Partnership Forum comes in the backdrop of the government's keenness to use the disruptions the COVID-19 pandemic has caused to the cross-border movement of goods as an opportunity to lure potential investors, especially those looking to relocate from China, to India.
- The reasoning appears to be that if even a few multinational enterprises can be drawn to set up manufacturing bases, either by shifting facilities or as new additional plants, then not only does the Indian economy stand to gain FDI, new jobs and tax revenue but it also makes a statement.
- The drive for self-reliance has spurred several Ministries to urge companies and industry sectors to replace imports with 'Made in India' substitutes.
- From the Shipping Ministry's call for the design and manufacture of indigenous tugboats to auto component makers being told to abjure foreign parts, the thrust of the initiative is evidently 'import substitution'.
- Separately, from the market access perspective, India's decision to not join the RCEP multilateral trade pact would put investor companies seeking to tap consumers in RCEP member countries at a tariff disadvantage.
- Interestingly, most of the recent FDI announcements have been by way of stake acquisitions in existing businesses, and predominantly in the services sector. Attracting FDI into manufacturing will require the government to convince investors that it is committed not merely in words but in deeds as well to an open, barrier-free global trade and investment order.

Comprehensive land consolidation is necessary for better infrastructure and investment in rural areas. Elaborate

KEY POINTS

- Rural debt waivers, farmers' agitations, farmers' suicides, migration and reverse migration in the wake of COVID-19 are some of its manifestations. At the root of these lies the issues of fragmented and uneven

distribution of landholdings. The pressure on land continues to rise. The average holding size in 1970-71 was 2.28 hectares (Ha), which has come down to 1.08 Ha in 2015-16.

- There has been scepticism about whether land consolidation indeed constitutes land reform. Our policy-makers have been convinced that it does. That is why it has been legislated and pursued since the beginning of the last century.
- The National Commission of Agriculture has recommended that consolidation schemes should be made compulsory across the country.
- It has now been well established that non-farm sector employment contributes about 60 per cent to the household income in rural areas. Therefore, policies conducive for the promotion of sectors such as small industries, education, health and other service enterprises need to be made.
- Only consolidation can prise open these avenues for rural areas as large, consolidated holdings would make it easy for the government or private enterprises to acquire land, and for public agencies to lay the road, pipeline or electric supply.
- Sadly, consolidation does not figure on the agenda of states. At this moment, because of the advances in information technology, drone technology, and land record digitisation, we are in a much better position to advance in this direction.
- Given its benefit in terms of enabling more investment, reducing litigation, facilitating the setting up of new institutions and enterprises, the country must make this an important part of development and factor reforms agenda.

Having poor access to the internet across states, the government needs to look at all possibilities and narrow the digital divide. Explain

KEY POINTS

- The full report of the NSO's survey of 'Household Social Consumption on Education in India', for July 2017-June 2018, highlights the poor state of computer and Internet access in several States.
- The disparities are glaring among different economic strata as well. The digital chasm that separates the privileged from the deprived remains unbridged years after the broadband policy of 2004, and its effects are painfully evident during the pandemic as students struggle to log on to online classes.
- Only in Delhi, Himachal Pradesh and Kerala did the survey find Internet access exceeding 50% for urban and rural households taken together, while Punjab, Haryana and Uttarakhand exceeded 40%, unimpressive numbers still.
- Prime Minister has acknowledged the digital divide by announcing in his Independence Day address that all villages would be connected with optical fibre cable in 1,000 days.
- This target, reflecting enhanced ambition, follows the one set in 2011 to link panchayats through a national optical fibre network — to raise administrative capacities through information infrastructure.
- Mapping the needs of each district based on the NSO data will help identify areas where children do need equipment and connectivity.
- Some companies in India have made the valuable suggestion that their used desktop computers could be refurbished and donated, for which governments need to open a programme.
- On the network technology front, a new gigabit speed 'wireless fibre' standard is being viewed in developed countries as a leapfrog option to link inaccessible areas. The government needs to look at all possibilities and go into overdrive to bridge the digital divide.

The passage of Cape Town Convention Bill 2018 intends to provide sector-specific resolution to the aviation industry in India. Explain

KEY POINTS

- The ministry of civil aviation introduced the Cape Town Convention Bill on to implement the Cape Town Protocol in India. The Bill intends to discharge the treaty obligations and avail full benefit of the Indian accession to the treaty.
- It aims to resolve the concerns regarding uncertainty of security rights in the high-value aviation assets, which by their nature, have no fixed location.
- The Bill, once passed, will override the moratorium provisions of the IBC. Pursuant to Article XI of the Protocol, the lessor can take possession of the aircraft if dues are not cleared within two months of initiation of insolvency proceedings.
- Until then, the insolvency administrator must preserve and maintain the aircraft as stated in the lease agreement. The lessor is also entitled to apply for any other interim relief available under the Indian laws.
- Further, it is yet to be seen how courts will decide on the cross-country cooperation and execution of a foreign decree. While the protocol under Article XII binds India to co-operate to the extent possible with foreign courts and foreign insolvency administrators, the role of the court remains important.
- Courts should not pass any order, inter alia, that may defeat the purpose of this. The success of such harmonisation endeavours would largely depend on the pioneering role and cooperation of the airline industry in India.
- In India, the aviation sector currently contributes \$72bn annually—3% of the GDP. Considering that the sector may witness continued stress, there is an imminent need for a special resolution framework for both operationally and financially reorganisation.

For ‘POSHAN Maah’ to contribute towards a malnutrition-free country, the government will need a multi-dimensional approach. Comment

KEY POINTS

- Globally, there were 673 million undernourished people, of which 189.2 million (28 per cent) were in India in 2017-19, as per the combined report of FAO, IFAD, UNICEF, WFP and WHO (FAO, et.al. 2020) on “The state of Food Security and Nutrition in the World”.
- In India, the problem has been more severe amongst children below the age of five years. As per the National Family Health Survey (NFHS, 2015-16), the proportion of underweight and stunted children was as high as 35.8 per cent and 38.4 per cent respectively.
- Lack of basic facilities in school infrastructure such as separate toilets for girls, as well as the distance between the school and home, are major factors for higher dropout rates among girls. State governments need to promote schooling via the provision of separate sanitation facilities for girls in schools. Initiatives like the distribution of bicycles to girls in secondary and high schools could help reduce the dropout rates among girls.
- The second key determinant of child under-nutrition is the wealth index, which subsumes access to sanitation facilities and safe drinking water. WASH initiatives, that is, safe drinking water, sanitation and hygiene, are critical for improving child nutritional outcomes.
- The third factor is leveraging agricultural policies and programmes to be more “nutrition-sensitive” and reinforcing diet diversification towards a nutrient-rich diet. Food-based safety nets in India are biased in favour of staples (rice and wheat). They need to provide a more diversified food basket, including coarse grains, millets, pulses and bio-fortified staples to improve the nutritional status of pre-school children and women of reproductive age.
- Bio-fortification is very cost-effective in improving the diet of households and the nutritional status of children. The Harvest Plus programme of the Consultative Group on International Agricultural Research (CGIAR) has implemented it successfully in many countries around the world.

- Lastly, the promotion of exclusive breastfeeding and the introduction of complementary foods and a diversified diet after the first six months is essential to meet the nutritional needs of infants and ensure appropriate growth and cognitive development of children. Access and utilisation of prenatal and postnatal health care services also play a significant role in curbing undernutrition among children.

Strengthening the competition in the telecom sector is key to achieve India's digital ambitions.

Elaborate

KEY POINTS

- What if another exit takes place and the market is effectively left as a duopoly with Jio and Airtel. The theory of contestable markets suggests that as long as there is a real threat of entry, even monopolies will be compelled to behave as if they are operating in a competitive market place.
- These work in the real world only when entry occurs at least once in a while. Who would wish to invest in Indian telecom today when the entry barriers in the form of spectrum acquisition costs, the licence fee burden as a percentage of the Adjusted Gross Revenue (AGR), infrastructure requirements and the policy uncertainty combine to produce an entry deterrence that any strategist would be proud of.
- The top three operators by market share Jio, Airtel and Vi, together account for 90 per cent of the subscriber base. The public sector is fourth and largely irrelevant to the process of competition, serving captive markets or where the private sector is unable or unwilling to deliver.
- The Court did concede that in the interest of saving telcos, and therefore banks, it may be necessary to grant an additional time period, but deemed 20 years as excessive. The final decision gives telcos 10 years to make good the payment.
- With reports of network quality deteriorating by almost 20 per cent, the need of the hour is to augment network capacity immediately and be future ready when 5G comes along.
- Having introduced spectrum auctions, the government could forsake other forms of licence fee. A nominal administrative fee could be charged instead to administer licences as is the practice in other countries. The National Digital Communications Policy of 2018 had recommended rationalisation of these charges.

