



# Monthly Editorial Consolidation



**01<sup>st</sup> January to 31<sup>st</sup> January 2024**

Drishti, 641, First Floor, Dr. Mukharjee Nagar, Delhi-110009  
Inquiry (English): 8010440440, Inquiry (Hindi): 8750187501  
Email: [help@groupdrishti.in](mailto:help@groupdrishti.in)

# Content

● Banking Sector: Opportunities and Challenges .....	3
● Finance Commission's Role in Tackling State Fiscal Challenges .....	5
● Governors in the Limelight: Calls for Reform in India.....	7
● Navigating India's Economic Development .....	9
● Public Debt Dilemmas: Navigating India's Fiscal Landscape.....	13
● Revitalizing Urban Development: Kerala Initiative .....	15
● Structured Negotiation in Resolving Disability Rights Issues.....	20
● EU's Carbon Border Tax Impact.....	22
● Legal Triumphs and Challenges in Remission .....	25
● India-Maldives Ties: Tale of A Diplomatic Tussle.....	28
● Assessing India's Logistics Landscape .....	31
● Transformative Impacts of Telecommunications Act 2023 .....	35
● Urgent Need for Regulation of India's Online Gaming Industry.....	38
● Expanding Cervical Cancer Prevention Initiatives.....	41
● Supreme Court's Ruling on Chief Secretary's Tenure.....	43
● Escalating Threat in Red Sea.....	45
● Bridging Gaps in India-UK Ties.....	49
● ASER 2023: Examining Education Beyond Basics .....	53
● Post Office Act, 2023: Replacing Colonial Legislation .....	56
● Examining One Nation, One Election.....	58
● Revamping India's Semiconductor Design Scheme .....	61
● ICJ Proceedings: South Africa vs. Israel .....	66
● Ram Mandir: A Resolution to Ramrajya .....	70
● Combating Malnutrition in India .....	73
● Unjust Disparities: A Closer Look at Inequality in India .....	76
● India's Global Economic Impact at Davos Summit 2024 .....	79

<b>Drishti Mains Questions .....</b>	<b>84-85</b>
--------------------------------------	--------------

## Banking Sector: Opportunities and Challenges

This editorial is based on **"Banks are fine, but there are risks"** which was published in *The Hindu Business Line* on 029/12/2023. The article points out that ***State finances, an overheated stock market, and inter-connected lending are concerns, even as banks are undeniably in good health.***

**Tag:** GS Paper - 3, Banking Sector, Growth & Development, Monetary Policy

In recent times, there has been a noticeable resurgence in India's banking system following almost a decade of grappling with escalating bad loan challenges. Thanks to the concerted efforts of policymakers and the proactive measures taken by banks, the sector is currently on a more secure footing.

Nevertheless, considering historical patterns, the positive trajectory for Indian banks remains susceptible to the impact of monetary policies and external uncertainties, such as geopolitical risks.

### How have Indian Banks Evolved over the Years?

#### ➤ First Generation Banking:

- In the period before Independence (up to 1947), the **Swadeshi Movement** led to the establishment of numerous small, local banks, most of which faced failure primarily due to internal frauds, interconnected lending, and the amalgamation of trading and banking activities.

#### ➤ Second Generation Banking (1947-1967):

- Indian banks enabled the consolidation of resources, mobilised through retail deposits, towards a limited number of business families or groups, consequently overlooking the flow of credit to the agriculture sector.

#### ➤ Third Generation Banking (1967-1991):

- The government successfully severed the link between industry and banks by **nationalising 20 major private banks in two phases (1969 and 1980)** and introducing **priority sector lending** in 1972.
- These measures led to a **transition from 'class banking' to 'mass banking'** and had a favourable effect on the widespread expansion of branch networks in rural India, substantial mobilisation of public deposits, and increased credit flow to **agriculture and allied sectors**.

#### ➤ Fourth Generation Banking (1991-2014):

- During this period, significant reforms were implemented, including the issuance of new licences to private and foreign banks to introduce competition, improve productivity, and enhance efficiency.
- These changes involved leveraging technology, introducing prudential norms, offering operational flexibility with functional autonomy, prioritising the implementation of best corporate governance practices, and fortifying the capital base in accordance with **Basel norms**.

#### ➤ Current Model:

- From 2014 onward, the banking sector has embraced the **JAM (Jan-Dhan, Aadhaar, and Mobile) trinity**, and granted licences to **Payments Banks** and **Small Finance Banks (SFBs)** to attain last-mile connectivity in the pursuit of financial inclusion.

### What is the Current Status of the Indian Banking Regime?

#### ➤ Background:

- Not too long ago, Indian lenders faced a dire situation with bad loans, leading to a spike in stressed assets. Government-owned banks were particularly affected, with gross **NPAs** reaching 14.6%.
- To counter these challenges, the government and RBI implemented a **4R strategy**—Recognize NPAs transparently, **Resolution** and **recovery**, **Recapitalization** of PSBs, and **Reforms** in the financial ecosystem.
- After grappling with seething government and bad loan issues for nearly a decade, the Indian banking system has experienced a **remarkable turnaround in 2023**.

#### ➤ Profitability and Asset Quality Improvement:

- In FY23, the gross **NPA** ratio for banks in India plummeted to 4.41%, the lowest since March 2015. Cumulatively, PSBs crossed the Rs 1 lakh crore-mark in profit.
- As per **RBI's Financial Stability Report**, the **capital-to-risk-weighted assets ratio (CRAR)** stands at a robust 16.8%, indicating a strong financial position for scheduled commercial banks.
- This underscores the **sound financial health** of Indian banks, reflecting positively on their ability to absorb potential risks and maintain stability in the financial system.

➤ **Policy Reforms and Financial Discipline:**

- Reforms introduced over the past eight years focused on **credit discipline**, responsible lending, **improved governance**, and the **adoption of technology**. **Mergers of PSBs** were instrumental in reducing NPAs.

➤ **Robust Financial Indicators:**

- Banks **exhibit strong liquidity levels**, measured by funds available for lending. Despite the RBI's recent monetary stance of "withdrawal of accommodation," banks maintain a **Liquidity Coverage Ratio** at least 20% higher than the minimum requirement.
- Additionally, major banks, including SBI, PNB, and Union Bank, demonstrate a capacity to lend "higher for longer," with Credit-Deposit ratios below 72%.

**What Obstacles Lie Ahead for the Indian Banking Sector?**

➤ **Infrastructure and Capital Investments Risk:**

- Bank lending for upcoming **in-frastructure** and capital investments, particularly those linked to State government entities, poses a **risk of defaults due to stretched State finances**.
- Banks are advised to set internal exposure limits based on fiscal/financial assessments of individual States.

➤ **Stock Market and Retail Exposure Risk:**

- The seemingly runaway **stock market**, creating an illusion of wealth, presents a risk to retail exposures. Increased demat accounts and high PE ratios across sectors are indicators of this risk.
- Integrated supervision and rigorous stress tests on retail portfolios are recommended to address this emerging risk.

➤ **Interconnected Lending and Governance Challenges:**

- The possibility of default becoming a contagion due to interconnected lending and **lax governance** norms poses a significant challenge.
- Focused risk monitoring is necessary, emphasising that regulation cannot substitute for good governance.

➤ **SME Challenges in a Re-Globalizing World:**

- The re-globalization of the world and geopolitical shifts may challenge **Small and medium-sized enterprises (SMEs)**, especially in the face of **Free Trade Agreements (FTAs)** and regional ambitions.

- Banks need to carefully assess and prepare for potential risks to SMEs, considering potential disruptions to cash flows.

➤ **Changing Liabilities Landscape:**

- The character of liabilities is changing with digitisation and evolving consumption trends, impacting retail deposits. Banks with higher credit-deposit ratios may face challenges in liquidity coverage.
- A **structural shift** in Indian savings requires caution and prudence from bankers, necessitating a careful watch amidst favourable conditions.

**How Can the Indian Banking Sector be Fortified Moving Ahead?**

➤ **Building Big Banks:**

- The **Narasimham Committee Report (1991)** underscored the importance of India having **three or four prominent commercial banks** with a presence both domestically and internationally, in addition to foreign banks.
  - The second tier could include numerous mid-sized banks, including niche institutions, with a widespread presence across the economy.
- Consistent with these suggestions, the government has already consolidated certain PSBs and taken measures to establish entities like a **Development Finance Institution (DFI)** and a **Bad Bank**.

➤ **Requirement for Differentiated Banks:**

- While the universal banking approach has been commonly favoured, there is a demand for distinct banking entities to address the unique needs of diverse customers and borrowers.
  - Essentially, these specialised banks would facilitate financial access in specific areas such as retail, agriculture, and MSMEs.
- Additionally, establishing proposed DFIs or niche banks as specialised entities would provide them with access to low-cost public deposits and enable improved asset-liability management.

➤ **Blockchain Banking:**

- Enhanced risk management can be achieved, and neo-banks have the opportunity to harness this technology for advancing digital financial inclusion and supporting the increased growth of an aspiring and emerging India.
- In the realm of Indian banking, the implementation of technologies such as **Blockchain** holds the potential to facilitate prudential supervision, making oversight and control over banks more streamlined.

### ➤ Addressing Moral Hazard:

- Until now, the occurrence of public sector banks failing has been infrequent, primarily due to the concealed sovereign guarantee, instilling greater trust in the public. Nevertheless, the ongoing privatisation of PSBs challenges this assurance.
- Consequently, the upcoming wave of banking reforms should emphasise the **necessity for increased individual deposit insurance** and efficient orderly resolution mechanisms. This aims to reduce moral hazard and systemic risks, minimising the financial burden on the public treasury.

### ➤ ESG Integration:

- It could be beneficial for Distinctive Banks to consider listing on a reputable stock exchange and embracing the **ESG (Environmental, Social Responsibility, and Governance) framework**. This approach aims to enhance value for stakeholders over the long term.

### ➤ Enhancing Banking Institutions:

- To address vulnerabilities, the government should refine **regulatory measures**, enabling banks to develop **diversified loan portfolios**, instituting regulators for specific sectors, and granting increased authority to handle deliberate defaults effectively.

### ➤ Facilitating Corporate Bond Market Growth:

- In order to establish a responsive banking system in a dynamic real economy, there is a requirement to promote the growth of the **corporate bond market**, thereby transitioning away from a bank-centric economic model.

### ➤ Enhancing Risk Management Models:

- Develop and implement **internal risk models** tailored to individual States, similar to the **Bank Exposure Risk Index**, to assess potential risks associated with lending to State government entities and infrastructure projects.

### ➤ Addressing Changes in Liabilities:

- Recognize the **changing nature of liabilities** influenced by **digitisation** and evolving consumption trends. Develop strategies to adapt to shifts in retail deposits, especially in Tier 1 and 2 centres.

### Conclusion:

While celebrating the current success of the banking sector, it is crucial to adopt a proactive and vigilant stance to navigate the complexities and uncertainties of the times we live in.



## Finance Commission's Role in Tackling State Fiscal Challenges

This editorial is based on "**Finance panel should curb populism**" which was published in *The Hindu Business Line* on 01/01/2024. The article argues that the 16<sup>th</sup> Finance Commission of India should give more weightage to fiscal efficiency and discipline in its devolution formula, and curb the populist tendencies of state governments.

Tag: GS Paper - 2, Government Policies & Interventions

The **16<sup>th</sup> Finance Commission (FC)** is about to be constituted for recommending the devolution of Central taxes and grants to States. The RBI's just published report: "**State Finances: A study of Budgets**" has red-flagged the issues the FC will certainly be asked to look into, like States reverting to the **Old Pension Scheme (OPS)**, and unsustainable subsidies flowing from the guarantees or freebies promised at the time of elections, regardless of the financial conditions of States.

### The Constitution of Finance Commission

- The Finance Commission is a **constitutional body** that is established by the **President of India** under **Article 280** of the Indian Constitution.
- It consists of a **Chairman and four other members** who are **appointed by the President**.
- The Commission is responsible for making recommendations to the President on various matters related to the distribution of tax revenues between the Centre and the states, as well as the grants-in-aid of the states.
- The Commission is **constituted every five years or earlier**, as deemed necessary by the President.

### Why is there a Need to Curb Populism in India?

#### ➤ Fiscal Imbalance:

- **Rising Debt:** Between 2014 and 2022, the average **debt-to-GDP ratio of Indian states increased from 22.2% to 34.5%**, with populist states like Andhra Pradesh and Tamil Nadu witnessing steeper rises.
- **Higher Deficit:** The combined **fiscal deficit of states reached 4.1% of GDP** in 2021-22, fueled by populist spending on free electricity, loan waivers, and social welfare schemes.
- **Revenue Shortfalls:** Tax revenues haven't kept pace with populist spending, with many states relying heavily on central government bailouts or borrowing to bridge the gap.



### ➤ Economic Distortions:

- **Investment Decline:** Foreign Direct Investment (FDI) inflow into India declined by 10% in 2022, attributed by some to uncertainty created by populist policies like price controls and protectionist measures.
- **Job Growth Stagnation:** Despite increased government spending, India's unemployment rate remained above 7% in 2023, indicating that populist policies haven't yielded significant job creation.
- **Market Inefficiency:** Price controls in sectors like agriculture discourage production and lead to shortages, disrupting supply chains and impacting consumer welfare.

### ➤ Erosion of Governance:

- **Increase in Corruption:** India's ranking on **Transparency International's Corruption Perception Index** dropped from 80 in 2014 to 85 in 2022, coinciding with the rise of populist rhetoric undermining institutional checks and balances.
- **Declining Transparency:** The Public Affairs Index, which measures transparency in government decision-making, showed a downward trend in several states with strong populist leaders.

### **What are Some of the Populist Policies taken by States which have aggravated the Debate?**

#### ➤ Reversion to Old Pension Scheme (OPS):

- Some states in India have reverted to the OPS, abandoning the **New Pension Scheme (NPS)** introduced in 2004.
  - The OPS incurs indefinite liabilities towards employees' pensions, unlike the NPS, where the liability is limited to the employees' serving life.
- An internal RBI study suggests that **OPS results in 4.5 times more liability compared to NPS**, with an additional burden of 0.9% of GDP by 2060.
  - This move is seen as retrogressive, restricting growth and compromising the interests of future generations.

#### ➤ Rising States' Fiscal Deficit:

- Many states have deficits due to subsidies for populist measures like free electricity.
- States' average spending on subsidies is 0.87% of their **Gross State Domestic Product (GSDP)**, with some states spending much more (e.g., Punjab 2.35%, Rajasthan 1.92%).

### **How can the Finance Commission Help Curb Populism?**

- **Performance-Based Incentives:** The **15<sup>th</sup> FC**'s proposal for **measurable performance-based incentives** is a step in the right direction. By linking financial transfers to States with specific outcomes, such as improved health, education, and agricultural indicators, the FC encourages responsible governance and discourages populist measures that may not contribute to long-term development.
  - Under **Article 280(3) of the Constitution**, apart from recommending the devolution of taxes and grants-in-aid to the States, the FC may be asked by the Centre to look into any other issue "in the interest of sound finance".
- **Objective Criteria for Populist Measures:** While the categorisation of schemes as populist and non-populist may be challenging, the FC can **work on developing objective criteria that take into account the diverse developmental needs of different States**.
  - This would require collaboration between the Centre and States to arrive at a consensus on what constitutes populist expenditure.
- **Fiscal Efficiency Parameters:** The FC can give **more weightage to fiscal efficiency** in its criteria for transfers. By emphasizing fiscal consolidation and measuring the tax effort of States, the FC can encourage responsible financial management. This can act as a deterrent to States resorting to populism without considering their fiscal capacity.
  - The 15<sup>th</sup> FC gave only 2.5% weightage to the fiscal efficiency as measured by tax effort (Own Tax to GSDP ratio). This could be reviewed by 16<sup>th</sup> FC.
- **Public Awareness:** The Finance Commission can play a role in creating public awareness about the consequences of populist measures. By highlighting the strains on finances that **freebies** create and the long-term impact on economic growth, the FC can **contribute to informed public discourse, putting pressure on political parties to adopt responsible fiscal policies**.
- **Stress on Future Implications:** The FC can draw attention to the long-term consequences of populist measures, such as rising state debts and the burden passed on to future generations.
  - This could involve recommending measures that prevent States from borrowing beyond their capacity and ensuring that financial decisions align with sustainable development goals.
- **Consensus Building:** While consensus between the Centre and States on controlling populist expenditure may be challenging, the **FC can act as a mediator and facilitator in fostering dialogue**.

- By promoting cooperative federalism and encouraging open discussions on fiscal matters, the FC can contribute to a more collaborative approach to financial governance.
- **Regular Review and Recommendations:** The FC can continually review the financial health of States and make periodic recommendations based on the evolving economic scenario. This allows for flexibility in addressing emerging challenges, including the impact of external factors such as the **Covid-19** pandemic.

### Conclusion:

A state's populism should be funded by its own taxpayers, not others. The RBI suggests that fiscal transfers should be tied to reforms and fiscal responsibility. If a state chooses populism and borrows without funding, it should bear the consequences.



## Governors in the Limelight: Calls for Reform in India

This editorial is based on "**Raj Bhavan needs radical reforms**" which was published in *The Hindu* on 03/01/2024. The article discusses the challenges posed by the office of the Governors in the day-to-day functioning of democratically elected state governments and the need for ushering in the era of requisite reforms vis-a-vis the Governor's office.

**Tag:** GS Paper - 2, Constitutional Bodies, Role of Governor, Cooperative Federalism, Centre State Relations, 2nd ARC

The position of **State Governor** holds significant importance in our political system, serving as a crucial link between the Centre and the States. It is regarded as a pivotal element of our democratic governance, emphasising cooperation. However, the role, powers, and discretionary authority of Governors in various states have long been the subject of intense debates within the political, constitutional, and legal spheres. **The recent dispute between the Kerala Governor and the State Government regarding the approval of bills et cetera has attracted significant attention.**

### How did the Post of Governor Come About?

- **Before Independence:**
  - Since 1858, when India was administered by the **British Crown**, Provincial Governors were agents of the crown, functioning under the supervision of the **Governor-General**.

- With the **Government of India Act, 1935**, the governor was now to act in accordance with the advice of Ministers of a province's legislature, but retained special responsibilities and discretionary power.
- **Post-Independence:**
  - The post of the governor was extensively debated in the **Constituent Assembly**, which decided to retain it while re-orienting its role from the British era.
  - Currently, under the parliamentary and cabinet systems of governance adopted by India, the **Governor was envisaged to be the Constitutional Head of a state.**

### What are Constitutional Provisions Related to the Governor?

- **Article 153** says that there shall be a Governor for each state. One person can be appointed as Governor for two or more states.
  - The Governor is appointed by the President by warrant under his hand and seal and holds office under the pleasure of the **President (Article 155 and 156).**
- **Article 161** states that the governor has the power to grant pardons, reprieves, etc.
  - The **Supreme Court** stated that the sovereign power of a Governor to pardon a prisoner is actually exercised in consensus with the State government and not by the Governor on his own.
  - S/he is bound by the advice of the state government.
- **Article 163** states that there is a council of ministers headed by the **Chief Minister** to aid and advise the Governor in the exercise of his functions, except some conditions for discretion.
  - Discretionary powers include:
    - Appointment of a chief minister when no party has a clear majority in the state legislative assembly
    - In times of **no-confidence motions**
    - In case of failure of constitutional machinery in the State (**Article 356**)
- The governor's powers with respect to the passage of bills are defined by **Article 200 and Article 201** of the Constitution. According to these articles, the governor has the following options when a bill is presented to him/her by the **state legislature:**
  - He/she may give assent to the bill, which means the bill becomes an act.

- He/she may **withhold assent to the bill**, which means the bill is rejected.
- He/she may return the bill (if it is not a **money bill**) to the state legislature with a message requesting reconsideration of the bill or some of its provisions.
- If the bill is passed again by the state legislature with or without amendments, **the governor cannot withhold assent to it.**
- He/she may **reserve the bill for the consideration of the president**, who may either assent to or withhold assent from the bill, or direct the governor to return the bill to the state legislature for reconsideration.
- **Article 361** states that the Governor of a State, shall not be answerable to any court for the exercise and performance of the powers and duties.

### ***What are the Issues Related to the Post of Governor in India?***

- **Affiliation Based Appointment:** Politicians and former bureaucrats affiliated with the ruling party have been appointed in several instances as Governors.
  - This has led to questions about the post's impartiality and non-partisanship. Also, the convention of consulting the Chief Minister **before** appointing the Governor is often ignored.
- **From Centre's Representative to Centre's Agent:** Critics refer to governors as the 'agents of the Centre' today.
  - **In 2001, the National Commission to Review the Working of the Constitution**, held that the Governor owes his appointment and his continuation to the Union. Apprehensions exist that he will follow instructions given by the Union Council of Ministers.
    - This goes against the constitutionally mandated neutral seat and has resulted in bias.
- **Misuse of Discretionary Powers:** The discretionary powers of governor have been misused in many instances.
  - For instance, **it has been argued by critics that the Governor's recommendation for President's Rule** in a state has not always been based on 'objective material', but on political whim or fancy.
- **Removal of Governors:** Having no written grounds or procedures for removing governors, several times governors were removed arbitrarily.
- **No Clear Distinction Between Constitutional and Statutory Role:** The constitutional mandate to act on advice of the council of ministers is not clearly

distinguished from the **statutory authority as chancellor**, resulting in many conflicts between the governor and the state government.

- For instance, there was a recent appointment of a Vice Chancellor in a university by the Kerala Governor, bypassing government nominations.
- **Constitutional Loopholes:** In the Constitution, **there are no guidelines for exercise of the governor's powers in-case of appointment of Chief Minister** or dissolving the Assembly.
  - Also, there is no limit set for how long a Governor can withhold assent to a Bill.
  - As a result, friction between the governor and concerned state governments is likely to arise.

### ***What are the Constitutional Reforms suggested by Various Committees and Supreme Court?***

- **The Sarkaria Commission (1988):**
  - The governor should be appointed by the President **after consultation with the Chief Minister of the concerned state.**
  - The governor **should be a person of eminence in some field of public life** and not belong to the state where he is appointed.
  - The governor should not be removed before the completion of his term except in rare and compelling circumstances.
  - The governor **should act as a bridge between the center and the state** and not as an agent of the center.
  - The governor **should exercise his discretionary powers sparingly** and judiciously and not use them to undermine the democratic process.
- **S.R. Bommai Judgment (1994):**
  - The case put an end to the **arbitrary dismissal of State governments by a hostile Central government.**
  - The verdict ruled that the floor of the **Assembly is the only forum that should test the majority of the government of the day**, and not the subjective opinion of the Governor.
- **Venkatachaliah Commission (2002):**
  - The **appointment of Governors should be entrusted to a committee** comprising the prime minister, the home minister, the speaker of the Lok Sabha and the chief minister of the concerned state.
  - The governors **should be allowed to complete their five-year term**, unless they resign or are removed by the President on the ground of proven misbehaviour or incapacity.



- The **central government should consult the Chief Minister** before taking any action to remove the governor.
- The Governor **should not interfere in the day-to-day administration** of the state. He should act as a friend, philosopher and guide to the state government and use his discretionary powers sparingly.
- **In Rameshwar Prasad v. Union of India (2006):**
  - After finding that the Governor abused power in recommending Presidential rule in Bihar, **the Supreme Court said that the motivated and whimsical conduct of the Governor is amenable to judicial review.**
  - Yet, the question of whether Governors can claim immunity for extra-constitutional gestures and utterances was not a matter in issue in Rameshwar Prasad.
- **Punchhi Commission (2010):**
  - The Commission **recommended deleting the phrase “during the pleasure of the President”** from the Constitution, which implies that a governor can be removed at the will of the central government.
  - Instead, the commission suggested that a **governor should be removed only by a resolution of the state legislature**, which would ensure more stability and autonomy for the states.
- **BP Singhal vs Union of India (2010):**
  - The Supreme Court held that the **President can remove a Governor at any time and without assigning any reason.**
  - **This is because the Governor holds office “during the pleasure of the President” under Article 156(1) of the Constitution of India.** However, the Court also held that the removal cannot be based on arbitrary, capricious or unreasonable grounds.
- **Nabam Rebia And Etc. vs Deputy Speaker And Ors (2016):**
  - In this case, the **Supreme Court cited the observations of B R Ambedkar:** “The Governor under the Constitution has no function which he can discharge by himself; no functions at all.
    - While he has no functions, **he has certain duties to perform**, and the House will do well to bear in mind this distinction.”
  - SC ruled that **Article 163 of the Constitution does not give the Governor a general discretionary power** to act against or without the advice of his Council of Ministers.

#### ➤ **NCT of Delhi v. Union of India (2018):**

- A Constitution Bench of the Supreme Court emphasised the need to identify the “moral values of the Constitution” based on a notion of “constitutional culture”.
- It said that **“constitutional morality places responsibilities and duties on individuals** who occupy constitutional institutions and offices”.
- **Governors should identify whether their actions reflect constitutional morality or not.**

#### ➤ **Kaushal Kishor v. State of Uttar Pradesh (2023):**

- The Court said that the freedom of expression of public functionaries could not be curtailed other than by way of the “reasonable restrictions”, as permitted by **Article 19(2)** of the Constitution.

#### **Conclusion:**

The discussion on the role of Governors in India underscores the need for nuanced reforms. While outright abolition is deemed imprudent, proposals for transparent appointments, increased accountability, and limited discretionary powers have been put forth. Striking a balance between state and central interests is crucial for ensuring the effective functioning of the Governor’s office without undermining democratic principles.



## **Navigating India’s Economic Development**

This editorial is based on **“Reset the Growth Priority”** which was published in Indian Express on 04/01/2024. The article discusses the challenges in India’s growth trajectory. In order to create high-value jobs at scale, India needs the combined strength of both the manufacturing and services sectors.

**Tag:** GS Paper - 3, Industrial Policy, Infrastructure, Growth & Development, Planning, Fiscal Policy, Inclusive Growth, Government Budgeting

India is currently immersed in discussions regarding its economic trajectory and the strategies required to achieve its development goals. Amidst these conversations, a notable distraction arises as commentators fixate on the ambitious target of India becoming a \$5 trillion economy by 2025. However, this goal, primarily centered around aggregate **Gross Domestic Product (GDP)**, overlooks the critical focus on improving the well-being of the average citizen, emphasizing the need to shift attention to GDP per person.

## **What are the Current Challenges in India's Growth Trajectory?**

- **Reimagining India's Economic Future:**
  - Raghuram Rajan and Rohit Lamba's book, "**Breaking the Mould: Reimagining India's Economic Future**," prompts a critical examination of India's growth model.
  - It questions **whether prioritizing service sector growth over industrial growth can lead to sustainable development**, deviating from the historical patterns observed in developed and industrializing economies.
- **Manufacturing Sector Challenges:**
  - India has faced challenges in expanding its manufacturing sector's share in the economy, **with growth plateauing at or below 20 %**.
  - This raises concerns about India bypassing a typical stage in development, **moving from agrarian to a predominantly service-based economy**, and the sustainability of such a transition.
- **Global Business Service Growth Opportunity:**
  - Rajan and Lamba identify an opportunity for India in the **world business service growth** facilitated by the sophistication of information technology.
  - As global firms increasingly outsource business services, India could play a significant role, provided it can address the challenge of scalability.
- **Employment Crisis and Youth Aspirations:**
  - India is experiencing an employment crisis, **particularly among the youth (15-24 age group)** with an unemployment rate **exceeding 40%**.
  - Aspirations of young workers are high, and the country needs expedited measures to incentivize substantial job creation by private employers.
- **Service Sector Model Challenges:**
  - The current service sector in India, **while experiencing growth in high-tech services, faces a challenge in job creation**, particularly in low value-added, low-skill services.
  - The segmentation of the sector raises questions about its ability to generate income streams aligned with the aspirations of the youth.
- **Skill Deficit and Higher Education Quality:**
  - India's skill deficit poses a significant challenge to the service sector-led model. **Despite producing 2.2 million STEM graduates, a majority are considered unemployable due to inadequate training.**

- Addressing this requires sustained investment in higher education to create a skilled workforce for higher human capital sectors.

### ➤ **PLI Scheme and Immediate Job Generation:**

- The **Production-Linked Incentive (PLI) scheme** is seen as an attempt to address the immediate jobs challenge by attracting businesses to set up production centers in India.
- However, **concerns exist about the scheme being production-linked rather than employment-linked**, and uncertainties about the longevity of businesses after incentive schemes end.

### ➤ **Need for Comprehensive Economic Approach:**

- India's jobs problem **requires a comprehensive approach that combines both manufacturing and service sector models**.
- Beyond the PLI schemes, incentivizing private industry to scale up is crucial, and this demands land and labor regulatory reforms. These reforms, while fiscally costless, may face political challenges.

### ➤ **Urgency in Addressing Demographic Challenges:**

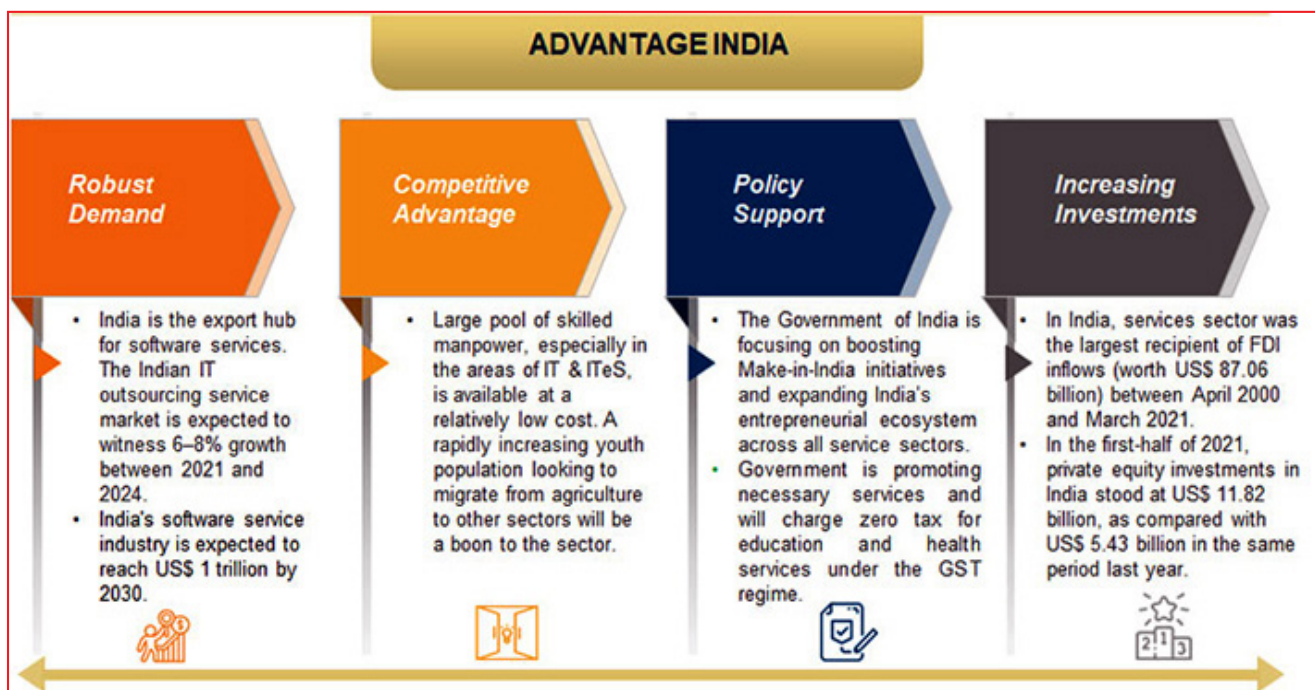
- With a median population age of 28, India's **demographic dividend** could turn into a **curse without prompt and comprehensive action**.
- Combining high value-added job creation, regulatory reforms, and increased investment in higher education is essential to ensure sustainable economic growth.

## **What are the Growth Drivers of the Manufacturing and Services Sector in India?**

### ➤ **Manufacturing Sector:**

- **Government Investment Boost:**
  - In the latest budget, the Indian government allocated substantial funds, Rs. 2,403 crore for Electronics and IT Hardware Manufacturing and Rs. 757 crore for **Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME - India)** in 2022-23.
  - This strategic investment aims to bolster the manufacturing sector and drive advancements in electric vehicle technology.
- **Enhancing Competitiveness:**
  - India possesses key factors essential for a significant industrial push, including a large semi-skilled labor force, government initiatives like **Make in India**, substantial investments, and a vast domestic market.

- To further boost competitiveness, the government provides incentives such as **free land for establishing bases** and uninterrupted 24\*7 power supply, placing India on a global competitive scale.
- **Robust Domestic Demand:**
  - With the **Indian middle class projected to contribute 17% to global consumption by 2030**, the domestic market is set for substantial growth.
  - The Appliances and Consumer Electronics (ACE) market in India is anticipated to expand from **USD 11 billion in 2019 to USD 21 billion by 2025**, indicating a robust demand for manufactured goods.
- **Global Hub Potential in Industry 4.0:**
  - India's manufacturing industry is rapidly progressing towards **Industry 4.0**, characterized by interconnected processes and data analytics.
  - The country's companies, particularly in sectors like pharmaceuticals and textiles, are already global leaders due to a focus on research and development.
  - The emphasis on areas like automation and robotics further positions India with the potential to become a global hub for advanced manufacturing.
- **Services Sector:**
  - **Services Trade Surplus as a Balancing Factor:**
    - The persistent surplus in India's services trade has historically **helped offset the substantial deficit in merchandise shipments**.
  - In the fiscal year 2020-21, this surplus reached a notable figure of **up to \$89 billion**.
  - With strategic government interventions and renewed emphasis, there is potential for further growth in services trade surplus, possibly eliminating the deficit caused by merchandise exports.
- **Driving Transition to a Knowledge-Based Economy:**
  - The services sector plays a pivotal role in propelling **India's shift from an 'assembly economy' to a 'knowledge-based economy'**.
  - This transition is crucial for the country's economic evolution and global competitiveness.
  - The services trade surplus acts as a **significant driver in this transformation**, emphasizing the increasing importance of knowledge-centric activities.
- **Skill India Program for Workforce Development:**
  - To support the growing services sector and enhance India's global standing, the **Skill India program** has been initiated.
  - This program aimed to provide comprehensive training in market-relevant skills to over **40 crore youth by 2022**.
  - By investing in skill development, **the government aims to create a workforce that aligns with the demands of the evolving services-driven and knowledge-based economy**.





### **What are the Recent Government Initiatives for Growth of the Industrial Sector in India?**

- **Production-Linked Incentive (PLI)** - To scale up domestic manufacturing capability.
- **PM Gati Shakti- National Master Plan** - Multimodal connectivity infrastructure project.
- **Bharatmala Project** - To Improve connectivity in North East India
- **Start-up India** - To catalyze Startup culture in India
- **Make in India 2.0** - To transform India into a global design and manufacturing hub.
- **Atmanirbhar Bharat Campaign** - To cut down import dependence.