The new bill on rehabilitating manual scavengers fails to learn from failures of past acts. Do you agree with this view? Comment

KEY POINTS

- The Bill based on this Action Plan emphasises on the eradication of manual scavenging in India through complete mechanisation of sewer cleaning.
- This not only includes stricter measures for the protection of manual scavengers in terms of provision of safety gears but also stricter enforcement of compensation regulations in cases of sewer deaths.
- The National Scheme of Liberation and Rehabilitation of Scavengers (NSLRS, 1992) and SRMS, 2001 lay emphasis on skill development procedures. They talk of providing jobs but there is no provision of hand holding people who are targeted for such rehabilitation.
- Even, compensation varies after the death of a sewer worker without any concrete explanation of the estimation of the provided compensation. There is no provision of legal consultation, pension provisions or insurance cover in these schemes making the restoration and rehabilitation procedure more fractured than ever even after the Prohibition of Employment as Manual Scavengers Act, 2013 that focused more on rehabilitation than the previous Acts.

- The important thing is these Acts and schemes should also focus on all other categorisation of sanitation workers like the faecal sludge handlers, sewage treatment plant sanitation workers, toilet sanitation workers (community, public, school, domestic household further classified into dry/wet handling etc.
- The “contractual employment system” that perpetuates unregulated contractual hiring fails the existing Acts because unless there is a clear cut reassessment of this system, the number of cases of sewer deaths will keep increasing.
- The lack of licensing, accountability and enforcement of the punishment of the third parties make the movements to eradicate manual scavenging in India weak. Unless we revisit this system, no Act or Scheme will help in the absolute eradication of manual scavenging in India.

A state-run fund should collect small sums from those in well-paid jobs, which can be utilized for creating employment opportunities. Explain

KEY POINTS

Employment opportunities in the organised sector and in public sector establishments are limited. Further, those who secured employment by reason of communal reservation are actually privileged. They owe an obligation to the millions of unemployed youth in the country.

A plan for employment

- **Rationale:** Epidemics and technological revolutions are transformative not only in how societies function but in how they disrupt the job market: some jobs are rendered redundant while others are created anew.
- Job security is not assured for anyone any more. It is now common for entire industries to disappear, compelling people to re-train and adapt themselves to the changing workforce needs.
- **Fund:** A Government of India Corporation should be formed to collect contributions and to disburse subsidies (Disbursement of Subsidy for Employment, DOSE). Initial funds for DOSE BHARAT will be through an *en masse* transfer of the Annual Budget for MGNREGA.
- All salaried employees, who are income tax assesses, will be mandated to contribute 5 per cent of their taxable income to DOSE BHARAT. Likewise, government pensioners, but at 10 per cent of their pension.
- **Subsidy:** This proposal’s mainstay is to design a stimulus package that is partly self-sustaining. Briefly, employers should get a subsidy for the wages they pay their employees, albeit using a scale that is based on their number of employees (see chart).
- The benefit of the subsidy will not be applicable to government undertakings. The subsidy should be made available to the unorganised service sector, including individuals who employ domestic help or geriatric-care personnel.
- **Beneficiaries and guidelines:** The employers who enrol themselves upon payment of a modest amount of subscription to become member of DOSE BHARAT can make a claim for incentive on employment of persons. This enrolment cost will be used to offset administrative expenses.
- As reimbursement strategy, each employer must first file with DOSE the details of the new hires including the intended salary. The employer is then expected to pay the entire wage, and retroactively claim the subsidy from DOSE as an annual refund. The employee should be spared all paperwork other than his/her own tax filing.

6. HEALTH

India needs a COVID-19 vaccine policy that ensures total coverage throughout the country in logical phases. Analyse

KEY POINTS

- Whether or not a **vaccine for COVID-19** is around the corner, it is imperative that a vaccine policy is formulated for India, ensuring parity of access for all. As several vaccine efforts are progressing at varying paces, globally, concerns about access to a vaccine in the future have crept into the narrative.
- In the initial stages, global health leaders have been advancing the vaccine for essential workers and those at risk including senior citizens and those with co-morbidities. Even in this initial stage, the government should make the vaccine available free of cost to those who cannot pay, or at affordable rates.
- Besides being a moral and ethical imperative, it will also make economic sense to make sure the vaccine is eventually available to all. Leaving gaps in the delivery of the vaccine will only serve to allow the virus to survive, and continue to wreak further damage.
- India has a fairly reliable vaccine delivery system for children, as part of the universal immunisation programme. It may be assumed that the knowledge and wherewithal to run a full-scale vaccination programme rests with the health administration — both at the central and the State level.
- Meanwhile, the government must get its act together on developing a policy specific to the COVID-19 vaccine; from preparing resources — both material and human — for the manufacture, storage, distribution and delivery.
- This includes taking sensitive, but firm, decisions guided by evidence, on who will receive the vaccine, how, when and where. Putting down a standard operating protocol for every stage of the vaccine will serve the government well when the baton is finally passed on to it.

7. INTERNATIONAL RELATIONS

The World Bank's decision to halt its annual 'Doing Business' report on data authenticity issues has major implications. Critically analyse

KEY POINTS

India has sought to improve its ease of doing business index ranking, as a means to attract investments to achieve the targets set for 'Make in India', that was announced in 2014.

Many flaws

- There are many shortcomings in the design and implementation of the index. The Indicators used for the index are *de jure* (as per the statute), not *de facto* (in reality).
- The data for computing the index are obtained from larger enterprises in two cities, Mumbai and Delhi, by lawyers, accountants and brokers — not from entrepreneurs.
- The World Bank conducts a global enterprise survey collecting information from companies. Interestingly, there is no correlation between the rankings obtained from ease of doing business and the enterprise surveys.
- More seriously, the theoretical underpinning of the ease of doing business index is suspect. There is little in any major strand of economic thought which suggests that minimally regulated markets for labour and capital produce superior outcomes in terms of output and employment. Economic history shows rich variations in



performance across countries and policy regimes, defying simplistic generalisations that inform the construction of the ease of doing business index.

Time for a rethink

- To sum up, the World Bank's decision to halt its annual 'Doing Business' report on account of data authenticity issues of some countries has implications for India.
- Since 2015, the government has invested considerable political and administrative capital to improve India's global ranking, with impressive success. But the enhanced ranking has failed to augment investment and output growth.
- Analytical and empirical foundations of the index are weak, if non-existent. There is no credible association between improvement in ranking and a rise in capital formation and output growth, anywhere.
- Worst of all, it is an ideologically loaded measure against the interest of workers. It is time the World Bank rethinks its institutional investment in producing the 'Doing Business' report. India should do some soul searching as to why the much trumpeted rise in global ranking has failed miserably on the ground.

Does the militarization of the Quad grouping enable India to alleviate the territorial threat from China? Comment

KEY POINTS

- India believes the Quad would be a "good mechanism" to "ensure Freedom of Navigation Operations" (FONOPs) in the Indian Ocean and surrounding oceans including the Indo-Pacific.
- The Indian Navy has not taken part in any joint patrols outside of the Indian Ocean, and even within it, held its first one, with France, only recently. In terms of the engagement with the Quad, India has not yet formally announced a decision to include Australia in the annual Malabar exercises with the U.S. and Japan, although it is expected to do so. It is also clear that the LAC tensions and clashes, as well as the PLA's refusal to implement border agreements, have convinced New Delhi that new strategies will be required to deal with Beijing.
- While India continues to engage China diplomatically, and India has spoken of the importance of a resolution through talks, there is no doubt that an outcome of the tensions will be a strengthening of India's ties with global powers such as the U.S., as well as formations like the Quad.
- An indication of this is the government's plans to host a ministerial-level meeting of the Quad in the next month, possibly when the India-US "2+2" meet of Foreign and Defence Ministers is held.
- While India considers its options, it is necessary to remember some of the reasons for its reticence in terms of militarising the Quad in any way.
- Finally, India is the only country in the Quad that shares a land boundary with China, and it is unclear how the militarisation of the Quad in Indo-Pacific waters would alleviate the territorial threat it faces.

The five-point consensus reached by the Foreign Ministers of India and China in Moscow provides a glimmer of hope of a diplomatic solution. Analyse

KEY POINTS

- The "five-point consensus" reached by the Foreign Ministers of India and China in Moscow provides a glimmer of hope of a diplomatic solution, while thousands of troops from both countries remain deployed along the border.
- Each point, outlined in a joint statement, has been affirmed previously by the two neighbours, both in past boundary agreements and in talks held since June that have failed to de-escalate tensions.

- The LAC remains tense, facing its worst crisis since 1962. Both sides have agreed to take guidance from previous understandings, including on “not allowing differences to become disputes”, a formulation of 2017 that has not lived up to its promise.
- At the same time, stark differences remain, including on the key question of whether both sides will return to the *status quo ante* prior to China’s transgressions. India stressed that peace on the boundary was essential for ties, and that recent incidents had impacted the broader relationship.
- China’s statement also quoted India’s Foreign Minister as saying India believed China’s policy toward India had not changed and that it did not consider relations to be dependent on the settlement of the boundary question.
- Moreover, a day before the talks, China’s official news agency issued a commentary placing the onus entirely on India to defuse tensions, accusing India of “reckless provocations”, telling India “to learn from history”, and reiterating that China “will not lose an inch of territory”.
- The continuing rounds of talks should be aimed sincerely at disengagement, and not at presenting a veneer of diplomatic engagement even while China strengthens its hold along the LAC. India will need to verify before it can trust each of China’s steps from now on.

As a non-permanent member of the United Nations Security Council, India can draw on its past UN experience to nudge nations towards multilateralism. Discuss

KEY POINTS

- In June 2020, India was elected a non-permanent member of the UN Security Council (UNSC). This has happened at a crucial time for the current multilateral order, which to many observers has entered a state of crisis. Climate change and Covid-19 are only the most glaring reminders of the urgent need for global cooperation.

Universal principles

- Thus, India’s endeavour at the UN moved from being a fight for overseas Indians and their status in the Empire to one based on universal principles.
- It became a fight for all — beyond Indians. Accordingly, in October 1946, when the General Assembly reconvened, India’s new delegation gave fresh meaning to the old dispute.
- At the same time, India also envisioned human rights at the UN as a pragmatic way to protect Indian communities abroad against state violations. In a context where the Indian state could not protect overseas Indians directly, the UN could offer a potential solution.
- Mehta promoted a strong version of human rights along three lines. First, she advocated a UN mechanism of implementation and enforcement of these rights.
- Second, Mehta advocated for binding character of human rights. Third, along with the Lebanese and Filipino delegates, she advocated a right of petition by individuals and organisations and for empowering the Human Rights Commission to study them.
- In the end, Mehta did not push her resolution on implementation further, after Nehru reminded her of the more modest brief she had been given. Still, she kept advocating enforceable principles of human rights by the UN and a legally binding convention.

A crucial juncture

- This story is, therefore, not one of unqualified success. One should also note the cautionary side of India’s ambitions regarding human rights as indicated by Nehru’s remark.

- Yet, what is striking is the extent to which India was willing to champion proposals on human rights that were more ambitious than what most delegates were ready to accept, and that directly challenged a strict principle of state sovereignty.

The UN Secretary General's call for India to give up coal energy and reduce carbon emissions is to de-industrialize the country. Do you agree with this view? Comment

KEY POINTS

- The UN Secretary General call for India to give up coal immediately and reduce emissions by 45% by 2030 is a call to de-industrialise the country and abandon the population to a permanent low-development trap.
- Its renewable energy programme is ambitious while its energy efficiency programme is delivering, especially in the domestic consumption sector. India is one of the few countries with at least 2° Celsius warming compliant climate action, and one of a much smaller list of those currently on track to fulfilling their Paris Agreement commitments.
- The current incumbent of the post of UN Secretary General has embraced this strategy almost fully.

Ending coal investment

- Currently, roughly 2 GW of coal-based generation is being decommissioned per year, which implies that by 2030, India will have only 184 GW of coal-based generation. But meeting the 2030 electricity consumption target of 1,580 to 1,660 units per person per year, based on the continuation or a slight increase of the current decadal growth rate, will require anywhere between 650 GW to 750 GW of renewable energy.
- Whether providing 70% to 80% of all generation capacity is possible through renewables depends critically on technology development, including improvements in the efficiency of conversion of energy from its source into electricity, in the management of the corresponding electricity grids, as well as advance in storage technologies.
- But since the Copenhagen Accord signalled the end of legally binding commitments to emissions reduction by the developed countries, technology development in climate change mitigation technologies has registered a significant fall.
- Lacking production capacity in renewable energy technologies and their large-scale operation, deployment on this scale will expose India to increasing and severe dependence on external sources and supply chains.

India's engagement after America's exit must build on its resonating vision of a stable and plural Afghanistan. Comment

KEY POINTS

- Addressing the opening session of the Doha meeting, India's External Affairs reiterated that the peace process must be "Afghan led, Afghan owned and Afghan controlled" but Indian policy has evolved from its earlier hands-off approach to the Taliban.
- The reality is major powers have limited interests. For the U.S., the peace talks provide U.S. President an exit opportunity weeks before his re-election bid. The European Union has made it clear that its financial contribution will depend on the security environment and the human rights record.
- China can always lean on Pakistan to preserve its security and connectivity interests. For Russia, blocking the drug supply and keeping its southern periphery secure from extremist influences is key. That is why no major power is taking ownership for the reconciliation talks, but merely content with being facilitators.
- A report issued last month by the Heart of Asia Society, a Kabul-based think tank observes that "the prospect for peace in Afghanistan depends on regional consensus to support the peace process as much as it depends on actual progress in the intra-Afghan talks".

- India's vision of a sovereign, united, stable, plural and democratic Afghanistan is one that is shared by a large constituency in Afghanistan, cutting across ethnic and provincial lines.
- A more active engagement will enable India to work with like-minded forces in the region to ensure that the vacuum created by the U.S. withdrawal does not lead to an unravelling of the gains registered during the last two decades.

Current fragmentation at the international level is an opportunity to restructure India's traditional approach to the United Nations. Elaborate

KEY POINTS

- At the UN Security Council, China blocked a serious discussion on the origin and sources of the crisis. While the World Health Organisation did move a bit in that direction, the US was not satisfied with the outcome and walked out of the forum.
- To succeed, Delhi must come to terms with a number of propositions. First, it should shed the illusion, cultivated since the 50th anniversary of the UN in 1995, that the expansion of the permanent membership of UNSC, with or without veto, is within reach. UNSC reform is unlikely to happen soon.
- India's own experience during the Cold War points to the fact that the UN is a lot more than the Security Council. Not all of India's efforts were successful during the Cold war, but the past underlines the possibilities for shaping the global discourse in the present.
- The question is not merely about playing defence, but also leveraging multilateralism to serve India's interests. In the last few years, Delhi has worked mechanisms like FATF to mount pressure on Pakistan to stop supporting cross-border terrorism in India.
- Beyond the issues of peace, there is the big challenge of protecting India's prosperity amidst the unfolding economic, technological and environmental disruptions. The rules governing all these areas are now up for a significant overhaul. As India learnt from its 1970s experience with the nuclear non-proliferation regime, once the rules are set, it is rather hard to change them.
- In writing the new rules and reshaping the global order, India needs to strengthen its recent turn to a more dynamic coalition building. While reclaiming its role in the Non-Aligned Movement, Delhi has also joined the European alliance for multilateralism.
- India also knows that much of the new rule-making is likely to take place outside the UN. That is where India's new engagement with the US on building like-minded coalitions acquires much significance.