### **What Steps can be Taken to Make the Growth More Inclusive?**

- **Workforce Development and Participation:**
  - India's sizable and youthful population presents an enormous workforce potential. However, realizing this potential requires addressing challenges like **job creation, improving education quality, enhancing skills**, and boosting labor force participation, especially among women.
- **Private Investment for Economic Growth:**
  - Recognizing private investment as a vital driver of economic growth, the Indian government has initiated measures to enhance the **Ease of Doing Business**, **reduce corporate taxes**, **offer credit guarantees**, and **attract foreign direct investment**. Ongoing reforms, particularly in land, labor, and logistics, are essential to further ease business operations.
- **Enhancing Global Competitiveness:**
  - To bolster its competitiveness in the global market, **India must diversify exports, enhance infrastructure, foster innovation and digitalization**, and integrate with regional and global value chains.
  - Despite supportive schemes like **PLI, Phased Manufacturing Program (PMP)**, and **Make in India**, further trade liberalization and regulatory simplification are necessary for fair competition between domestic and foreign enterprises.
- **Environmental Sustainability and Climate Goals:**
  - India has committed to reducing carbon intensity and increasing renewable energy capacity to meet climate change goals.
  - While **green bonds** support eco-friendly projects, addressing environmental challenges like air pollution, water scarcity, waste management, and biodiversity loss requires heightened efforts to safeguard India's growth and well-being.
- **Economic Stability and Financial Development:**
  - Ensuring a stable and low inflation rate fosters confidence and investment in India. Prioritizing

adequate liquidity and credit availability, especially for small and medium enterprises, is crucial.

- Further development of financial markets and institutions will facilitate savings and investment.
- **Global Integration and Trade Agreements:**
  - India can strengthen its global economic ties by **reducing trade barriers, diversifying its export portfolio**, and enhancing overall competitiveness.
  - Pursuing **regional and bilateral trade agreements** offers opportunities for market expansion, benefiting Indian products and services.
- **Sectoral Growth and Innovation:**
  - **Promoting growth, employment, and innovation** in key sectors such as manufacturing, services, agriculture, and renewable energy is vital for India's sustained development.
  - Strategic focus on these sectors, supported by proactive policies, can drive economic progress.
- **Diversifying Opportunities in High-Growth Sectors:**
  - To enhance economic prospects, there is a pressing need to explore opportunities **beyond the dominant information technology and IT-enabled services**.
    - For instance, the **opening up of the domestic legal services** sector presents significant benefits for Indian lawyers, providing lucrative opportunities in Europe, Australia, and America.
- **Targeting Promising Service Sectors for Growth:**
  - Emphasizing the importance of diversification, there is a call to concentrate on **promising areas such as higher education, hospitality, and medical tourism**.
  - This strategic shift aims to broaden the scope of economic growth beyond the confines of traditional sectors.
- **Encouraging Competitiveness through Subsidy Reform:**
  - The government advocates for the services industry to relinquish dependence on government subsidies, asserting that **this shift will foster competitiveness** among firms.
  - **By redirecting subsidy funds to those in greater need**, the overall economic landscape can be optimized for sustained growth.

### **Conclusion:**

In the fiscal year 2023-24, India's economic outlook is optimistic as Government initiatives have formalized the economy and expanded financial access to previously underserved segments. To sustain this positive trajectory, a strategic approach is essential, covering fiscal, monetary, trade, industrial, and institutional policies. Implementing this comprehensive strategy can unlock India's significant economic potential, fostering continued robust growth and advancing the nation towards prosperity.



## Public Debt Dilemmas: Navigating India's Fiscal Landscape

*This editorial is based on “[The dispute on India's debt burden](#)” which was published in The Hindu on 04/01/2024. The article discusses the concerns on debt sustainability and advocates for a prudent approach to managing public debt in India.*

**Tag:** GS Paper - 3, Fiscal Policy, Government Budgeting, Monetary Policy, Mobilization of Resources, Inclusive Growth.

The latest annual consultation report from the **IMF** has projected a balanced outlook for India's economic growth. The report has acknowledged India's effective inflation management but it has also expressed concerns about the long-term sustainability of India's debts. The report emphasises the need for a sensible approach to managing debt in the long run.

### What are the Key Observations of the IMF Report?

- **Concerns over the long-term sustainability of India's debts:** India's government debt could reach 100% of **GDP** by 2028 under adverse circumstances.
- **Reclassified India's exchange rate regime:** The IMF reclassified India's exchange rate regime, labelling it a “stabilised arrangement” instead of “floating,” indicating a shift in the perception of how India manages its currency.
  - In a stabilised arrangement, the government fixes the exchange rate, whereas in a floating exchange rate system, it is determined by the demand and supply forces in the foreign exchange market.
- **High Long-Term Risks in Debt Management:** Long-term risks in debt management are high because considerable investment is required to reach India's climate change mitigation targets.

### What is Public Debt?

- **About:**
  - Public debt refers to the total amount of money that a government owes to external creditors and domestic lenders.
  - In India, public debt comprises all obligations of the Union government that are required to be settled using funds from the **Consolidated Fund of India**.
- **Main Types:**
  - **External Debt:** This is the portion of a country's debt owed to foreign creditors, including foreign governments, international organisations, and private entities outside the country.

- **Internal Debt:** This is the debt owed to lenders within the country, including individuals, banks, and other domestic institutions.
  - Internal debt is further categorised into marketable and non-marketable securities.

#### ➤ Objectives:

- **Financing Government Expenditure:** One primary objective is to provide a stable and reliable source of funding for government expenditures, especially during times of budget deficits.
- **Stabilising the Economy:** Public debt can be strategically used as a counter-cyclical measure to stabilise the economy during economic downturns. Increased government spending through borrowing can stimulate economic activity.
- **Managing Liquidity:** Public debt can serve as a tool for managing liquidity within the financial system, allowing governments to control the money supply and interest rates.
- **To Finance Development Plans:** Public debt can be employed to fund critical infrastructure projects, including the construction of roads, bridges, and public utilities, thereby fostering economic development, and supporting the advancement of education, health services, and other essential sectors.

#### ➤ Measuring Mechanisms:

- Public debt is expressed as a percentage of the country's Gross Domestic Product (GDP), known as the debt-to-GDP ratio.
  - A higher ratio indicates a larger debt burden relative to the size of the economy.

### What are the Key Concerns for Public Debt Management in India?

#### ➤ Burgeoning Public Debt Levels in India:

- The Union government's debt was ₹155.6 trillion, or 57.1% of GDP, at the end of March 2023, with state governments adding about 28% of GDP to the overall debt burden.
- India's public debt-to-GDP ratio slightly increased from 81% in 2005-06 to 84% in 2021-22, and then back to 81% in 2022-23.

#### ➤ High-Interest Payments:

- Interest payments in India, amounting to more than 5% of the GDP and 25% of revenue receipts on average, exceed government spending on vital areas such as education and healthcare.

#### ➤ Limitations on Fiscal Policy:

- High levels of public debt may restrict the government's capacity to enact counter-cyclical fiscal measures in times of economic downturns.



- This limitation can impede the government's effectiveness in responding to shocks and economic challenges.
- **Lower Credit Ratings:**
  - Persistently high deficits and debt levels can lead to lower sovereign ratings by rating agencies which can increase the cost of external commercial borrowing, making it more expensive for the government to raise funds from international markets.
- **Misuse of Public Money and Burden on Future Citizens:**
  - A significant amount is allocated to government departments where corruption, bribery, and bureaucratic hurdles are prevalent, leading to the misuse of public money.
  - The excessive accumulation of debt may give rise to concerns regarding **intergenerational equity**, as future citizens could be burdened with repaying

both the principal and interest accrued during the period of financial imprudence.

- The infusion of capital into state-run banks through recapitalisation bonds has implications for intergenerational burdens.

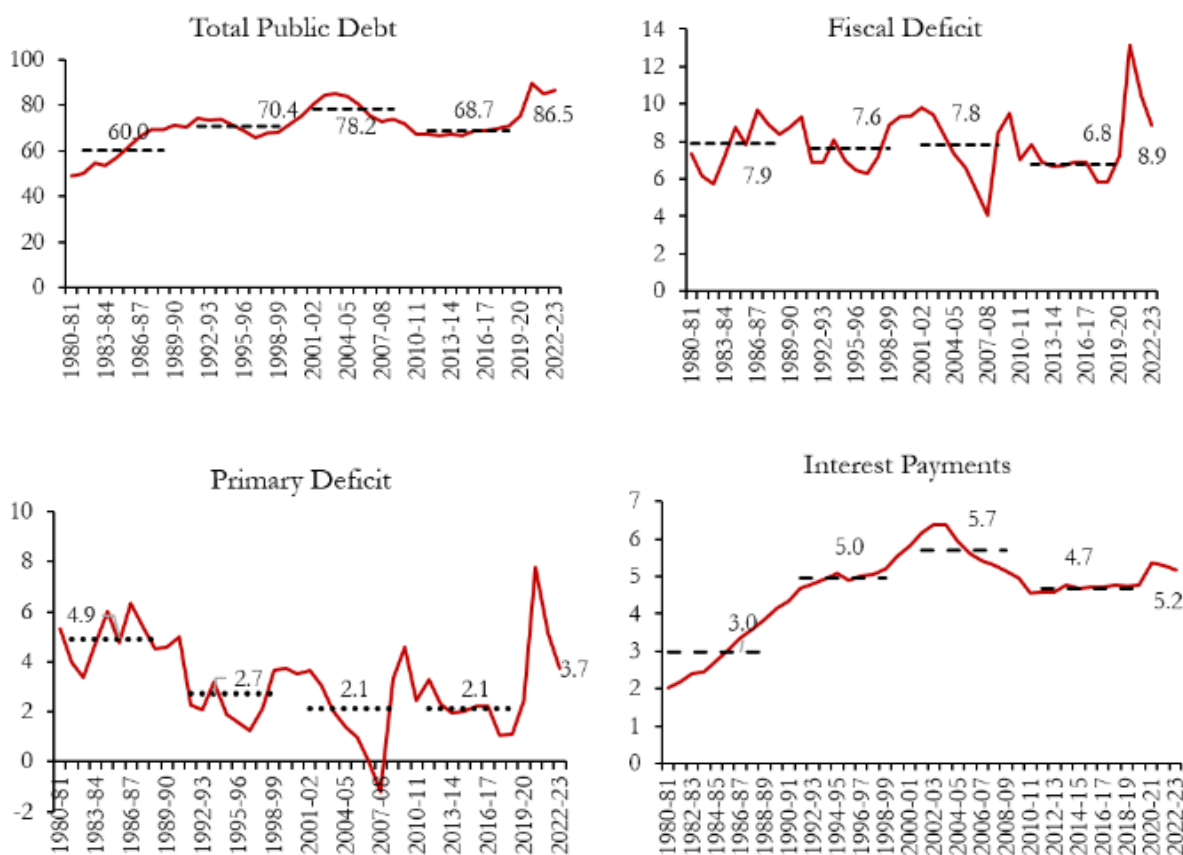
➤ **Crowding Out Private Investment:**

- Large government borrowings may crowd out private investment by absorbing available funds in the financial market, impacting economic growth.
- When private investment is crowded out, businesses may face challenges in expanding operations, adopting new technologies, or enhancing productivity, which could impact the overall competitiveness of the economy.

➤ **Financial System Risks:**

- A high concentration of debt in the financial system can pose systemic risks which could trigger a chain reaction affecting the stability of the entire financial system.

**Figure 1. General government debt and fiscal indicators, as a percentage of GDP**



Notes: i) Total public debt in India includes debt issued and other liabilities in the Public Account consisting of National Small Saving Fund (NSSF), Provident Fund, Deposit and Reserve funds, securities issued to finance subsidies on oil, food and fertilisers, etc. ii) Dashed horizontal lines are decadal averages from 1980-81 to 1989-90, 1990-91 to 1999-2000, 2000-01 to 2009-10, and 2010-11 to 2019-20, respectively.

Source: CEIC (compiled from Reserve Bank of India).

### What Should be the Way Forward?

#### ➤ Prudential Stance:

- **Achieve Fiscal Consolidation:** The **NK Singh Committee** on FRBM had envisaged a debt-to-GDP ratio of 40% for the central government and 20% for states aiming for a total of 60% general government debt-to-GDP.
- **Fiscal Reforms at the State Level:** The central government may promote the adoption of prudent fiscal policies by states and **discourage excessive borrowing by offering rewards or incentives** to states committed to fiscal discipline.

#### ➤ Raise Additional Revenue:

- **Enhance Tax Collection and Compliance:** Improve tax administration and compliance to increase government revenue. **Utilising technology for cross-matching of GST and income-tax returns** can enhance tax collection efficiency and curb tax evasion.
- **Administrative Streamlining:** Raise additional revenue through administrative streamlining, and the adoption and better administration of new taxes.
- **Disinvestment and Efficient Asset Management:** Pursue disinvestment and strategic asset management to optimise government resources and reduce the need for excessive borrowing.

#### ➤ Re-orient Spending in Infrastructure and Capacity Building:

- **Infrastructure Investments:** Prioritise investments in physical infrastructure, human capital, and green initiatives to enhance economic productivity and foster sustainable development.
- **Privatisation of Loss-making PSUs:** The government may think of privatising loss-making public sector undertakings (PSUs) **as done in the case of Air India**.
- **PPP Model in Social Schemes:** The government may think of a public-private partnership (PPP) model in social schemes like **Deen Dayal Upadhyay Grameen Kaushalya Yojna (DDU-GKY)**. This may help in reducing public debt.
- **Introduce Green Debt Swaps:** In a green debt swap, a debtor nation and its creditors negotiate to exchange or restructure existing debt in a way that aligns with environmentally friendly and sustainable projects.
  - It enables the low-income countries to redeploy part of their debt repayments to invest in measures to tackle climate change, nature protection, health, or education. With

the agreement of creditors, debt swaps can help the world's low-income countries avoid default.

#### ➤ Utilise Institutional Mechanisms:

- **Leveraging the Public Financial Management System (PFMS):** Leveraging the PFMS to its fullest potential is integral to effective fiscal deficit management, ensuring heightened transparency and accountability in government expenditures.
- **Establishment of Public Debt Management Agency (PDMA):** PDMA will centralise expertise and responsibilities related to public debt management, ensuring a focused and specialised approach.
  - This can lead to more effective decision-making and strategic planning in handling the complexities of public debt in the country.

### Conclusion:

- As the Finance Ministry dismisses IMF projections as a '**worst-case scenario**' and not a done deal, India should aim to build a financial environment characterised by prudence, transparency, and sustainable fiscal practices.

■ ■ ■

## Revitalizing Urban Development: Kerala Initiative

This editorial is based on "***Breaking new ground the Kerala way***" which was published in *The Hindu* on 05/01/2024. The article discusses the different urbanisation aspects in India and how the Kerala Urban Commission can lead the way for the rest of India in understanding urbanisation as a whole process.

**Tag:** GS Paper - 1, GS Paper - 3, Infrastructure, Urbanization, Poverty and Developmental Issues, GS Paper - 2, Government Policies & Interventions, Welfare Schemes

India, among the world's fastest-growing economies, is predominantly driven by its cities, projected to **contribute 70% to the country's GDP by 2030**. The **World Bank** estimates a crucial investment of **USD 840 billion over the next 15 years** to meet the demands of the rapidly expanding urban population. **This rapid urbanization, while promising economic prosperity, brings forth challenges to liveability**. A closer examination uncovers inherent limitations within the existing

framework of urbanization, emphasizing the need for strategic solutions to ensure sustainable growth. **The recently constituted Kerala Urban Commission is slated to reform the urban landscape in the state.**

### **What is Kerala Urban Commission?**

#### ➤ **Historic Developments:**

- The announcement of the **Kerala Urban Commission in 2024** marks a significant development after a hiatus of 38 years since the **National Commission on Urbanisation** led by Charles Correa.
- The first commission, initiated by Prime Minister Rajiv Gandhi, faced interruptions due to his assassination, **but it laid the groundwork for subsequent urban policies.**

#### ➤ **Formation of Kerala Urban Commission:**

- The formation of the **Kerala Urban Commission with a 12-month mandate** aims to address the specific challenges of Kerala's urbanization.
- With an **estimated 90% urbanized population**, the commission seeks to create a roadmap for the state's urban development over the next 25 years.

#### ➤ **Role of Kerala Urban Commission:**

- The Kerala Urban Commission, despite not being a national commission, serves as a potential lighthouse for other highly urbanized states like Gujarat, Maharashtra, Tamil Nadu, and Punjab.
- It offers a learning opportunity for states grappling with high urban populations, **showcasing a comprehensive approach to urban challenges.**

#### ➤ **Contemporary Relevance of Kerala Urban Commission:**

- Given the complexity of urbanization patterns, an urban commission is deemed necessary at national and state levels.
- Piecemeal approaches like **Swachh Bharat Mission** or **AMRUT** have failed to address the multifaceted challenges.
- An **urban commission understands migration, settlement patterns, and the role of information technology in the context of evolving urban realities.**

### **What Led to the Development of Kerala Urban Commission?**

#### ➤ **Urbanization Challenges Worldwide:**

- The **global urban population has surged to 56%**, compared to just over 5% during 1860s.

Urbanization, with its far-reaching impacts on climate, land use, and inequality, has become a pivotal aspect of capital accumulation.

- Cities have witnessed **spatial and temporal changes**, posing challenges in various areas such as pollution, housing, and sanitation.

#### ➤ **Shifts in Urban Development Paradigms:**

- Post-independence, India experienced two distinct phases of urban development:

##### ● **First Phase:**

- **The Nehruvian era**, spanning nearly three decades, emphasized centralized planning and master plans, pushing rural-to-urban migration driven by manufacturing.

- ◆ However, this approach faltered, leading to the **subsequent privatization of cities in the 1990s**, with a focus on global city models and project-oriented development.

##### ● **Second Phase:**

- The 1990s witnessed the privatization of cities with master plans entrusted to **large parastatals and consultancy firms.**

- **Social housing, public health, and education** gave way to real estate-centric models, promoting cities as 'engines of growth' rather than spaces of enlightenment.

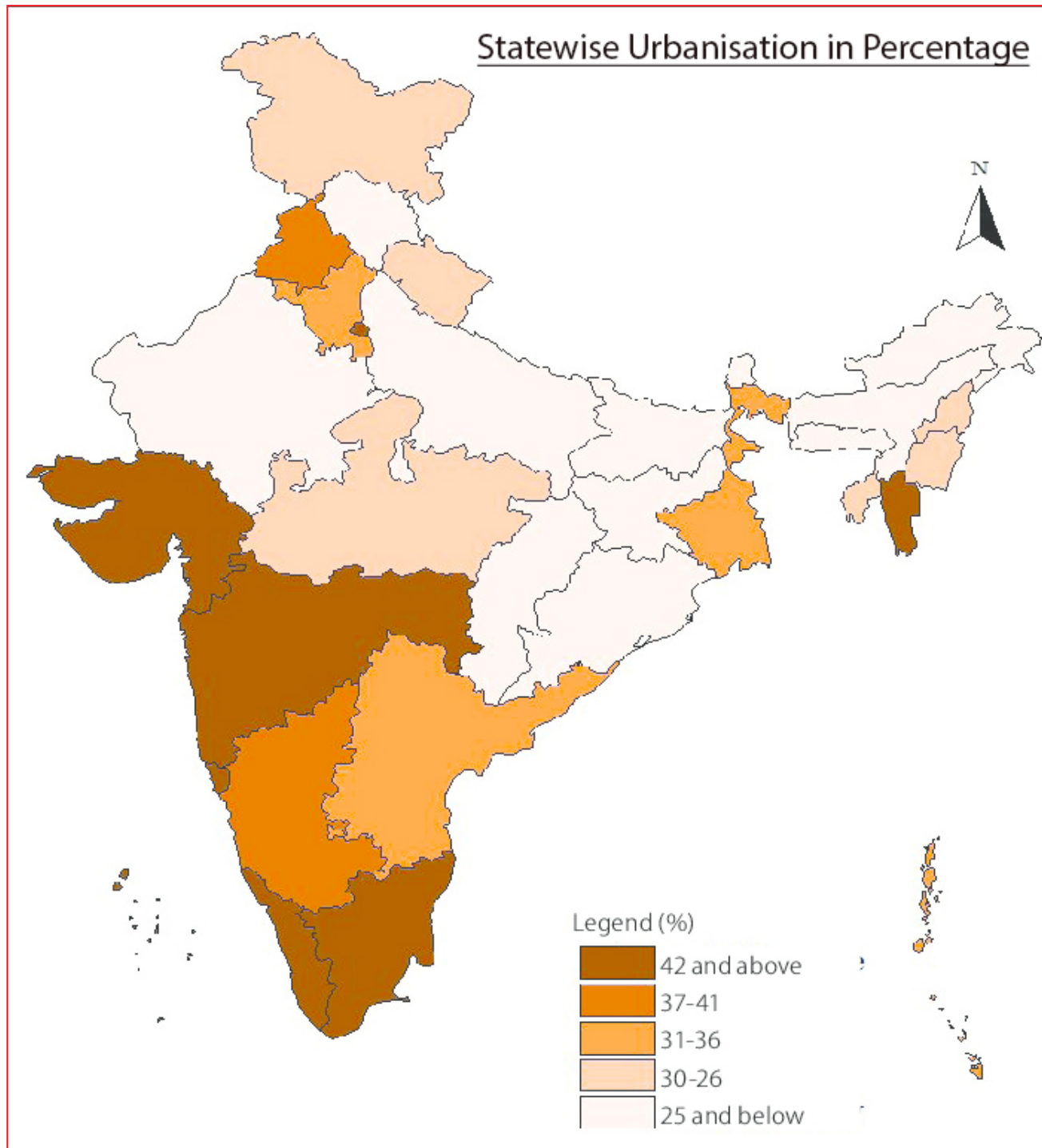
- This era marked a **departure from holistic city approaches to project-oriented developments.**

#### ➤ **Governance Challenges in Cities:**

- **City governance faces challenges, with subjects under the 12th Schedule not yet transferred to cities.** There's a debate about having managers rather than elected officials running city affairs.
- The **Fifteenth Finance Commission's** centralization in financial architecture ties grants to property tax collection performance, adding complexity to urban governance.

#### ➤ **Necessity for Holistic Understanding:**

- The urban commission **must move beyond piecemeal approaches and delve into a holistic understanding of urbanization, encompassing migration, settlement patterns, and the role of information technology.**
- Approaches like **SMART CITIES** have fallen short of addressing objective realities, **emphasizing the need for a more comprehensive strategy.**



#### ***What are the Challenges Related to India's Urbanisation?***

##### ➤ **Private Transport and Urban Challenges:**

- The preference for private transport based on social status has led to **road overcrowding**, **increased pollution**, and extended travel times in cities.
- This **dependency on cars is a significant contributor to climate change** due to the prevalent use of combustible fuel, emphasizing

the urgent need for sustainable transportation solutions.

##### ➤ **Growth of Slums and Urban Migration:**

- The high cost of living in urban areas, **coupled with the influx of rural migrants, has led to the growth of slums** as makeshift shelters.
- The **World Bank reports that 35.2% of India's total urban population resides in slums**, with Dharavi in Mumbai being recognized as the largest slum in Asia.



➤ **Environmental Impact of Urbanization:**

- Urbanization is a major cause of **environmental degradation**, with increased population density affecting air and water quality.
- **Deforestation and land degradation** for construction, improper waste disposal, and inefficient sewage facilities contribute to pollution, impacting the overall environmental health of cities.

➤ **Urban Heat Island Effect:**

- Urban areas, **characterized by dense structures, pavements, and limited green spaces**, experience the **Urban Heat Island effect**.
- This phenomenon **raises energy costs, worsens air pollution, and contributes to heat-related illnesses and mortality**.
- New developments encroaching on natural water bodies further disrupt the urban ecosystem.

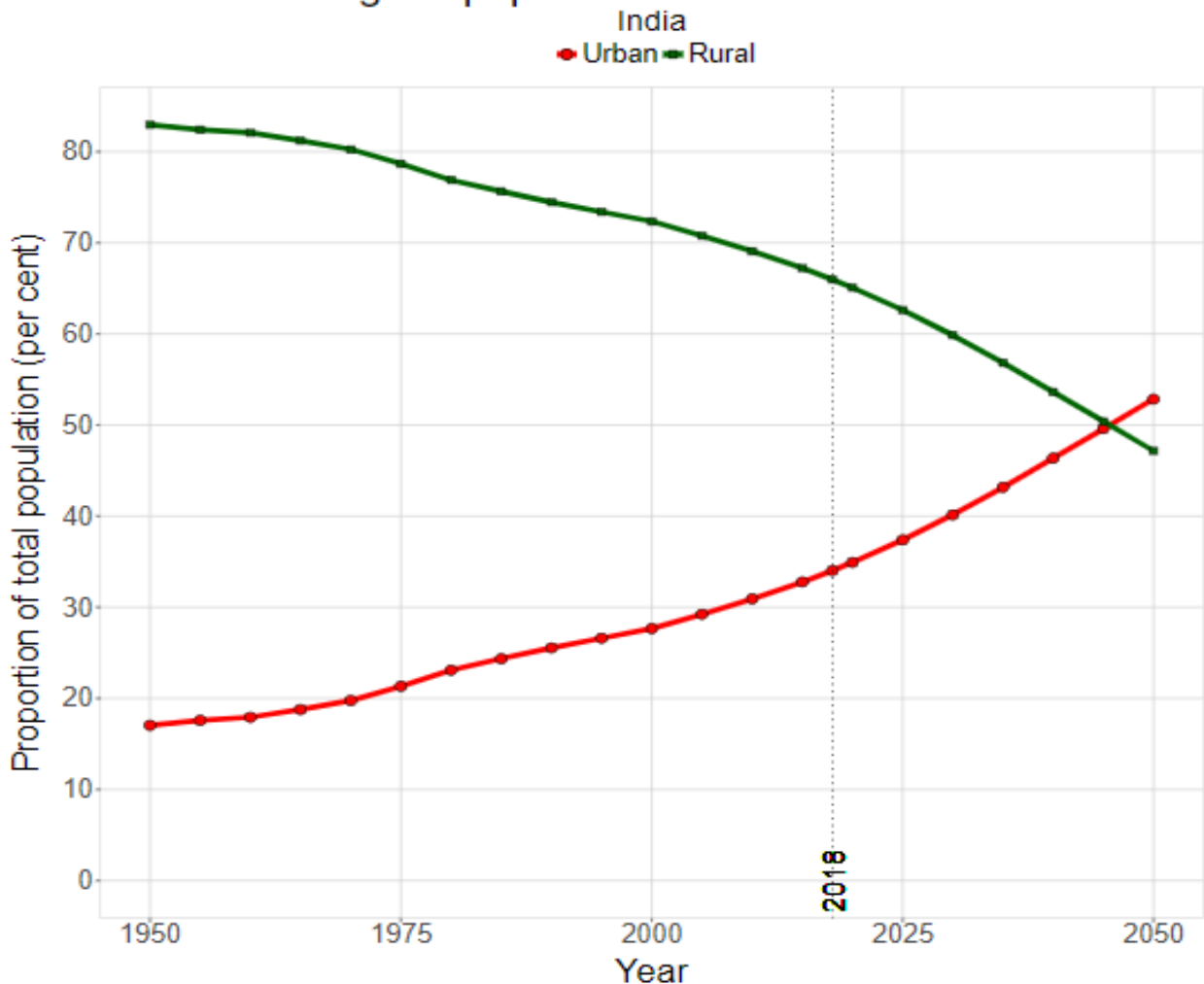
➤ **Flooding and Infrastructure Challenges:**

- Rapid urbanization, coupled with limited land availability, results in developments **encroaching on lakes, wetlands, and rivers**.
- This **disrupts natural drainage systems, leading to urban flooding**.
- Inadequate solid waste management **exacerbates flooding issues, emphasizing the need for comprehensive urban planning** and infrastructure development.

➤ **Challenges Faced by Urban Local Bodies (ULBs):**

- Despite the broad functions outlined for **Urban Local Bodies (ULBs)** by the **Constitution**, the lack of a time-bound audit and an imbalance in powers, **responsibilities, and funds from the Centre and State** hinder their effective functioning.
- This **underscores the necessity for reforms to empower ULBs** and enhance their capacity to address urban challenges.

Percentage of population in urban and rural areas





### What are the Related Initiatives?

- **Atal Mission for Urban Rejuvenation and Urban Transformation (AMRUT)**
- **Pradhan Mantri Awas Yojana-Urban (PMAY-U)**
- **Climate Smart Cities Assessment Framework 2.0**
- **TULIP-The Urban Learning Internship Program**
- **Atmanirbhar Bharat Abhiyan (Self-Reliant India)**

### What are the Steps Required for Urban Reforms in India?

Along the lines of Kerala Urban Commission, a **new India Urban Commission** need to be set up that will promote the implementation of following suggestions for a sustainable urban landscape:

- **Green Infrastructure and Innovative City Management:**
  - Efficient solutions for urban issues demand a shift towards **green infrastructure**, mixed-use of public spaces, and the **adoption of alternative energy sources** like solar and wind.
  - Innovative ideas for **affordable and effective city management**, including **public-private partnerships**, are crucial for shaping healthier and more efficient urban spaces.
- **Social Welfare in Urban Planning:**
  - Organized urban planning plays a pivotal role in improving the welfare of people. Transforming urban areas and neighborhoods into healthier, more efficient spaces requires a comprehensive approach that integrates social considerations.
  - Schemes like the **Indira Gandhi Urban Employment Guarantee Scheme** in Rajasthan aim to provide

basic living standards to the urban poor, addressing crucial social aspects of city development.

- **Revamping Public Transport for Green Mobility:**
  - To achieve **green mobility in India's urban landscape**, a fundamental rethinking and rebuilding of public transport are essential.
  - This includes **introducing e-buses**, **creating dedicated bus corridors**, and implementing bus rapid transit systems.
  - These measures contribute to sustainable urban development with a focus on ecological and social considerations.
- **Citizen Participation in Sustainable Development:**
  - The prevailing economic view of city development needs to give way to a sustainable perspective, incorporating ecological and social considerations.
  - To democratize **sustainable development** at the local level, **citizens should actively participate in governance through initiatives like participative budgeting**.
  - Locally appropriate tools and addressing urgent issues become central to this citizen-driven approach.
- **Mandatory Sustainability Impact Assessments (SIA):**
  - Ensuring the integration of sustainability at the local level requires mandatory **Sustainability Impact Assessments (SIA)** related to any developmental activity.
  - This strategic evaluation tool **ensures that ecological and social considerations** are systematically incorporated into urban development decisions, fostering a holistic and sustainable approach.

## Sustainable urbanization means better:



Housing



Productivity



Opportunity



Education



Health care

World Urbanization Prospects: The 2018 Revision

• #UNPopulation

### Conclusion:

The trajectory of urbanization in India necessitates **comprehensive urban reforms**. Striking a **balance between rapid development and sustainable practices** is imperative. Urban reforms should prioritize **social welfare, green infrastructure, citizen participation, and innovative governance** to create cities that are not only hubs of economic growth but also exemplars of inclusivity and environmental responsibility. The **ongoing transformation presents an opportunity** for India to shape its urban landscape judiciously, fostering resilient and equitable cities for the future.



## Structured Negotiation in Resolving Disability Rights Issues

This editorial is based on ***"Structured negotiation as a boost for disability rights"*** which was published in *The Hindu* on 08/01/2024. The article discusses the importance of structured negotiation for disabled populations and also explores different issues plaguing the Persons-with-Disabilities (PwDs).

**Tag:** GS Paper - 2, Issues Related to Disability, Government Policies & Interventions, Welfare Schemes

**Disability** arises when individuals with impairments encounter obstacles, **both attitudinal and environmental**, preventing their complete and equitable engagement in society. The perspective on disabilities has **evolved from an individual-centred medical model to a broader social or human rights model**, emphasising the impact of societal factors on the inclusion and participation of individuals with disabilities. In the light of these aspects, **structured negotiation emerges as a potent tool in facilitating resolving disability rights issues**.

### What is Structured Negotiation?

#### ➤ About:

- **Collaborative Approach:** Structured negotiation is a collaborative and solution-driven dispute resolution method, increasingly replacing litigation.
- **Social Welfare Legislation Focus:** Involves inviting defaulting service providers to negotiate, emphasising compliance with social welfare legislations.

#### ➤ Successes of Structured Negotiation in the US:

- **Effective in Disability Rights Cases:** Structured negotiation has been notably successful in settling disability rights cases in the United States.
- **Addressing Accessibility Issues:** Successes include resolving problems with automated teller machines, point of sale devices, pedestrian signals, and service provider websites.

#### ➤ Win-Win Situation of Structured Negotiation:

- **Cost and Publicity Concerns:** Defaulting service providers seek to avoid high litigation costs and negative publicity.
- **Barrier-Free Marketplace:** Complainants aim for barrier-free marketplace participation, achievable through structured negotiation.

#### ➤ Role of Legal Precedents in Structured Negotiation:

- **Creation of Disabled-Friendly Precedents:** Success depends on strong disabled-friendly legal precedents, creating a foundation for structured negotiation.
- **Blueprint for Accessibility:** Courts create a blueprint for accessibility, allowing businesses to ensure compliance without litigation.

### What are the Challenges Faced by Disabled Population in India?

#### ➤ Limited Awareness of Government Schemes in Rural Areas:

- The primary challenge is the **lack of awareness regarding government schemes** and benefits for people with disabilities.
  - This issue is **more acute in rural areas** where disseminating information is particularly challenging.

#### ➤ Limited Access to Education and Employment in Rural Areas:

- Persons with disabilities in rural areas face constrained access to education and employment opportunities.
  - The **absence of inclusive educational institutions** and vocational training centres hinders their skill acquisition and workforce participation.

#### ➤ Inadequate Infrastructure for PwDs:

- Public spaces, including schools, hospitals, transport systems, and government offices, often lack accommodations for people with disabilities.
  - This deficiency **restricts their mobility, education, healthcare, and engagement** in social and civic activities.



- **Exclusion of Children with Disabilities from Critical Initiatives:**
  - **UNICEF** highlights that **children with disabilities are frequently excluded from public spaces**, causing them to miss vital initiatives aimed at improving their health and well-being.
- **Inadvertent Exclusion from Developmental Schemes:**
  - Some developmental schemes unintentionally exclude persons with disabilities, exemplified by vaccination campaigns lacking accessibility features like **ramps, sign language interpreters, or braille materials**.
- **Challenges in Implementing Disability Rights Laws in India**
  - While India has ratified the **UN Convention on the Rights of Persons with Disabilities (CRPD)** and enacted the **Rights of Persons with Disabilities**

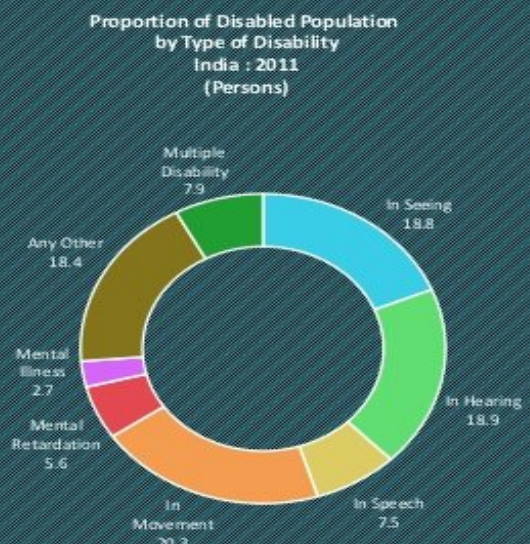
**Act (RPwDs)**, gaps and challenges persist in the implementation and enforcement of these laws.

- Many individuals with disabilities remain unaware of their entitlements and available remedies.
- **Insufficient Political Participation:**
  - **The exclusion of disabled people from the political space** happens at all levels of the political process in the country, and in different ways such as:
    - **Lack of live aggregate data** on the exact number of the disabled people in the constituencies.
    - **Inaccessibility of the voting process** (no widespread adaptation of braille **Electronic Voting Machines**).
    - **Barriers to participation in Party Politics**.