Five-point consensus reached by India and China recognises importance of dialogue and disengagement. Examine

KEY POINTS

- It is clear that without exchanging maps depicting each other's LAC, a common understanding will remain elusive.
- Even after reaching that goal, there would remain the challenge of ensuring that both sides refrain from activities in and along the overlapping areas that threaten peace and tranquillity.
- Confirmation of the LAC presupposes its delineation on a map and, thereafter, demarcation on the ground, of a single, mutually accepted line. So far, the first step of clarifying each other's perception of the LAC has only been carried out in the middle sector.
- China's reluctance to clarify the LAC today stems from its specious position that India's LAC claims are exaggerated concerning its actual control and effective jurisdiction.
- The recent meetings in Moscow between the defence ministers and foreign ministers of India and China, in quick succession, have provided an opportune moment for both sides to reduce tensions.

- The five-point consensus reached by the foreign ministers recognised the importance of dialogue, disengagement and bilateral confidence-building measures.
- Despite the unrealistic claims made by the Chinese mouthpiece Global Times, the military balance in the border areas in eastern Ladakh is, in fact, fairly symmetrical. It is a tribute to India's armed forces that neither the difficult terrain nor inclement weather has prevented them from responding robustly to the Chinese build-up in Ladakh, leaving Beijing in no doubt that any adventurism would prove costly.
- It is noteworthy that while expressing India's firm resolve to defend its territory, the defence minister also alluded in his speeches in Parliament to the desire to address the current situation through dialogue.

GS PAPER-III

8. ECONOMY

The provision of a demand stimulus at the earliest is imperative to boost the country's GDP.
Examine

KEY POINTS

- India's GDP has fallen by 23.9 per cent in the first quarter. Tax revenues have fallen even more and the fiscal deficit has risen sharply.
- One major demand generator with a huge multiplier effect and considerable employment potential is the housing sector. It generates demand for a range of products, ranging from cement to steel to paint to electrical fittings.

Housing reforms

- A radical out-of-the-box measure would be for the government to take over all stalled housing projects of developers across the country, guarantee fresh debt for completion of these projects, appoint an empowered CEO with the mandate to renegotiate existing contracts or award fresh ones, and have construction restarted in this calendar year itself.

Initiatives for the working class

- To create rental housing and manage them, the pre-1991 role of State-level development authorities and housing boards have to be revived. They need to assemble land, build and rent at affordable rates.
- The accommodation so created should also be suitable for dormitory use, as many migrant workers are single. The Central government could ensure 100 per cent financing of such affordable housing projects to State-level agencies, with the State government providing a guarantee.
- The State governments would need a change in mindset to price land at nominal rates to ensure that a feasible rental income covers maintenance and debt repayment. The Central government could set an example by getting the Delhi Development Authority, the Railways and its public sector undertakings to offer land for such projects.
- The poor are now getting relief through the MGNREGA and the food security regime, to which an additional free supply of foodgrains has been added. But, now, large numbers from the middle classes are losing jobs.
- One way of giving them relief and also sustaining demand is for the government to guarantee bank loans to them up to half their income of the previous year as declared in their tax returns.

Auto reforms

- An easy way to accelerate the phasing out of old polluting vehicles is to introduce a variant of the 'cash for clunkers' scheme that Germany introduced to help their auto industry during the 2008 financial crisis.

- Under this scheme, those who traded in an old vehicle and bought a new one got a cash rebate. A grant of 50 per cent rebate in the GST for an old vehicle that is traded in for a new one should be a sufficiently attractive incentive. The old vehicle should be physically scrapped in a licensed state-of-the-art facility.
- In addition to this carrot, there should be the stick of withdrawal of registration in a phased manner starting April 2022. The objective should be complete replacement of all pre-BS-VI commercial vehicles by 2025.
- To increase the demand for electric vehicles, power distribution companies may be directed to invest in the charging infrastructure in cities, starting with the larger ones first.

Setting up the first regulated, non-profit focused 'social stock exchange-listed' social venture fund can be a major milestone for India's non-profit sector. Discuss

KEY POINTS

- A type of alternative investments fund (AIF) permitted by India's securities regulator, the Securities and Exchange Board of India (Sebi), an SVF is an intermediated structure that can receive funds from donors and investors, who are issued units in exchange.
- Much like a mutual fund, it is managed by a professional fund manager, who then 'invests' the funds. The difference being that an SVF can invest in securities issued by social sector organisations, including non-profit organisations (NPOs).

SVF a promising financial innovation

- It unlocks the benefits of a collective grant-making entity that is managed by a professional 'fund manager'.
- For donors, it offers an opportunity to discover better or lesser-known NPOs through an expert funder manager. This is comparable to what a general partner does for limited partners in the venture capital/private equity world.
- It is cost-effective, as it limits the need for donors to have their own in-house teams and domain expertise to diligence grantees. It enables access to a large NPO pool without the need for on-ground presence, which is especially useful for foreign philanthropic funders.
- For NPOs, it broadens the pools of capital by crowding in new funders and lowers overheads and reporting requirements. This is because they have to deal only with the manager of the collective entity, and not with individual donors. This liberates NPOs from the burden of reporting to different donors in different formats and reporting cycles and frees up more of their organisational mind space to focus on their mission.
- For the non-profit sector as a whole, it enables the creation of new far-reaching opportunities for impact at a scale, which may otherwise not happen, such as large collective efforts around specific causes like adolescent girls, migration, etc.
- The 'trust-mark' that comes with being a regulated entity provides greater confidence to new non-traditional funders. The regulatory umbrella of Sebi brings in greater credibility and accountability and also minimises the perception of idiosyncratic risks associated with a non-regulated, traditional grant-manager.

Given the structure of the economy and demographic profile, the vulnerabilities of informal jobs must be addressed. Examine

KEY POINTS

- The abrupt announcement of the lockdown exposed the severe vulnerabilities of urban low-end informal jobs as the share of vulnerable employment is higher in India than that of the world or the South Asia region.

- Vulnerable employment is characterised by inadequate earnings, low productivity and difficult conditions of work that undermine the basic rights of workers. They are more likely to be informally employed and lack effective representation by trade unions.

Steps to take

- The present crisis calls for a multi-pronged strategy to tackle the issue of urban jobs. First, given the scale of urbanisation, the focus on urban employment generation programmes should be in coordination with local governments; this is key to 'solving other problems faced by cities. Resource mobilisation could be enabled by the formation of local alliances, involving elected representatives, trade unions, entrepreneurs and community groups'.
- Second, a major local initiative would be to design and implement employment-intensive investment policies. Small and micro enterprises, the fulcrum of industrialisation, need extra support to balance the interests between labour and capital as neither have collective bargaining powers.

Invest in infrastructure

- However, much of these investments rarely benefit 'poor urban dwellers as housing, roads, sewerage and water systems are inadequate for their needs. A labour-intensive approach to building municipal infrastructure can be a cost-effective alternative to capital intensive-approach as wage rates are low.
- Infrastructure investments would spur employment, generate earnings and contribute to small enterprise formation. Construction of low-cost housing is another activity that can be carried out using labour-intensive methods, while yielding substantial collateral benefits for urban dwellers', as an ILO document establishes.

Only NREGA is not enough

- Further, under the current circumstances it is not valid to assume that the Mahatma Gandhi Employment Guarantee Act (MGNREGA) or its substitutes can absorb a significant proportion of these workers.
- It is important that MGNREGA be expanded by both increasing the budgetary allocations and the guaranteed minimum number of days of work. At the same time, it is very idealistic to conclude that the entirety of the workforce, which has returned to the respective home States, will be accommodated by an expanded MGNREGA or by a close substitute.

India requires a whole of government approach to rule-making to address institutional challenges raised by technology. Explain

KEY POINTS

- Digital businesses in India are staring at the prospect of control by no less than six regulators, as the state attempts to govern new technology.
- Central Consumer Protection Authority (CCPA) whose remit would grant it oversight of digital businesses, and the current government's proposals to create a regulator for personal data as well as e-commerce. India also has a sector-agnostic anti-trust regulator, the Competition Commission of India (CCI), and a telecom regulator that seems to see itself as a future licensor of digital applications.
- The principle of a level-playing field between large and small businesses is a common feature of calls for regulation. Kris Gopalakrishnan, chairman of the committee on non-personal data, has stated that "the most important thing is making this data available for many people to innovate and create new businesses".
- Jurisdictional overlaps are seen elsewhere in regulation too. The CCPA will oversee misleading advertisements online, as well as the disclosure of personal information to third parties.
- Our executive rules that demarcate supervisory boundaries of government departments also remain ambiguous. For instance, the department for promotion of industry and internal trade is entrusted with all matters related to e-commerce, as per an amendment to the allocation of business rules in 2018.

- If jurisdictional confusion persists, disputes are likely to follow. Illustratively, the Supreme Court had to settle a high-profile conflict between the Telecom Regulatory Authority of India and CCI in 2018. Such disputes are problematic because they erode economic value and trust in the supervisory capacity of the state.
- According to the Economic Survey of 2018-19, an increase in policy uncertainty could reduce investment growth in India for about five quarters.
- Multi-stakeholder consultations and the promotion of self-regulation by the industry are equally necessary for light-touch governance that incentivizes innovation. Other good practices include regulatory impact assessments and international cooperation to address the cross-border dimensions of technology.

India needs to opt for income support so that pandemic does not turn into a financial crisis.

Elaborate

KEY POINTS

- There are times when policy needs to lean against and times when it has to bend with the wind. This is the time to do the latter. It isn't that the market has been overly generous towards Brazil.
- On the other hand, if the government brings spending below the cap, the attendant fiscal drag will be substantial. But the central bank can continue to keep interest rates low for longer and strengthen the private sector recovery in 2021 especially as balance sheets will be less damaged than otherwise because of the income support this year.
- And this is where the importance of income support lies. It is not so much that it has helped to support demand this year, but that it has protected, to varying degrees, household and SME balance sheets from the extensive damage the pandemic is likely to leave in its wake.
- Unlike typical EM crises, the pandemic is not an instance of a financial crisis turning into an economic shock because of damaged balance sheets. Instead, it is an economic shock brought on by the failure of the public-health system that can turn into a financial crisis if the damage is extensive.
- In India, the debate over fiscal policy has been too focused on demand management. Income support or other government spending can help only modestly in compensating the collapse in private demand until the link between infection and mobility is broken. That's a public health problem.
- Economic policy cannot compensate for the weaknesses in the public-health system. But appropriate economic measures now can have a much bigger and long-lasting impact when the pandemic has been brought under control and an economic recovery gets underway in earnest.
- What is needed is ample income support for households and firms now so that the recovery is not hamstrung by excessively damaged balance sheets. Otherwise, the pandemic can easily turn into a financial crisis, delaying the recovery and hurting medium-term growth.

India need to reorient its trade policy, make Small Micro Enterprises integral to export policy.

Analyse

KEY POINTS

- A broader trade policy review is what India needs at this juncture, for speedy recovery amidst changing dynamics of trade policies globally.
- The weakening of WTO is a clear signal that multilateralism is being overtaken by unilateralism, bilateralism and economic nationalism. Besides, stronger involvement of the state in the economy and weaponisation of trade policy to achieve economic and geopolitical objectives are weakening the global trade order—especially the multi-lateral rules-based order.

- SMEs in India are contributing significantly to employment generation, exports, innovation and inclusive economic growth. SMEs account for 45% of industrial production, 40% of total exports and also significantly contribute to GDP.
- Therefore, it is of utmost importance that market access and better trade facilitation for SMEs are provided in the partner countries. The Covid crisis has turned a boon in disguise as it has accelerated the digital revolution. With no other option available, businesses are proactively using e-commerce, e-services, etc, for their functioning.
- Digital trade has taken a prominent position, and these trade practices will likely continue. Notably, the contribution of digital trade in facilitating global value chain and developing innovative products and services cannot be undermined.
- India has provided a robust policy framework for effective data privacy and protection and regulating digital services. Besides, new technologies involving artificial intelligence, block-chain, 3D printing, etc, are rapidly influencing the way trade has been done.
- While e-commerce negotiations are on in WTO, India has chosen to stay away. Nevertheless, India is formulating a revised e-commerce policy. Therefore, harmonising e-commerce policy for integration with a larger group of countries will mitigate the risk.

What is mean by Infrastructure investment trusts (InvITs)? How National Highways Authority of India plans to monetise its highways through InvITs? Explain

KEY POINTS

What are InvITs?

- Infrastructure investment trusts are institutions similar to mutual funds, which pool investment from various categories of investors and invest them into completed and revenue-generating infrastructure projects, thereby creating returns for the investor.
- NHAI's InvIT will be a Trust established by NHAI under the Indian Trust Act, 1882 and SEBI regulations. The InvIT Trust will be formed the objective of investment primarily in infrastructure projects.

Why does NHAI need fund and how will it benefit the economy?

- At a time when private sector investment in the economy has declined, fund-raising by NHAI and spending on infrastructure will not only provide a fillip to the economy, but will also crowd-in private sector investment. So NHAI's InvIT offer, which is expected to come soon, is a way for the government to tap alternative sources of financing to boost public spending in the roads and infrastructure sector.
- It is important to note that in October 2017, the Centre had launched Bharatmala Pariyojana, its flagship highway development programme, for development of 24,800 km of roads at a total investment of Rs 5,35,000 crore.
- In order to complete the projects, NHAI needs adequate funds and one of the options is to monetise the completed and operational NH assets and offer attractive schemes to private players to invest in construction of National Highways.
- A retail or even a large financial investors may not be typically able to invest in infrastructure projects such as roads, power, energy etc. InvITs enable these investors to buy a small portion of the units being sold by the fund depending upon their risk appetite.
- Given that such trusts comprise largely of completed and operational projects with positive cash flow, the risks are somewhat contained.



- The investors can benefit from the cash flow that gets distributed as well as in capital appreciate of the units. Unitholders also benefit from favourable tax norms, including exemption on dividend income and no capital gains tax if units are held for more than three years.

Geographical Indications tag can help to sustain the livelihood of Scheduled Tribes in the country.

Comment

KEY POINTS

- A major chunk of the scheduled tribe population—tribal cultivators and artisans—already belong to the self-employed category. In fact, according to the Periodic Labour Force Survey (PLFS) 2018-19 report, a large proportion of scheduled tribe workers (57%) are self-employed, basically in the agriculture & allied activities and handicrafts.
- For instance, post the GI tag, the price of Kadaknath Chicken, a native breed of the Dhar and Jhabua districts in Madhya Pradesh and primarily nurtured by the Bhil tribals, has gone up significantly. Greater awareness about the exotic nature of Kadaknath has resulted in a huge spike in its demand and breeders are making respectable profits.
- Having said so, getting the GI tag alone may not be enough to economically upstage the tribal population. The benefit of the GI registered tribal product, in many cases, accrues not to the artist but to traders or middlemen.
- Second, traditional hand-woven designs are often duplicated and sold at a lower price through mass production, which deprives the tribes of their legitimate income. A case in point is the GI registered unique hand-woven embroidery and textile designs made by the Toda tribe of the Nilgiris.
- Third, marketing and brand promotion is an issue. The GI tag enhances the value—in terms of sales and profits—of only those products which are known, are already profitable, and the enhanced revenue reaches the actual producer of the traditional product.
- Hence, it should be ensured that the provisions of GI are strictly implemented and any infringements, such as cases of proliferation of duplicate and fake products, are dealt with severely. Moreover, there is a need to upgrade the GI Act, 1999, and make it more inclusive and responsive to ground realities so that more products are GI registered.

The economic situation warrants enhanced government expenditure and the policy challenge is to minimise the growth fall. Comment

KEY POINTS

- The latest data released by the Ministry of Statistics indicate a Consumer Price Index (CPI) inflation rate of 6.7% for August 2020.
- The policy challenge for the remaining part of the fiscal year is to minimise this sharp contractionary momentum in real and nominal growth.
- A sharp contraction in nominal GDP growth has significantly adverse implications for the prospects of central and State tax revenues, which may both contract. The revenue calculations of the Budget were made on the assumption that the nominal income of the country would grow at 10%.
- The International Monetary Fund, in its June 2020 update of the World Economic Outlook, estimated the fiscal deficit of India and China at 12.1% of GDP. All the other countries except the United States and a few others have a deficit lower than this.
- The dollar as a reserve currency has its own advantages and this benefits the U.S. Coming back to India's fiscal deficit, there are not adequate resources to support a fiscal deficit of nearly 14% of GDP.