### Disabled Population by Type of Disability (%) India : 2011

Proportion of Disabled Population by Type of Disability India : 2011 (%)			
Type of Disability	Persons	Males	Females
<b>Total</b>	100.0	100.0	100.0
In Seeing	18.8	17.6	20.2
In Hearing	18.9	17.9	20.2
In Speech	7.5	7.5	7.4
In Movement	20.3	22.5	17.5
Mental Retardation	5.6	5.8	5.4
Mental Illness	2.7	2.8	2.6
Any Other	18.4	18.2	18.6
Multiple Disability	7.9	7.8	8.1

Source: C-Series, Table C-20, Census of India 2011



### How Structured Negotiations Can Help Promote Disability Rights?

- **Address Challenges in India's Legal System:**
  - **Red Tape in Indian Civil Courts:** Pendency, paperwork, and red tape in Indian civil courts discourage traditional dispute resolution.
  - **Rights of Persons with Disabilities Act, 2016:** Legislation allows reporting non-compliance to

the Chief Commissioner, but impact on accessibility is uncertain, **where structured negotiations can prove effective**.

- **Supplementing CCPD's Efforts in India:**
  - **PayTM Case Example:** Chief Commissioner for Persons with Disabilities ('CCPD') directed PayTM to make its application accessible, but the compliance resulted in increased inaccessibility.

- **Constant Vigilance Needed:** Real-time accessibility requires constant vigilance and user inputs to validate solutions. **Structured negotiations will do away with these requirements.**
- **Potential of Structured Negotiation in India:**
  - **Avoiding Non-Compliance Label:** Structured negotiation can help service providers like PayTM avoid non-compliance embarrassment.
  - **Direct Involvement of Persons with Disabilities:** Enables persons with disabilities to directly address service providers and monitor implementation of fixes.
- **Prioritising Disability Inclusion for Businesses in India:**
  - **Importance of Priority:** Success of **alternative dispute resolution** relies on service providers prioritising the concerns of persons with disabilities.
  - **Enormous Buying Capacity:** Businesses must prioritise disabled users to tap into their significant buying capacity, emphasising the need for structured negotiation.
- **Promote Constitutional Mandates:**
  - **Article 41** of the **Directive Principles of State Policy (DPSP)** states that the State shall make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, within the limits of its economic capacity and development.
  - The subject of 'relief of the disabled and unemployable' is specified in the **state list** of the **Seventh Schedule** of the constitution.
    - Structured negotiations will help supplement the efforts of governments to achieve these obligations.

### **What are the Government Initiatives for Empowerment of Disabled?**

- **India:**
  - **Unique Disability Identification Portal**
  - **Accessible India Campaign**
  - **DeenDayal Disabled Rehabilitation Scheme**
  - **Assistance to Disabled Persons for Purchase/fitting of Aids and Appliances**
  - **National Fellowship for Students with Disabilities**
- **Global:**
  - **Incheon Strategy to "Make the Right Real" for Persons with Disabilities in Asia and the Pacific:**

- It is an initiative aimed at advancing the rights and well-being of persons with disabilities in the Asia-Pacific region.
- The strategy is named after Incheon, South Korea, where it was adopted during the High-level Intergovernmental Meeting on the **Final Review of the Implementation of the Asian and Pacific Decade of Disabled Persons, 2003-2012.**
- **United Nations Convention on Rights of Persons with Disability.**
- **International Day of Persons with Disabilities**
- **UN Principles for People with Disabilities**

### **Conclusion:**

The efficacy of structured negotiation as an alternative dispute resolution method, particularly in addressing disability rights cases, cannot be overstated. Its success in fostering accessible environments for individuals with disabilities, as demonstrated by notable cases involving major corporations, emphasises the practical advantages it offers over traditional litigation. **In the words of Helen Keller**, optimism is the key to achievement, and deploying structured negotiation on a larger scale in India is a timely and imperative step toward a more inclusive and accessible future.

■■■

## **EU's Carbon Border Tax Impact**

This editorial is based on "**Understanding the EU's carbon border tax**" which was published in *The Hindu* on 09/01/2024. It talks about the Carbon Border Adjustment Mechanism (CBAM) and its implications for India.

**Tag:** GS Paper - 3, Conservation, Government Policies & Interventions, Bilateral Groupings & Agreements, GS Paper - 2

The **European Union's (EU)** intention to implement a **Carbon Border Adjustment Mechanism (CBAM) tax** starting January 1, 2026, has raised concerns about increased costs for India's exports, as noted by experts closely monitoring the situation. Since October 2023, Indian exporters have been required to submit documentation on their processes approximately every two months.

The EU intends to implement verifiers to examine submissions from Indian exporters. Initially, this scrutiny will target specific sectors, but there are anticipations that the verification process will eventually encompass all imports into the EU.



### What is the EU's CBAM?

#### ➤ About:

- The CBAM is a key element of the EU's "Fit for 55 in 2030 package", designed to slash **greenhouse gas emissions** by 55% by 2030 compared to 1990 levels.
- This policy is set to impose a fair price on carbon emissions associated with the production of specific goods imported into the EU.

#### ➤ CBAM's Environmental Objectives:

- The CBAM seeks to **drive cleaner industrial production outside the EU**, discouraging carbon leakage where carbon-intensive activities relocate to regions with lax environmental standards.
- By extending the carbon pricing to imports, **the EU aims to promote global adherence to stringent climate policies** and mitigate the environmental impact of production processes beyond its borders.

#### ➤ CBAM and European Green Deal:

- The CBAM is a component of the **European Green Deal**, designed to prevent carbon leakage and maintain competitiveness by imposing import duties on carbon-intensive industries from non-EU countries.

#### ➤ Coverage and Target Sectors:

- The CBAM will specifically **target imports of cement, iron and steel, aluminium, fertilisers, electricity, and hydrogen**.
- These goods will face carbon pricing measures **if their countries of origin have less rigorous climate policies** than the EU.
- Importers will be **required to purchase carbon certificates** corresponding to the embedded carbon emissions in their products.

#### ➤ Market Mechanism and Carbon Certificates:

- The pricing of carbon certificates under the CBAM will align with the rates in the **EU Emissions Trading System (ETS)**.
- This market-based system regulates industrial emissions within the EU.
- Importers will need to **acquire these certificates at prices reflecting the carbon cost**, incentivizing cleaner production practices globally.

### What are the Challenges in Implementation of CBAM?

#### ➤ Opposition from BASIC Countries to EU's Proposal:

- The **BASIC countries**, comprising Brazil, South Africa, India, and China, jointly opposed the EU's proposal, denouncing it as "discriminatory" and

contrary to the principles of equity and '**Common but Differentiated Responsibilities and Respective Capabilities**' (CBDR-RC).

#### ➤ Lack of Global Consensus:

- The EU's pursuit of a uniform global environmental standard faces criticism in light of the global consensus outlined in **Article 12 of the Rio Declaration**.
- This article asserts that **standards applicable to developed countries should not be imposed on developing nations**.

#### ➤ Issues in Greenhouse Gas Inventories:

- Additionally, **the policy's requirement to adjust the greenhouse content of imports in the inventories of importing countries challenges the conventional approach** to greenhouse gas accounting.

#### ➤ Perceived as a Disguised Form of Protectionism:

- The EU's carbon border tax policy raises concerns about potential protectionism.
  - Protectionism involves government policies that restrict international trade to boost domestic industries.
- The tax could be **perceived as a disguised form of protectionism, creating risks of 'green protectionism'**, where local industries are unduly shielded from foreign competition under the guise of environmental considerations.

### What are the Implications for India Due to CBAM?

#### ➤ Issues in India-EU Trade Relations:

- India, being among the top eight countries adversely affected by CBAM, faces potential challenges **as it exports 27% of its iron, steel, and aluminium products worth \$8.2 billion to the EU**, and key sectors like steel may be significantly impacted.
- **By elevating the prices of Indian-made goods in the EU**, the tax threatens to diminish their appeal to buyers, potentially leading to a decline in demand.
- This development **could pose significant near-term challenges** for companies with larger greenhouse gas footprints.

#### ➤ CBAM's Impact on Manufacturing:

- India's Commerce and Industry Ministry has criticised the CBAM as "ill-conceived," foreseeing detrimental effects **on India's manufacturing sector, potentially acting as the "death knell."**



➤ **India's Carbon Credit Trading System (CCTS):**

- India has introduced its own carbon trading mechanism, the **Carbon Credit Trading System (CCTS)**, amending the **Energy Conservation Act in 2022**.
- The Ministry of Power is working on the specifics to operationalize the CCTS in India, which is complemented by the **Green Credit Programme Rules**, encouraging environmentally proactive actions beyond carbon reduction.
  - The CCTS aims to **incentivize emission reductions and boost clean energy investments**.

➤ **India's Limited Options to Navigate CBAM:**

- India's strategies to deal with CBAM are limited, which includes challenging it as violative of the

**Paris Agreement's common but differentiated responsibilities principle.**

- Otherwise, it can negotiate from the EU to return collected funds to invest in green technologies.

➤ **Obligatory for India to Formulate Carbon Taxation Measures:**

- With the UK enforcing its own CBAM by 2027, **there is a pressing need for India to formulate its own carbon taxation measures** aligning with Paris Agreement principles.

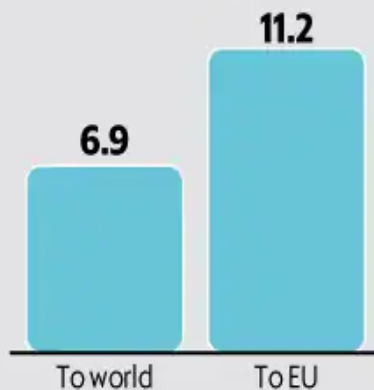
➤ **Against FTA Norms:**

- CBAM is criticised as a non-tariff barrier that **undermines zero duty Free Trade Agreements (FTAs)**. India pays the levy while allowing duty-free entry for supposedly 'green' products from EU member countries, which is seen as contradictory.

## RISING TENSION

The proposed tax has raised concerns among Indian metal producers, who fear it will create a new trade barrier for exports to Europe.

### Share (%) of CBAM products in India's exports



India's total exports of CBAM products to EU:

**\$8.22 bn**

### Impact on sectors covered under CBAM

**mint**

#### ↑ HIGH

	Number of tariff lines affected	EU's share (%) in India's exports of CBAM products
Iron ore, concentrates	16	19.9
Steel products	163	20
Iron and steel	473	31.4
Aluminium and products	85	27.7

#### ↓ LOW

Cement	14	6.1
Fertilizer	24	0.7
Hydrogen	1	0
Electrical energy	1	0

CBAM: Carbon Border Adjustment Mechanism

## What Steps Can be Taken By India To Counter CBAM?

### ➤ Opposition to CBAM:

- India should vehemently **oppose the CBAM in international forums**, asserting that it undermines the crucial principle of 'common but differentiated responsibility.'
  - By imposing restrictions on the developing world's ability to industrialise, **CBAM challenges the equity envisioned in international climate agreements.**

### ➤ Consideration of Export Tax:

- As a strategic response, India contemplates imposing a similar tax on its exports to the EU. While this could subject producers to a comparable tax burden, the funds generated offer a unique opportunity to reinvest in environmentally friendly production processes.
  - This **not only mitigates the impact of current taxes but also positions India favourably for potential future reductions.**
- However, despite the potential benefits of an export tax, **uncertainties loom over its acceptance by the EU** and the feasibility of its implementation without triggering legal questions both domestically and internationally.
  - The success of this countermeasure hinges on navigating these uncertainties and securing international cooperation.

### ➤ Market Diversification Strategy:

- To strategically respond to the challenges posed by CBAM, **India should proactively reduce its dependence on the EU market.**
  - Exploring new opportunities in regions like Asia, Africa, and Latin America is a key step toward market diversification.
- This approach aims to shield India from the vulnerabilities associated with CBAM and other dynamic economic changes, contributing to a more resilient and adaptable economic stance.

### ➤ Seizing the Green Opportunity:

- Amidst the challenges posed by CBAM, India can turn adversity into opportunity by initiating preparations to **make production processes greener and more sustainable.**
- Incentivising cleaner production **not only aligns with global environmental goals but also positions India to remain competitive in a future** where carbon consciousness plays a pivotal role.

- This proactive approach contributes to India's long-term economic and environmental sustainability goals, harmonising with its **2070 Net Zero Targets.**

### Conclusion:

The EU's rationale for CBAM, aimed at reducing greenhouse gas emissions and preventing carbon leakage, has prompted India to explore its own carbon trading mechanism, the CCTS. **With the CBAM's transitional phase ending in December 2025, India must swiftly formulate and implement its carbon taxation measures aligned with the principles of the Paris Agreement to safeguard its industries from potential adverse effects.** Ongoing negotiations with the EU, including the challenge before the **World Trade Organization**, will play a crucial role in determining India's response to this global environmental policy landscape.

■ ■ ■

## Legal Triumphs and Challenges in Remission

This editorial is based on "**Justice for Bilkis Bano, questions on remission**" which was published in *The Hindu* on 10/01/2024. It discusses the remission rules of states and related constitutional provisions in light of the suspension of remission for convicts in the *Bilkis Bano Case*.

**Tag:** S Tag: GS Paper - 2, Parliament, Executive, Indian Constitution, Fundamental Rights, Judicial Review, Judiciary.

The **Supreme Court** recently overturned the **remission** granted to the 11 life convicts in the Bilkis Bano rape case in **Bilkis Yakub Rasool v. Union of India & Ors., 2022**. The State of Gujarat granted the remission on 10<sup>th</sup> August 2023, based on its **1992 remission policy**. Prior to this remission order, a division bench of the Supreme Court had ruled that the State of Gujarat was the appropriate government, according to the **Code of Criminal Procedure, 1973 (CrPC)**, authorized to grant the remission.

### What is the Current Issue in the Bilkis Bano Case?

#### ➤ Introduction to Injustice and Collusion:

- The **Bilkis Bano case** involves an 'injustice of exceptionalism' where 11 gang-rape and murder convicts were granted remission without application of mind.

- The Supreme Court's judgment reveals collusion between a petitioner, an earlier Bench, and the Government of Gujarat, **illegally granting remission**.

➤ **Remission Application Jurisdiction:**

- Despite a clear legal precedent, the Gujarat government, in violation of the law, assumed authority over remission applications, usurping power from the Government of Maharashtra.
- The Supreme Court declared the earlier decision holding Gujarat as the appropriate government illegal, cancelling the remission orders for the 11 convicts.

➤ **Praise for Upholding the Rule of Law:**

- The Supreme Court is lauded for upholding the **rule of law** in the face of exceptional injustice, emphasizing the importance of judicial scrutiny in maintaining equality before the law.
- The **decision's firm tone calls out illegalities and collusion**, providing solace to Bilkis Bano in her fight for justice.

➤ **Resilience of Bilkis Bano:**

- **Bilkis Bano's resilience in the pursuit of justice is acknowledged and celebrated**, especially considering the disturbing celebrations that followed the release of the 11 convicts.
- **The decision is seen as a positive step**, offering solace and support to Bilkis Bano and recognising the efforts of women's rights lawyers.

### **What is Remission?**

➤ **About:**

- **Remission, unlike furlough and parole, involves a reduction in sentence duration** while maintaining the original nature of the sentence.
- The granted remission results in a specified release date, but any violation of conditions leads to the reinstatement of the full original sentence.
- **Balancing Freedom and Accountability:**
  - Exploring the concept of remission, it grants a specific release date. Yet, the offender must adhere to conditions, as any breach leads to the revocation of remission.
  - Breach of conditions results in the cancellation of remission, compelling the offender to serve the entire initially sentenced term.
  - This delicate balance between freedom and accountability shapes the legal dynamics of remission.

➤ **Background:**

○ **Prison Act, 1894:**

- The Remission system, governed by the **Prison Act, 1894**, outlines rules for awarding marks and shortening sentences for prisoners.
- Courts, as seen in the **Kehar Singh vs. Union of India (1989) case**, emphasize the importance of considering remission for prisoners, highlighting the principles of reformation.

○ **Principle of Reformation:**

- Without hope for freedom, it contradicts the constitutional safeguards under **Articles 20 and 21**.
- While no convict has a **fundamental right** to remission, the right to be considered for remission is deemed legal, in line with constitutional safeguards.

○ **Executive Power and Constitutional Safeguards in Remission:**

- The State's executive power in remission, as emphasized in the **State of Haryana vs. Mahender Singh (2007)**, must consider individual cases and relevant factors.
  - The Mahender Singh case underscores the balance between remission and constitutional rights.
- Courts stress the need for individual case consideration, acknowledging the absence of a fundamental right to remission but recognizing the legal right to be considered.

➤ **Constitutional Provisions:**

- Both the **President** and the **Governor** have been vested with sovereign power of **pardon** by the Constitution.
  - Under **Article 72**, the President **can grant pardons, reprieves, respites or remissions of punishment or suspend**, remit or commute the sentence of any person.
  - This can be done for any person convicted of any offence **in all cases where:**
    - The punishment or sentence is by a court-martial, in all cases where the punishment or
    - The sentence is for an offence under any law relating to the Union government's executive power, and in all cases of death sentences.
  - Under **Article 161**, a Governor can grant pardons, reprieves, respites or remissions of punishment, or suspend, remit or commute the sentence.
    - This can be done for anyone convicted **under any law on a matter which comes under the State's executive power**.

- The Supreme Court has held that the **Governor of a State can pardon prisoners, including death row ones, even before they have served a minimum 14 years of prison sentence.**

- The scope of the pardoning power of the **President under Article 72 is wider than the pardoning power of the Governor under Article 161.**

➤ **Statutory Power of Remission:**

- The **Code of Criminal Procedure (CrPC)** provides for remission of prison sentences, which means the whole or a part of the sentence may be canceled.
- **Under Section 432**, the 'appropriate government' may suspend or remit a sentence, in whole or in part, with or without conditions.
- **Under Section 433**, any sentence may be commuted to a lesser one by the appropriate government.
- **This power is available to State governments** so that they may order the release of prisoners before they complete their prison terms.

**What are the Landmark Cases of Remission Cited by the Supreme Court?**

➤ **Maru Ram v. Union of India (1980):**

- In this case, SC said that it is true that there appears to be a modern trend of giving punishment a colour of reformation so that stress may be laid on the reformation of the criminal rather than his confinement in jail which is an ideal objective.

➤ **Laxman Naskar v. State of West Bengal (2000):**

- In this case, SC stipulated the **factors that govern the grant of remission namely:**
  - Whether the offence is an individual act of crime without affecting the society at large?
  - Whether there is any chance of future recurrence of committing crime?
  - Whether the convict has lost his potentiality in committing crime?
  - Whether there is any fruitful purpose of confining this convict any more?
  - Socio-economic condition of the convict's family.

➤ **Epuru Sudhakar v. State of Andhra Pradesh (2006):**

- SC held that judicial review of the order of remission is **available on the following grounds:**
  - non-application of mind;
  - order is mala fide;

- order has been passed on extraneous or wholly irrelevant considerations;
- relevant materials kept out of consideration;
- order suffers from arbitrariness.

➤ **Union of India vs V. Sriharan (2015):**

○ **Following observations were made:**

- Appropriate government to decide a remission application is the State where the convicts are sentenced.
- The Court notes that the **Gujarat government "usurped" power from the Government of Maharashtra while granting remission to the convicts.**

**What are the Issues in Granting Remission?**

➤ **Eligibility for Remission and Application Process:**

- Life convicts must serve a minimum of 14 years before being eligible to apply for remission. **This one-size-fits-all approach creates hurdles in reformatory processes.**
- Each application is individually considered by a committee based on factors such as the nature of the crime, chances of recurrence, and socio-economic conditions.
  - The composition of the **committee with wide representation is lacking mention anywhere.**

➤ **Lack of Transparency in Remission Process:**

- The lack of transparency in how remission committees are formed and the **absence of reasons guiding decisions raise concerns about the exercise of arbitrary power.**
- The case of the 11 convicts in Bilkis Bano's case **highlights unchecked discretion**, with identical orders from the Gujarat government.

➤ **Judicial Review of Remission Orders:**

- The Supreme Court's stance in **Epuru Sudhakar vs State of Andhra Pradesh (2006)** is cited, indicating that judicial review of remission orders is limited to cases of non-application of mind.
  - The concern of **non-application of mind is evident in the Bilkis Bano case due to identical orders for each convict.**

➤ **Challenges in Remission Policies:**

- Certain states in India have remission policies **that either deny opportunities to specific offender categories or have extended periods of incarceration** before remission consideration.
- Questions arise about whether certain offenders **should be ineligible for remission**, leading to a debate on punishment frameworks – retributive versus conditions-based.



➤ **Future Challenges for the Court:**

- The Supreme Court may face challenges in addressing normative questions regarding remission policies, especially considering variations among states.
- The need to confront issues such as the eligibility of certain offenders for remission and ensuring fair compliance with conditions is highlighted, indicating future dilemmas for the Court.

**Conclusion:**

The Supreme Court's decision in the Bilkis Bano case stands as a commendable assertion of the rule of law and a repudiation of collusion and illegalities by the administration. However, the case also brings to light unresolved issues regarding remission, exposing the unchecked discretion in the decision-making process.

The lack of transparency and reasons guiding remission decisions highlights the potential for arbitrary power. As society confronts these challenges, the Court may be compelled to address normative questions regarding remission policies and their alignment with principles of justice, rehabilitation, and fairness.

■■■

## India-Maldives Ties: Tale of A Diplomatic Tussle

*This editorial is based on “India-Maldives row: Dangers of hypernationalism on both sides” which was published in The Indian Express on 09/01/2024. The article talks about the recent controversy surrounding the diplomatic relations between India and Maldives following the visit of the Indian Prime Minister to Lakshadweep.*

**Tag:** GS Paper - 2, Bilateral Groupings & Agreements, Groupings & Agreements Involving India and/or Affecting India's Interests, Effect of Policies and Politics of Countries on India's Interest, International Treaties & Agreements.

The visit of Indian Prime Minister Narendra Modi to **Lakshadweep** ignited controversy, further straining the already tense relations between India and the Maldives. The controversy began when three deputy ministers in the Ministry of Youth Affairs from Maldives engaged in negative comments about India and the Prime Minister following his recent visit to Lakshadweep.

The comments made by the ministers have sparked criticism in India, with numerous celebrities encouraging people to consider exploring domestic tourist destinations rather than travelling to the Maldives. The incident underscores the dangers of hypernationalism in the region and the need for two South Asian neighbours with much at stake in wide-ranging cooperation.

## Why the India-Maldives Relationship is Significant?

➤ **Strategic Significance:**

- **Focal Point of India's Neighbourhood First Policy:** Maldives' proximity to the west coast of India and its situation at the hub of commercial sea lanes running through the Indian Ocean imbues it with significant strategic importance to India.
  - It is a focal point for the Indian government's priorities under the 'Neighbourhood First Policy.'
- **India as a First Responder to the Maldives:**
  - India's swift response and immediate assistance during the **1988 coup attempt** laid the foundation for the development of trust and enduring, friendly bilateral relations with the Maldives. The Indian Armed Forces acted promptly, executing **Operation Cactus**.
  - India was the first to assist Maldives during the **2004 Tsunami** as well as the **water crisis in Malé in Dec 2014**.
  - India's swift dispatch of 30,000 doses of measles vaccine in Jan 2020 to prevent an outbreak in the Maldives, and India's rapid and comprehensive assistance to the Maldives during the **Covid-19** pandemic further reinforced India's credentials of being the “first responder”.
- **India as a Net Security Provider:** The importance of India's strategic role in Maldives is well-recognized, with India being seen as a **Net Security Provider**.
  - A comprehensive **Action Plan for Defence** was signed in April 2016 to consolidate the defence partnership.
  - Both nations are key players in maintaining the safety and security of the **Indian Ocean Region (IOR)**, thus contributing to India-led **Security And Growth for All in the Region (SAGAR)** vision.
  - Defense cooperation extends to the areas of Joint Exercises - “**Ekuverin**”, “**Dosti**”, “**Ekatha**” and “**Operation Shield**”.
- **Economic and Trade Engagements:**
  - **Tourism Economy:**
    - India is amongst the largest sources of visitors to the Maldives, which is heavily dependent on tourism to run its economy.
    - In 2023, India topped the chart in sending the largest number of tourists to the Maldives (2,09,198), with around 11.8 % market share.



## INDIANS TRAVELLING TO THE MALDIVES

	Tourist	Share*
2023	2,06,026	11.18%
2022	2,41,382	14.41%
2021	2,91,787	22.07%
2020	62,960	11.33%
2019	1,66,030	9.75%
2018	90,474	6.10%

Source: Ministry of Tourism,  
Republic of Maldives  
\* share of total arrivals

### ○ Trade Agreements:

- India emerged as **Maldives' 2<sup>nd</sup> largest trade partner in 2022**. The bilateral trade had crossed the USD 300 million mark for the first time in 2021.
- A **Bilateral USD Currency Swap Agreement between RBI and Maldives Monetary Authority** was signed on 22nd July 2019.
- Indian imports from the Maldives primarily comprise scrap metals while Indian exports to the Maldives include a variety of engineering and industrial products like drugs and pharmaceuticals, cement and agriculture produce.

### ➤ Development and Capacity Building:

#### ○ Infrastructure Projects:

- In August 2021, Afcons, an Indian company, signed a contract for the largest-ever infrastructure project in Maldives which is the **Greater Male Connectivity Project (GMCP)**.
- The **Hanimaadhoo International Airport Development project** under an Indian credit line will add a brand-new terminal to cater to 1.3 million passengers a year.
- In 2022, the **National College for Policing and Law Enforcement (NCPL)** was inaugurated by India's External Affairs Minister.

#### ○ Healthcare Sector:

- In the healthcare sector, India has provided Rs 52 crore for the development of **Indira Gandhi Memorial Hospital** besides helping set up a

state-of-art cancer facility that will connect over 150 health centres on various islands.

#### ○ Educational Programmes:

- In education, India helped set up an institute of technical education in 1996. India has also started a programme to provide **training to Maldivian teachers and youth and for vocational training** in a USD 5.3 million project.
- India provides the largest number of training opportunities for the **Maldivian National Defence Force (MNDF)**, meeting around 70% of their defence training requirements.

### ➤ Cultural Connectivity:

- India and Maldives share ethnic, linguistic, cultural, and religious links steeped in antiquity. According to anthropologists, **the origins of Dhivehi (the Maldivian language) harken back to Sanskrit and Pali**.
- The Indian expatriate community in the Maldives has an approximate strength of 27,000. The majority of the expatriate teachers in Maldives are Indian nationals.

### What are the Key Issues in the India- Maldives Relationship?

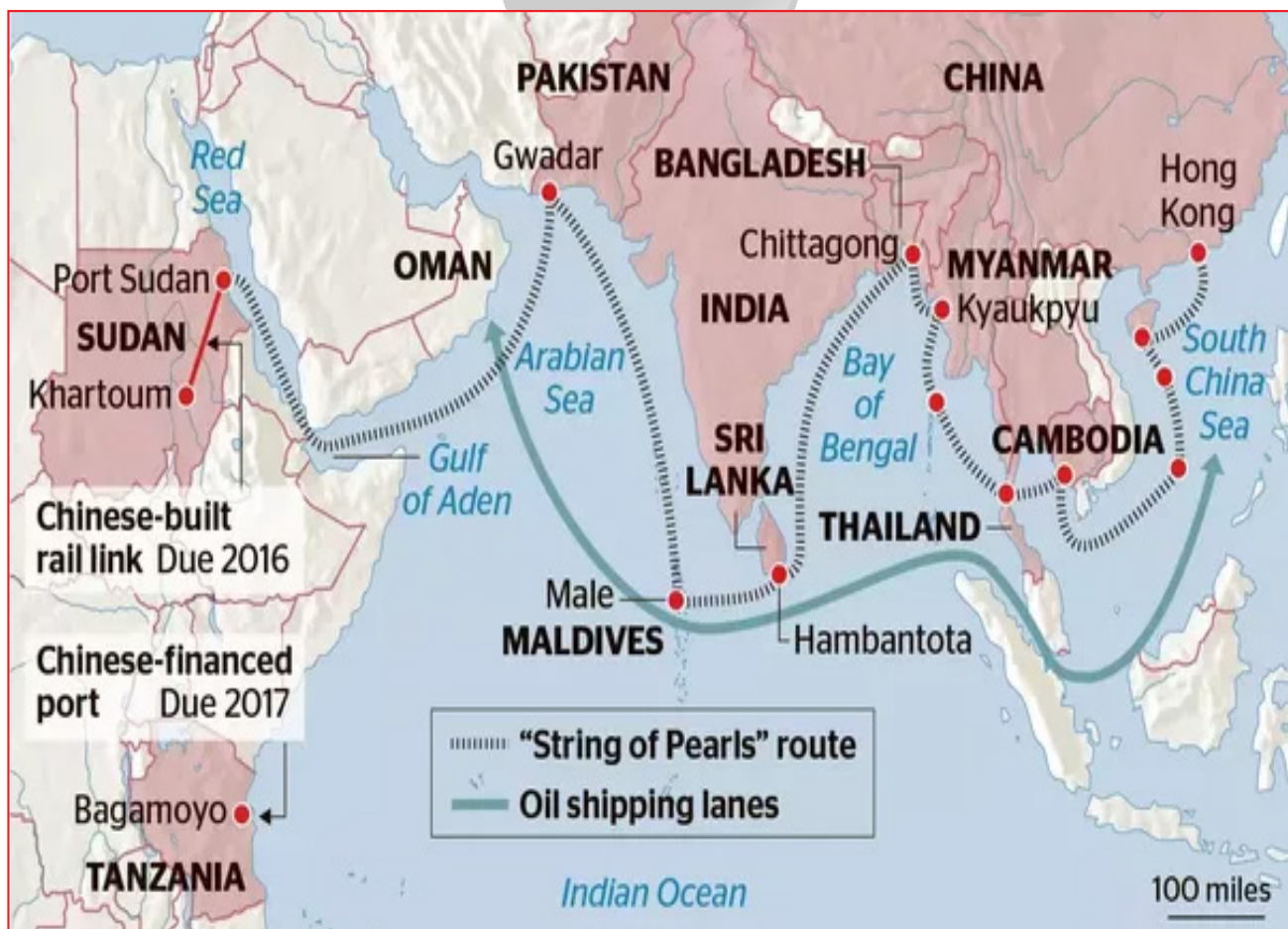
#### ➤ The Ongoing Lakshadweep Issue:

- The controversy ensued when three deputy ministers from the Maldives made derogatory comments about India and the Prime Minister following his recent visit to Lakshadweep.
- They criticized the Indian Prime Minister's visit, alleging that it was intended to pose a challenge to Maldivian tourism, which is well-known for its renowned beachside amenities.
- The Indian government raised the issue with Maldives, after which the Maldives government suspended the ministers.
- This controversy has led many Indians to cancel their holiday bookings in Maldives. The incident underscores the dangers of hypernationalism in the region.
- Maldives tourism industry would be "concerned" about the potential impact of this controversy.

#### ➤ The India Out Campaign In Maldives:

- The **'India Out' initiative** seeks to amplify animosity by instilling scepticism regarding India's investments in the Maldives, the defence partnerships between the two nations, and India's security provisions in the region.

- The recently elected Maldivian government opposes the former administration's 'India First' policy to the extent that the withdrawal of Indian troops was included in Muizzu's election manifesto.
- **Sovereignty and Security Dilemma:**
  - The democratic system in the Maldives is still in its early stages, grappling with regional socio-political instability influenced by major global players.
  - The opposition in Maldives strongly feels that the Indian military presence in the Maldives is a threat to the country's national security and sovereignty.
  - Conversely, the government has consistently emphasized that the India Out campaign poses a threat to the national security of the country. It is seen as a factor that could antagonize the partner country providing regional security benefits to the island nation.
    - The **Trilateral Maritime Security Cooperation** meeting between India, the Maldives and Sri Lanka was established in 2011.
- **Revocation of Hydrographic Survey Agreement:**
  - It is worth noting that hydrographic data inherently has a dual nature in that the information collected from the seas can be used for civilian and military purposes.
- Maldives has apprehensions about India's hydrographic activity being a form of intelligence collection.
- Maldives' recent decision to revoke the agreement with India for joint hydrographic surveys in its waters, causing concern in Indian strategic circles.
- **The China Factor in the Indian Ocean Region:**
  - The Maldives has emerged as an important 'pearl' in China's "String of Pearls" construct in South Asia.
  - Maldives has massive Chinese investment and became a participant in China's **Belt and Road Initiative (BRI)**.
  - The India-Maldives relationship suffered a setback when Maldives entered into a **Free-Trade Agreement (FTA)** with China in 2017.
  - There are speculation about a Chinese plan to develop a naval base in the Maldives, with past proposals indicating concerns about potential military applications.
  - China's oceanographic surveys in the waters of amicable South Asian nations pose potential conflict points due to the presence of Indian hydrographic ships in the region.



### What Should be the Way Forward?

#### ➤ Discover and Develop Tourism Destinations in India:

- **Discover the Undisclosed Sites:** India's coastline is adorned with a mix of well-known and undiscovered beach destinations. It is opportune to explore and cultivate the potential of undisclosed and hidden treasures along India's coast.
  - Possible destinations may include places like Goa, Kerala, Lakshadweep and the Andaman and Nicobar Islands.
- **Develop Tourism Facilities:** Invest in basic infrastructure such as transportation, roads, and utilities. Develop reliable connectivity to the undisclosed areas to make them easily accessible for tourists.
  - The coverage and operations of routes that fall under the **Regional Connectivity Scheme – Ude Desh Ka Aam Naagrik (RCS-UDAN)** should be enhanced.

#### ➤ Step into the Footsteps of the Gujral Doctrine:

- **High-level Diplomatic Engagement:** Prioritise regular and constructive diplomatic dialogues to address concerns, build trust, and foster open communication.
- **Strengthening Regional Alliances:** Building on the positive aspects of the **Gujral Doctrine**, India should continue strengthening regional alliances and cooperation for mutual benefit.
- **Political Engagement with Local People:** At present, the 'India Out' campaign has support from a limited population but this cannot be taken for granted by the Indian government.
  - The strength of bilateral relations hinges on the ability of a partner government to garner public support for its policies.
- **Unwavering Support for Capacity Building Programmes:** As a development partner, India should provide unwavering support to the Maldives in realizing their aspirations for broad-based socio-economic development and strengthening of democratic and independent institutions in the region.

#### ➤ Apply Prudence in International Affairs:

- **Avoid Needless Provocations:** The controversy warns smaller nations like Maldives to exercise prudence in dealing with neighbours, as unnecessary provocations can have detrimental consequences.
  - Needless provocations can trigger consequences that could, in the end, hurt the smaller neighbour a lot more.

#### ○ Responsive Role of Social Media Warriors:

- It is crucial to acknowledge the significant role played by social media warriors in promoting national interest but engaging in bullying behaviour towards neighbouring countries, particularly Maldives, is counterproductive.
  - Such actions have the potential to lose India's diplomatic advantages in favour of China.

#### ➤ Craft a Comprehensive Indian Ocean Strategy to Counter China:

- **Maximise Maritime Security:** India should participate in efforts to ensure the safety and freedom of navigation in critical sea lanes, contributing to the overall security architecture in the Indian Ocean.
- **Maximize Resources:** India should keep its commitment to regional security by actively participating in humanitarian assistance and disaster relief operations. India can actively engage through **QUAD** to counter Chinese aggression in the region.
  - **Project Mausam** should provide sufficient space for Maldives to get benefits out of it and boost its economic and infrastructural reliance on India.

### Conclusion:

Irrespective of the controversy, the enduring regional and geopolitical importance of India ensures that fostering relations with New Delhi remains a paramount priority for the Maldives.

A coordinated synergy between India's 'Neighbourhood First' policy and the Maldives' 'India First' approach is essential for strengthening a mutually beneficial partnership.



## Assessing India's Logistics Landscape

This editorial is based on "**A Plan to Measure**" which was published in Indian Express on 11/01/2024. The article explores various facets of the logistics sector, with a focus on both India and the global context, while proposing recommendations for necessary reforms.

Tag: GS Paper - 3, Infrastructure, Industrial Growth, Industrial Policy, GS Paper - 2, Government Policies & Interventions.

India's logistics sector has undergone significant scrutiny and development in recent years. Tracked



through metrics such as the **Logistics Performance Index (LPI)**. India has shown improvement, **rising to the 38<sup>th</sup> position out of 139 countries in 2023 from its 54<sup>th</sup> ranking in 2014.**

Logistics involves the **organization, coordination, storage, and transportation of various resources, including people, raw materials, inventory, and equipment**, between different locations such as production points, consumption areas, distribution centers, or other production sites.

### **What is the Logistics Performance Index (LPI)?**

#### ➤ **About:**

- The LPI is an interactive benchmarking tool developed by the **World Bank Group**. It measures the ease of establishing reliable supply chain connections and the structural factors that make it possible.
- It helps countries **identify the challenges and opportunities they face** in their performance of trade logistics and what they can do to improve their performance.

#### ➤ **Parameters:**

- **The LPI considers 6 parameters to evaluate logistics performance, namely:**

- Customs performance
- Infrastructure quality
- Ease of arranging shipments
- Logistics services quality
- Consignment tracking and tracing
- Timeliness of shipments
- The LPI was reported every two years from 2010 to 2018 with a break in 2020 due to the Covid-19 pandemic and a restructuring of the index methodology eventually came out in 2023.
- LPI 2023 allows for comparison across 139 countries and **for the first time, LPI 2023 measures the speed of trade with indicators derived from big datasets tracking shipments.**

### **What has Led to India's Improved Performance in LPI Rankings?**

#### ➤ **PM Gati Shakti Initiative:**

- In 2021, the Indian government unveiled the **PM Gati Shakti initiative**, a comprehensive National Master Plan for multimodal connectivity. The primary objective is to reduce logistics costs and stimulate economic growth by 2024-25.

## **GATI SHAKTI MASTER PLAN**

Roadways capacity to be increased



**Around 200** new airports, heliports and water aerodromes envisioned

Railways transport cargo capacity to be increased to **1,600 tonnes** by FY25



Transmission network to be increased to **4,54,200 circuit km**

Renewable capacity to be increased to **225 GW** by FY25



**4G** connectivity for villages by FY22. **Around 20** new mega food parks





### ➤ National Logistics Policy 2022:

- Complementing the Gati Shakti Initiative, the **National Logistics Policy (NLP)**, launched in 2022 focuses on ensuring swift last-mile delivery, resolving transport-related challenges, saving time and costs for the manufacturing sector, and enhancing overall efficiency in the logistics sector.
  - It targets a reduction in logistics costs to global benchmarks, **attaining a top 25 LPI ranking**.

### ➤ Infrastructure Development and International Shipments:

- The LPI report reveals a noteworthy advancement in India's infrastructure score, **moving up five places from 52<sup>nd</sup> in 2018 to 47<sup>th</sup> in 2023**.
- Government investments in both soft and hard trade-related infrastructure, connecting port gateways on both coasts to major economic centers in the interior, have contributed to improvements in international shipments.

### ➤ Role of Technology in Logistics Improvement:

- Technology plays a pivotal role in India's ongoing efforts to enhance logistics performance. **Through a public-private partnership, the government has implemented a supply chain visibility platform.**
- The introduction of radio frequency identification tags by **NICDC Logistics Data Services Limited** enables end-to-end tracking of the supply chain, resulting in substantial reductions in delays.
  - The report suggests that emerging economies like India are leapfrogging advanced countries due to modernization and digitalization.

### ➤ Dwell Time Improvement:

- Dwell time, representing the duration a vessel or cargo spends at a specific port or terminal, **showcases India's logistics performance improvement**.
- The country boasts a very low dwell time of 2.6 days. Notably, the average dwell time for containers in India and Singapore between May and October 2022 was three days.
  - It surpassed industrialized countries like the US (7 days) and Germany (10 days).

## What are the Issues with India's Logistics System?

### ➤ Logistics Cost in India:

- The **Economic Survey 2022-23** indicates that logistics costs in India range from **14-18% of GDP**, higher than the global benchmark of 8%.
- Previous reports from 2018 and 2020 highlight variations in logistics costs across ports and estimate the overall logistics costs in the Indian supply chain to be around USD 400 billion, **equivalent to 14% of GDP**.

### ➤ Methodological Challenges in Estimating Logistics Costs:

- Methodological challenges exist in estimating logistics costs, particularly as percentages of GDP.
  - The **Dun and Bradstreet methodology** calculates the cost of doing business as a percentage of the consignment value, while **other reports cite logistics costs as percentages of GDP** without clear explanations, leading to variations in the figures.
- **NCAER Report on Logistics Costs and Methodology for Estimation:**
  - A **December 2023 NCAER report** on logistics costs in India provides a precise methodology for estimation.
  - The report cites various estimates by private sector and academic institutions, revealing variations.
  - According to the NCAER report, logistics costs in 2021-22 were estimated **between 7.8% and 8.9%**, indicating a decline over time, with a transient increase in 2017-18 and 2018-19.

### ➤ Skewed Modal Mix:

- The modal mix in India's freight movement is heavily skewed towards road transport, **with 65% of freight being moved by road**. This has led to increased congestion, pollution, and logistics cost escalation on roads.

### ➤ Loss of Rail Freight Share:

- Despite being a more cost-effective mode of transportation, **railways have been losing freight share to more flexible modes**, due to the convenience of road transport.
  - The Indian Railways face infrastructural challenges such as the **lack of necessary terminal infrastructure, maintenance of good sheds and warehouses, and uncertain supply of wagons, absence of all-weather roads** as a substantial part of the country is out of reach for railways.

### ➤ Warehousing & Taxation Discrepancies:

- Logistics companies generally opt for warehousing because it enables them to store goods and move them closer to the customer when demand occurs. It helps to reduce the transit time.

## How do the States in India Stand in the Logistics Sector?

### ➤ State-Driven Logistics:

- Logistics are influenced by states, and the Ministry of Commerce & Industry's **Logistics Ease Across Different States (LEADS)** report categorizes states into achievers, fast movers, and aspirers based on perceptions.

- Coastal states, **responsible for 75% of export cargo, show variations in performance**, with Andhra Pradesh, Gujarat, Karnataka, and Tamil Nadu excelling, while Goa, Odisha, and West Bengal lag.
- **State-Level Logistics Policies:**
- Most states, including Goa and Odisha, have state-level logistics policies. However, West Bengal, positioned at the bottom among coastal states, lacks a logistics policy.
  - The LEADS 2023 report suggests that **West Bengal could benefit from formulating a State Logistics Master Plan and State Logistics Policy** to enhance efficiency and attract investments in the sector.

- **Performance Disparities Among States:**
- While India's overall logistics performance has improved over time, **individual states exhibit disparities**.
  - Some states have slipped in performance, emphasizing the need for ongoing efforts to enhance logistics efficiency at the state level.
- **LEADS 2023 Report and State Categorization:**
- The LEADS 2023 report categorizes states into **coastal, landlocked, north-east, and Union Territories**, providing a nuanced view of logistics performance.
  - States categorized as fast movers represent those with average performance, highlighting the importance of nomenclature in acknowledging different levels of achievement.

Groups / Categories	Achievers	Fast Movers	Aspirers
Coastal	Andhra Pradesh, Gujarat, Karnataka, Tamil Nadu	Kerala, Maharashtra	Goa, Odisha, West Bengal
Landlocked	Haryana, Punjab, Telangana, Uttar Pradesh	Madhya Pradesh, Rajasthan, Uttarakhand	Bihar, Chhattisgarh, Himachal Pradesh, Jharkhand
North-East	Assam, Sikkim, Tripura	Arunachal Pradesh, Nagaland	Manipur, Meghalaya, Mizoram
Union Territories	Chandigarh, Delhi	Andaman & Nicobar, Lakshadweep, Puducherry	Daman & Diu/ Dadra & Nagar Haveli, Jammu & Kashmir, Ladakh

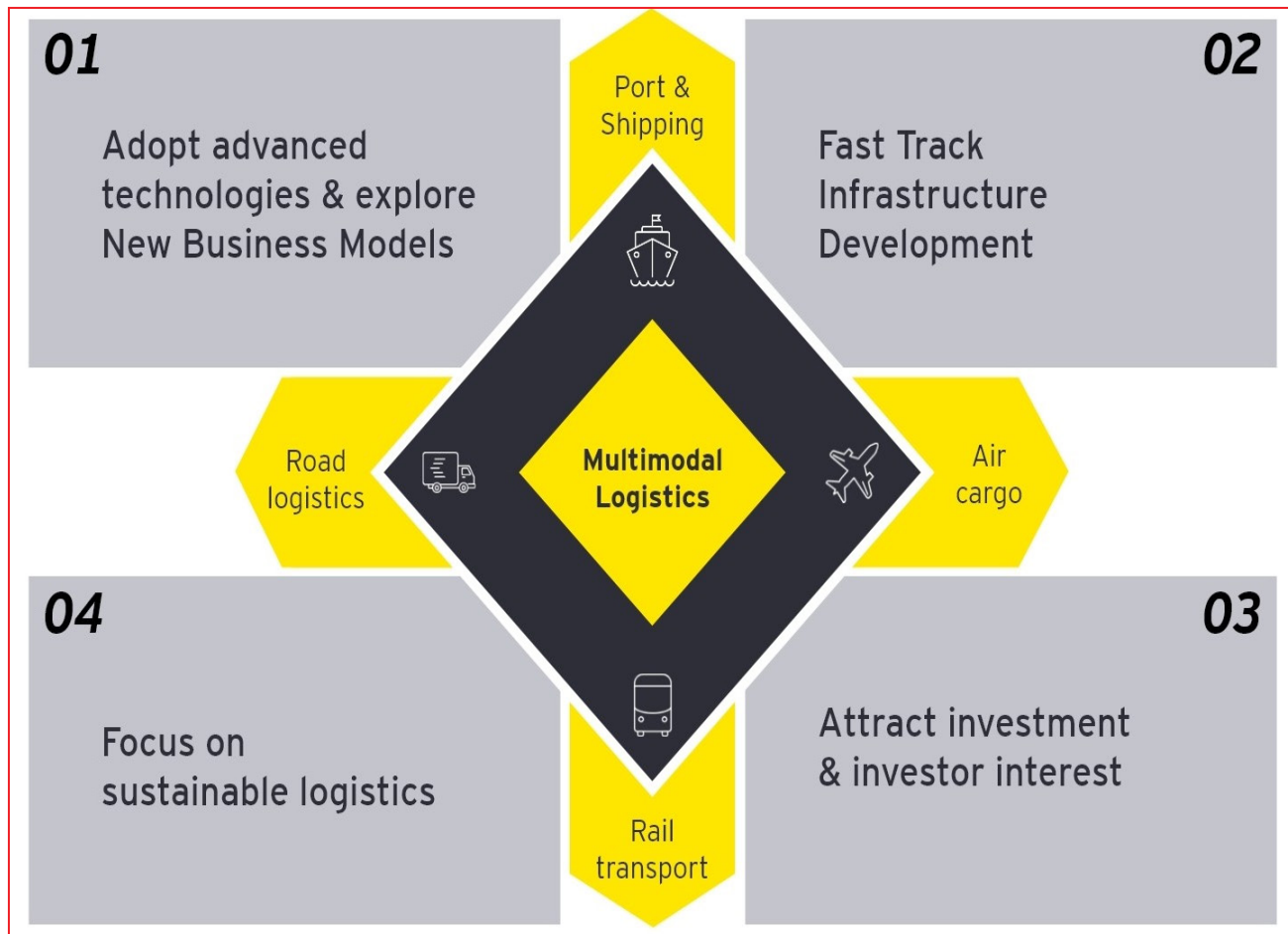
**LEADS 2023: Performance Snapshot**

\* States/ Union Territories within the performance categories are listed in alphabetical order

### What Can be the Way Forward to Improve the Logistics Sector in India?

- **Adopting Advanced Technologies:**
- The recent disruptions in the **supply chain** and growing concerns about **sustainability** have led to an increased global-level adoption of technology-enabled solutions such as **blockchain, big data, cloud computing, and digital twins**.
  - While the level of adoption is relatively low in India, the government has launched several digital solutions, **such as ICEGATE and E-Logs**, which have reduced inefficiencies, improved transparency, and made goods movement faster.
- **Focus on Sustainable Logistics:**
- India's shipping and logistics sector is gradually aligning with domestic and global regulations on sustainable practices as well but more needs to be done.

- The sector needs to conform with leading global benchmarks such as **Energy Efficiency Existing Ship Index, Carbon Intensity Rating, and Emissions Trading System**.
- **Attracting Investments and Investor Interest:**
- The Indian government has been the chief proponent and financier of infrastructure development. But more needs to be done to involve the private sector.
  - The **National Infrastructure Pipeline (NIP)** is one such lever that is expected to raise INR 50 lakh crore (approximately US\$650 billion) worth of investment.
  - **Although 100% FDI is allowed in most transport infrastructure development initiatives**, considerable effort will be needed to bring about the desired impact.



### Conclusion:

The logistics sector in India is poised for growth, and the government's initiatives and policies are aimed at creating a conducive environment for the sector to thrive. **The advent of online commerce has created a paradigm shift in logistics models with newer opportunities including on-demand, last mile, middle mile, and hyperlocal delivery models.** The sector is expected to continue to evolve and adapt to changing market dynamics, and technological advancements will play a crucial role in shaping its future.



## Transformative Impacts of Telecommunications Act 2023

This editorial is based on ***"Open Up The Playing Field"*** which was published in Indian Express on 12/01/2024. The article delves into various facets of the Telecommunication Act, 2023; scrutinises inherent issues within the act and offers constructive suggestions for improvement.

**Tag:** GS Paper - 2, Government Policies & Interventions, E-Governance, GS Paper - 3, Achievements of Indians in Science & Technology.

According to the **Telecom Regulatory Authority of India (TRAI)**, India ranks as the world's second-largest telecommunications market with a **teledensity of 85.11%** as of July 2022. The country's increasing internet and broadband penetration supports the **Digital India initiative**, and it has entered the **5G** race.

In December 2023, the highly anticipated **Telecommunication Act 2023** was implemented, prioritising the development of a strong security framework to protect essential mobile networks from cyber threats and unauthorised access.

### What is the History of Telecommunications in India?

- **Historical Framework (1885-2023):**
  - The Indian telecom sector, shaped by three laws—**The Indian Telegraph Act, 1885**; **The Indian Wireless Telegraphy Act, 1933**; and **The Telegraph Wires (Unlawful Possession) Act, 1950**—has undergone a transformative legal evolution.

- The 1950 Act, addressing unlawful possession of telegraph wires, was recently repealed by the **Repealing and Amending Act, 2023**, emphasising regulatory adaptability.

➤ **Regulatory Authorities:**

- The TRAI Act, 1997, instrumental in tariff regulation, established both the **TRAI and the Telecom Disputes Settlement and Appellate Tribunal (TDSAT)**.
- Licensing authority, however, remains vested in the central government.

➤ **1885 Act and Technological Evolution:**

- Originally governing telegram services, the 1885 Telegraph Act, surprisingly resilient, navigated through the telegraph era's cessation in 2013.
- As technology advanced, encompassing real-time transmission of text, voice, images, and video, **the archaic 1885 Act continued to regulate modern telecom services.**

### ***What are the Key Provisions of Telecommunications Act, 2023?***

➤ **Authorisation and Licensing Requirements:**

- In order to provide telecommunication services or operate telecommunications networks, **prior authorization from the central government is mandatory.**
- Existing licences remain valid **for their granted period or up to five years.**

➤ **Spectrum Allocation and Usage:**

- **Spectrum will be assigned through auctions**, except for specific purposes like national security, disaster management, and satellite services.
- The government has the **authority to re-purpose frequency ranges** and allows spectrum sharing, trading, leasing, and surrender.

➤ **Satellite Internet Provision:**

- The legislation **introduced provisions for allocating spectrum to satellite internet providers** such as OneWeb and **SpaceX's Starlink**, with active authorizations already granted to OneWeb and Jio for satellite-based internet services.

➤ **Surveillance and Suspension Powers:**

- The government has the **power to intercept, monitor, or block messages on specified grounds** related to public safety or emergency.

- **Telecom services may be suspended, and temporary possession of infrastructure can occur** during public emergencies.

➤ **Regulation and Standards:**

- The central government can **prescribe standards for telecom equipment and infrastructure.**
- The Act also amends the TRAI Act, 1997 allowing only experienced individuals to serve as chairpersons and members.

- It says that the **chairperson must have at least thirty years of professional experience** and must have served as a member of the board of directors or a chief executive of a company.

- The TRAI chairperson must have professional experience in telecommunication, industry, finance, law, accountancy, management, or consumer affairs.

- Similarly, it also changes the criteria for the appointment of TRAI members stating that a member **must have at least twenty-five years of professional experience** and has served as a member of the board of directors or chief executive of a company.

- This tells us that the TRAI chairperson and members may now be appointed from the private sector.

➤ **Digital Bharat Nidhi and OTT Services:**

- The **Universal Service Obligation Fund (USOF)** is retained as **Digital Bharat Nidhi**, allowing its use for research and development.
- **Over-the-top (OTT) services are excluded** from the Telecom Act, and their regulation falls under the potential **Digital India Act, 2023.**

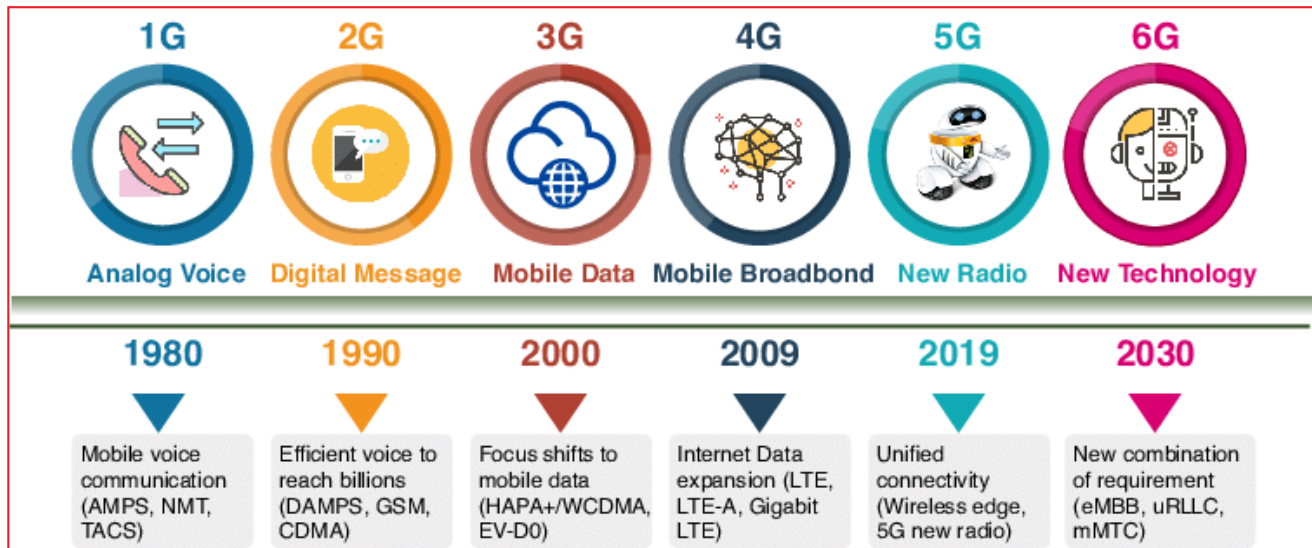
➤ **Legal Offences and Penalties:**

- The Bill **specifies criminal and civil offences**, including unauthorised provisions of telecom services and breach of terms.
- Penalties range **from fines to imprisonment**, and adjudication is overseen by designated officers and committees.

➤ **National Security Measures:**

- Provisions initially established post the **2020 India-China border conflict** are integrated into the law, emphasising measures to **prevent the importation of telecom equipment from potentially adversarial nations.**





### What are the Merits and Demerits of the Telecommunications Act, 2023?

#### ➤ Merits:

- **Shifts to New Paradigms:** The Telecommunication Act 2023 marks a significant departure from the previous Acts which are now replaced to accommodate the evolving landscape of **human-human, human-machine, and machine-machine communications**.
- **Navigates Different Communication Technologies:** Act is poised to navigate generations of communication technologies, including innovations like voice calls, messaging, video calls, wearables, and **Industry 4.0**.
  - The inseparable integration of computing and technologies like **AI, IoT, and quantum computing** is anticipated in the future of communication.
- **Forward Steps:** Two crucial and possibly overlooked objectives are emphasised; **promoting competition and mobilising resources** for infrastructure upgrade in a debt-laden industry.
- **Technology Neutrality in Spectrum Use:** The Act rightly advocates technology neutrality in spectrum use, acknowledging that telecom services are no longer defined by technology type.
  - To encourage fair competition, **new market entrants must have non-discriminatory and non-exclusive access** to infrastructure on commercial terms.
- **Regulatory Convergence for Digital Technologies:** With an integrated view, **the Act addresses the convergence of telecommunications and the internet**, stressing the importance of regulatory convergence.

- The **challenge of fragmented oversight over converged services is acknowledged**, prompting questions on the efficacy of separate licences and administrative departments.

#### ➤ Demerits:

- **Contested Provisions and Privacy Concerns:** The Act falls short of addressing concerns regarding contested provisions empowering the government during safety standards and emergencies, potentially infringing on citizen **privacy** with limited accountability.
  - Balancing safety with **privacy becomes a critical consideration for governing officers**.
- **Challenges in 5G/6G Implementation:** India faces challenges in 5G adoption, including unattractive use cases, poor monetization, and insufficient infrastructure investment.
  - The commitment of Reliance Jio and Bharti Airtel to substantial capex reductions post-2023-24 raises concerns.
  - The Act lacks a specific approach to promote **5G and 6G infrastructures** in a time bound manner.

### What Steps can be Taken to Improve the Telecom Sector In India?

#### ➤ Functional Separation as Regulatory Remedy:

- The Act should embody the **concept of functional separation**, as seen in international regulations, to address market concentration.
  - Examples from **Sweden, UK, Australia, Ireland, and Poland** illustrate its use, but caution is warranted to prevent disproportionate remedies leading to lower investments and innovation.

- **Voluntary Transitions and Industry Configurations:**
  - **Voluntary transitions**, incentivized by lower taxation or fiscal benefits, **offer a more effective approach, as witnessed in Italy.**
    - Expectations include a spectrum of industry configurations, from fully integrated telcos to network aggregators and pure-play service providers.
- **Transition to Wireline-Led Architecture:**
  - Wireline-led architecture is far more capable of delivering 5g/6g speeds. India must **transition from wireless to a wireline-led architecture** to support high-quality digital applications.
    - The Act's emphasis on **Right of Way** recognizes this need, calling for an enabling business environment to lower costs, particularly in investing in fibre infrastructure for both urban and rural areas.
- **Government Contribution and Resource Generation:**
  - The government, **through the USOF, should set explicit targets for infrastructure buildout in rural and non-rural areas.**
    - Resource generation and a competitive space for private sector investments are vital for fostering a robust fibre infrastructure.
- **Unified Vision for the Future:**
  - The Act concludes with the importance of a unified vision, emphasising synergies in licensing, standards, skilling, and governance across different departments.
    - This **holistic approach is deemed essential for India's digital revolution**, positioning the telecom industry at the forefront of sustained growth.

#### **Related Government Initiatives:**

- **Prime Minister Wi-Fi Access Network Interface (PM-WANI)**
- **Bharatnet project**
- **Production Linked Incentive (PLI)**
- **Bharat 6G Alliance**

#### **Conclusion:**

The ongoing expansion of India's telecom sector is a pivotal element in the country's digital transformation. **The key objectives of the Telecommunications Act, 2023, involve fostering competition in services, encouraging the shift to fibre-based networks, and promoting technological dynamism.** These efforts aim to usher in a new era in telecommunications. The emphasis is on achieving tangible progress rather than falling short of expectations.



## **Urgent Need for Regulation of India's Online Gaming Industry**

This editorial is based on "**Regulating India's online gaming industry**" which was published in *The Hindu* on 15/01/2024. The article discusses the meteoric rise of online gaming in India which has brought with it an array of concerns such as addiction, mental illness, suicides, financial frauds, privacy, data security concerns etc. and also suggests strictly regulating the same.

**Tag:** Government Policies & Interventions, Issues Arising Out of Design & Implementation of Policies, GS Paper - 2, GS Paper - 3, IT & Computers, Cyber Security.

**Online gaming** involves playing games through the internet, facilitating player connections and collaborative gameplay irrespective of their physical locations. It is accessible on various devices, including computers, and mobile phones. **Online gambling** involves participating in gambling activities through the internet by placing bets or wagers on games and events to win money or prizes. It can be played on various devices and involves virtual chips or digital currencies instead of cash.

The distinction between gaming and gambling depends on the element of skill involved. If an online activity does not require skill, it will be considered gambling rather than gaming. Gaming activities are dependent on skill, while gambling activities rely on chance.

#### **What is the Current Scenario of the Indian Online Gaming Ecosystem?**

- **Growth Prospects:** The online gaming industry in India is predominantly a home grown start-up ecosystem growing at 27% CAGR. It is widely estimated that **Artificial Intelligence (AI)** and online gaming can add up to USD 300 billion to India's GDP by 2026-27.
  - According to a 2021 report published by Boston Consulting Group (BCG), India's mobile gaming sector will grow from USD 1.5 billion in revenue in 2020 to USD 5 billion by 2025.
- **Bills for Regulating Gaming Industry:** During the Budget session of Parliament, the Online Gaming (Regulation) Bill, 2022 was introduced in Lok Sabha as a **Private Members Bill.**
  - The Bill sought to maintain integrity in online gaming and introduce a regulatory regime for online gaming.

- A task force set up by the MeitY has prepared a final report of its recommendations to regulate the online gaming industry in India.
- Earlier, states like Tamil Nadu, Telangana, Andhra Pradesh, and Karnataka also passed laws banning online games.
- However, they were quashed by state High Courts on grounds that an outright ban was unfair to games of skill.
- The government of Rajasthan brought out a draft Bill in order to regulate online games, specifically fantasy games.
- **Increasing Gaming Companies:** At present, there are more than 400 gaming companies in India including Infosys Limited, Hyperlink InfoSystem, Fgfactory, and Zensar Technologies, among others.

### ***What is the Legality of Online Gaming and Gambling in India?***

- **Legal Jurisdiction:** The state legislators are, vide Entry No. 34 of List II (State List) of the Seventh Schedule of the Constitution of India, given exclusive power to make laws relating to Gaming, Betting and Gambling.
- Most Indian states regulate gaming on the basis of a distinction in law between 'games of skill' and 'games of chance'.
- **Public Gambling Act, 1867:** At present, India has just one central law that governs gambling in all its forms. It's called the Public Gambling Act, 1867, which is an old law, ill-equipped to handle the challenges of digital casinos, online gambling and gaming.
- Recently, the Finance Ministry of India announced a 28% Goods and Services Tax (GST) on online money gaming, casinos, and horse racing.
- **The Lotteries Regulation Act, 1998:** The lottery is considered legal in India. The lottery should be organised by the state government and the place of Draw should be in that particular state.
- **Foreign Exchange Management Act (FEMA), 1999:** Remittance of the income generated from lottery winning, and racing/riding is prohibited under FEMA Act, 1999.

### ***What are Different Concerns in Online Gaming in India?***

- **Loss to Exchequer:**
  - The lack of adequate regulation has allowed illegal offshore gambling markets to thrive, causing harm to users and substantial losses to the exchequer.

- The illegal offshore gambling and betting market receives USD 100 billion per annum in deposits from India and has registered a growth rate of 20% in the past three years.

#### ➤ **Concerns About Addictive Online Gaming Behavior:**

- There are growing concerns surrounding the addictive nature of certain online gaming activities, leading to potential compulsive behaviour, neglect of responsibilities, and negative impacts on mental health.
- These issues highlight the need for a closer examination of the psychological effects of prolonged gaming.

#### ➤ **Financial Risks in Online Gaming:**

- Individuals, especially vulnerable demographics, may face financial risks, including debt and economic hardship, due to excessive spending on gaming.
- This raises questions about responsible consumer engagement and emphasises the importance of ethical considerations in the gaming industry.

#### ➤ **Regulatory Ambiguity in Distinguishing Skill-Based Gaming and Gambling:**

- The lack of clear definitions between skill-based gaming and gambling introduces regulatory ambiguity, sparking ethical debates and diverse interpretations about the nature of these gaming activities.
- Addressing this ambiguity is crucial for establishing fair and responsible regulations in the gaming industry.

#### ➤ **Means for Money Laundering:**

- Online gambling can be used as a means for money laundering, where players can deposit large amounts of cash into online accounts and then withdraw the money in a legitimate form.

#### ➤ **Prone to Cyber-Attacks:**

- Online gambling sites can be vulnerable to cyber-attacks, which can lead to the theft of sensitive personal and financial information of the players, thus violating the data protection rules and infringing upon the privacy of the users.

#### ➤ **Social Detachment:**

- Online gambling can lead to social isolation, as players can spend hours playing games online, leading to a lack of social interaction with family and friends. This runs the risk of making children delinquent.

➤ **Emerging Cybercrime Trends:**

- The Parliamentary Standing Committee on Finance identified trends in cybercrime, including the use of international online betting sites for money laundering.
- Insufficient regulation contributes to these issues, highlighting the need for a specialised regulatory authority.

***What Steps Can be Taken to Regulate Online Gaming in India?***

➤ **Urgent Need for Robust Regulation in Online Gaming:**

- There is an urgent need for robust regulation in the online gaming industry. Attempts by some state governments to ban online gaming face challenges due to the cross-border nature of the internet.
  - The Online Gaming (Regulation) Bill, 2022, introduced as a **Private Members Bill**, should be reformed and adopted by the **Parliament**.

➤ **UK's Centralised Regulatory Approach:**

- The UK has a centralised government regulator for online gaming, publishing quarterly reports on the effects of regulation.
- Strict enforcement and targeted efforts have led to a decline in disordered gaming and medium-to-low risk gaming behaviour, highlighting the positive impact of a centralised regulatory approach.

➤ **Balancing Regulated and Unregulated Segments of Market:**

- An unregulated market may not deliver the greatest benefit to society overall.
- The **International Monetary Fund (IMF)** suggests that a weak approach to regulatory enforcement creates a fertile ground for the proliferation of a shadow economy, as seen in the Indian online gaming industry.
  - A balanced approach is needed for responsible growth of the industry.

➤ **Information Technology Rules as a Step Towards Oversight:**

- The **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021**, marked a commendable step towards oversight in the online gaming industry.

- However, the delayed notification of Self-Regulatory Bodies has slowed progress, emphasising the need for strict regulation to protect the large gaming population in India.

➤ **Ensuring Overall Well-being of Society:**

- Establishing a framework is urgent not only for protecting digital citizens and national interests but also for ensuring the responsible growth of the online gaming sector.
  - The focus should be on harm reduction, player protection, and the overall well-being of society.
- The regulatory framework should be compliant with the data privacy norms as per **Digital India Act, 2023** and **Information Technology Act, 2000**.

➤ **Corporate Ethical Responsibility in Online Gaming:**

- Corporations, big or small, operate on the basis of profit-driven motives. Gaming companies neglect ethical responsibility to ensure their platforms do not exploit users or encourage addictive behaviours.
  - Prioritising user well-being over profit motives becomes imperative, emphasising the ethical role that corporations play in shaping a responsible gaming environment.

➤ **Comprehensive Research and Analysis:**

- Invest in extensive research on the psychological and socio-economic impacts of online gaming, facilitating evidence-based policymaking and data-based decision making and the development of effective regulatory measures.

**Conclusion:**

The evolving landscape of digital markets, particularly in the online gaming industry, reveals the pressing issue of market failure stemming from inadequate regulation. The surge in online gaming, while promising economic growth, has led to a host of concerns, from addiction and mental health issues to financial frauds and national security risks. The urgent need for a robust regulatory framework in India becomes evident not only for safeguarding users and national interests but also for fostering responsible growth in the online gaming sector, addressing issues of tax evasion and shadow economy proliferation.





## Expanding Cervical Cancer Prevention Initiatives

This editorial is based on ***"How Indian women can rid themselves of cervical cancer"*** which was published in *Indian Express* on 16/01/2024. The article discusses the positive reception of the Cervical Cancer vaccine initiative, emphasising the need for high-quality treatment, preventive measures, and palliative care to complement this development.

**Tag:** GS Paper-1, Women's Issues, GS Paper - 2, Health Issues Related to Women, Government Policies & Interventions.

The Government of India intends to initiate a three-phase vaccination drive against **Human Papillomavirus (HPV)** for girls aged 9-14, aiming to mitigate the risk of **cervical cancer**. The vaccine also offers protection against the HPV strains that cause cancer of the anus, vagina and oropharynx. Additionally, it also protects against the HPV strains that are responsible for genital warts. The Serum Institute of India in 2023 had launched an indigenous HPV vaccine known as CERVAVAC.

### What is Cervical Cancer?

#### ➤ About:

- Cervical cancer develops in a woman's cervix. It is the 4<sup>th</sup> most common type of cancer among women, globally.
- Almost all cervical cancer cases (99%) are linked to infection with high-risk Human Papillomavirus (HPV), an extremely common virus transmitted through sexual contact.

#### ➤ Types of Strain:

- Persistent infections with certain high-risk **HPV strains** lead to nearly 85% of all cervical cancers.
- At least 14 HPV types have been identified as oncogenic (potential to cause cancer).
  - Among these, HPV types 16 and 18, considered to be the most oncogenic, have been found to be responsible for about 70% of all cervical cancer cases globally.

#### ➤ Causes:

##### ○ Barriers to Early Detection:

- Lack of awareness, fear, and absence of early symptoms contribute to advanced-stage detection, resulting in high mortality rates.
- Women not being screened and seeking over-the-counter drugs as the first point of contact are major challenges.

##### ○ Lack of Access to Formal Health Care:

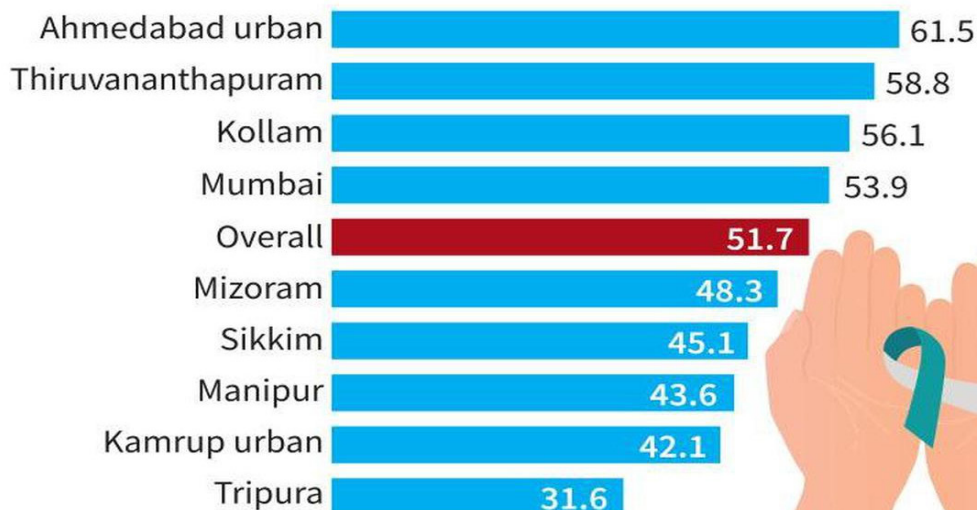
- A study in Andhra Pradesh revealed that 68% of patients first sought traditional healers, and only 3% had received HPV vaccination.
- Telangana anticipates a 28% increase in cancer cases, posing challenges in cancer care delivery.