- All this will therefore require substantial support from the Reserve Bank of India which will have to take on itself, either directly or indirectly, a part of the central government debt. In the direct mode, the RBI takes on the debt directly from government at an agreed rate. It took India long to move away from the automatic monetisation of debt. The economic situation warrants enhanced government expenditure.
- The fiscal deficit will go well beyond the mandated level — more than twice the mandated level. This has to be accepted. It appears that governments are withholding expenditure.
- Perhaps the best course of action would be to keep the combined fiscal deficit at around 14% of GDP in the current year and find ways to finance it. This will have to be brought down gradually. It may take several years of normalisation.

9. AGRICULTURE

Increased focus on horticulture crops could be a win-win formula for the government to accomplish its endeavor in nutritional security as well as increasing farmers' income. Elaborate

KEY POINTS

- India is now self-sufficient in foodgrain production and is the largest global producer of farm products like pulses, jute, buffalo meat, milk, and poultry. It is also the second-largest producer of several horticulture products, especially fruit and vegetables.
- The area under horticulture crops increased to 25.5 million hectare in 2018-19, which is 20% of the total area under foodgrain, and produced 314 million tonnes. However, the area under total foodgrain declined from 129 million hectare in 2016-17 to 124 million hectare in 2018-19.
- Horticulture crops are characterised by high-value crops, higher productivity per unit of area and lower requirement of irrigation and input cost.
- Similarly, the value of horticultural export too increased from approximately Rs 8,000 crore to Rs 63,700 crore, and the value of foodgrain export increased from Rs 5,000 crore to Rs 58,600 crore during the same period. The value of export of horticultural products is much higher than the value of exports of foodgrain in the total agricultural export value, except for the year 2007-08.
- In a nutshell, horticulture production contributes more to crop production despite much lower land use and lower input cost.
- However, these crops require better infrastructure to prevent post-harvest crop losses, like cold storage and better warehousing, which will go a long way toward enhancing farmers' income.
- Recently, the government announced Rs 1 lakh crore support for agriculture infrastructure development, especially for cold storage, warehousing and markets for farmers. This will certainly benefit farmers to increase their income directly or indirectly.

The idea of Mera Paani, Meri Virasat' scheme launched by Haryana can be implemented across water-stressed states for sustainable agriculture. Explain



KEY POINTS

- To save water and for better implementation of its crop diversification plans, the government of Haryana launched the 'Mera Paani, Meri Virasat' scheme.
- It was meant to encourage farmers change their cultivated-crop preferences—from paddy to maize/cotton/millet/pulses or fruit trees (less water-intensive crops), with a primarily focus on maize—for 1 lakh hectares of land of the state.
- Under this scheme, farmers switching from paddy to other crops for more than 50% of their kharif 2019-20 paddy acreage by the end of the current financial year will be provided Rs 7,000 per acre as diversification-cost support.
- Under the diversification scheme, the grants are estimated to cover 40-50% of the costs for farmers diversifying at least 50% of their last-year paddy acreage; agricultural lands of gram panchayats in various blocks of the state will not be permitted for cultivation of paddy.
- The Har Khet Ko Pani initiative under the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) is going to face a major challenge in the coming years (if emergency steps aren't taken by state governments) as every year, the groundwater level is falling by almost about 1 metre due to indiscriminate usage of water in paddy cultivation, especially in Uttar Pradesh, Madhya Pradesh, Tamil Nadu, Telangana, Karnataka, Odisha, Punjab and Haryana.
- The root causes for overexploitation of water are the vicious circle of farming of rice-wheat and the price/procurement support as well as power subsidies given by many state governments
- However, a diversification benefit that doesn't cover 100% of the costs—especially against the backdrop of absent procurement/price support hitherto and uncertainty over future procurement—may not work.

The Centre's latest plan to promote Farmer Producer Organisations (FPOs) aims to help small farmers by increasing their incomes. Critically Analyse

KEY POINTS

- The Centre's latest plan to promote 10,000 new Farmer Producer Organisations (FPOs) by 2023-24 is well intended as it aims to help small farmers reap benefits of collective selling.
- Also, the new policy places needless emphasis on building cluster-based, single-commodity FPOs, which will introduce risks of monoculture. The policy also ignores the role of ground-level institutions in mobilising FPOs. The success of the SHG movements can be attributed to the work of the localised resource institutions.
- Also, an institution needs AAA rating to be eligible to lend to FPOs. This means NBFCs specialising in agri-credit are out of the ambit. Demanding credit ratings from the lender doesn't make sense at all; it is the borrower's credit position that can be vulnerable.
- The new FPO policy promotes the concept of 'one-district, one-product' in order to encourage product specialisation. This can impact the Centre's objective of increasing farmers' income. The concept will result in monoculture upsetting the ecosystem and making plants less resistant to climate change.
- These practices will see the soil lose fertility resulting in higher usage of chemical supplements, adding to the cost of farming. Single-commodity FPOs have been a limited success across the country, with the exception of Amul in milk. In India, farmers usually sow at least two crops a year.
- The new policy is silent on funds for infrastructure building at the FPO level. While it promises funds for running the FPO and in staff pay, it has failed to link the Agriculture Infrastructure Fund (AIF) to FPOs.

Agricultural Produce Marketing Committees remain crucial to price discovery and must reinvent themselves for better creation agri-infrastructure. Analyse

KEY POINTS



- Pre-APMC days were dominated by price misinformation and arbitrage. APMCs were created in the early 1960s to ensure price discovery and fair transactions.
- They were designed to create infrastructure for auctions and storage out of the cess paid by the buyers and not by the taxpayers. Many APMCs (mandis) used the funds to create rural marketing infrastructure.
- First, the state governments: The APMC cess became a source of extra revenue for them; money, which can be used at their discretion since this amount was not part of the budget. It remained in the bank accounts of the Mandi Board and was used for 'discretionary' development spending (there was no MPLADS in those days) mostly under the chief minister's orders.
- Legal provisions for licencing of traders to operate in the market yards were meant to ensure prompt payments to farmers. The insistence on correct weighment and transparency in auctions were in the best interests of price discovery. The law also stipulated that prices be displayed prominently in the market yard.
- The managements made cosy arrangements with the traders and the powerful 'commission agents', leaving the farmers in the lurch. The story of procurement under the Minimum Support Price (MSP) remained different since there was no price discovery. The traders kept their interests intact by increasing their commissions much to the chagrin of FCI.
- First, change the law to make them farmers' organisations. At least two-thirds of the members of the board/committee should be elected farmers/ Farmer Producer Organisations, reducing the government nominees to two.
- Allow the board /committee to appoint the chief executive from the open market. Eliminate, by law, the scope for frequent government interventions and remove all cadre-based government-controlled employees.
- The board should function like a well managed co-operative. Second, remove 'geographical' constraints for all farmers by allowing farmers to sell in any market yard of their choice. Third, remove the condition of a separate licence for each market. Make one licence valid for the entire state, and make it hassle-free and online.
- Fourth, reduce the cess to 1% or less. Collect service charges, if required, for facilities provided. Fifth, remove the coterie of 'commission agents', let the buyer or the farmer pay service charges if they use their services.
- Provide this space to FPOs. Sixth, invest substantially in the market yard premises: create modern storage & cold chain facilities, state of the art auction halls, fintech, hygiene, etc, to make the market yards modern and efficient. Seventh, make provision of 'farm services' to support farmers a priority. Eighth, drastically prune the list in the schedule to a bare minimum.

The story of the pulses revolution is another chapter about accomplishments by the Indian farmers. Discuss

KEY POINTS

- Most of the countries which had food grains declared an export embargo. India is a rare example. The country not only fed its citizens for free but also gave food in the form of humanitarian aid.
- Just a week into the lockdown, the government announced an extra 5-kg supply of grains (rice & wheat) per head per month free, for close to 81 crore beneficiaries covered under National Food Security Act (NFSA) and also made provisions of 1 kg of pulses to about 20 crore families (NFSA beneficiaries). These allocations were in addition to the 5 kg of highly subsidised grain per head per month entitlement under NFSA.
- The government increased MSP on pulses by 8-16% in 2016-17. Elaborate arrangements were made for procuring of pulses from farmers under the Price Support Scheme (PSS).
- The government guarantee for procurement operation was increased manifold. Foreseeing the need to have a strategic buffer of pulses, a 20-lakh-tonne buffer stock was formed through the Price Stabilisation Fund (PSF), with a corpus of more than Rs 10,000 crore.