#### ➤ India's Status:

- Cervical cancer is the second-most common cancer among women in India, mostly affecting the middle-aged.
- With 1,23,907 new cases and 77,348 deaths in the year 2022, **India contributed to one-fifth of the global burden.**

## Survival rates

The chart shows the survival rate (%) for cervical cancer across the 11 Population Based Cancer Registries (PBCRs)



### What is CERVAVAC?

#### ➤ About:

- CERVAVAC is India's first indigenously developed quadrivalent human papillomavirus (qHPV) vaccine that is said to be effective against four strains of the virus - Type 6, Type 11, Type 16 and Type 18.
  - A quadrivalent vaccine is a vaccine that works by stimulating an immune response against four different antigens, such as four different viruses or other microorganisms.
- CERVAVAC is based on VLP (Virus-Like Particles), similar to the **Hepatitis B** vaccination.

#### ➤ Significance:

- After the **Drug Controller General of India's (DGCI)** approval, it enabled the government to procure vaccines in bulk in order to vaccinate around 50 million girls in the respective age group.
  - The vaccine is extremely effective only when it's administered before the first sexual intercourse.
- It has a significant potential to eliminate cervical cancer and it would be helpful if it will be included under **Universal Immunisation Programme (UIP)** vaccination efforts and offered at a lower cost than existing vaccinations.

#### ➤ Global Scenario:

- Existing two vaccines licensed globally are available in India — a quadrivalent vaccine (**Gardasil**, from Merck) and a bivalent vaccine (**Cervarix**, from GlaxoSmithKline) and are costly and **none of them are included in the national immunisation program.**

### What are the Government Initiatives Related to Cancer Treatment?

- **National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke**
- **National Cancer Grid**
- **National Cancer Awareness Day**
- **HPV Vaccine**

### What Steps Can be Taken to Eliminate Cervical Cancer?

#### ➤ HPV Vaccination:

- Persistent high-risk HPV infection, along with factors like low socioeconomic conditions and smoking, leads to cervical cancer.

- Early detection through HPV vaccination, screening, and timely treatment can prevent and cure the disease.

#### ➤ Opportunity for Early Detection and Treatment:

- Cervical cancer has a 10–15 year pre-invasive phase, offering a window for early detection and outpatient treatment.
  - Early-stage management yields a cure rate exceeding 93%, highlighting the importance of timely interventions.

#### ➤ Elimination Potential of Cervical Cancer:

- Cervical cancer is the only non-communicable disease with the potential for elimination, aligning with the Sustainable Development Goal 3.4.
- The **World Health Organisation (WHO)** sets targets for cervical cancer elimination, including 90% vaccination of girls by 15, 70% screening at 35 and 45, and 90% treatment for pre-cancer and cancer cases, aiming for fewer than four cases per 100,000 women.
  - It emphasises simple, scalable interventions like HPV vaccination, screening, and early diagnosis.

#### ➤ Government Initiatives for Cancer Screening:

- The Government of India implements cancer screening, including visual tests and HPV tests, in primary health centres.
- Evidence-based management algorithms guide treatment, and indigenous kits and vaccines aid resource-scarce settings.

#### ➤ Role of Technological Advancements:

- Innovations like single-dose HPV vaccination, self-sampling for HPV testing, and **Artificial Intelligence (AI)** technologies enhance cervical cancer prevention.
  - These developments, along with increased HPV vaccine uptake, hold promise for resource-limited settings.

#### ➤ Urgent Need for Population-Level Awareness and Strategies:

- Addressing cervical cancer requires increasing awareness, promoting HPV vaccine uptake, overcoming hesitancy, implementing age-appropriate screening, and strengthening pre-cancer treatment processes.
  - Partnerships and capacity building are essential for success.

#### ➤ Comprehensive Approach to Strengthen Cervical Cancer Care:

- Consistent efforts are needed for accurate diagnosis, strengthened cancer registries, reduced financial burden, and robust health systems.

- Connecting all care pathways, incorporating digital technologies, and fostering collaborations are vital for the successful elimination of cervical cancer.

### Conclusion:

The alarming statistics of new cases and deaths highlight the urgent need for preventive measures. Early detection through screening and HPV vaccination presents a crucial opportunity, with a high cure rate when managed at early stages. The proposed targets by the WHO, coupled with government initiatives, provide a roadmap for comprehensive intervention. To achieve success, sustained efforts are required, including awareness campaigns, vaccine promotion, emphasising collaboration and innovative approaches to eliminate cervical cancer.



## Supreme Court's Ruling on Chief Secretary's Tenure

This editorial is based on "[Judicial contradiction in Delhi Chief Secretary's extension](#)" which was published in *The Hindu* on 18/01/2024. The article explores uncertainties in the administration of the National Capital Territory (NCT) of Delhi due to conflicts between the central government and the Delhi government.

**Tag:** GS Paper - 2, Parliament, Indian Constitution, Co-operative Federalism, Role of Governor, State Legislature.

[National Capital Territory of Delhi \(NCT of Delhi\)](#) is unique as it is also the seat of the central government along with the government of Delhi. Special provisions are made to ensure cooperation and coordination between the elected government of Delhi and the central government. The [Lieutenant Governor \(LG\)](#) is the constitutional head of the NCT of Delhi and represents the [President of India](#) in the territory.

Certain subjects, such as police, public order, and land, fall under the jurisdiction of the Lieutenant Governor and the central government rather than the elected government of Delhi. The distribution of powers and responsibilities between the elected government and the Lieutenant Governor has been a subject of constitutional and political debate. The present conflict relates to extension of the tenure of Chief Secretary of Delhi.

### What is the Ongoing Tussle vis-a-vis the Administration of NCT of Delhi ?

#### ➤ Notification of 2015:

- The 2015 Notification of central government added Entry 41 to the list of exceptions under

[Article 239 AA\(3\(a\)\)](#) and granted the LG of Delhi the authority to deal in matters connected with services, public order, police and land in which he can consult the Chief Minister.

- The notification said that the Government of NCT of Delhi cannot make laws for Entry 41 - "Services" as it is outside the purview of the legislative assembly of NCT of Delhi, which was upheld by the High Court of Delhi in 2016.

#### ➤ Supreme Court's Invalidation:

- [SC's](#) constitution bench decided in the case of [Government of NCT of Delhi v. Union of India \(2023\)](#) that NCT of Delhi has legislative and executive power over administrative services in the National Capital, excluding matters relating to public order, police and land and the LG shall be bound by the decision of Delhi Government in such matters.

#### ○ Triple Chain of Accountability:

- In the above judgement, the SC explicitly recognised the concept of the "triple chain of accountability".
- The triple chain of accountability is integral to representative democracy and proceeds as follows:
  - Civil servants are accountable to the cabinet.
  - The cabinet is accountable to the legislature, or the Legislative Assembly.
  - The Legislative Assembly is (periodically) accountable to the electorate.
- Any action that severs this "triple chain of accountability" fundamentally undermines the core constitutional principle of representative government, which is at the bedrock of our democracy.

#### ➤ Central Government's Response Post Invalidation:

- The Central Government henceforth promulgated the Government of NCT of Delhi (Amendment) Ordinance overruling the Apex Court's verdict.
- The Delhi Government had approached the SC challenging the Ordinance, who referred the matter to a Constitution Bench for adjudication.
- While the matter was still pending with the Constitution Bench, Government of [National Capital Territory of Delhi \(Amendment\) Act, 2023](#) was enacted by the [Parliament](#), granting overriding powers to centre vis-a-vis administration in Delhi.
- **Extension of tenure of Chief Secretary of Delhi by six months** is one such exercise of the power by the central government.

### **What is the Government of NCT of Delhi (Amendment) Act, 2023?**

- **Establishment of NCCSA:** The Act seeks to establish a permanent authority named “National Capital Civil Service Authority” to take decisions with respect to the postings and control of civil servants.
  - NCCSA shall consist of the Chief Minister of Delhi (as its head), the Chief Secretary and the Principal Secretary (both from the Government of NCT of Delhi).
  - Its role is to make recommendations to the LG regarding transfers and postings of all Group ‘A’ officers serving in the affairs of the Government of NCT of Delhi barring officers handling matters related to public order, land and police.
- **Section 45D:** Modification of Section 45D of the aforementioned Ordinance gives power to the Centre regarding the appointments to statutory commissions and tribunals in Delhi.
  - Section 45D suggests that any authority, board, commission or any statutory body, or any office bearer or member thereof, constituted or appointed by or under any law for the time being in force, in and for the NCT of Delhi, shall be constituted, appointed or nominated by the President.
  - The act gives the final authority to LG; in case of any difference of opinion, LG’s decision will prevail.
- **Bypassing Ministers of NCT of Delhi:** The new Act allows department secretaries to take matters to LG, Chief Minister and Chief Secretary without consulting the concerned minister.
- **In relation to bodies created under the Delhi Assembly Laws:** NCCSA shall recommend a panel of suitable persons for constitution or appointment or nomination by the LG, in accordance with the provisions of section 45H.

### **What are the Issues with respect to Government of NCT of Delhi Act, 2023?**

- **Undermining of Democracy:**
  - The Act undermines the principles of **representative democracy** and responsible governance, which are the pillars of India’s constitutional order.
  - It takes away the control of services from the elected Delhi government, which has a clear mandate from the people of Delhi to legislate and administer on their behalf.
  - It also reduces the role of the **Chief Minister** and the **council of ministers** to a rubber stamp, as they can be overruled by two bureaucrats in the

NCCSA, who are ultimately accountable to the Lieutenant Governor and the Centre.

#### ➤ **Constitutional Violation:**

- This Act violates and nullifies the SC’s judgement, which held that the Delhi government has legislative and executive powers over services in the national capital, except matters relating to public order, police and land.
- It also runs counter to the provisions of Article 239AA of the Constitution, which gives special status to Delhi as a Union Territory with a legislative assembly and envisages a harmonious relationship between the Centre and the Delhi government.
- The Act also violates the principle of federalism, which is a **basic feature of the Constitution**, and encroaches upon the domain of the States.

### **What are the Different Concerns in Recent Supreme Court Judgement?**

#### ➤ **Loss of Constitutional Logic and Past Wisdom:**

- The Court’s decision to allow the unilateral extension of the Chief Secretary’s tenure not only deviates from constitutional logic but also contradicts its past wisdom, eroding the value attributed to constitutional interpretation.
  - This departure raises concerns about the Court’s evolving stance on constitutional matters.

#### ➤ **Selective Application of Rules for Chief Secretary:**

- The Court, in its order, exempted the Chief Secretary from rules requiring the government’s recommendation for tenure extension.
  - This departure from established norms raises questions about the Court’s consistency and adherence to constitutional logic.

#### ➤ **Conflict of Interest Allegations and Tenure Extension Criteria:**

- The Chief Secretary, facing conflict of interest allegations, challenges the criteria for tenure extension: “full justification” and “public interest.”
  - With the government losing confidence in him, the Court’s failure to address these concerns raises doubts about the extension’s legitimacy.

#### ➤ **Role of Chief Secretary and Evading Precedents:**

- The Court’s recent order contradicts its earlier stance on the Chief Secretary’s role, as outlined in the **Royappa case, 1974**.
  - In Royappa, the Court had held that the post of the Chief Secretary is a post of great confidence, as he is the “lynchpin in the administration”, necessitating a rapport between him and the Chief Minister.



- While the Court initially evades applying its own stance as given in the Royappa case, it later selectively incorporates its observations, resulting in a flawed interpretation of the law.
- **Misinterpretation of Delhi Government's Position on Appointment:**
  - The Court presumes that the Delhi government desires a total withdrawal of the Union Government's authority in appointing the Chief Secretary.
    - However, in actuality, the government advocates for a joint appointment procedure, contesting the Court's interpretation.
- **Breakage of Accountability Chain in Governance:**
  - The Court's failure to recognize the breakdown in accountability when the Chief Secretary loses the government's confidence perpetuates distrust in governance matters.
    - This oversight contradicts the Court's earlier emphasis on accountability in the Services judgement.
- **Neglecting Multiple Subjects under Delhi Government's Competence:**
  - The Court overlooks the Chief Secretary's involvement in over 100 subjects under the Delhi government's jurisdiction.
    - While emphasising his connection to Union Government matters, the Court neglects the broader scope of his responsibilities.

### What Should be the Way Forward?

- **Expert Committee Formation:**
  - An expert committee comprising legal, constitutional, and administrative experts can be formed to provide recommendations on resolving the issue.
  - This committee should thoroughly analyse the legal and administrative aspects, review precedents, and propose practical solutions that uphold democratic principles and maintain the delicate balance of power between the central government and the elected government of Delhi.
- **Dialogue and Negotiation:**
  - Engaging in meaningful dialogue and negotiation between the central government and the Delhi government is crucial for resolving the issue.
  - Both parties should come together to discuss their respective concerns and interests, seeking a mutually agreeable solution that respects the democratic principles and the unique status of Delhi as the national capital.

### ➤ Respect for Constitutional Principles:

- Throughout the resolution process, it is vital for all stakeholders to demonstrate a commitment for upholding constitutional principles, including democratic governance, **separation of powers**, and the rights of elected representatives.
- Respecting the constitutional framework will provide a solid foundation for resolving the issue in a fair and transparent manner.

### Conclusion:

The SC, which previously emphasised the importance of the elected government's control over services, appears to have reversed its stance by allowing the unilateral extension of the Chief Secretary's tenure. The Court's selective application of legal principles, such as disregarding the Royappa case and cherry-picking observations, raises questions about the consistency and integrity of its judgments. This decision not only undermines constitutional logic but also jeopardises the delicate balance between the elected government and bureaucracy in matters of governance.

■■■

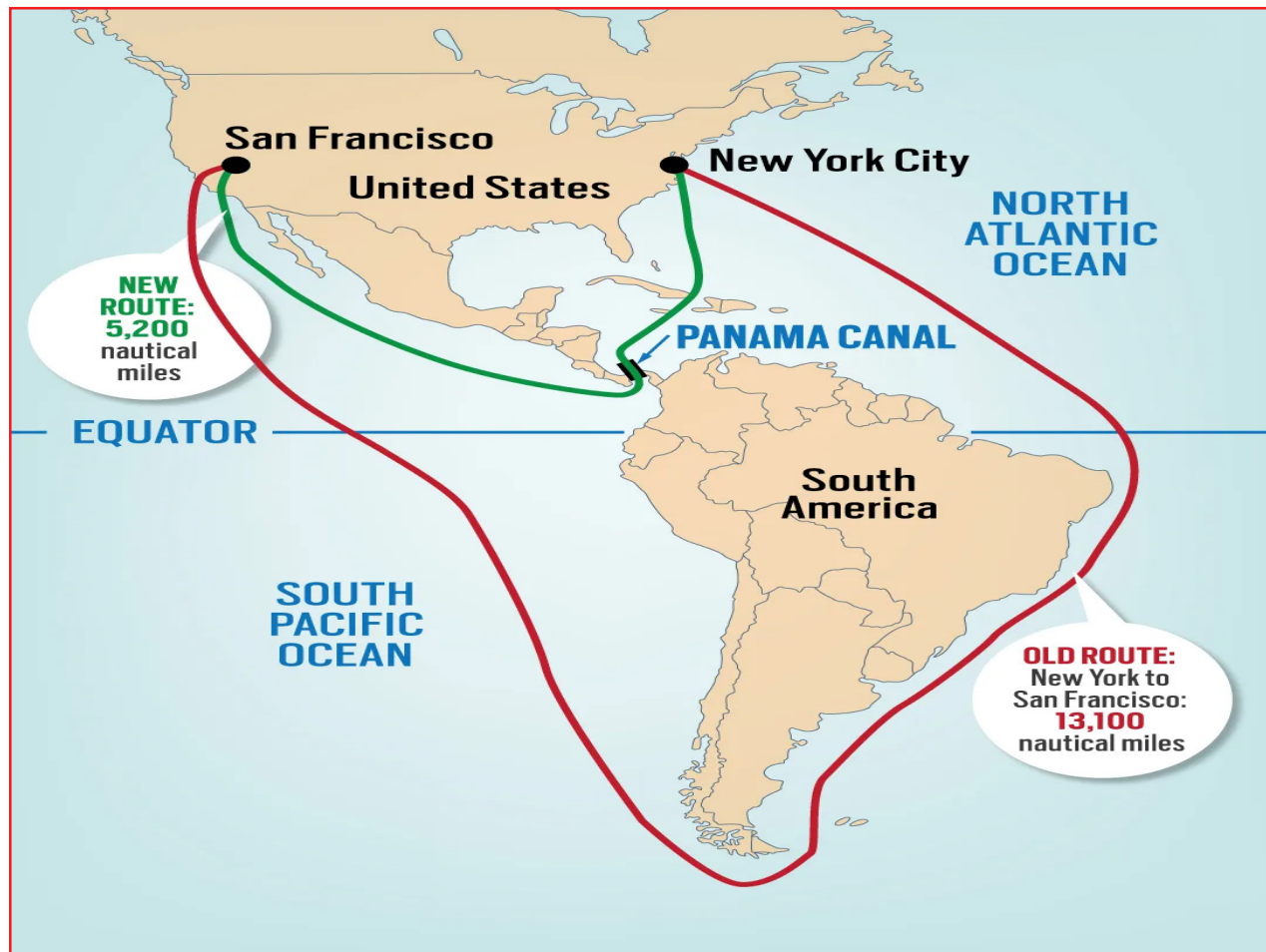
## Escalating Threat in Red Sea

This editorial is based on "***A search for deterrence in the Red Sea***" which was published in *The Hindu* on 18/01/2024. The article delves into various challenges posed in the Red Sea region where Houthis appear to be taking advantage of the lack of a coordinated response to ensure maritime security and also provides suggestions for mitigating the crisis.

**Tag:** GS Paper - 2, India and its Neighbourhood, Effect of Policies & Politics of Countries on India's Interests, GS Paper - 3, Challenges to Internal Security Through Communication Networks.

The Ministry of Commerce and Industry (MoCI) reports that Indian exports to Europe, especially low-value products such as agriculture and textiles, are facing disruptions due to escalating tensions in the **Red Sea** and ongoing drought issues at the **Panama Canal**. In response, an inter-ministerial meeting chaired by the Union Commerce Secretary, involving key ministries like External Affairs, Defence, Shipping, and the **Department of Financial Services (DFS)** under the Ministry of Finance, addressed the concerns about potential impacts on global trade.

The rerouting of shipments through the **Cape of Good Hope**, in response to heightened security concerns in the Red Sea and Panama Canal, has led to delayed sailings and a significant increase in freight rates to Europe.



### Red Sea:

- The Red Sea is a semi-enclosed tropical basin, bounded by **northeastern Africa, to the west, and the Arabian peninsula, to the east.**
- The elongated and narrow-shaped basin extends between the **Mediterranean Sea**, to the northwest, and the Indian Ocean, to the southeast.
- At the northern end, it separates into the **Gulf of Aqaba and the Gulf of Suez**, which is connected to the Mediterranean Sea via the Suez Canal.
- At the southern end, it is connected to the Gulf of Aden, and the outer Indian Ocean, via the **Strait of Bab-el-Mandeb**.
- It is surrounded by desert or semi-desert areas, with no major freshwater inflow.

### What are the Issues in the Red Sea and Panama Canal Presently?

- **Red Sea:**
  - **Issue:** Chemical tanker **MV Chem Pluto** was struck by a drone attack, approximately 200 nautical miles off Gujarat's coast.
    - MV Chem Pluto is a Liberia-flagged, Japanese-owned, and Netherlands-operated chemical tanker. It had started its journey carrying crude

from Al Jubail, Saudi Arabia and was expected to arrive in New Mangalore, India.

- **Allegedly Involved Entity:** It is believed to have been carried out by **Houthi rebels** based in Yemen, citing protest against Israel's actions in Gaza.
  - Houthi rebels are also engaged in a decade-long civil conflict with Yemen's government.
- **Panama Canal:**
  - **Issue:** Due to drought conditions, shipping through the 51-mile stretch of the Panama Canal has decreased by over 50%.
    - A naturally occurring **El Nino climate pattern** associated with warmer-than-usual water in the central and eastern tropical Pacific Ocean is contributing to Panama's drought.
  - **Infrastructural Lacunae:** The Panama Canal's operational challenges and the shift in trade focus to alternative routes like the Red Sea have raised various concerns that require prompt attention.
    - Issues such as the need for dredging and reducing depth have emerged, posing obstacles for the navigation of large vessels. Immediate measures are essential to address these challenges.
  - **Both these routes are among the busiest in the world.**



### What is the Impact on India Due to the Above Issues?

- **Impact on Agricultural Commodities:**
  - Concerns arise for **exporters of key commodities like basmati and tea** due to disruptions in this critical trade route.
  - Disruption in the Red Sea route could increase Indian agricultural product prices by 10-20% as shipments reroute through the Cape of Good Hope.
- **Impact on Oil and Petroleum Trade:**
  - Global oil and petroleum flows have declined due to major shipping companies avoiding the Red Sea. However, India's oil imports from Russia remain unaffected.
    - **India's reliance on Russian oil**, perceived as Iran's ally, has remained stable amid the conflict in the Red Sea.
- **Costlier Export to US:**
  - The water scarcity issue in the Panama Canal and the ensuing drought are forcing ships voyaging from Asia to the US to choose the Suez Canal, resulting in an additional six days of travel compared to the Panama Canal route.
- **Panama Canal as not a Feasible Option:**
  - While the **Bab-el-Mandeb Strait** that leads to the Suez Canal in the Red Sea region connects Asia to Europe, the 100-year-old Panama Canal connects

the Atlantic and Pacific Oceans and is not a very viable option for India.

### What Factors are Contributing to the Present Crisis?

- **Modern Weaponry Concerns:**
  - The Red Sea situation is becoming complex, impacting both stability and trade.
  - The use of advanced weaponry raises questions about the effectiveness of joint defence efforts among nations, leading to concerns about trade disruption and claims of high interoperability.
- **Adaptation of Piracy Techniques:**
  - Similar to past piracy challenges, delayed international responses have allowed rebels to adapt to modern technologies.
  - This has led to tactics such as hijacking ships and using them as mother ships, expanding the '**High-Risk Area**' and affecting maritime trade through rerouting and increased insurance costs.
- **State Support and Missile Proliferation:**
  - The involvement of Houthi rebels using drones and **Anti-Ship Ballistic Missiles (ASBMS)**, along with potential state support from Iran and China, raises concerns about missile technology proliferation.



- The supply of ASBMS, directly or indirectly, is linked to China, adding complexity to the situation.
- **Lacklustre Response to Operation Prosperity Guardian:**
  - The U.S.-launched **Operation Prosperity Guardian**, intended to operate under the Combined Maritime Force, has seen a tepid response from allies and partners.
  - **NATO** allies like France, Italy, and Spain operate independently, indicating doubts about the U.S.'s ability to drive international cooperative mechanisms.
- **Saudi Arabia and UAE's Non-Participation:**
  - Saudi Arabia's absence from the operation, likely to avoid negative impacts on Yemen negotiations and relations with Iran, reveals complexities.
  - The UAE's reluctance may stem from avoiding perceived support for Israel.
  - India, despite being a full member, operates independently, possibly due to its relations with Iran.
- **Global Division on Maritime Security:**
  - Operation Prosperity Guardian's inability to function as a coalition highlights divisions among like-minded nations supporting **freedom of navigation as mandated by United Nations Convention on the Law of Sea (UNCLOS)**.

- Even U.S. allies such as Japan and Australia are yet to join, emphasizing the lack of convergence on maritime security and rule-based world order.

### ***What Measures Can India Adopt to Reduce Vulnerability to These Issues?***

- **Joint Maritime Security Initiative:** Propose a collaborative security framework with key Red Sea stakeholders (Egypt, Saudi Arabia, UAE, Yemen) involving intelligence sharing, coordinated patrols, and joint exercises.
- **Deploy Advanced Surveillance Systems:** Install integrated radar and drone surveillance systems along India's western coastline to enhance early threat detection and response capabilities.
- **Negotiate Preferential Access: Engage with Panama Canal authorities** to explore preferential passage for Indian vessels or potential toll discounts for specific routes.
- **Alternate Trade Routes Under Consideration:** Recently, there has been renewed interest in the **Ben Gurion Canal Project**, a proposed 160-mile-long sea-level canal that would connect the **Mediterranean Sea** with the **Gulf of Aqaba**, bypassing the Suez Canal.





- **Designation of Houthis as Global Terrorists:** Starting mid-February, the U.S. will label the Houthis as a **specially designated global terrorist group**, potentially blocking their access to the global financial system.
  - This move comes despite previous removal from the U.S. terror listing, with Saudi Arabia warning of the Houthi threat. **India can join hands with like-minded countries to ward off such threats.**
- **Calibrated and Cooperative Approach:** Houthi rebels exploit the division among nations and question the U.S.'s global dominance. Similar to piracy solutions, addressing the supply of weaponry becomes crucial.
  - The situation in Yemen differs, and actions need to be calibrated to prevent a state-on-state confrontation and maintain stability.
- **Avoiding Yemen as a Battleground:** There is a need for an achievable end state by preventing the legitimization of the Houthis as a state actor, emphasizing the importance of avoiding turning Yemen into a battleground like Lebanon.
- **Facilitating Export Credit:** The MoCI, concerned about the hold on consignments due to high freight costs and surcharges, has instructed DFS to ensure a continuous credit flow to exporters.
- **Maintaining Buffer Stocks:** The Ministry of Chemicals and Fertilizers assured that tensions in the Red Sea region **would not result in a fertilizer shortage in India.**
  - It stated that the country possesses abundant stocks to meet the upcoming kharif season's requirements.

### Conclusion:

The escalating conflict involving Houthi rebels in Yemen and their attacks on merchant shipping in the Red Sea presents a multifaceted challenge. The use of advanced weaponry, including drones and anti-ship ballistic missiles, underscores the rebels' capabilities and raises concerns about state support, particularly from Iran and possibly China. As the situation unfolds, a careful and calibrated approach is crucial to prevent further deterioration, emphasizing the urgency for a viable and achievable end state that avoids turning Yemen into a prolonged battleground.



## Bridging Gaps in India-UK Ties

This editorial is based on "[\*Crafting a new phase in India-UK defence ties\*](#)" which was published in *The Hindu* on 19/01/2024. The article discusses the Defence Minister's visit to the UK which offers plenty of opportunities for the two countries to forge new plans for a joint naval vision i.e., *India-UK Electric Propulsion Capability Partnership*. Apart from this, it also delves into different contemporary aspects of India-UK ties.

**Tag:** GS Paper - 2, Effect of Policies & Politics of Countries on India's Interests, Indian Diaspora, Groupings & Agreements Involving India and/or Affecting India's Interests.

India's Defense Minister recently visited the United Kingdom (UK) after a 22-year hiatus, marking a significant shift in diplomatic engagements. The past two decades have seen increased opportunities, primarily driven by the growth of Chinese military power and its expansion into the [\*Indian Ocean\*](#), posing threats to India and crucial [\*Sea Lines of Communications \(SLOCs\)\*](#) vital for the UK.

### What are the Recent Developments in India's Relations with the UK?

- Despite the challenge posed by the [\*Ukraine crisis\*](#), the India-UK relationship has been on an upward trajectory, exemplified by the conclusion of a [\*Comprehensive Strategic Partnership in 2021\*](#).
  - The agreement also established a [\*2030 Roadmap for India-UK relations\*](#), which primarily outlines the partnership plans for the bilateral relationship.
- Both the countries held talks on defence-related trade and **deepening [\*cyber security\*](#) and defence cooperation**.
  - A new joint cyber security programme is set to be announced to protect online infrastructure in India and the UK.
  - India and the UK also plan to hold the **first Strategic Tech Dialogue**, a ministerial-level summit on emerging technologies.
- Additionally, the UK and India have agreed to strengthen their cooperation in the maritime domain as the **UK will join India's [\*Indo-Pacific Oceans Initiative\*](#)** and become a major partner on maritime security issues in Southeast Asia.

### Why is the Indo-UK Partnership Important?

- **For UK:**
  - India is a key strategic partner for the UK in the [\*Indo-Pacific\*](#) both in terms of market share and

defence, as was underscored by the signing of the **Defence and International Security Partnership** between India and the UK in 2015.

- For Britain, a successful conclusion of a **Free Trade Agreement (FTA)** with India would provide a boost to its 'Global Britain' ambitions as the UK has sought to expand its markets beyond Europe since Brexit.
- Britain has been trying to seize opportunities in the growing economies of the Indo-Pacific to cement its place on the global stage as a serious global actor.
  - The British would be better able to achieve this goal with good bilateral relations with India.

➤ **For India:**

- The UK is a regional power in the Indo-Pacific as it **possesses naval facilities in Oman, Singapore, Bahrain, Kenya, and British Indian Ocean Territory.**
- The UK has also confirmed USD 70 million of British International Investment funding to support the usage of renewable energy in India.
  - Funding will help in building renewable energy infrastructure and developing solar power in the region.
- India has sought easy market access for Indian fisheries, pharmaceuticals, and agricultural products besides duty concession for labour-intensive exports.



### ***What is the Role of Other Countries in Enhancing India-UK Relations?***

- **USA:** The US is central to transforming the bilateral ties between India and UK. Its recognition of India as an emerging global power and an important partner in the Indo-Pacific diverted the UK's focus towards India.
  - It was the US that first recognised India's rapidly-growing relative weight in the international system.
  - By the end of the 20<sup>th</sup> century, the US unveiled a policy of assisting India's rise with a view that a stronger India will serve US interests in Asia and the world.
- **China:** For the US, the strategic commitment to assist India's rise was **rooted in the recognition of the dangers of a China-dominated Asia**.
  - In the last two decades, the UK and China shared excellent bilateral ties; the former declared a "golden decade" in relations with China in 2015.
  - However, the **Chinese expansionist policies** and US' confrontation with the Chinese power lead to the UK unveiling its own "**Indo-Pacific tilt**" with India, again, as an important partner.

### ***How can the Indian Navy Benefit from Defence Ties With the UK?***

- **Indian Navy's Capability Needs and Strategic Priorities:**
  - The Indian Navy faces capability-related challenges compared to the Chinese People's Liberation Army Navy (PLAN).
  - The Defence Minister's visit focused on addressing these shortfalls, particularly by securing key technologies from the UK to bridge the technological gap against the Chinese military.
  - The evolving strategic landscape in the Indian Ocean has prompted both nations to reassess their priorities.
- **Electric Propulsion Technology:**
  - **Establishment of the India-UK Electric Propulsion Capability Partnership:**
    - A joint working group named the "India-UK electric propulsion capability partnership" was established in February 2023.
    - Subsequent discussions focused on transferring technical know-how and sharing the Royal Navy's experience in maritime electric propulsion.

### ***Cooperation in EPT for Aircraft Carriers:***

- A key aspect of India-UK collaboration involves **electrical propulsion technology** for aircraft carriers.
  - The Indian Navy currently lacks this technology, while the Royal Navy's Queen Elizabeth Class carriers utilise electric propulsion.
- The partnership aims to leverage British expertise to enhance the Indian Navy's capabilities in this crucial area.
  - While the PLAN faces challenges in adopting this technology, there are indications of its integration into Chinese warships.

### ***Strategic Significance of Electric Propulsion:***

- The Indian Navy recognizes the importance of not falling behind in acquiring EPT, given its advantages.
- Warships equipped with this capability **offer a lower acoustic signature and enhanced electrical power generation**, providing a strategic edge in maritime operations.

### ***Progress and Future Plans of the Partnership:***

- The partnership made progress in November 2023, discussing the integration of EPT into the Indian Navy's future warships.
  - The British committed to train, equip, and assist in establishing the necessary infrastructure.
- Initial testing is expected on landing platforms docks, followed by surface vessels with a displacement of over 6,000 tonnes.

### ***What are the Challenges in India-UK Relations?***

#### ***Historical Contradictions in India-UK Relations:***

- India's post-colonial relationship with Britain has been marked by contradictions and lingering resentments.
- The UK's unwarranted claim for a special role in the Subcontinent has fueled continuous friction.
- The consequences of Partition and the Cold War further complicated efforts to establish a sustainable partnership between the two nations.

#### ***Pakistan's Influence on India-UK Bilateral Relations:***

- Pakistan has emerged as a significant obstacle in India's bilateral relations with Britain.

- The UK's historical advocacy for Pakistan raises concerns for India, particularly as it remains torn between new enthusiasm for India and historical ties with Pakistan.
  - Unlike the US and France, the **UK struggles to adopt a clear "India first" strategy in South Asia.**
- **Shifting Dynamics in India-UK Relations:**
- Recent regional and international upheavals have provided a new foundation for mutually beneficial engagement between India and the UK.
  - The internal dynamics in Britain, encompassing political allegiances and historical prejudices, have at times created tensions in its relationship with India.
  - Instances such as the **Indian demand for the Kohinoor Diamond and the former British Prime Minister's refusal to apologise for the Jallianwala Bagh Massacre** contribute to these strains.
- **Extradition of Indian Economic Offenders:**
- The issue is the extradition of **Indian Economic Offenders** who are presently seeking shelter in Britain and using the legal system to their advantage.
  - Certain economic offenders have long taken shelter under the British system despite clear cut Indian cases against them which warrant extradition.
- **Political Affiliations and Internal Matters:**
- Assumptions in Delhi about the Labour Party's empathy and the Conservative Party's antipathy towards India have proven to be misguided.
  - The Labour Party, traditionally perceived as sympathetic, has displayed hostility towards India, particularly on internal matters such as **Kashmir.**
  - This unexpected shift in political dynamics adds complexity to the overall India-UK relationship.

### ***What Steps can be Taken to Improve the India-UK Relations?***

- **Migration and Mobility Partnership:**
- Implementation of the **migration and mobility partnership** "covering movement of students and professionals as well as irregular migration keeping in view the UK's new skills based immigration policy" is the need of the hour.
  - This should include a **young professionals scheme** to allow 3,000 young Indian professionals to come to the UK each year.

- **Cooperation on Climate Change:**
- Strengthening bilateral dialogues and partnerships on **climate change** is required. This includes the ministerial-level energy dialogue and the joint working groups on climate, power and renewables.
- **India-UK Health Partnership:**
- Countries need to expand the "breadth and depth" of the **India-UK health partnership** to enhance global health security and pandemic resilience and show leadership on **antimicrobial resistance (AMR).**
  - They should also promote healthy societies and strengthen both our health systems through increased collaboration on clinical education, health worker mobility and digital health.
- **UK-India Science and Innovation Council:**
- Starting a biennial ministerial **UK-India science and innovation council** to set the agenda for the two governments' science, research and innovation collaborations will improve relations.
  - Aligning with wider-shared priorities and delivering in partnership the UK Science and Innovation Network in India is much needed.
- **Collaboration at WTO:**
- Both countries must deepen cooperation at the **World Trade Organisation (WTO)** on "shared goals, including restoring confidence and trust in the multilateral system".
- **India-UK Civil Nuclear Cooperation:**
- Reaffirming the desire to strengthen India-UK civil nuclear cooperation, including the UK's "renewed collaboration" with India's Global Centre for Nuclear Energy Partnership can promote ties.

### ***Conclusion:***

The Defence Minister's recent visit to the UK signifies a pivotal moment in India-UK relations, highlighting the evolving strategic landscape. The threat posed by China's military expansion, particularly in the Indian Ocean, has prompted both nations to collaborate on addressing India's defence technological gaps. **The focus on electric propulsion technology, a key area of cooperation, is crucial for India to maintain maritime technological parity with China.** Despite historical challenges, including legacy issues and geopolitical complexities, both countries recognise the imperative of forging closer ties in the face of shared security concerns.





## ASER 2023: Examining Education Beyond Basics

*This editorial is based on “ASER 2023 report: On education, let’s listen to the teenagers” which was published in Indian Express on 19/01/2024. The article discusses the recently published ASER 2023: Beyond Basics report, which brings attention to multiple concerns and provides recommendations aimed at enhancing fundamental learning outcomes within the Indian education system.*

**Tag:** GS Paper - 2, Education, Government Policies & Interventions, Issues Related to Children, GS Paper - 1, Social Empowerment, Poverty and Developmental Issues, Women’s Issues.

In the last 20 years, discussions revolving around schooling and basic learning in education have led to significant changes in policies and priorities in India. Recently, the **ASER 2023: Beyond Basics** report was conducted in 28 districts across 26 states, involving 34,745 youth aged 14-18. Focusing on adolescents, the report provides new ideas on how to improve learning outcomes for young people in India and make the most of the country’s demographic dividend.

### What is the Annual Status of Education Report (ASER 2023: Beyond Basics)?

#### ➤ About:

- ASER is a **nationwide citizen-led household survey facilitated by NGO Pratham** Education Foundation that provides a snapshot of the status of children’s schooling and learning in rural India.
- The ‘basic’ ASER collects information about enrollment in preschool and school for children in the age group of 3 to 16 and assesses children aged 5 to 16 one-on-one to understand their foundational reading and arithmetic abilities.
- First implemented in 2005, the ‘basic’ ASER survey was **conducted annually until 2014** and switched to an **alternate-year cycle** in 2016.

#### ➤ Objectives:

- The 2023 survey focused on 14-to-18-year-old children in rural India, specifically on their ability to apply reading and math skills to everyday situations, and their aspirations.
- The recent survey set out with the overarching objective of generating evidence on diverse aspects of youth development in rural India, that stakeholders across sectors could use to inform policy and practice.

- The 2023 survey explored the following domains:

- **Activity:** What activities are India’s youth currently engaged in?
- **Ability:** Do they have basic and applied reading and math abilities?
- **Digital awareness and skills:** Do they have access to smartphones? What do they use smartphones for, and can they do simple tasks on their smartphones?
- **Aspirations:** What do they aspire to become? Who are their role models?

### What are the Key Findings of the Report?

#### ➤ Activity:

- **Increased Enrollment:** Overall, **86.8% of 14-18-year-olds are enrolled in an educational institution**. The percentage of youth not enrolled is 3.9% for 14-year-old youth and is 32.6% for 18-year-olds.
- **Vocational Training:** Youth at the college level are the most likely to be taking vocational training (16.2%). Most youths are taking short-duration courses (of 6 months or less).

#### ➤ Ability:

- **Foundational Skills:** About **25% of this age group (14-18) still cannot read a Std II level text** fluently in their regional language.
  - More than half struggle with division (3-digit by 1-digit) problems. Only 43.3% of 14-18-year-olds are able to do such problems correctly.
- **Everyday Calculations:** Nearly 85% of surveyed youth can measure length using a scale when the starting point is 0 cm.
  - This proportion drops sharply to 39% when the starting point is moved. Overall, **close to 50% of youth can do other common calculations**.
- **Daily Life Applications:** Among youth who can read a Std I level text or more, about two-thirds can answer at least 3 out of 4 questions based on reading and understanding written instructions.
- **Financial Calculations:** Of the youth who can do subtraction or more, over 60% are able to do the budget management task, about 37% can apply a discount, but only about 10% can calculate repayment.
  - However, **females perform worse than males on almost all tasks**.

#### ➤ Digital Awareness and Skills:

- **Digital Access:** Close to **90% of all youth have a smartphone** in the household and know how to use it.

- Females are less likely to know how to use a smartphone or computer as compared to males.
- **Communication and Online Safety:** Of all youth who used social media, **only about half are familiar with the online safety** settings that were included in the survey.

- **Digital Tasks:** 70% of youth **can browse the internet to find the answer to a question** and about two-thirds can set an alarm for a specific time.
- A little over a third can use Google Maps to find the time taken to travel between two points. Across all tasks, males outperform females.

## Learning outcomes lag among teens



The Annual Status of Education Report (ASER) 2023, titled 'Beyond Basics', is based on a survey of 34,745 people between the ages of 14 and 18 in government and private institutes across 28 districts in 26 states

### School enrolment improves



Of the respondents, 86.8% are enrolled in either school or college, compared to 85.6% in 2017, although the percentage drops with age.

### On digital literacy



Boys are more than twice as likely to own smartphones compared to girls in the same ages. Girls are also less likely to know how to use smartphones than their male counterparts.



### Gender gap narrows



In 2017, 16% of girls aged 14-18 were not in school/college, compared to 11.9% of the boys. In 2023, that gap has narrowed to just 0.2 percentage points.

### Better at maths



In 2017, 76.6% could read a Class 2 level text, while in 2023, this was 73.6%. In arithmetic, in 2017, 39.5% of youth could do a simple (class 3-4 level) division problem, while in 2023, this rose to 43.3%.

### What are the Key Concerns Highlighted in the Report?

#### Challenges Posed by Limited Academic Success:

- **Low levels of Foundational Numeracy:** The report highlights inadequate levels of foundational numeracy which may significantly hinder the ability of young individuals to handle day-to-day calculations.
- **Flat Learning Trajectories:** Over the time, there hasn't been significant improvement in the academic progress of students.

#### Challenges Posed by Curriculum Constraints:

- **Acute Academic Competition:** Parents in India often harbor overambitious aspirations for their children. These aspirations of parents translate into acute academic competition, widespread coaching, and heavy expenditure by families.
  - All of these add to examination pressures often

accompanied by severe disappointments for the student and the family if exam results are poor.

- **Overambitious Curriculum:** The Indian education system has an "over-ambitious" curriculum which does not take into account that many students have large learning deficits and are unable to cope with the grade level curriculum.
  - For instance, in 2009, the only year when two states in India participated in **PISA (Programme for International Student Assessment)**, the results were second last, just above Kyrgyzstan.

#### Challenges Posed by Ambiguous Aspirations:

- **Not Motivated to Study:** In the survey findings, a **larger proportion of boys than girls reported not wanting to study after class 12**. During the discussion, girls discussed wanting to study at least to undergraduate level, while boys talked about earning money.



- Not surprisingly, the proportion of youth who are currently not enrolled in school or college rises with age from 3.9% of 14-year-olds to 10.9% of 16-year-olds and 32.6% of 18-year-olds.
- **The Dearth of Clarity:** There is a **lack of clear guidance for students** when it comes to making decisions about their future. Many students are unsure about what to study, how much more education they need, and what kinds of jobs they should be aiming for.
- **One out of every five youths were unable to name any type of work or job** that they aspired to," mentions the ASER report.
- **No Role Model:** From the figures shared in the ASER report, of the students surveyed, 42.5% of males and 48.3% of females did not have a role model for their aspired work.

### Challenges posed by Digital Deprivation:

- **Less Technical Inclination:** Most of the young people in this age group were enrolled in the Arts/Humanities

stream. In Std XI or higher, more than half are enrolled in the Arts/Humanities stream (55.7%), followed by STEM (31.7%) and Commerce (9.4%).

- Females are less likely to be enrolled in the STEM stream (28.1%) than males (36.3%).
- **Surface Layer Use of Digital Component:** Close to 80% of the youth report having used their smartphone to do an entertainment-related activity, such as watching a movie or listening to music, during the reference week.
- The digital component is interesting because, at one level, it shows that everybody knows how to use the basic things. But they're not using it in depth; they're using the surface layer, say, mainly engaging with social media
- **Gender gap in Tech Access:** Males are more than twice as likely to own their own smartphone than females, and therefore were likely spending far more time using the device and using it for a wider variety of tasks.

## THOSE WHO HAVE THEIR OWN SMARTPHONE\*



AGE	MALE	FEMALE	ALL
14	15.5	7	11
15	26.1	10.7	18.2
16	45.3	17.3	30.5
17	65.4	29.4	46.6
18	79.9	40.6	58.6
ALL	43.7	19.8	31.1

\*% of those who can use a smartphone; Source: ASER (Rural) 2023

### What Should be the Way Forward ?

#### Ease Out Early Childhood Struggles :

- **Financial Aid and Grants:** Provide financial aid and grants to economically disadvantaged students as many of these students need to earn and support their families financially during this age group and it's a vicious cycle.
- **Shifting the Social Norms:** Among girls, shifting social norms with regard to the appropriate age of marriage emerged as a key driver of young women's ability to study further.

### Comprehensive Strategy for Learning Improvement:

- **Flexible Education System:** Embracing flexibility often involves leveraging technology to facilitate remote learning, online resources, and interactive platforms, enhancing the overall educational experience. There should be a way for a student to register for multiple kinds of learning and earning opportunities.
- **Reform Assessments:** NEP 2020 speaks of the goal of 100% secondary school enrolment, to be achieved through "careful tracking of students' enrolment,

attendance, and learning levels, so that they can be provided suitable opportunities to re-enter school or catch up”.

- Examination pressure can be reduced by reforming how and when assessments can happen.
- **Pathway Linking:** Linking secondary school reform concepts with **NIPUN** will be crucial in transforming school reform ideas into practical measures.
- A close tracking of outcomes will be key to improvements and eventual success.

### **Prepare Future Ready Students :**

- **Focus on Developing Critical Thinking:** Curriculum content will be reduced in each subject to its core essentials, to make space for critical thinking and more holistic, inquiry-based, discovery-based, discussion-based, and analysis-based learning.
- **Future Oriented School Systems:** Our school education system is needs to be modified to drive students more future-oriented who can help and guide the kids into paths that may benefit them and place them in secure position
- **Digital Mentorship Programs:** Implement digital mentorship programs connecting students with professionals and experts in their fields of interest. This can help guide students in making informed decisions about their future.

### **Conclusion:**

As an emerging economy, it is crucial to sufficiently empower the youth with necessary knowledge, skills, and opportunities, enabling them to steer their own advancement as well as that of their families and communities. The true potential of India's expected “demographic dividend” and “digital dividend” can be realized through these comprehensive actions.



## **Post Office Act, 2023: Replacing Colonial Legislation**

This editorial is based on “**Post Office Act, its unbridled powers of interception**” which was published in *The Hindu* on 22/01/2024. The article examines the recent approval of the Post Office Act, 2023 by the Parliament which will replace the colonial-era Indian Post Office Act, 1898; delving into various profound changes and also deficiencies within the legislation, particularly regarding the extensive powers granted to the central government.

**Tag:** GS Paper - 2, Government Policies & Interventions, Fundamental Rights, Transparency & Accountability.

The **Parliament's** approval of the Post Office Act, 2023 presents various advantages but also triggers concerns regarding unchecked interception powers given to post office authorities. Issues include the undefined term ‘emergency’ and the absence of procedural safeguards, posing risks of arbitrary use and potential misuse of interception powers by authorities.

### **What are the Key Highlights of the Post Office Act, 2023?**

#### ➤ **Director General of Postal Services:**

- The recently passed Act grants the Director General of Postal Services the authority to make regulations pertaining to activities essential for offering various additional services as may be prescribed by the central government, as well as for fixing charges for these services.
- This is significant because it eliminates the need for parliamentary approval while revising the set charges for any services provided by post offices, including traditional mail services.

#### ➤ **Interception of Shipments:**

- The Act professes that the Central Government, “may, by notification, empower any officer to cause any item in course of transmission by the Post Office to be intercepted, opened or detained in the interest of:
  - The security of the State,
  - Friendly relations with foreign states,
  - **Public order, Emergency, or Public Safety** or
  - The occurrence of any contravention of any of the provisions of this Act.
- The new Act includes a broader provision that aims to prevent smuggling and the illegal transmission of drugs and prohibited items via postal packages.
  - The Central Government through a notification will empower an officer who may carry out an interception.

#### ➤ **Identifiers and Post Codes:**

- Section 5 Sub-section 1 of the Act states that “The Central Government may prescribe standards for addressing on the items, address identifiers and usage of postcodes”.
  - This provision will replace physical addresses with digital codes based on geographical coordinates for precise identification of a premise.
  - While digital addressing is a forward-looking concept, it could simplify the sorting process and enhance the accuracy of mail and parcel deliveries.

#### ➤ **Removal of Offences and Penalties:**

- The Act does not contain the punishment for theft, misappropriation or destruction of postal articles



by an officer of the Post Office which was part of the **original Act of 1898**.

➤ **Penalty under Section 7:**

- Every person who avails a service provided by the Post Office shall be liable to pay the charges in respect of such service.
- If any person refuses or neglects to pay the charges referred to in Sub-section (1), such amount shall be recoverable as if it were arrears of **land revenue** due from him.

➤ **Removes Centre's Exclusivity:**

- The present Act has removed Section 4 of the 1898 Act, which allowed the Centre the exclusive privilege of conveying all letters by post.
  - However, courier services have been bypassing the Act of 1898 by simply calling their couriers "documents" and "parcels", rather than "letters".

**Indian Post Office Act, 1898:**

- It came into force on 1st July 1898 with the objective to consolidate and amend the law relating to the Post Offices in India.
- It provides for the regulation of the postal services offered by the central government.
- It grants the Central government exclusive privilege over conveying letters and establishes a monopoly of the Central government over conveying letters.

**What are the Deficiencies in the Post Office Act, 2023?**

➤ **Regulation of Postal Services different from Courier Services:**

- Currently, there are distinct frameworks for regulation of similar postal services by public and private sectors.
- Private courier services are currently not regulated under any specific legislation. This leads to certain key differences.
  - For instance, the 1898 Act provided a framework for interception of articles transmitted through India Post. There is no such provision for private courier services. The present Act retains this provision.
- Another key difference is in the application of the consumer protection framework.
  - The **Consumer Protection Act, 2019** does not apply to services by India Post, but it applies to private courier services. The Post Office Act, 2023, seeking to replace the 1898 Act, retains these provisions.

➤ **Lack of Procedural Safeguards Violates Fundamental Rights:**

- The Bill does not specify any procedural safeguards against the interception of postal articles. This may violate the **right to privacy**, and the **freedom of speech and expression**.

- In the case of interception of telecommunications, the **Supreme Court in People's Union for Civil Liberties (PUCL) vs Union of India, 1996** held that a just and fair procedure to regulate the power of interception must exist.
- Otherwise, it is not possible to safeguard the rights of citizens under **Article 19(1)(a)** (freedom of speech and expression) and **Article 21** (right to privacy as a part of the right to life and liberty).

➤ **The Ground of 'Emergency' is Beyond the Reasonable Restrictions:**

- The Law Commission (1968), while examining the 1898 Act, had observed that the term emergency is not explicitly defined, and thus gives a very wide ground for interception. It is also retained in the present Act.
  - It added that a public emergency cannot be a constitutionally permissible ground for interception, if it does not affect the security of the state, public order, or any other grounds specified in the Constitution.

➤ **Exemption from Liability for Lapses in Services:**

- The framework under the Act is in contrast with the law applicable in the case of Railways, which is also a commercial service provided by the central government.
- The Railway Claims Tribunal Act, 1987 establishes tribunals for disposing of complaints against the Indian Railways for lapses in services.
  - These include grievances such as loss, damage, or non-delivery of goods, and refund of fares or freight.

➤ **Removal of all Offenses and Penalties:**

- Under the Act, 1898, illegal opening of postal articles by a postal officer was punishable with imprisonment up to two years, a fine, or both. Persons other than postal officers were also penalized for opening a mail bag.
  - In contrast, there will be no consequence against such actions under the 2023 Act. This may have adverse implications for the right to privacy of individuals.
  - Violations specific to postal services are not covered under other laws such as the **Indian Penal Code (IPC)**.

➤ **Lack of Clarity on Consequences in Certain Cases:**

- The Act states that no officer will incur any liability with regard to a service provided by India Post.

- This exemption does not apply where the officer has acted fraudulently or wilfully caused loss, delay, or mis-delivery of service.
  - However, the Act does not specify what consequences would follow if an officer commits such acts.
  - Prior to the amendment under the [Jan Vishwas Act, 2023](#) under the 1898 Act, these offenses were punishable with imprisonment of up to two years, a fine, or both.

### What Should be the Way Forward?

- **Incorporate Robust Procedural Safeguards:**
  - Introduce clear and comprehensive procedural safeguards for the interception of articles transmitted through India Post.
  - This should include oversight mechanisms, judicial warrants, and adherence to constitutional principles to protect the freedom of speech, expression, and the right to privacy of individuals.
    - In [Justice K.S. Puttaswamy \(Retd.\) & Anr. vs Union of India & Ors. \(2017\)](#), the right to communication has been held to be a part of the right to privacy and thus protected under Article 21 of the Constitution.
- **Define the Grounds for Interception:**
  - Refine and clearly define the grounds for interception, especially the term 'emergency,' to ensure it aligns with reasonable restrictions under the Constitution.
    - Limit the exercise of emergency powers to prevent potential misuse and uphold individual rights.
  - The Supreme Court in [Distt. Registrar & Collector, Hyderabad & Anr vs Canara Bank \(2005\)](#) held that the right to privacy is not lost as a result of confidential documents or information being parted with by the customer to the custody of a bank.
    - Therefore, the right to privacy is not lost if some personal items are entrusted to the post office for correspondence.
    - The Court has also held in many judgments that the right to privacy imposes a requirement of a written recording of reasons before a search and seizure could be carried out.
- **Balanced Liability Framework:**
  - Ensure the Post Office's accountability by setting clear rules for liability without jeopardizing its independence and efficiency.
  - Address concerns about potential misuse and prevent conflicts of interest, especially with regards to formulating different service charges.

- The competent authority needs to be held accountable for any wilful misuse of interception powers, without the 'good faith' clause coming to their rescue.
  - Otherwise, in case of infringement of the right to privacy under these statutes, relief (including compensation) could only be sought from the constitutional courts.

### ➤ Addressing Unauthorized Opening:

- Reintroduce specific offenses and penalties within the Act, addressing unauthorised opening of postal articles by postal officers.
- Establish a legal framework that holds individuals accountable for misconduct, fraud, theft, and other offenses to safeguard the right to privacy of consumers.
  - Article 17 of the [International Covenant on Civil and Political Rights, 1966](#), to which India is a party, says that 'no one shall be subjected to arbitrary or unlawful interference with his privacy, family, home and correspondence nor to unlawful attacks on his honor and reputation'.

### Conclusion:

While legislative amendments are crucial for addressing contemporary challenges, a balance must be struck between security imperatives and individual rights. The evolving legal landscape requires careful consideration to ensure that the interception provisions align with constitutional principles, international obligations, and the imperative of safeguarding individual privacy.

Proactive steps, including the formulation of clear procedural safeguards, accountability measures, and adherence to international standards, are essential to prevent constitutional challenges in the future.

■■■

## Examining One Nation, One Election

This editorial is based on "[The idea of one nation, one election is against federalism](#)" which was published in *The Hindu* on 23/01/2024. The article discusses the drawbacks associated with the idea of having simultaneous elections for both the Lok Sabha and State Legislative Assemblies, i.e., *One Nation One Election - an idea propagated by the Union Government*.

**Tag:** GS Paper - 2, Federalism, Co-operative Federalism, Constitutional Amendments, Representation of People's Act, Centre-State Relations, Judicial Review.

In September 2023, the Union Government established a 'High Level Committee on [One Nation, One](#)

**Election**, led by former **President** Ramnath Kovind. The Committee has engaged with national and State political parties and sought public and jurists' opinions, with potential recommendations anticipated. The proposal raises concerns about its impact on India's democratic structure and federal set up.

### **What is the Central Idea behind One Nation-One Election (ONOE)?**

#### ➤ **About:**

- The concept talks about a scenario where all State elections will take place simultaneously with the general elections of **Lok Sabha**, once every five years.
- The idea is to streamline the electoral process and reduce the frequency of elections, thus saving time and resources.

#### ➤ **Background:**

- The idea has been around since 1983, when the **Election Commission** first mooted it. However, until 1967, simultaneous elections were the norm in India.
  - The first General Elections to the House of People (Lok Sabha) and all **State Legislative Assemblies** were held simultaneously in 1951-52.
  - That practice continued in three subsequent General Elections held in the years 1957, 1962 and 1967.
- However, due to the premature dissolution of some Legislative Assemblies in 1968 and 1969, the cycle got disrupted.
  - In 1970, the Lok Sabha was itself dissolved prematurely and fresh elections were held in 1971. Thus, till 1970, only the First, Second and Third Lok Sabha enjoyed full five-year terms.

#### ➤ **Simultaneous Elections Elsewhere:**

- **In South Africa**, elections to national as well as provincial legislatures are held simultaneously for five years and municipal elections are held two years later.
- **In Sweden**, elections to the national legislature (Riksdag) and provincial legislature/county council (Landsting) and local bodies/municipal Assemblies (Kommunfullmaktige) are held on a fixed date i.e. second Sunday in September every fourth year.
- **In Britain**, the Fixed-term Parliaments Act, 2011 was passed to provide a sense of stability and predictability to the British Parliament and its tenure.
  - It provided that the first elections would be held on the 7<sup>th</sup> of May, 2015 and on the first Thursday of May every fifth year thereafter.

### **What are the Various Benefits of Simultaneous Elections or ONOE?**

#### ➤ **Reducing Governance Distractions:**

- Holding frequent elections diverts the entire country's attention, from top leaders to local representatives, causing a virtual paralysis of administration at various levels.
  - This preoccupation negatively impacts India's growth prospects and hinders effective governance.

#### ➤ **Model Code of Conduct's Impact:**

- The **Model Code of Conduct (MCC)** imposed during elections delays key policy decisions both at the national and local levels.
  - Even ongoing projects face setbacks as election duties take precedence, leading to a slowdown in routine administration.

#### ➤ **Addressing Political Corruption:**

- Frequent elections contribute to political corruption as significant funds need to be raised for each election.
- Simultaneous elections can substantially reduce election expenses for political parties, eliminating the need for repetitive fundraising.
  - It also lessens the pressure on the public and business community for multiple election donations.

#### ➤ **Cost Savings and Electoral Infrastructure:**

- When the first elections to the Lok Sabha took place in 1951-52, 53 parties contested the elections, around 1874 candidates participated and poll expenses were Rs. 11 crore.
  - In the 2019 elections, there were 610 political parties and around 9,000 candidates; poll expenses of around Rs. 60,000 crores, as per Association of Democratic Reforms (ADR), are yet to be declared by the political parties.
- While initial infrastructure investments are required, using the same electoral rolls for all elections can save considerable time and money in updating and maintaining voter lists.

#### ➤ **Citizen Convenience:**

- Simultaneous elections alleviate concerns for citizens regarding missing names from electoral rolls.
- Using consistent electoral rolls for all elections streamlines the process, providing citizens with a more straightforward and reliable voting experience.

#### ➤ **Optimizing Law Enforcement Resources:**

- Massive redeployment of police and paramilitary forces during elections incurs significant costs and diverts key law enforcement personnel from critical functions.

- Simultaneous elections can curtail these deployments, optimizing resources and enhancing law enforcement efficiency.
- **Curbing Horse-Trading:**
  - Fixed-interval elections have the potential to reduce horse-trading by elected representatives.
  - Holding elections at specific periods makes it more challenging for representatives to switch parties or form alliances for personal gains, complementing existing anti-defection laws.
- **Financial Stability for State Governments:**
  - Frequent elections lead to state governments announcing freebies to woo the electorate, often straining their finances.
  - Simultaneous elections could mitigate this issue, reducing the financial burden on state governments and contributing to greater financial stability.

### ***What are the Challenges Associated with ONOE?***

- **Constitutional Concerns and Mid-Tenure Collapse:**
  - Article 83(2) and 172 of the Constitution outline a five-year tenure for Lok Sabha and State Assemblies unless dissolved earlier.
  - The concept of ONOE raises questions about the repercussions if the Central or State government collapses mid-tenure.
    - The dilemma of whether to hold elections in every State or impose President's Rule complicates the constitutional framework.
- **Logistical Challenges in Implementing ONOE:**
  - The implementation of ONOE poses significant logistical challenges, including the availability and security of electronic voting machines, personnel, and other resources.
  - The EC may encounter difficulties in managing such a massive electoral exercise, adding complexity to the ONOE proposal.
- **Federalism Concerns and Law Commission's Findings:**
  - ONOE clashes with the concept of federalism, contrary to the idea of India as a "Union of States" specified in Article 1.
    - Simultaneous elections are an attack on the autonomy and independence of state governments. This can not only weaken this federal structure but also increase the conflict of interest between the Centre and states.
      - The terms of state governments vary, and some states are given special provisions under Article 371 of the Constitution.
  - The Law Commission, under Justice B. S. Chauhan, reported that simultaneous elections are not

feasible within the existing constitutional framework.

- Amendments to the Constitution, Representation of the People Act 1951, and Rules of Procedure of Lok Sabha and State Assemblies would be required.
- **Recurrence of Elections and Democratic Benefits:**
  - The current system of recurrent elections is seen as beneficial in a democracy, allowing voters to express their voices more frequently.
  - This setup prevents the blending of issues between national and State polls, ensuring greater accountability.
  - The distinctive demands and needs of each state are maintained under the present framework.
- **Biased Democratic Structure:**
  - A 2015 study by the **IDFC Institute** highlights a 77% chance that the winning political party or alliance will secure victories in both Lok Sabha and Assembly elections when held simultaneously.
    - If the elections are held six months apart, however, only 61% of the voters choose the same party.
- **Cost Implications and Economic Considerations:**
  - The costs associated with simultaneous elections, as estimated by the **EC and NITI Aayog**, reveal conflicting figures. While the synchronization may save costs per voter in the long run, short-term expenses for deploying larger numbers of electronic voting machines (EVMs) and Voter Verified Paper Audit Trails (VVPATs) could increase.
    - Economic research suggests that election spending by parties and candidates, despite potential short-term cost increases, ultimately benefits the economy and government tax revenues.
- **Legal Concerns:**
  - The introduction of a common election process may violate the Constitution, as highlighted in the S.R. Bommai case, where the Supreme Court emphasized the independent constitutional existence of States.
  - Language Bias in Consultation Process:
    - The High-Level Committee's consultation process, evident on its website, raises concerns of bias, exclusion, and inequality.
    - The website, intended as an information repository and interaction platform, is available only in English and Hindi, neglecting the diversity of India's 22 official languages.
- **Independence of the Election Commission:**
  - Questions are raised about the EC's independence, analogous to demonetisation, where the Reserve Bank of India was kept uninformed.



- The Election Commission appears passive in the High-Level Committee's process, jeopardizing its autonomy to make independent decisions on elections.

### What can be the Way Forward?

#### ➤ Building Consensus:

- Building consensus among political parties and states is crucial for the feasibility of simultaneous elections. This necessitates open dialogues, consultations, and deliberations among diverse stakeholders to address concerns and garner support.

#### ➤ Constitutional Amendments:

- To enable simultaneous elections, amendments to the Constitution, the Representation of the People Act 1951, and the Rules of Procedure of Lok Sabha and State Assemblies are imperative. This legal framework should accommodate the unique requirements of synchronized polls.

#### ➤ Aligning Assembly Terms with Lok Sabha:

- A constitutional amendment could involve aligning assembly terms with Lok Sabha elections. As a proposal, any assembly whose term ends within six months before or after Lok Sabha elections could coincide their elections, streamlining the electoral process.

#### ➤ Investment in Infrastructure:

- The successful implementation of simultaneous elections requires substantial investment in electoral infrastructure and technology. This includes ensuring an adequate supply of EVMs, VVPAT machines, polling booths, and trained security personnel.

#### ➤ Legal Framework for Contingencies:

- Establishing a legal framework is essential for dealing with contingencies like **no-confidence motions**, premature assembly dissolution, or hung parliaments. This framework aims to manage unforeseen circumstances arising during the simultaneous election cycle.

#### ➤ Awareness and Voter Education:

- Creating awareness among voters about the advantages and challenges of simultaneous elections is crucial. Voter education programs must ensure that citizens understand the process, enabling them to exercise their franchise without confusion or inconvenience.

### Conclusion:

The establishment of the 'High Level Committee', signals a significant deliberation on the synchronization of elections in India. Despite concerns about the potential impact on constitutional and legal principles, the lack of

a definite timeline for the committee's recommendations adds an air of uncertainty. Legal concerns, particularly the potential alteration of State Legislature durations, present a constitutional challenge. The looming question of whether One Nation, One Election can be stopped brings the constitutional role of the Indian Supreme Court to the forefront.



## Revamping India's Semiconductor Design Scheme

This editorial is based on "[\*The need to overhaul a semiconductor scheme\*](#)" which was published in *The Hindu* on 24/01/2024. The article examines how an overhauled India Semiconductor Mission's (ISM) Design Linked Incentive (DLI) scheme would fortify India's comparative advantage and augment its forays into other stages of the semiconductor global value chain.

**Tag:** GS Paper - 2, Government Policies & Interventions, Effect of Policies & Politics of Countries on India's Interests, GS Paper - 3, Growth & Development, Indigenization of Technology

The mid-term evaluation of the **Design-Linked Incentive (DLI) scheme**, a crucial element of **India's Semiconductor Mission**, is approaching. Despite its goal of supporting 100 start-ups over five years, only seven have been approved, prompting a call for a reassessment and potential revamping of the scheme.

India aspires to become a global semiconductor hub, but the **semiconductor chip** shortage has underscored weaknesses in the supply chain, emphasising the urgency of enhancing domestic manufacturing capacity.

### What are Semiconductors?

- Any of a class of crystalline solids intermediate in electrical conductivity between a conductor and an insulator.
- Semiconductors are employed in the manufacture of various kinds of electronic devices, including diodes, transistors, and **Integrated Circuits (ICs)**. Such devices have found wide application because of their compactness, reliability, power efficiency, and low cost.
  - As discrete components, they have found use in power devices, optical sensors, and light emitters, including solid-state lasers.
- Semiconductors are typically crystalline solids composed of atoms with four valence electrons. **Silicon and germanium are two common elemental semiconductors** used in electronic devices.

## What is the India Semiconductor Mission (ISM)?

### ➤ About:

- The ISM was launched in 2021 with a total financial outlay of Rs. 76,000 crore under the aegis of the Ministry of Electronics and IT (MeitY).
- It is part of the **comprehensive program for the development of sustainable semiconductor and display ecosystems** in the country.
- The programme aims to provide financial support to companies investing in semiconductors, display manufacturing and design ecosystem.
- Envisioned to be led by global experts in the Semiconductor and Display industry, ISM will serve as the nodal agency for efficient, coherent and smooth implementation of the schemes.

### ➤ Components:

- Scheme for setting up of Semiconductor Fabs in India
- Scheme for setting up of Display Fabs in India
- Scheme for setting up of Compound Semiconductors / Silicon Photonics / Sensors Fab and Semiconductor Assembly, Testing, Marking and Packaging (ATMP) / OSAT facilities in India
- **Design Linked Incentive (DLI) Scheme:**
  - **About:** It offers financial incentives, design infrastructure support across various stages of development and deployment of semiconductor design for **Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design.**
  - **Nodal Agency:** **C-DAC (Centre for Development of Advanced Computing)**, a scientific society operating under MeitY, will serve as the nodal agency for implementation of the DLI scheme.
  - **3 Components of DLI:**
    - **Chip Design Infrastructure Support:** Under this, C-DAC will set up the India Chip Centre to host the state-of-the-art design infrastructure (viz. EDA Tools, IP Cores and support for MPW (Multi Project Wafer fabrication) & post-silicon validation) and facilitate its access to supported companies.
    - **Product Design Linked Incentive:** Under this, a reimbursement of up to 50% of the eligible expenditure subject to a ceiling of

Rs.15 Crore per application will be provided as fiscal support to the approved applicants who are engaged in semiconductor design.

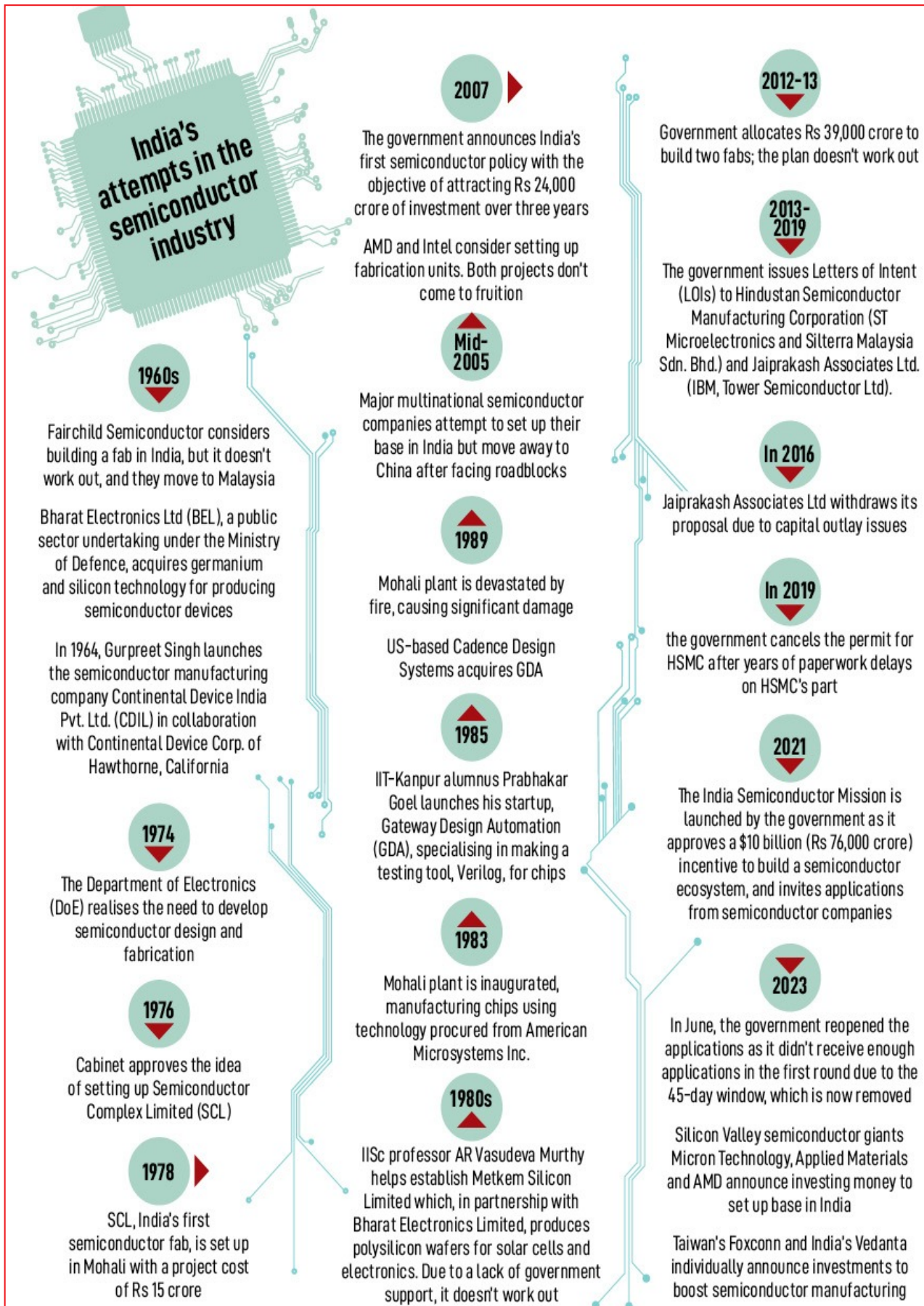
- **Deployment Linked Incentive:** Under this, an incentive of 6% to 4% of net sales turnover over 5 years subject to a ceiling of Rs.30 Crore per application will be provided to approved applicants whose semiconductor design for Integrated Circuits (ICs), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design are deployed in electronic products.