- The state governments, particularly of pulse-production leaders like Madhya Pradesh, Rajasthan, Maharashtra, and Karnataka, worked in close coordination for the procurement of pulses.
- Farmers were greatly enthused by the attractive MSP. There was a 42% increase in production of pulses, unheard of in any other category of food articles.
- The regions where pulses are grown are rainfed areas. If not pulses, cotton or soybean may be grown in these areas. Increasing the MSP of pulses, coupled with robust procurement operations under PSS or PSF, have given the farmers a much-needed breather in uncertain agri-climatic conditions.
- The otherwise fallow land is now being used for sowing two pulse crops (kharif and rabi) in most of the regions. Better utilisation of land resource and the increased income from two crops coupled with soil productivity increase and fodder for animals has found resonance with farmers.

10.S & T

The Gopalakrishnan Committee report does not adequately address governance frameworks around government data sets. Explain

KEY POINTS

- The Committee of Experts on the Non-Personal Data Governance Framework has recommended in its report, among other things, making privately held non-personal data “open”.
- The objective is to make such data available for general use, though the committee does lay down conditions for such data transfers. This has raised concerns about state interference in the private data ecosystem.
- Non-personal data are data that do not identify an individual. Nonetheless, such data can be useful in either framing public policy or creating and providing new services.
- For example, aggregate data from land registries can tell us a lot about land use patterns. Data related to traffic flows can be used to guide traffic management. Non-personal data are also viewed as critical for development of the AI ecosystem.
- Some of the most important non-personal data sets are held by the government, or result from taxpayer funding.
- The state should be transparent about information that it has. This will improve accountability. This is one of the reasons why the Right to Information (RTI) Act, 2005, mandates the disclosure of government data on a suo moto basis.
- If taxpayer money has funded any of the data sets, then it is an obligation of the state to return the fruits of that funding to the taxpayer.
- By permitting the reuse of government data sets, we avoid the need for duplication.
- Government data sets, curated according to publicly verified standards, can lead to increased confidence in data quality and increased usage. Finally, free flow of information can have beneficial effects on society in general.
- The National Data Sharing and Accessibility Policy (NDSAP), 2012 requires all non-sensitive information held by public authorities to be made publicly accessible in machine readable formats (subject to conditions).
- In practice, the quality and quantity of data sets published by the government are still well short of ideal. In addition, the government’s general reticence to make valuable information sets available to the public is well known.



- The Gopalakrishnan Committee could have evaluated what is going wrong with existing policies and practice pertaining to government data, and deliberated on how these can be addressed. Instead, the report largely focuses on the dangers posed by data collection by private sector entities.
- Without going into the merits or demerits of taking an interventionist approach to the data ecosystem, many of the concerns that should be addressed in the report that are central to the governance of the data ecosystem have sadly remained in the background.
- For instance, India's cybersecurity framework continues to be woefully inadequate, while even the Justice B.N. Srikrishna Committee report of 2018 highlighted the need to restrict the growing power of the state to carry out surveillance.

Discuss the various significance and capability of indigenously developed ISRO's scramjet engine.

KEY POINTS

- If the launching vehicles are made re-usable, the cost of launching satellites will further come down significantly. Thus, the future re-usable launch vehicle concept along with air-breathing propulsion is an exciting candidate offering routine access to space at far lower cost.
- Considering the strategic nature of air-breathing technology which has the potential to bring a significant shift in the launch vehicle design, worldwide efforts are on to develop the technology for air breathing engines.
- A scramjet engine is an improvement over the ramjet engine as it efficiently operates at hypersonic speeds and allows supersonic combustion. Thus it is known as Supersonic Combustion Ramjet, or Scramjet.
- The scramjets are a variant of a category of jet engines called the air breathing engines. The ability of engines to handle airflows of speeds in multiples of speed of sound, gives it a capability of operating at those speeds.
- Hypersonic speeds are those which are five times or more than the speed of sound. The unit tested by the DRDO can achieve upto six times the speed of sound or Mach 6, which is well over 7000 kilometers per hour or around two kilometers per second.
- With this flight, critical technologies such as ignition of air breathing engines at supersonic speed, holding the flame at supersonic speed, air intake mechanism and fuel injection systems have been successfully demonstrated.
- India is the fourth country to demonstrate the flight testing of a Scramjet Engine.

Despite finding huge favor in India, the Genetically Modified Bt Cotton crop has only brought modest benefits. Examine

KEY POINTS

- Genetically modified (GM) cotton, the plant containing the pesticide gene from the bacteria *Bacillus thuringiensis* (Bt), has been grown in India for about twenty years.
- This pesticide, now produced in each Bt plant cell, ought to protect the plant from bollworm, thereby increasing yields and reducing insecticide spraying on the cotton plant.
- According to the Ministry of Agriculture, from 2005, adoption of Bt cotton rose to 81% in 2007, and up to 93% in 2011. Many short-duration studies examining Bt cotton, in the early years, pronounced that Bt was a panacea for dwindling yields and pesticide expenses. The two-decade mark now provides an opportunity to review GM cotton in India more comprehensively.



Broad review

- There are discrepancies between yield and the deployment of Bt cotton. For instance, the Bt acreage was only 3.4% of the total cotton area in 2003, not sufficient to credit it for the 61% increase in yield in 2003-2004. Furthermore, with only 15.7% Bt cotton coverage by 2005, yield increases were over 90% over 2002 levels.
- The rise in cotton yields can be explained by improvements in irrigation, for instance in Gujarat, and a dramatic growth across the country in the use of fertilizers. Gross fertilizer use for cotton more than doubled from 2007-2013; the average rose from 98 kg/ha in 2003 to 224 kg/ha in 2013.
- The cost of ignoring 'desi' varieties for decades has been high for India. These varieties resist many pests and don't present the problems faced with hybrids.
- Research suggests that with pure-line cotton varieties, high density planting, and short season plants, cotton yields in India can be good and stand a better chance at withstanding the vagaries of climate change.
- But government backing for resources, infrastructure and seeds is essential to scale up 'desi' varieties. It is time to pay attention to science and acknowledge that Bt cotton has failed in India, and not enter into further misadventures with other Bt crops such as brinjal or herbicide resistance.

Unified digital policy framework can be skeleton for all state and central policies on various areas impacted by digital technology. Comment

KEY POINTS

- NITI Aayog sought comments on the Data Empowerment and Protection Architecture (DEPA). The Independence Day address of the prime minister mentioned the upcoming National Cyber Security Strategy, extending optical fibre to six lakh villages; and, the National Digital Health Mission (NDHM).
- Basically, there is a set of interconnected issues crying for policy attention: Digital access and inclusion, AI, cybersecurity, personal and non-personal data, intermediary liability, and, blockchain. In addition, diplomacy is engaged in developing cyber norms under the aegis of the UN and, internet governance at multi-stakeholder platforms. Then there is e-commerce, healthtech, fintech, etc.
- Unsurprisingly, there are numerous gaps and overlaps in such a patchwork of policies, legislation and regulatory proposals. For example, Section 91 in the Personal Data Protection Bill, 2019 deals with the 'non-personal data' (NPD). Likewise, the Draft E-Commerce Policy delves more with data than commerce.
- Firstly, the PMO must enunciate an overarching and oversee a 'Unified Digital Policy Framework' (UDPF) framework. Outlining a vision, basic principles and establishing institutional mechanism, UDPF would be the pole star guiding all allied policies such as AI, cybersecurity and data privacy as well as those in the realms like education, healthcare and fintech.
- Secondly, the process must be inclusive, lawful, transparent, responsive, accountable and evidence-based. Public consultation is an opportunity for value addition, not an inconvenience.
- Thirdly, it must be accompanied by a robust Regulatory Impact Assessment (RIA) detailing the rationale for particular choices as well as safeguards against unintended yet foreseeable consequences.
- Last but not least, we need an institutional mechanism for implementation, periodic reviews, including qualitative and quantitative triggers.