### ➤ Vision:

- To build a vibrant semiconductor and display design and innovation ecosystem to enable India's emergence as a global hub for electronics manufacturing and design.

### ➤ Significance:

- ISM is of paramount importance to organise efforts for **promoting semiconductors and display industry** in a more structured, focused, and comprehensive manner.
- It will formulate a **comprehensive long-term strategy** for developing semiconductors & display manufacturing facilities and semiconductor design ecosystem in the country.
- It will facilitate the adoption of trusted electronics through **secure semiconductors and display supply chains**, including raw materials, specialty chemicals, gases, and manufacturing equipment.
- It will enable a **multi-fold growth of Indian semiconductor design industry** by providing requisite support in the form of Electronic Design Automation (EDA) tools, foundry services and other suitable mechanisms for early-stage startups.
- It will also **promote and facilitate indigenous Intellectual Property (IP)** generation and encourage, enable and incentivize Transfer of Technologies (ToT).
- ISM will enable collaborations and partnership programs with national and international agencies, industries and institutions for **catalysing collaborative research, commercialization and skill development.**





### ***What is the Overall Scenario of the Semiconductor Market?***

#### ➤ **Global Scenario:**

- The chip-making industry is a highly-concentrated one, with the big players being Taiwan, South Korea and the U.S. among others.
  - Infact, 90% of 5 nm chips are mass-produced in Taiwan, by the Taiwan Semiconductor Manufacturing Company (TSMC).
- Therefore, the global chip shortage, U.S.-China tensions over Taiwan, and the supply chain blockages owing to the Russia-Ukraine conflict have led major economies to enter the chip-making sector with a renewed push.
- The global semiconductor industry is currently valued at USD 500-600 billion and caters to the global electronics industry currently valued at about USD 3 trillion.

#### ➤ **Indian Scenario:**

- The Indian semiconductor market is valued at approximately USD 23.2 Bn and is projected to reach USD 150 Bn by 2029, growing at a CAGR of 27.10% during the forecast period.
- However, for the domestic manufacturing of semiconductor chips, India has recently launched several initiatives:
  - To support semiconductor research and development (R&D) in India, MeitY has announced a USD 10 Bn investment in the ISM.
  - India has also launched the Scheme for Promotion of Manufacturing of Electronic Components and Semiconductors (SPECs) for manufacturing of electronics components and semiconductors.

### ***What are the Different Challenges in the Semiconductor Industry in India?***

- **Data Latency:** Power, efficiency and task-based binning of wafer-die can lead to different co-products from the same wafer. Different tasks, each using varied planning parameters, triggers data latency issues since that data is stored in multiple disparate systems.
- **Customer-Specific Needs:** Often, the same product contains varied material, site, shipment size, and quality manufacturing. All such needs tend to vary

as they are based on the customer's specific demands.

- **Front-end (FE) Built Output:** FE outputs such as wafers need further manufacturing steps such as assembly and testing as well as a blended model. This results in complexities across the supply chain, turning efficient capacity planning more difficult.
- **Back-End (BE) Cycle Times Quicker than FE:** The processing period of FE cycle is typically 6-8 weeks, whereas BE cycle times are mere 1-2 weeks only. This effectively means deferring inventory at different manufacturing periods, which needs additional planning.
- **Restricted End-to-End Supply Chain Visibility and Planning:** Abundant direct and indirect materials needed for manufacturing, and unrelated in-house and contractual manufacturing sites and distribution centres, makes supply chain prominence tough, learning to excess inventory growth and inefficient customer service.
- **Extremely Expensive Fab Setup:** A semiconductor fab can cost multiples of a billion dollars to set up even on a relatively small scale and lagging by a generation or two behind the latest in technology.
- **High Investments Required:** Semiconductors and display manufacturing is a very complex and technology-intensive sector involving huge capital investments, high risk, long gestation and payback periods, and rapid changes in technology, which require significant and sustained investments.

### ***What are the Issues in the Implementation of DLI Scheme?***

- While the DLI scheme aims to provide access to design infrastructure and financial subsidies, there is lacklustre uptake.
  - Mandating start-ups to maintain domestic status and limiting foreign capital poses a significant barrier. The **funding landscape and absence of a mature start-up ecosystem** for hardware products in India reduce investor risk appetite.
- The semiconductor industry is highly competitive, with **established players dominating the market**.
  - India would need to compete with countries like the US, S Korea, Taiwan, and China, which have well-established chip manufacturing industries.

- Gaining a competitive edge and attracting global investments in the face of such competition is a significant challenge.
- Intellectual property rights and licensing agreements play a crucial role in the semiconductor industry.
  - **Access to intellectual property, patents, and licences** for advanced chip technologies can be a hurdle for India's chip making plans.
  - Negotiating partnerships, licensing agreements, or developing indigenous intellectual property can be a complex process given the very low R&D expenditure compared to **GDP**.

### ***How can ISM and its DLI Scheme be Overhauled?***

- **Integrating India's Semiconductor Strategy Goals:**
  - India's USD 10 billion Semicon India Program aims to reduce dependence on semiconductor imports, build supply chain resilience, and leverage its comparative advantage in chip design.
  - The three goals involve strategic sectors, global value chain integration, and capitalising on India's existing design capabilities, which need to be integrated.
- **Prioritising Investment for Maximum Benefit:**
  - With limited resources, industrial policy priorities should focus on maximising benefits. Stimulating the design ecosystem is less capital-intensive than foundry and assembly stages, creating strong forward linkages for India's semiconductor industry.
  - Policy scrutiny should address the disparity in revisions between the DLI scheme and **Production-Linked Incentive (PLI)** schemes.
- **Delinking Ownership from Development:**
  - The relatively modest incentives under the DLI scheme may not be a worthwhile trade-off for start-ups facing restrictions on ownership.
  - Delinking ownership from semiconductor design development and adopting more start-up-friendly investment guidelines could enhance financial stability and provide global exposure.
- **Broadening the Focus of the DLI Scheme:**
  - The primary aim of the DLI scheme should be to cultivate semiconductor design capabilities in India, fostering indigenous companies over time.
- The scheme needs to shift its focus to facilitate design capabilities for various chips within the country, regardless of the entity's registration, with a substantial increase in financial support.
- **Establishing a Capable Institution for Policy Implementation:**
  - A recalibrated policy focused on chip design, led by a capable institution, can tolerate a certain failure rate and treat beneficiary start-ups as exploratory risk-taking vehicles.
  - A revamped DLI scheme under the ISM, inspired by SFAL's approach, could attract a broader range of semiconductor design start-ups and help them overcome initial hurdles.
- **Utilising Existing Facilities:**
  - Semiconductors and displays are the foundation of modern electronics driving the next phase of digital transformation under **Industry 4.0**.
  - India's Public Sector Enterprises (PSEs) such as Bharat Electronics Ltd or Hindustan Aeronautics Ltd can be used to set up a semiconductor fab foundry with the help of a global major.
- **Collaboration:**
  - Though India is focusing on "lagging-edge" technology nodes in the start to supply to the automotive and appliance sector, creating global demand may be difficult as big players like Taiwan offer viable cutting-edge chip-tech worldwide.
  - Besides the US and Japan, India should also explore similar opportunities to collaborate with other countries such as Taiwan, S Korea etc or other technologically advanced, friendly nations to promote domestic manufacturing and reduce import dependency in this sector.

### ***Conclusion:***

The DLI scheme faces challenges such as restrictive ownership conditions, significant costs, and limited incentives, necessitating a shift in focus towards cultivating semiconductor design capabilities. Revisions should include delinking ownership from development, enhancing financial support, and reconsidering the role of the nodal agency. **A recalibrated policy, guided by a capable institution, can tolerate some failure while establishing India's foothold in the high-tech semiconductor sector.**



## ICJ Proceedings: South Africa vs. Israel

This editorial is based on “[The issue of genocide and the world court](#)” which was published in *The Hindu* on 25/01/2024. The article delves into the legal action taken by South Africa against Israel at the ICJ concerning the Gaza war. The case involves accusations of war crimes, human rights abuses, and genocidal actions attributed to the State of Israel.

**Tag:** GS Paper - 2, International Treaties & Agreements, Bilateral Groupings & Agreements, Groupings & Agreements Involving India and/or Affecting India's Interests.

**Human rights, genocide, and war crimes** are interconnected concepts within the broader framework of international law, specifically focusing on protecting individuals and groups during times of conflict or crisis. Human rights serve as the foundation for the prevention of genocide and war crimes. These rights are enshrined in various international treaties and declarations, such as the **Universal Declaration of Human Rights (UDHR)**.

South Africa instituted proceedings against Israel in the **International Court of Justice (ICJ)**. In its application, the former argued that the manner in which Israel was conducting its military operations in **Gaza** violated the **International Convention on the Prevention and Punishment of the Crime of Genocide i.e., Genocide Convention**.

### What is Genocide?

#### ➤ About:

- As per **UN**, genocide is the intentional and systematic destruction of a particular ethnic, racial, religious, or national group.
- This destruction can occur through a variety of means, including mass killing, forced relocation, and the imposition of harsh living conditions that result in widespread death.

#### ➤ Conditions:

- UN says a crime of genocide includes two main elements:
  - **Mental Element:** The intent to destroy, in whole or in part, a national, ethnic, racial or religious group.

- **Physical Element:** It includes the following acts, enumerated exhaustively:
  - Killing members of the group.
  - Causing serious bodily or mental harm to members of the group
  - Deliberately inflicting on the group conditions of life is calculated to bring about its physical destruction in whole or in part.

### What is Genocide Convention?

#### ➤ About:

- The Convention on the Prevention and Punishment of the Crime of Genocide is an instrument of international law that codified for the first time the crime of genocide.
  - It was the first human rights treaty adopted by the UN General Assembly on 9 December **1948**.
- It signified the international community's commitment to 'never again' after the atrocities committed during the **Second World War**.
- Its adoption marked a crucial step towards the development of international human rights and international criminal law as we know it today.

#### ➤ Features:

- According to the Genocide Convention, genocide is a crime that can take place **both in time of war as well as in time of peace**.
  - This definition of the crime of genocide has been widely adopted at both national and international levels, including in the **1998 Rome Statute of the International Criminal Court (ICC)**.
- Importantly, the Convention establishes on **State Parties the obligation to take measures** to prevent and to punish the crime of genocide, including by enacting relevant legislation and punishing perpetrators, “whether they are constitutionally responsible rulers, public officials or private individuals” (Article IV).
  - This obligation, in addition to the prohibition of committing genocide, have been considered as norms of international customary law and therefore, binding on all States, **whether or not they have ratified the Genocide Convention**.
- **India has ratified this convention.**



# THE UNIVERSAL DECLARATION OF HUMAN RIGHTS

## 1 Equality

Everyone is born free and equal in dignity and with rights.



## 2 Freedom from Discrimination

You should never be discriminated against for any reason.



## 3 Life, Liberty and Security

Everyone has the right to life, liberty and personal security.



## 4 Freedom from Slavery

No-one shall be held in slavery or servitude.



## 5 Freedom from Torture

No-one shall be subjected to torture or to cruel or degrading treatment.



## 6 Recognition as Person Before Law

You have the right to be treated as a person in the eyes of the law.



## 7 Equality Before the Law

You have the right to be treated by the law in the same way as everyone else.



## 8 Remedy by Tribunal

You have the right to remedy by competent tribunal.



## 9 Freedom from arbitrary arrest

No-one shall be subject to arbitrary arrest, detention or exile.



## 10 Fair Public Hearing

You have the right to a fair public hearing.



## 11 Innocent until Proven Guilty

You have the right to be considered innocent until proven guilty.



## 12 Privacy

No-one has the right to interfere with your privacy, family, or home.



## 13 Freedom of Movement

You have the right to freedom of movement in and out of the country.



## 14 Asylum

You have the right to seek asylum in other countries from persecution.



## 15 Nationality

You have the right to a nationality.



## 16 Marriage and Family

You have the right to marriage and to raise a family.



## 17 Property

You have the right to own property.



## 18 Freedom of Belief

You have the right to freedom of belief and religion.



## 19 Freedom of Opinion

You have the right to freedom of opinion and expression.



## 20 Freedom of Assembly

You have the right to freedom of peaceful assembly and association.



## 21 Take Part in Government

You have the right to take part in the government of your country.



## 22 Social Security

You have the right to social security.



## 23 Work

You have the right to desirable work and to join trade unions.



## 24 Rest and Leisure

You have the right to rest and leisure.



## 25 Adequate Living Standard

You have the right to a decent life, including food, clothing, housing, and medical care.



## 26 Education

You have the right to education.



## 27 Participate in Cultural Life

You have the right to Participate in the Cultural Life of Community.



## 28 Social Order

You have the Right to a Social Order that Articulates this Document.



## 29 Mutual Responsibility

We all have a responsibility to the people around us and should protect their rights and freedoms.



## 30 Freedom from State or Personal Interference

There is nothing in this declaration that justifies any person or country taking away the rights to which we are all entitled.



**HRE USA**

Human Rights Educators USA

A national network dedicated to building a culture of human rights.

[hreusa.org](http://hreusa.org)

**HUMAN RIGHTS EDUCATION** is a lifelong process of teaching and learning that helps individuals develop the knowledge, skills, and values to fully exercise and protect the human rights of themselves and others; to fulfill their responsibilities in the context of internationally agreed upon human rights principles; and to achieve justice and peace in the world. **HRE USA** strives to promote human dignity, justice, and peace by cultivating an expansive, vibrant base of support for Human Rights Education (HRE) in the United States.

**What is the 'South Africa vs Israel Case' at ICJ?****➤ S Africa's Allegations:**

- The killing of Palestinians in Gaza in large numbers, especially children; destruction of their homes; their expulsion and displacement by Israeli forces.
- It also Includes blockade on food, water and medical assistance to the strip; the imposition of measures preventing Palestinian births by destroying essential health services crucial for the survival of pregnant women and babies.

**➤ S Africa's Immediate Demands:**

- South Africa is requesting that the ICJ move urgently to prevent Israel from committing further crimes in the strip using "provisional measures" – essentially an emergency order that can be applied even before the main case begins.
- It argues that provisional measures are necessary "to protect against further, severe and irreparable harm to the rights of the Palestinian people under the Genocide Convention, which continue to be violated with impunity".

**➤ Israel's Stand:**

- Israel, which has lambasted S Africa for bringing the case, has promised to defend itself at the court. Israeli officials have called the case "preposterous" and say it constitutes a "blood libel".
- Israel argues that the killing of more than 23,000 people in Gaza is in self-defence and will present proudly our case of using self-defence under our most inherent right under international humanitarian law.

**➤ Stand of International Community:**

- Several countries and organisations have backed South Africa's suit. Malaysia, Turkey, Jordan, Bolivia, the Maldives, Namibia, Pakistan, Columbia, and members of the **Organisation of Islamic Countries (OIC)** are among them.

- The **European Union** has been silent, but Israel has seen support from its number one backer and weapons supplier, the US which states - "allegations that Israel is committing genocide are unfounded, but Israel must prevent civilian harm and investigate allegations of humanitarian crimes."
- The UK, and France oppose the case, with France even hinting at non-compliance if genocide findings are issued against Israel.

**What are the Different Concerns in the 'S Africa vs Israel Case'?****➤ ICJ as One Forum:**

- Questions arise about the one-sided focus on Israel, but non-state actors like Hamas can't be brought to the ICJ.
- ICC deals with individuals, and the situation has been referred for investigation.

**➤ Global Split:**

- The divide among nations, tracking colonial and non-colonial histories, adds complexity where Bangladesh and Jordan support South Africa, while Germany backs Israel.
- Germany's stance, previously supporting a broad reading of the Genocide Convention, raises questions about its current position in the South Africa vs. Israel case.
- The split reflects historical power dynamics in the formation of international law.
- The proceedings are seen as challenging the legitimacy of international law itself. France's belligerent statements contribute to this perception.

**Note:**

- ICJ is separate from the **International Criminal Court (ICC)**, which tries individuals in criminal cases, where Israel too can invoke legal actions against **Hamas** and its members.

## ISRAEL'S WAR ON GAZA

## Differences between the ICJ and the ICC

The International Court of Justice (ICJ) and the International Criminal Court (ICC) are two courts with different functions within the international legal system.

	 <b>ICJ</b> International Court of Justice	 <b>ICC</b> International Criminal Court
<b>Established</b>	1945	2002
<b>UN-relationship</b>	Highest court of the UN	Not part of the UN
<b>Location</b>	The Hague, the Netherlands	The Hague, the Netherlands
<b>Jurisdiction</b>	UN member-states	Individuals
<b>Types of cases</b>	Legal disputes between states and requests for advisory opinions on legal questions	Prosecutes individuals for the most serious crimes as per the Rome Statute
<b>Appeals</b>	No	Yes
<b>Enforcement power</b>	None - relies on the UN Security Council to uphold judgements, with permanent members having veto power	None - relies on cooperation from member states to enforce its decisions



Source: International Court of Justice, International Criminal Court | January 10, 2024

@AJLabs ALJAZEERA

### What are the Laws and Regulations in India for Genocide?

#### ➤ International Conventions:

- India does not have any domestic law on genocide, even though it has **ratified the UN Convention on Genocide**.
- India is a signatory to the UDHR and has ratified the International Covenant on Civil and Political Rights (**ICCPR**) and the International Covenant on Economic, Social and Cultural Rights (**ICESCR**).

#### ➤ Indian Penal Code (IPC):

- The **Indian Penal Code (IPC)** provides for the punishment of genocide and related crimes, and sets out the procedures for investigation, prosecution, and punishment.

- Genocide has been defined as a crime under IPC Section 153B, which criminalizes acts that promote enmity between different groups on grounds of religion, race, place of birth, residence, language, etc. with the intent to cause riots or commit acts of violence.

#### ➤ Constitutional Provisions:

- The Indian Constitution via **Article 15** provides protection against discrimination on the basis of religion, race, caste, sex, or place of birth;
- **Article 21** guarantees the right to life and personal liberty etc.

#### ➤ Statutory Provisions:

- The **National Human Rights Commission (NHRC)** of India was established in 1993 under the **Protection of Human Rights Act (PHRA), 1993**.



- The act also provides for the establishment of State Human Rights Commissions.

### **What are the Ways to Prevent Genocides and War Crimes?**

Genocide is not something that happens overnight or without warning. Genocide requires

organisation and constitutes in fact a deliberate strategy and one that has been mostly carried out by governments or groups controlling the state apparatus. In 2004, on the tenth anniversary of the **Rwandan genocide**, erstwhile UN Secretary-General **Kofi Annan** outlined a **five-point action plan for preventing genocide**:

#### ➤ **Prevent Armed Conflict:**

- As genocide is most likely to occur during war, one of the best ways to reduce the chances of genocide is to address the root causes of violence and conflict: hatred, intolerance, racism, discrimination, tyranny, and the dehumanizing public discourse that denies whole groups of people their dignity and their rights.
- Addressing inequalities in access to resources constitutes a critical prevention strategy.

#### ➤ **Protect Civilians:**

- When efforts to prevent conflict fail, one of the highest priorities must be to protect civilians. Wherever civilians are deliberately targeted because they belong to a particular community, there is a risk of genocide.
- Over the last decade, the **UN Security Council** has frequently expanded the mandate of **UN peacekeepers** so that they can physically protect civilians who are threatened with violence.

#### ➤ **End Impunity through Judicial Action:**

- To deter people from committing crimes of genocide, those responsible for such crimes need to be brought to justice.
- Fighting impunity and establishing a credible expectation that the perpetrators of genocide and related crimes will be held accountable can effectively contribute to a culture of prevention.

#### ➤ **Appointing Special Advisers:**

- The tragedies of Rwanda and the Balkans in the 1990s demonstrated, in the worst possible way, that the UN had to do more to prevent genocide.
- With this in mind, the Secretary General, in 2004, appointed Special Adviser on the Prevention of Genocide.
  - The Special Advisers collect information on situations where there may be a risk of genocide, war crimes, ethnic cleansing and crimes against humanity.

#### ➤ **Swift Actions, including via Military Force:**

- When, where, and how to intervene militarily in domestic situations to prevent or respond to genocide or other mass atrocity crimes is to be decided by the Security Council, in accordance with the United Nations Charter.
- In 2005, at the United Nations World Summit, all countries formally agreed that, if peaceful methods are inadequate and if national authorities are “manifestly failing” to protect their populations from the mass atrocity crimes, then:
  - States should act collectively in a “timely and decisive manner,” through the UNSC and in accordance with the Charter of the UN.

### **Conclusion:**

The legal proceedings initiated by South Africa against Israel in the ICJ have sparked intense global debate. The case revolves around allegations of genocide in Israel’s military operations in Gaza, presenting a complex legal context. The outcome holds significance not only for mitigating the crisis in Gaza but also as a crucial test for the “rules-based international order.” **The ICJ’s decisions in the coming months will play a pivotal role in shaping perceptions of the international legal framework.**

■ ■ ■

## **Ram Mandir: A Resolution to Ramrajya**

*This editorial is based on “**Ram is not fire, Ram is energy**” which was published in Indian Express on 23/01/2024. The article discusses the significance of the consecration ceremony of the Ram Temple in Ayodhya, highlighting its role as a symbol of peace and harmony in Indian society.*

**Tag:** GS Paper - 2, Government Policies & Interventions, GS Paper - 1, Temple Architecture, Communalism, Secularism, GS Paper - 4, Philosophical Basis of Governance and Probity.

The Pran Pratishtha, or consecration ceremony, marked a significant milestone, bringing an end to a 500-year quest for a **Ram Mandir in Ayodhya**. The Prime Minister marked this event as the end of a long wait. He highlighted that the construction of the temple dedicated to Lord Ram, symbolizing justice, was carried out in a fair and impartial manner. He expresses gratitude to the Indian judiciary for safeguarding the principles of justice.

While the Ram Temple is now a reality, the paramount concern is to prevent the recurrence of religious disputes in India. It is imperative for everyone to adhere to the principles of Ram Rajya and uphold Dharma.

### ***What are the Key Events in the Babri Masjid – Ram Mandir Controversy?***

- **1529: Babri Mosque constructed by Mir Baqi:** Babri Masjid was a 16th-century mosque located in Ayodhya, Uttar Pradesh. The site of the mosque is also believed to be the birthplace of Lord Ram (Shri Ram Janmabhoomi) by a large number of Hindus.
  - This has repeatedly led to disputes about who possesses the land.
- **Dec 1949: Ram Idol Appears inside the Mosque.**
- **Three Key Title Suits :**
  - In 1959, the **Nirmohi Akhara** filed a title suit . The Nirmohi Akhara claims it is the rightful manager of the Ram Janmabhoomi.
  - In 1961, the **Uttar Pradesh Sunni Central Board of Waqfs** (hereafter Sunni Waqf Board) also filed a suit. The Board claims possession of the mosque.
  - In 1989, senior advocate **Deoki N Agarwal** filed a suit on behalf of Lord Ram in the Allahabad High Court. All prior suits were moved to the High Court.
- **September 25th, 1990: Rath Yatra –** LK Advani launches a Rath Yatra from Somnath (Gujarat) to Ayodhya (UP) to incite support for the Movement.
- **December 6th, 1992: Babri demolished –** Babri Mosque razed by a violent mob of Karsevaks. The Karsevaks leave behind a makeshift temple in its place.
- **January 7th, 1993: State acquires Ayodhya land –** Government issues an ordinance acquiring 67.7 acres of land.
- **April 2002:** The Lucknow Bench of the Allahabad High Court begins hearing the Ayodhya Title Dispute.
- **January 8th, 2019: CJI** used his administrative powers to list the matter before a 5 judge Constitution Bench.
- **March 8th, 2019: Supreme Court orders mediation –** The Constitution Bench orders court-monitored mediation.
- **November 9th, 2019- Supreme Court delivered its final verdict-**
  - **Disputed land granted to Deity Ram Lalla:** The Supreme Court, through a unanimous verdict, settled the dispute by granting the entire 2.77-acre disputed land for the construction of a temple dedicated to the deity Ram Lalla, one of the three

claimants in the case.

- **Land for Mosque Construction:** In addition to the land for the temple, the court allocated five acres at a prominent place in Ayodhya for the construction of a mosque.

### ***What was the Basis of the Supreme Court Ruling in Favour of Ram Mandir Construction?***

- **Competing Rights over the Disputed Site:** Both Hindus and Muslims had competing rights over the disputed site. However, the Hindus showed better evidence of their continuous worship at the disputed structure, which was a key factor in the Court's decision.
- **Lack of Exclusive Muslim Possession:** There was no evidence produced by the Muslim parties that indicated their possession of the disputed structure was exclusive and that the offering of namaz (prayer) was exclusionary of Hindus.
- **Possession of the Outer Courtyard:** The court noted that Muslims had never been in possession of the outer courtyard of the disputed site. While the inner courtyard was a contested site with conflicting claims, there was no abandonment of the mosque by Muslims as namaz was offered till December 1949.
- **Sunni Waqf Board's Failure to Establish Ownership:** The Sunni Waqf Board did not succeed in establishing ownership through adverse possession or through waqf (dedication by user), which was another significant factor considered by the Court.
- **Trust for Temple Construction:** The **Supreme Court** directed the Centre, which had acquired the disputed land and adjacent areas, to set up a trust for the construction of the temple. This was part of the verdict to resolve the dispute and facilitate the construction of the Ram temple at the site.
- **ASI Report:** In its judgment, the Supreme Court referred to an Archaeological Survey of India (ASI) report to observe that the Babri Masjid, which stood on the disputed site until its demolition in 1992, was not built on vacant land and that there was evidence of a temple-like structure having existed on the land before the mosque was built.
- **Doctrine of Essentiality:** While delivering the judgment, the Supreme Court applied the doctrine of essential religious practices. It referred to the *M Ismail Faruqi vs Union of India* case (1994) in which the Supreme Court had held, "Mosque is not an essential part of the practice of the religion of Islam and namaz (prayer) by Muslims can be offered anywhere, even in open."

### What Makes the Construction of the Ram Mandir Significant?

- **Moment of Triumph:** The construction of the Ram Mandir in Ayodhya is a significant event that marks the end of a long-standing dispute and the beginning of a new chapter in India's history.
- **Religious Significance:** The temple is the sacred abode of one of the Hindu pantheon's most popular gods, Ram, who Hindus believe was born at the exact site in Ayodhya.
- **Symbol of Faith:** Ram Mandir is being built on the site that many Hindus believe to be the birthplace of Ram. Millions of Hindus worship Lord Ram with an intense belief that chanting his name in times of adversity will bring peace and prosperity, and most of those who practice Hinduism keep idols of Ram in their homes.
- **Temple Economy:** These initiatives are expected to turn Ayodhya into a major spiritual center in the

country, which will spur business and economic activity in the wider region due to enhanced connectivity.

- The Tirupati temple, a major pilgrimage site, draws millions of devotees annually, significantly boosting the local economy.
- **Nucleus Institution:** The temple could act as a nucleus around which charitable institutions such as schools and hospitals can grow.
- **Social Cohesion:** The Ram temple will go beyond the symbolism of a Hindu deity to signal a larger message of cohesion and cultural synthesis. It is social engineering through invoking divinity. It may prove as the binding thread of the nation
- **Cultural Diplomacy:** Ram's divinity not only holds sway as a prominent religious influence in India but also constitutes an integral part of the cultural heritage in nations such as Thailand, Indonesia, Myanmar, and Malaysia. This will additionally strengthen India's cultural diplomacy.





## How can the values of Lord Rama be inculcated in a Democracy like India?

- **Promoting Dharma (Righteousness):**
  - Encourage leaders and citizens to uphold moral and ethical principles in all aspects of life.
  - Emphasize the importance of honesty, integrity, and fairness in personal and public dealings.
- **Justice and Fairness:**
  - Establish a robust and impartial judicial system that ensures justice for all citizens, regardless of their background.
  - Promote equal opportunities and fair treatment for all individuals, irrespective of caste, religion, or socio-economic status.
- **Inclusive Governance:**
  - Foster an inclusive political system that represents the diverse voices and perspectives of the population.
  - Encourage policies that address the needs of marginalized communities, ensuring that development benefits reach all segments of society.
- **Servant Leadership:**
  - Promote the idea of leaders as servants of the people, focusing on the well-being and development of the community.
  - Encourage humility, compassion, and a commitment to public service among political leaders.
- **Community Harmony:**
  - Emphasize communal harmony and unity, discouraging divisive elements that may lead to conflicts.
  - Encourage dialogue and understanding among different communities, fostering a spirit of tolerance and coexistence.

### Conclusion:

The distance between Ram and rashtra, as the Prime Minister framed it, will be bridged not just by words but on the ground. It will call for outreach to the minority community; those who were not a part of the Mandir movement; and all those who remain apprehensive about the reverberations of temple consecration. It will require, in an age of polarization, the determined exploring of common ground.



## Combating Malnutrition in India

*This editorial is based on the article **"How to tackle malnutrition effectively"** which was published in Indian Express on 29/01/2024. It talks about the prevalence of malnutrition in India and how to tackle it effectively.*

**Tag:** GS Paper - 2, Issues Relating to Poverty & Hunger, Issues Related to Children, Issues Related to Women, Government Policies & Interventions.

India faces a significant challenge with the prevalent burden of malnutrition. This issue is connected to the complicated mix of social, economic, and cultural differences in the country. The multifaceted nature of this pervasive problem demands urgent focus and dedicated resources to prevent a further decline in nutritional indicators.

### What is Malnutrition?

#### ➤ About Malnutrition:

- As per **World Health Organization (WHO)**, malnutrition refers to deficiencies, excesses or imbalances in a person's intake of energy and nutrients.
- It is a condition that arises from inadequate intake of vital nutrients essential for optimal health, growth, and development within an individual's diet.

#### ➤ Types:

##### ○ **Undernutrition:**

- **Wasting:** Low weight-for-height is known as wasting. It occurs when a person has not had enough food to eat and/or they have had an infectious disease.
- **Stunting:** Low height-for-age is known as stunting. It often occurs due to insufficient calorie intake, leading to a low weight for a given height.
- **Underweight:** Children with low weight-for-age are known as underweight. A child who is underweight may be stunted, wasted, or both.

##### ○ **Micronutrient-related Malnutrition:**

- **Vitamin A Deficiency:** Insufficient intake of vitamin A can lead to vision impairment, weakened immunity, and other health issues.
- **Iron Deficiency:** Causes anaemia, impacting the body's ability to transport oxygen, leading to fatigue and weakness.

- **Iodine Deficiency:** Results in thyroid-related disorders, affecting growth and cognitive development.

- **Obesity:** Excessive calorie intake, often coupled with a sedentary lifestyle, can lead to obesity. It is characterised by an accumulation of excess body fat, posing health risks like cardiovascular diseases and diabetes.

- In adults, overweight is defined as a Body Mass Index (BMI) of 25 or more, whereas obesity is a BMI of 30 or more.

- **Diet-related Noncommunicable Diseases (NCDs):** It encompasses cardiovascular diseases, such as heart attacks and strokes, often associated with high blood pressure, primarily stemming from unhealthy diets and inadequate nutrition.

➤ **Global Prevalence:**

- Globally in 2022, 149 million children under 5 were estimated to be stunted (too short for age), 45 million were estimated to be wasted (too thin for height), and 37 million were overweight or obese.
- Nearly half of deaths among children under 5 years of age are linked to undernutrition.
- 1.9 billion adults are overweight or obese, while 462 million are underweight.

### What is the Severity of Malnutrition in India?

➤ According to **National Family Health Survey 5:**

○ **Prevalence of Malnutrition:**

- 35.5% of children under age five years are stunted
- 19.3% are wasted
- 32.1% are underweight
- 3% are overweight
- Malnutrition among women aged 15-49 years is 18.7%

○ **Prevalence of Anaemia:**

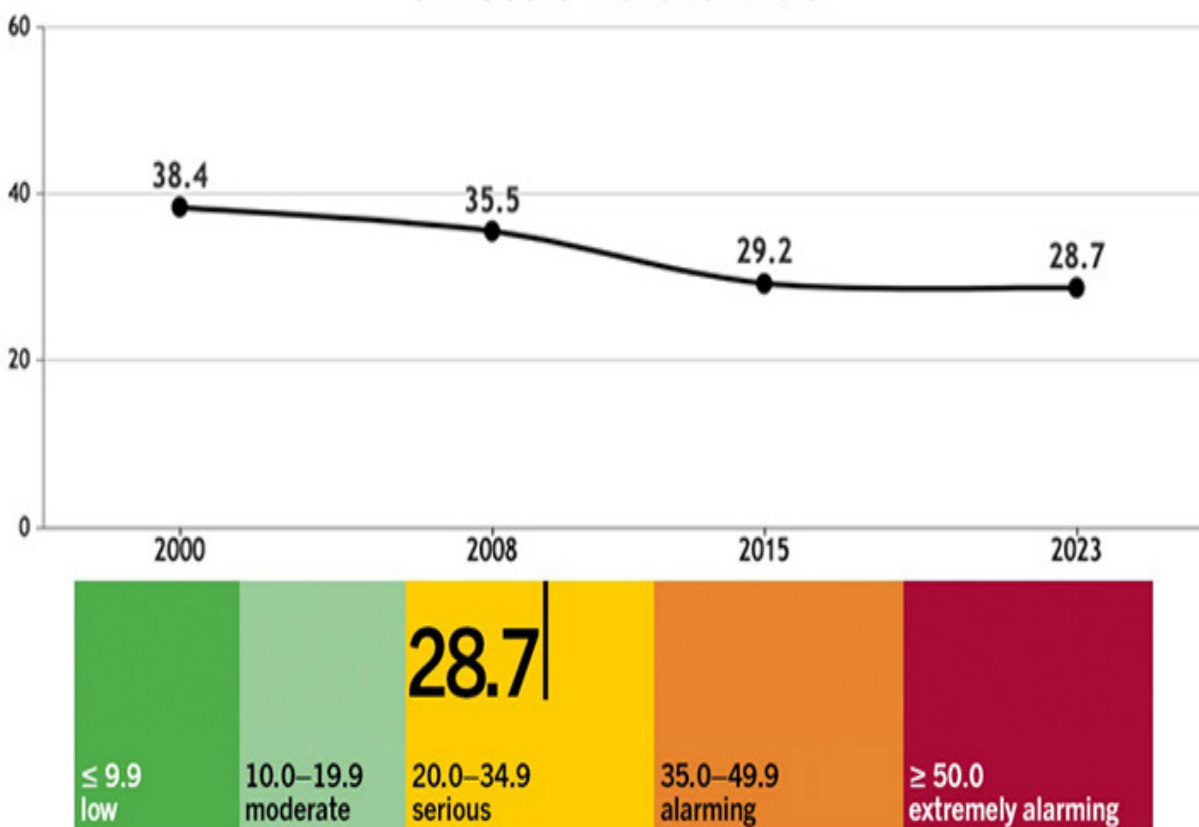
- 25.0% in men (15-49 years)
- 57.0% in women (15-49 years)
- 31.1% in adolescent boys (15-19 yrs)
- 59.1% in adolescent girls
- 52.2% in pregnant women (15-49 years)
- 67.1% in children (6-59 months)

➤ **The State of Food Security and Nutrition in the World, 2023:** Around 74% of India's population could not afford a healthy diet, and 39% fell short of a nutrient-adequate one.

➤ **According to Global Hunger Index 2023:** India's 2023 **GHI score** is 28.7, considered serious according to the GHI Severity of Hunger Scale.

- India's child wasting rate, at 18.7, is the highest child wasting rate in the report.

**GHI Score Trend for India**



## ***What are the Consequences of Malnutrition in India?***

- **Health Implications:**
  - **Stunted Growth:** Malnutrition, especially in children, can lead to stunted growth, impacting physical and cognitive development.
  - **Weakened Immune System:** Malnourished individuals are more susceptible to infections due to a weakened immune system, leading to increased morbidity and mortality.
  - **Micronutrient Deficiencies:** Consistent intake of micronutrient-lacking food can lead to deficiencies in iron, Vitamin A, and zinc, impairing immunity.
- **Educational Consequences:**
  - **Cognitive Impairment:** Malnutrition during early childhood can affect cognitive function, hindering learning abilities and academic performance.
  - **School Dropout Rates:** Malnourished children may face challenges in attending school regularly and are more likely to drop out, impacting their overall education.
- **Economic Impact:**
  - **Productivity Loss:** Malnutrition can lead to decreased work productivity, both in childhood and adulthood, affecting the nation's overall economic output.
  - **Increased Healthcare Costs:** The prevalence of malnutrition contributes to a higher burden on the healthcare system, leading to increased healthcare costs for the government and individuals.
- **Inter-generational Impact:**
  - **Maternal and Child Health:** Anaemic mothers are more likely to give birth to anaemic babies, perpetuating the cycle of nutritional deficiencies.
  - **Long-term Health Effects:** Malnourished children are more likely to face health challenges in adulthood, further impacting the overall health and well-being of the population.
- **Social Consequences:**
  - **Increased Vulnerability:** Malnutrition often affects marginalised and economically disadvantaged communities, exacerbating social inequalities.
  - **Stigma and Discrimination:** Individuals experiencing malnutrition may face societal stigma and discrimination, impacting their mental health and well-being.

## ➤ **National Development:**

- **Reduced Human Capital:** Malnutrition hampers the development of human capital, limiting the potential for economic and social progress.
- **Increased Healthcare Burden:** The prevalence of malnutrition contributes to an increased burden on healthcare resources, diverting attention and resources from other essential health initiatives.

## ***What are Key Challenges in Handling Malnutrition in India?***

- **Economic Inequality:** Due to the low economic status, poor people often cannot afford nutritious food or have limited access to it. They also face food insecurity due to natural disasters, conflicts, or price fluctuations.
  - About 74% of India's population cannot afford a healthy diet.
- **Inadequate Dietary Intake And Dietary Shifts:** Dietary patterns have shifted from diverse and balanced options to processed and sugar-laden alternatives. The lack of dietary diversity and the consumption of low-quality food are also major contributors to malnutrition in India.
  - The Indian diet is often deficient in essential nutrients such as Iron, Vitamin A, and Zinc.
- **Poor Sanitation:** Poor sanitation and hygiene practices can increase the exposure to pathogens and parasites that can cause infections and diseases. These can affect the absorption and utilisation of nutrients in the body and lead to malnutrition.
  - The **NFHS-5** found that only 69% of households use an improved sanitation facility.
- **Lack of Primary Health Infrastructure:** Many people in India do not have access to basic health services, such as immunisation, antenatal care, or treatment of infections. This increases the risk of diseases and complications that can worsen malnutrition.
  - The WHO recommends a doctor to population ratio of 1 per 1000 and an ideal nurse density of 3 per 1000 people. In India, there are 0.73 doctors and 1.74 nurses per 1000 people.
- **Delayed and Inconsistent Delivery:** Delays in program implementation and inconsistent delivery of services contribute to gaps in nutritional interventions.
  - According to the **NFHS-5**, only 50.3% of children under six years received any service from an **Anganwadi**.



- **Inadequate Monitoring and Evaluation:** Poor monitoring and evaluation mechanisms hinder the assessment of program effectiveness.
  - Without accurate data on program outcomes, it becomes challenging to identify gaps and implement necessary improvements.

### ***What Steps have been Taken by the Government of India Against Malnutrition?***

- **Mission Poshan 2.0**
- **Integrated Child Development Services (ICDS) Scheme**
- **Pradhan Mantri Matru Vandana Yojana (PMMVY)**
- **Mid-Day Meal Scheme**
- **Scheme for Adolescent Girls (SAG)**
- **Mother's Absolute Affection (MAA)**
- **Poshan Vatikas**

### ***How to Tackle Malnutrition in India Effectively?***

- **Adoption of Fortification:** The addition of essential nutrients during the processing of staple foods is a relatively low-cost method, making it economically viable for large-scale implementation.
  - Adoption of Iodised salt under the **National Iodine Deficiency Disorders Control Programme** in 1992 significantly reduced goitre rates.
- **Develop a Focused SBCC Action Plan:** The government should collaborate to develop a well-structured and focused Social and Behavior Change Communication (SBCC) Action Plan specifically tailored to address malnutrition.
  - This plan should outline the objectives, target audience, key messages, and strategies for effective communication.
- **Enhance Healthcare Infrastructure:** The government shall take measures to strengthen healthcare facilities, especially in rural areas and to facilitate early detection and management of malnutrition. There should be more focus on improving the capacity of healthcare workers to diagnose and treat malnutrition.
  - India needs 3.5 million additional hospital beds to adequately serve the healthcare needs of the population.
  - National Health Policy recommended an increase in the Government's health expenditure from the existing 1.2% to 2.5% of GDP by 2025.
- **Monitoring and Evaluation:** Establish robust monitoring and evaluation systems to track the impact of nutrition interventions.
  - For instance, the Poshan Tracker records real-time data on malnourished and 'severe acute malnourished' children in each Anganwadi.

- **Consumption of Locally Nutritious Food:** The government should promote the consumption of locally available and traditional foods that are rich in essential nutrients. Encouraging consumption of a variety of locally available foods enhances dietary diversity.
- **Community Empowerment:** Involve local communities in designing and implementing nutrition programs. Establishing community-based initiatives will promote self-sufficiency in nutritious food production.
- **Communication Strategies:** Utilise communication channels like community radio, videos, and door-to-door outreach is essential to build trust among the beneficiaries
  - Craft messages in vernacular languages to ensure better understanding and engagement, addressing local contexts.

### ***Conclusion:***

To achieve the **UN Sustainable Development Goal 2 of Zero Hunger by 2030** and eliminate malnutrition, India must prioritise and invest in the health and well-being of its population. Through a comprehensive and collaborative strategy, the nation can work towards significantly reducing malnutrition, unlocking the full potential of its people and fostering a healthier, more prosperous future.

■ ■ ■

## **Unjust Disparities: A Closer Look at Inequality in India**

*This editorial is based on the article "**Growth mania can be injurious to society**" which was published in The Hindu on 30/01/2024. It discusses the persistence of inequality in India despite the ongoing economic growth and explores effective strategies to address this issue.*

**Tag:** GS Paper - 2, Issues Relating to Poverty & Hunger. Issues Related to Children, Issues Related to Women, Government Policies & Interventions. GS Paper - 3, Inclusive Growth.

Recently, the President of the **World Economic Forum** commended India, foreseeing it as a future \$10 trillion economy. However, even as India strengthens its economic position, the advantages of this progress aren't reaching everyone, particularly those who are marginalized.

The exclusive emphasis on economic growth is causing increasing concern in India. There is an urgent need for policy interventions and heightened government actions to ensure more inclusive growth.

### What has been the Recent Economic Growth Trajectory of India?

- **FY 2022/23:** India's real GDP expanded by an estimated 6.9%. This growth was driven by robust domestic demand, increased investment in infrastructure encouraged by the government, and strong private consumption, especially among higher-income earners.
- **FY 2023/24:** The growth in real GDP during 2023-24 is estimated at 7.3% as compared to 7.2% in 2022-23. **India is ranked 5<sup>th</sup> in the world's GDP rankings in 2024.** The country's economy has been reported to be at \$3.7 trillion, marking significant growth from its position as the 10<sup>th</sup> largest economy a decade ago, with a GDP of \$1.9 trillion.
- **Future Prospects:**
  - The Indian economy is poised to hit \$7.3 trillion by 2030 and \$10 trillion mark by 2035 (according to the Centre for Economics and Business Research).
  - The Indian government has set an ambitious target of transforming India into a 'developed country' by 2047.

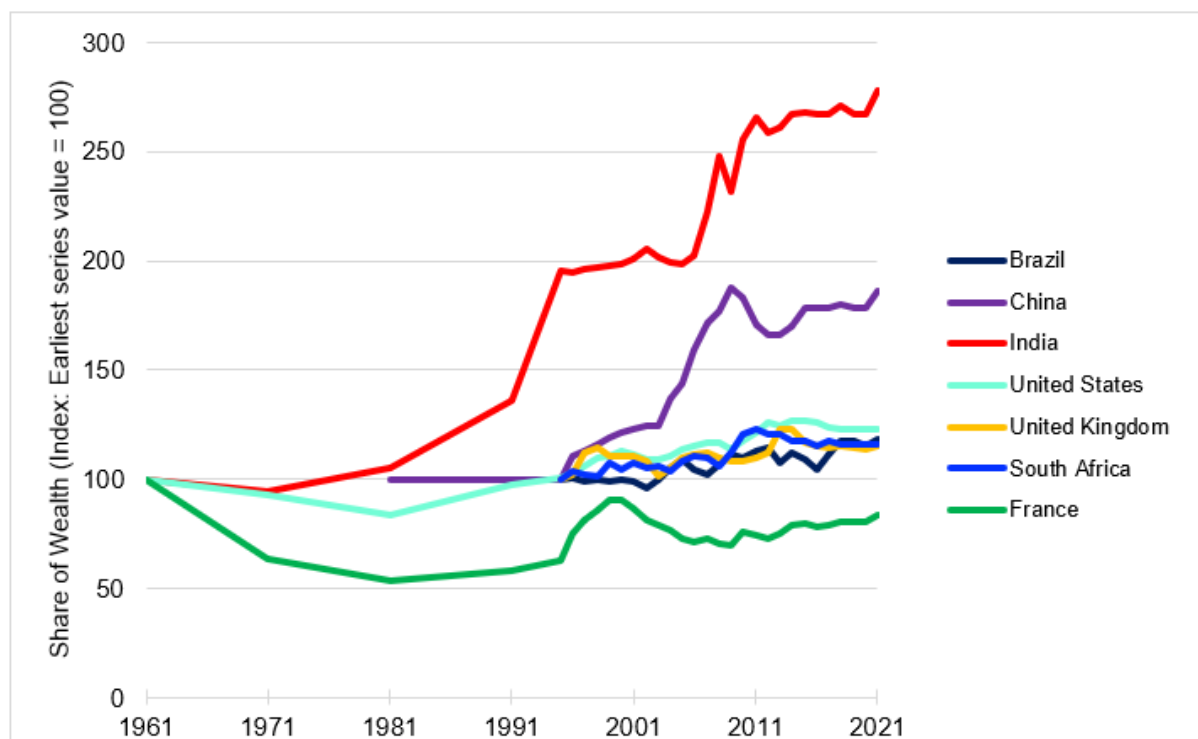
### What are the Inequality Trends in India?

- **Wealth Inequality:** India is one of the most unequal countries in the world, with the top 10% of the population holding 77% of the total national wealth. The richest 1% of the Indian population owns 53%

of the country's wealth, while the poorer half jostles for a mere 4.1% of national wealth.

- **Income inequality:** According to the [World Inequality Report 2022](#), India is among the most unequal countries in the world, with the top 10% and top 1% of the population holding 57% and 22% of the total national income respectively. The share of the bottom 50% has gone down to 13%.
- **Tax Burden on Poor:** Approximately 64% of the total goods and services tax (GST) in the country came from the bottom 50% of the population, while only 4% came from the top 10%.
- **Healthcare is Luxury:** Many ordinary Indians are not able to access the health care they need. 63 million of them (almost two people every second) are pushed into poverty because of healthcare costs every year.
- **The State of Food Security and Nutrition in the World, 2023:** Around 74% of India's population could not afford a healthy diet, and 39% fell short of a nutrient-adequate one.
- **According to Global Hunger Index 2023:** India's 2023 [GHI score](#) is 28.7, considered serious according to the GHI Severity of Hunger Scale.
  - India's child-wasting rate, at 18.7, is the highest child-wasting rate in the report.
- **Gender Inequality:** India was ranked 127 out of 146 countries in the [Global Gender Gap Report, 2023](#), and faces the perennial issue of "missing women" from the workforce – which is a wicked problem.

**Figure 4: Share of Wealth held by Top 1% (1980-2021)**



## ***What are the Causes of Increasing Inequality Despite High Economic Growth in India?***

### ➤ **Wealth Accumulation:**

- **Concentration of Wealth:** Concentration of wealth in the hands of a few can perpetuate inequality over generations, as the wealthy can pass on advantages to their descendants.
- **Inadequate Land Reforms:** Inadequate land reforms can result in a significant portion of the population remaining landless or having insufficient land, making them vulnerable to poverty and economic instability.
- **Crony Capitalism:** Corrupt practices and favoritism can result in wealth accumulation among a select group, contributing to inequality.

### ➤ **Lack of Inclusive Growth Policies:**

- **Skewed Distribution of Economic Gains:** Economic growth may disproportionately benefit certain sectors or income groups, leading to an uneven distribution of wealth.
- **Regressive Taxation Policies:** Tax systems that favor the wealthy or lack progressivity can contribute to income inequality.
- **Lack of Social Safety Nets:** Inadequate social safety nets and welfare programs may leave vulnerable populations without sufficient support, widening the wealth gap.

### ➤ **Inadequate Labour Policies:**

- **Financialization of the Economy:** An emphasis on financial markets and speculation over productive investments can lead to wealth concentration in the financial sector.
- **Wage gaps :** Wage gaps between skilled and unskilled workers can contribute to income inequality. Informal labor markets with lower wages and fewer benefits can widen the income divide.
- **No Minimum Wages:** Weak labor market policies, including insufficient minimum wage regulations and limited collective bargaining rights, can contribute to income disparities.

### ➤ **Social Exclusion:**

- **Caste Discrimination :** Social exclusion based on caste played a significant role in increasing inequality in India by marginalizing certain groups

and limiting their access to opportunities, resources, and benefits.

- **Gender Inequality:** Discrimination based on gender can lead to unequal access to employment opportunities and wage disparities.
- **Lack of Access to Education:** Unequal access to quality education limited opportunities for upward mobility, reinforcing existing disparities.
- **Technological Deprivation:** Automation and technological advancements lead to job displacement and wage stagnation for certain groups, exacerbating income inequality.

## ***What is Inclusive Growth?***

- 6As per [OECD \(Organisation for Economic Co-operation and Development\)](#), inclusive growth is economic growth that is distributed fairly across society and creates opportunities for all.

- It means having access to essential services in health and education by the poor. It includes providing equality of opportunity, empowering people through education and skill development

- Several schemes implemented by the government for inclusive growth:

- [Mahatma Gandhi National Rural Employment Guarantee Act Scheme \(MGNREGA\)](#)
- [Prime Minister's Employment Generation Programme \(PMEGP\)](#)
- [Pt. Deen Dayal Upadhyaya Grameen Kaushalya Yojana \(DDU-GKY\)](#)
- [Deendayal Antyodaya Yojana- National Urban Livelihoods Mission \(DAY-NULM\)](#)
- [Samagra Shiksha Scheme 2.0](#)
- [National Health Mission](#)
- [Swachh Bharat Mission](#)
- [Mission Ayushman](#)
- [Pradhan Mantri Jan Dhan Yojana](#)

## ***What Steps should be taken to Achieve Inclusive Growth in India?***

### ➤ **Foster Inclusive Framework:**

- **Enforce Constitutional Provision:** Enforce constitutional guarantee of equality as enshrined in fundamental rights through policy measures. Government policies that are formulated to strengthen these rights need strict implementation.



- **Progressive Taxation:** Implementing progressive taxation in India can help reduce income inequality by ensuring that those who earn more contribute a higher proportion of their income to taxes.
  - A 1% wealth tax on Indian billionaires is enough to fund the National Health Mission, India's largest healthcare scheme.
  - Taxing India's billionaires at 2% would support the nutrition of India's malnourished for three years.
- **Inclusive Governance:** Foster inclusive governance by encouraging citizen participation, promoting transparency, and reducing corruption. Empower local self-governments and involve marginalized communities in decision-making processes.
- **Private Sector Engagement:** Encourage corporate social responsibility (CSR) initiatives that focus on inclusive development. Encourage private companies to invest in social sectors and support community development projects.
- **Increase the Reach of Basic Necessities:**
  - **Universal Access to Public Services:** By ensuring universal access to public funded high-quality services like public health and education, social security benefits, employment guarantee schemes, inequality can be reduced to a great extent.
  - **Employment Generation:** The labor-intensive manufacturing sector of India has the potential to absorb millions of people who are leaving farming while the service sector tends to benefit the urban middle class.
  - **Women Empowerment:** Promote gender equality in education, employment, and entrepreneurship to empower women economically and socially.
- **Social and Financial Inclusion:**
  - **Land Reforms:** Implement land reforms to address issues of land ownership and tenancy. Ensure fair and equitable distribution of land resources.
  - **Promoting Civil Society:** Provide a greater voice to traditionally oppressed and suppressed groups, including by enabling civil society groups like unions and associations within these groups.
  - **Technology and Innovation:** Embrace technological advancements to create new opportunities for all.

- Ensure that the benefits of technological progress are shared across different sections of society.

### Conclusion:

By embracing and implementing inclusive policies that tackle the underlying causes of inequality, India has the potential to transition towards a more equitable society. This transformative approach aligns with the aspirations of the United Nations' Sustainable Development Goal 10.



## India's Global Economic Impact at Davos Summit 2024

This editorial is based on "At World Economic Forum, how India made a mark" which was published in Indian Express on 31/01/2024. The article explores how India's flourishing economy goes beyond national development; it serves as a guiding light for collective global progress, underscoring our dedication to forging a bright and sustainable future for the world.

**Tag:** S Tag: GS Paper - 3, Important International Institutions, Growth & Development, Artificial Intelligence.

A diverse mix of global leaders, tech innovators, and thought leaders gathered at the World Economic Forum (WEF) meeting in Davos held recently in January 2024 to tackle the most pressing economic, political, and social challenges, with Artificial Intelligence (AI) taking centre stage. The discussions highlighted AI's transformative potential and underscored the need for innovative and prudent governance.

Between the last edition of the WEF and this one, the world has faced multiple challenges-geopolitical emergencies, climate change, dips in growth trajectories of nations and the threat of misuse of technology. Amid global challenges, India shines in its growth trajectory at Davos 2024, presenting highlights of success.

### What is the World Economic Forum (WEF)?

#### ➤ About:

- The WEF is a Swiss nonprofit foundation established in 1971, based in Geneva, Switzerland.

- Recognized by the Swiss authorities as the international institution for public-private cooperation.

➤ **Mission:**

- Committed to improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas.
- Founder and Executive Chairman: **Klaus Schwab**.

➤ **Some Major Reports Published by WEF are:**

- Energy Transition Index.
- Global Competitiveness Report.
- Global IT Report
  - WEF along with INSEAD, and Cornell University publish this report.
- Global Gender Gap Report.
- Global Risk Report.
- Global Travel and Tourism Report.

**What are the Key Takeaways of Davos Meeting, 2024?**

➤ **Artificial Intelligence (AI):**

- This issue took centre stage at this year's WEF meet. While its many transformational abilities for human welfare were discussed, so were the need for regulation, fear of job losses, the risks of impersonation and misinformation, and the inequalities it can potentially worsen.
  - The overall observation, however, seemed to be that the positives outweigh the negatives, and human intelligence did not face a major threat from AI.

➤ **War and Uncertainty:**

- Business leaders spoke of the risks posed by fragile geopolitical situations in various parts of the world - wars in the Middle East and Europe, the threats to global supply chains, and the uncertainty around food security.
  - Yet, no plans or roadmaps for peace were offered about the Israel-Gaza violence.

➤ **Climate:**

- The need for businesses to adapt to climate change and for countries to unite for action against it despite differences was another hot topic.
  - World Bank President highlighted the ultimate benefit businesses will reap from adopting sustainable practices and about the need to allocate resources correctly in the fight against climate change.

- It stressed that developed countries have to assist in the financing of climate action in the developing countries, failing which the inequality will only grow.

➤ **China's Economy:**

- Facing a slowing economy, China tried to attract more investment from the West, which has witnessed some cooling.
  - At 5.2%, China's GDP growth in 2023 is still below pre-pandemic levels, and it is battling American attempts to isolate it, as evidenced in the semiconductor trade standoff.
- Meeting held that China is experiencing very significant structural economic challenges. A lot of companies in the West are no longer investing what they used to invest.
  - But even 3%-4% growth in China is still fairly meaningful for a lot of companies that are attending the WEF summit.

➤ **India's Prospects:**

- Davos' meeting highlights that India is transforming rapidly as one of the fastest growing large economies in the world. India also made its presence felt in ways other than its economic potential.
  - When it comes to technology, talent, healthcare, and other areas, its future in 2024 and beyond, is worth paying attention to.

➤ **Investment in Women's Health:**

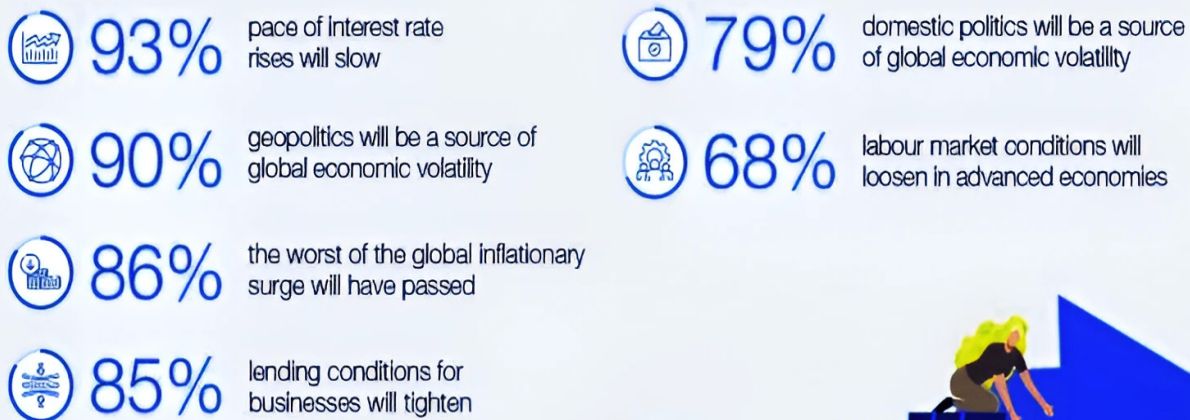
- One of the ideas discussed at WEF this year was how investment in women's health could boost the global economy by USD 1 trillion annually by 2040.
- **Global Good Alliance for Gender Equity and Equality:**
  - One of the key takeaways from the Forum meeting was the announcement of the launch of a Global Good Alliance for Gender Equity and Equality with the support and endorsement by WEF and Government of India.
  - The idea of this alliance emerged from the G20 Leaders' Declaration and India's abiding commitment to the cause of women-led development.
  - The objective is to bring together global best practices, knowledge sharing and investments in the identified areas of women's health, education, and enterprise.

# Global economic prospects



**61%** expect the **global economy to weaken** in the coming year

## Chief economists' expectations for the year ahead



Source: Chief Economists Outlook, World Economic Forum, September 2023



## What was the Special Focus on AI at Davos Meeting 2024?

Davos 2024 emphasised the widespread influence of AI, showcasing its transformative potential in reshaping economies and societies. The discussions underscored the importance of balanced governance, ethical considerations, and skill development in harnessing AI's benefits.

### ➤ Focusing on AI-Era Job Market:

- The **International Monetary Fund's (IMF's)** "Gen-AI: Artificial Intelligence and the Future of Work" report, unveiled at Davos, paints a stark picture: up to 60% of jobs in advanced economies are at risk due to AI.

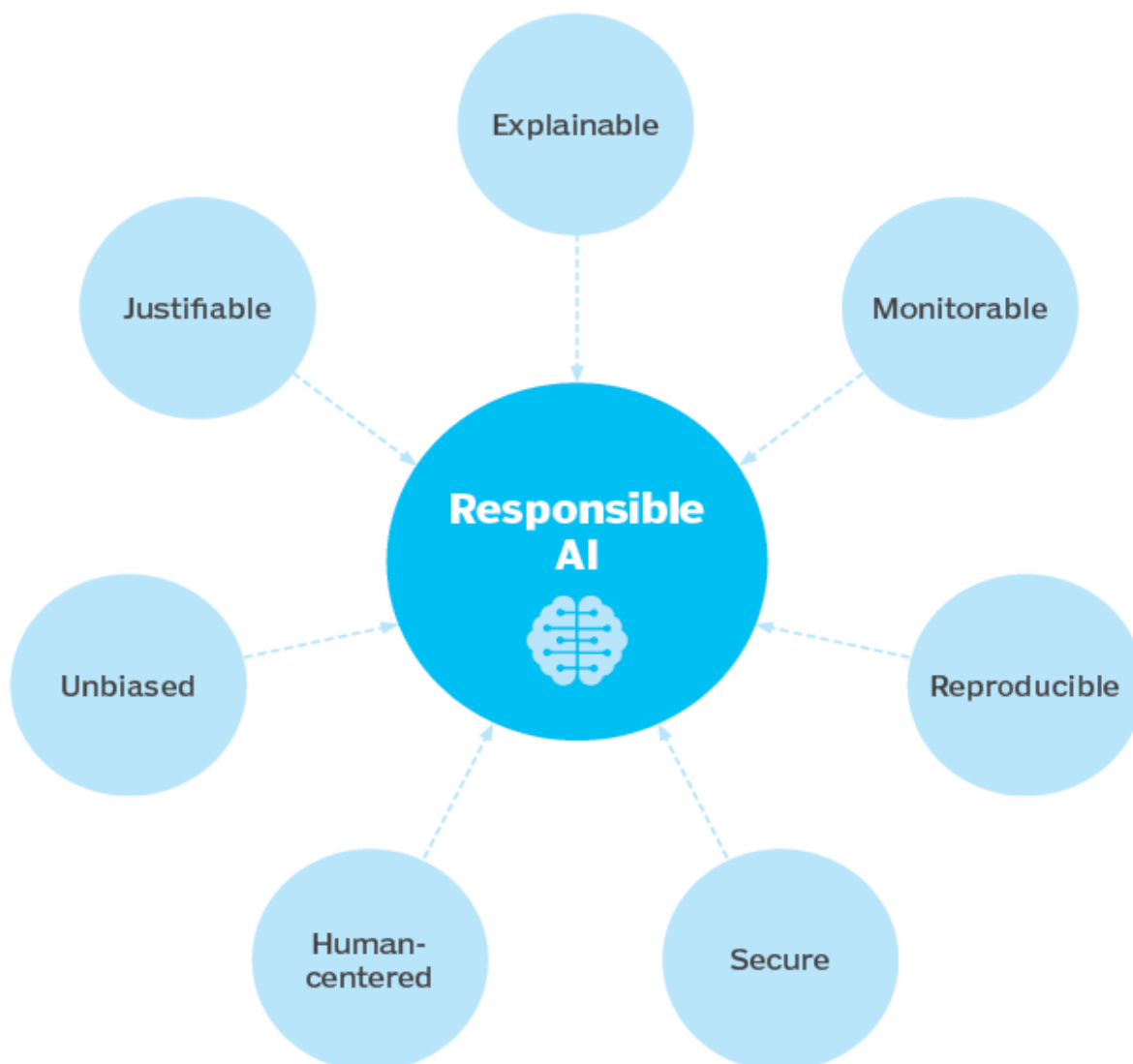
- This alarming statistic sparked intense discussions about the future of work, underscoring the urgency of skills training and adaptation.
- Report stressed the importance of equipping people with the necessary skills to harness AI's benefits while managing its risks.
- The IMF's report highlighted a crucial shift: **the real challenge is not job replacement by machines but by people proficient in AI.**
- It advocated for the integration of AI education to prepare citizens, especially the youth, for a world augmented by AI.



- Summit emphasised the need for job creation, particularly in green sectors, and the adaptation of education systems to meet the demands of an AI-driven labour market.
- Meeting aimed to **tackle complex issues like the copyrighting of AI-generated content** and distinguishing between human and machine creations.
  - Leaders advocated for collaborative efforts to establish interoperability standards and best practices, reflecting a global trend towards more integrated AI systems.
- It also projected a shift towards more idea-centric roles, facilitated by AI's ability to elevate job functions to higher levels of abstraction.
  - The WEF summit expressed optimism about AI value alignment, observing significant advancements from GPT-3 to GPT-4.

➤ **Calls For Ethical and Responsible use of AI:**

- It raised profound **ethical questions about AI**, delving into its impact on human authenticity and the blurring lines between virtual and real human connections.
  - These discussions and inquiries urged a deeper reflection on our relationship with technology.
- The need for responsible AI governance resonated throughout Davos, with calls for a balanced approach that fosters innovation while mitigating risks.
  - China's Premier emphasised the importance of global AI governance mechanisms.
  - Microsoft discussed the convergence in AI regulations, highlighting a common understanding of fundamental issues and strategies to address them.



## **How did India Fare at the WEF Summit 2024 in Davos?**

### ➤ **CII India Business Hub Highlights:**

- The CII India Business Hub at Davos witnessed significant activity as business visitors explored upcoming opportunities, providing a platform for India to showcase its successes.

### ➤ **Geopolitical Impact on India:**

- Being part of the integrated global economy, India acknowledges the impact of geopolitical incidents and strives to secure trust commercially and geopolitically, emphasising its role as a reliable partner.

### ➤ **Government Reforms and Technology:**

- India showcased its effective use of technology in governance through steady and proactive reform announcements.
- Discussions at Davos centred around AI, focusing on maximising benefits while minimising AI-related risks, where India is making deep inroads.

### ➤ **Women's Socio-Economic Participation:**

- India took a prominent position in discussions on global issues, particularly women's socioeconomic participation. Notably, Indian women entrepreneurs in self-help groups manage businesses worth \$37 billion annually, making a case for increased investment in women-owned businesses.

### ➤ **Energy Transition Challenges:**

- Energy discussions paralleled technology discussions, with a focus on climate change. India emphasised three energy transition challenges - availability, affordability, and sustainability - while exploring solutions like green hydrogen.

### ➤ **India's Equitable Growth:**

- India's growth in 2024 is projected to be among the world's fastest. Equitable growth is evident

through infrastructure development across the country, gender inclusivity in employment and entrepreneurship, and social security measures for disadvantaged sections.

### ➤ **India as a Pocket of Resilience:**

- Moody's Investors Service views India as a "pocket of resilience" amid global economic challenges. Recognised for economic, social, and political stability, India's robust growth trajectory and domestic market make it an attractive investment destination.

### ➤ **Global Recognition and Economic Prowess:**

- India, once on the sidelines, now receives global attention for its economic, social, and political stability. A population exceeding 1.4 billion, a dynamic workforce, and supportive government policies contribute to India's consistent GDP growth.

### ➤ **India as a Trusted Global Partner:**

- India's participation at Davos reinforces its position as a trusted global partner and a resilient economy. The country's commitment to collaborative global advancement reflects its role in shaping a bright, sustainable future for the world.

## **Conclusion:**

Davos 2024 showcased India's remarkable growth trajectory amid global challenges. The country's strategic use of technology, particularly in AI, and proactive governance reforms were highlighted, positioning India as a digital leader. Recognized for economic, social, and political stability, India emerges as a pocket of resilience in the global economy. With a commitment to collaboration and inclusivity, India's thriving economy becomes a beacon for global progress and a model for shaping a sustainable future.



## Drishti Mains Questions

1. Despite the robust performance of the Indian Banking sector in the recent past, certain risk factors pose potential challenges. Elaborate and give suitable measures.
2. Discuss the role of the Finance Commission in curbing populism in India.
3. Do you agree that the constitutional seat of governor has tilted towards the agent of the centre? Also, discuss major friction points between the governor and state legislature.
4. In the context of India's economic development, analyze the challenges and opportunities posed by the evolving dynamics of the manufacturing and services sectors. Discuss the role these sectors play in achieving sustainable and inclusive growth.
5. Examine the challenges and propose strategies for achieving sustainable management of public debt in India.
6. Discuss the challenges and solutions of urbanization in India, emphasizing sustainable development, social welfare, and effective governance.
7. Discuss the challenges faced by the disabled population in India, highlighting the role of legislation and alternative dispute resolution methods. Suggest measures for fostering inclusivity and ensuring equal opportunities.
8. How does the European Union's Carbon Border Adjustment Mechanism (CBAM) impact India's manufacturing sector? What strategic measures can India adopt to align with global environmental policies while safeguarding its industries?
9. How does the lack of transparency and unchecked discretion in India's remission policy pose challenges to justice, and what reforms could ensure fair and meaningful compliance?
10. Examine the challenges within the bilateral relationship between India and the Maldives and propose measures to address them.
11. Analyze the significance of the National Logistics Policy 2022 in India. What are the key building blocks of the policy, and how do they aim to achieve the policy's goals?
12. How has the Telecommunications Act, 2023, impacted the growth and dynamics of the telecom sector in India? Discuss the challenges, and potential outcomes, emphasising its role in advancing digital connectivity and technological innovation.
13. How does the exponential growth of the online gaming industry in India necessitate urgent and comprehensive regulatory measures to address societal, economic, and national security concerns?
14. Discuss the significance of including the cervical cancer vaccine in the universal immunisation program, addressing challenges, and the role of HPV vaccination in India's public health strategy.
15. Discuss the constitutional intricacies surrounding the Government of National Capital Territory of Delhi (Amendment) Act, 2023, and its implications on the relationship between the elected government of Delhi and the central government.
16. Examine the geopolitical challenges in the Red Sea, focusing on recent events impacting international trade. Discuss the implications and suggest strategies for safeguarding maritime security and global commerce.
17. Discuss the evolving dynamics of India-UK relations, emphasising recent developments, strategic imperatives, and collaborative initiatives, particularly in defence and maritime technology.
18. Discuss the primary challenges in enhancing learning outcomes for young individuals in India. What measures can be recommended to address these issues effectively?
19. Examine the implications of the Post Office Act, 2023, on individual privacy, considering the absence of procedural safeguards and accountability measures in interception provisions.



## Drishti Mains Questions

20. Discuss the constitutional, legal, and practical implications of 'One Nation, One Election' in the Indian context, evaluating its impact on federalism, governance, and electoral processes.
21. Discuss the challenges and policy recommendations for fostering growth in India's semiconductor industry, focusing on the Design-Linked Incentive scheme and potential reforms.
22. Discuss the interplay between genocide, war crimes, and human rights in international law, highlighting their relationships, legal frameworks, and the role of institutions like the International Court of Justice (ICJ).
23. Discuss how the path to achieving 'Ramrajya' involves resolving issues and promoting social harmony.
24. Discuss the challenges posed by malnutrition in India. What effective measures can be implemented to combat malnutrition in the country?
25. Discuss the causes of increasing inequality despite India's high economic growth and suggest measures to achieve inclusive growth in India.
26. Discuss the significance of India's role and key outcomes at the World Economic Forum Davos Summit 2024, focusing on technological advancements, global partnerships, and sustainable growth strategies.