11. INTERNAL SECURITY

The Central government must note that most armed insurgencies find resolution in a grey zone called compromise. Substantiate

KEY POINTS



- Despite having huge strategic significance, India's northeastern frontier has largely remained marginal in the country's popular imagination as well as mainstream politics.
- Rooted in the politics of sub-nationalism, complexities of regional geopolitics and the evolving dynamics of counterinsurgency tactics, the Naga insurgency has defied a lasting solution; it is an extraordinarily complicated conflict whose management has involved a mix of violent response and bargaining.
- The Modi government and the National Socialist Council of Nagalim (Isak-Muivah), or the NSCN-IM, the most powerful of the Naga insurgent groups which has been in peace talks with the Centre since the 1997 ceasefire, had signed a framework agreement in August 2015 which was claimed a historic achievement at that time.
- But a final accord has remained elusive since. When the Centre realised that privileging one insurgent group could eventually distort the contours of the final peace accord, it subsequently enlarged the peace process by roping in seven other Naga insurgent groups under the umbrella of Naga National Political Groups (NNPG).
- Demand for a separate flag and a 'constitution' has been a key hindrance in building trust among the parties. Some Indian States contiguous to Nagaland have been affected through the mobilisation of the Naga population in these States.
- That is why they are apprehensive of the demand for 'Greater Nagalim', which would imply a ceding of their Naga-inhabited territories. Another significant issue is how the weapons in the NSCN-IM camps are going to be managed.
- As a 'ceasefire' group, its cadres are supposed to retain their weapons inside the designated camps for self-defence only, but more often than not, many influential cadres are seen moving with weapons in civilian localities, leading to many problems. It would be an uphill task for the Centre to ensure that all weapons are surrendered at the time of the final accord.
- Nevertheless, the Centre must keep in mind that most of the armed insurgencies across the world do not end in either total victory or comprehensive defeat, but in a grey zone called 'compromise'. It has become even more urgent in view of China's unusually aggressive behaviour in Ladakh.

12. ENVIRONMENT

For an inclusive growth strategy in the country, direct carbon tax needs to be replaced with coal cess. Analyse

KEY POINTS

- Low-carbon, inclusive growth (LCIG), as a strategy, has been the hallmark of India's vision on clean environment.
- This strategy is a multi-pronged one, which broadly includes the following policy instruments: regulations and standards, such as, building codes, bio-fuel standards and vehicle-efficiency standards; PAT, and renewable energy certificates) and price instruments (removal of subsidies and imposition of a carbon tax on fossil fuels).
- Among these, it is the price instrument of carbon tax that remains the most potent market-based policy tool for inducing fuel-switching towards cleaner sources of energy. Yet, it has not found favour with policymakers in India because of its supposed detrimental effects on economic growth and income distribution.
- Although India does not have an explicit carbon tax till date, it has an implicit or de facto carbon tax in the form of a coal cess since 2010. The reason for preferring a coal cess over a direct carbon tax is not explicitly stated in the policy documents of Government of India (GoI).
- It is not likely that the implicit carbon tax through cesses and excise duties on fossil fuels will produce better results in terms of reduction in carbon emissions and changes in GDP than an explicit carbon tax.

- The greater efficacy of explicit carbon tax vis-à-vis implicit carbon taxes has been shown to hold by many researchers on the subject. The real reason for the adoption of an indirect carbon tax in the form of cesses and excise duties seems to be the ease in their collection.
- Turning to options on usage of revenues generated through carbon taxation, it may be noted that, theoretically, the range here is rather wide. Carbon-tax action, in our view, must focus on distributing revenues uniformly to all household groups across-the-board or preferentially to the low income/consumption-expenditure household groups to compensate for the burden borne by them due to the imposition of the carbon tax in the first place, investing additionally in various sectors of the economy for capacity expansion, investing exclusively in clean (renewable) energy sectors, and investing in R&D for enhancing energy efficiency.

In order to formalize e-waste management, the government and the industry need to collaborate and build a robust e-waste collection system. Examine

KEY POINTS

- India is determined to become a leading manufacturing hub of electronics. In 2019, the National Policy on Electronics (NPE 2019) stated its intent to focus on manufacturing for both domestic and global markets.
- India is currently the third-largest e-waste generator in the world, after China and the US. According to Global E-waste Monitor 2020, India generated 3.2 million ton of e-waste in 2019, out of which only 30,000 ton was collected and recycled.
- The good news is that the government and the industry are both committed to responsible e-waste management. India is the only country in Southern Asia with e-waste legislation. In fact, India put laws in place to manage e-waste in 2011.
- The E-waste (Management) Rules, 2011, mandated only authorised dismantlers and recyclers to collect e-waste. The E-Waste (Management) Rules 2016 further brought manufacturers, dealers, refurbishers, and Producer Responsibility Organization (PRO) under the ambit of the e-waste rules.
- Currently, the e-waste Rules do not distinguish between collection points and collection centres. Therefore, collection points where the e-waste is dropped off is subject to the same level of regulation as a collection centre.
- In order to foster a greater presence of drop-off points, the government will have to address the definitional lacunae in the legislation. This will allow for light-touch regulation for collection points versus the more rigorous regulatory requirements for collection centres.
- This is not only inequitable but also undermines the culture of compliance. It is important that consumers, both individual and bulk consumers, dealers, recyclers are made responsible for their e-waste disposal. This can be achieved by increasing awareness, imposing penalties on the defaulting stakeholder instead of shifting the entire burden on to the producers.

Adopting the globally best environmental standards and practices for new units would give India a competitive advantage. Substantiate

KEY POINTS

- Apart from the ready availability of land with quality infrastructure and connectivity, speedy clearances are key to attracting global supply chains to India. The time taken in getting environmental clearance usually comes up at the top of the list of expected delays. The draft Environmental Impact Assessment (EIA) notification is an attempt to address this problem.
- The EIA study for this should be undertaken with normal rigor and environment clearance obtained. India should adopt global best standards, say, of the European Union, for all new industrial units for air emissions,



liquid discharge and solid waste. If a common effluent treatment is the most economical solution, it should be set up by the agency developing the industrial park.

- Sensor-based real-time measurement and logging of critical parameters of emissions into the air and of water discharge to the Pollution Control Board would ensure far better compliance than we have seen in the past.
- The softer option, in vogue, of permitting direct purchase of agricultural land for an industrial plant and granting land use change is not suitable for rapid industrialisation and should be discontinued. It also makes for weaker compliance of pollution control standards. Managing liquid discharge is a difficult challenge.
- Common effluent treatment plants in planned parks are the answer. Again, solid waste from industrial production needs to be collected and taken to proper disposal sites along with feasible recycling. This is best done in industrial parks.
- Thereafter, the government could create a special purpose vehicle (SPV) for each mine chosen for development and allocate the mine to it. These SPVs could assemble land and obtain environmental and forest clearance.
- Then these mine-specific SPVs with clearances can be taken over by the select private investor. The risk for the private investor would be far lower. The mine could go into production within two years. A similar SPV approach of assembling land, getting environmental and forest clearance for nearby steel and aluminium plants would also be equally beneficial.

Pricing the carbon content of domestic production and imports will help cut effluents. Substantiate

KEY POINTS

- With China, the largest carbon dioxide emitter, announcing that it would balance out its carbon emissions with measures to offset them before 2060, the spotlight is now on the U.S. and India, countries that rank second and third in emissions.
- One way to cut effluents while earning revenues is to price the carbon content of domestic production and imports, be it energy or transport.
- With the International Monetary Fund endorsing the European Union's plan to impose carbon levies on imports, India can be among the first movers in the developing world in taxing and switching from carbon-intensive fuels (like coal), the main sources of climate change.
- India has committed to 40% of electricity capacity being from non-fossil fuels by 2030, and lowering the ratio of emissions to GDP by one-third from 2005 levels. A smart approach is pricing carbon, building on the small steps taken thus far, such as plans by some 40 large companies to price carbon, government incentives for electric vehicles, and an environmental tax in the 2020-21 budget.
- One way to price carbon is through emission trading, i.e., setting a maximum amount of allowable effluents from industries, and permitting those with low emissions to sell their extra space.
- Focusing on trade is vital because reducing the domestic carbon content of production alone would not avert the harm if imports remain carbon-intensive.
- India is among the nations that are hardest hit by climate impacts. There is growing public support for climate action, but we need solutions that are seen to be in India's interest. A market-oriented approach to tax and trade carbon domestically and to induce similar action by others through international trade and diplomacy offers a way forward.
