



Monthly Editorial Consolidation



01st June to 30st June 2023

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India's Toy Story

*This editorial is based on **Unboxing the 'export turnaround' in India's toy story** which was published in **The Hindu** on 31/05/2023. It talks about Indian Toy Industry and its emergence as net exporter from a net importer.*

Tag: Indian Economy, GS Paper – 2, Government Policies & Interventions

India has recently turned a net exporter of toys, during 2020-21 and 2021-22, ending decades of import dominance. Over the past 3 years, toy imports came down by 70% and exports went up 61%.

The achievement is widely credited to the '**Make in India**' initiative launched in 2014, and related policies, official press releases claim. Moreover, in 2020, the Prime Minister reportedly also spoke of promoting toy manufacturing, in his talk show, 'Mann ki Baat'.

While it is true that India's dependency on Chinese toys reduced and the former's exports improved in the recent months, the scale of exports is still miniscule and close to 200 times smaller than that of China's.

What is The State of India's Toy Industry?

- India's toy industry is minuscule. India hardly figures in the global toy trade, with its exports at a mere half-a-percentage point.
- In 2015-16, the industry had about 15,000 enterprises or establishments, producing toys valued at Rs1,688 crore and employing 35,000 workers.
- Registered factories — those employing 10 or more workers on a regular basis — accounted for 1% of the number of factories and enterprises, employed 20% of workers and produced 77% of the value of output.
- However, during the one and half decades between 2000 and 2016, industry output was halved in real terms (net of inflation) with job losses.
- Imports accounted for up to 80% of domestic sales until recently. Between 2000 and 2018-19, imports rose by nearly three times as much as exports.
- Earlier, about 80% of the toys were imported, with crores of rupees going abroad.
- According to a joint report by industry body **FICCI** and KPMG, the India's toy industry is expected to double from USD 1 billion in 2019-20 to USD 2 billion by 2024-25.

What are the Driving Forces behind the Growth of India's Toy Industry?

- **Huge Consumer Base:** India has a large population of children aged 0-14, which accounts for about 26.62%

of the total population. This creates a high demand for toys and games in the country.

- **Rising Disposable Income:** India's **GDP** growth and rising middle-class population have increased the purchasing power of consumers, who can now afford to buy more toys for their children.
- **E-commerce:** The proliferation of online platforms and digital payments has made it easier for consumers to access a wide variety of toys and games from different brands and regions. E-commerce also helps toy manufacturers and retailers to reach a larger customer base and reduce operational costs.
- **Government Support:** The government of India has launched various initiatives to promote the domestic toy industry, such as vocal for local toys campaign, **Toycathon**, Aatmanirbhar Toys Innovation Challenge, etc. These initiatives aim to boost innovation, quality, safety, and competitiveness of Indian toys and reduce dependence on imports.
- **Shifting Preference:** According to the Toy Association report in 2018, 67% parents believe in STEM-focussed toys as their primary way to encourage science and math development in young children. Shifting preference from conventional toys towards modern and hi-tech electronic toys is strengthening the market growth.
- **Going Global:** Toy sector is also going global, as manufacturers are scouting new markets and increasing exports to the Middle East and African countries. India's latest surge in toy exports was majorly due to the United States. India was its 9th biggest source.
- **Protectionism:** India turning a net exporter of toys is mainly due to rising protectionism and less, perhaps, on account of expanding domestic capabilities. The call for Vocal for Local campaign has the huge impact on this growth.

What is the Significance of Toy Industry?

- **Child Development:** Toys aid cognitive, physical, social, and emotional development in children.
- **Entertainment and Recreation:** Toys provide amusement, relaxation, and imaginative play.
- **Education and Learning:** Toys facilitate learning, foster curiosity, and teach essential skills.
- **Economic Impact:** The toy industry generates revenue, jobs, and supports related businesses.
- **Innovation and Technology:** Toys drive innovation and incorporate technological advancements.
- **Cultural Influence:** Toys reflect cultural values, trends, and promote diversity.

What steps have been taken by the Government to aid growth of Toy Industry?

- **Promoting Start-ups:** The Government has called upon start-up entrepreneurs to explore the toy sector. The Government has also urged industry players to support local toys and reduce reliance on foreign goods. Educational institutions have been asked to organise hackathons for students to innovate in toy technology and design, including online games, to reflect Indian ethos and values.
- **Increasing Import Duty:** The government tripled the import duty on toys and its components from 20% to 60% 2020. It was further increased to 70% with a view to cut inbound shipments of these products and boost domestic manufacturing activities.
- **Mandatory Quality Certification:** The Government has made toy quality certification mandatory to revive the indigenous industry. The Government began enforcing quality control for imported toys from September 1, 2020, to ensure that only products conforming to standards enter the country.
- **National Action Plan for Toys:** An initiative by the Government of India to promote the domestic toy industry and make India a global toy hub. It involves 15 ministries and various interventions such as setting up toy production clusters, launching schemes to incentivise manufacturing and exports, strengthening R&D and quality standards, integrating toys with education, and organising toy fairs and exhibitions.
- **Scheme of Fund for Regeneration of Traditional Industries (SFURTI):** The Ministry of Micro, Small & Medium Enterprises (MSME) has approved 19 toy clusters under the scheme.

What are the Challenges before India's Toy Industry?

- **Foreign dependence for sourcing raw materials:** Indian manufacturers specialize in board games, soft and plastic toys, and puzzles, etc. Companies have to import materials from South Korea and Japan to manufacture these toys.
- **Lack of Technology:** It also seems to act as a barrier to the Indian toy industry. Most of the domestic toy manufacturers use outdated technology and machinery, which affects the quality and design of the toys.
- **High Tax Rates:** High **GST** rates on toys are another challenge for the toy industry in India. At present, the GST rates on electronic toys are 18%, while non electronic toys attract 12% GST.
- **Lack of Infrastructure:** Poor infrastructure and absence of end-to-end manufacturing facilities hinders the sector's growth. There is a lack of adequate testing

labs, toy parks, clusters, and logistics support for the toy industry in India.

- **Cheap Alternatives:** Competition from cheap and low-quality imports from countries like China is another challenge for the Indian toy industry. China accounts for 80% of the toy imports in India, which affects the domestic toy manufacturers adversely.
- **Unorganized and Fragmented:** Indian Toy Industry is still significantly fragmented, with 90% of the market being unorganized because of which harnessing the maximum benefit becomes very difficult.

What should be the Way Forward?

- Enhance manufacturing capabilities for high-quality, competitive toys through technology and skilled labour.
- Promote **small and medium enterprises (SMEs)** with support, skill development, and financial assistance.
- Foster collaborations and partnerships to drive innovation and gain market access.
- Focus on stringent safety and quality standards to build consumer confidence.
- Embrace digital transformation to expand reach and tap into online markets for toy sales.
- Encourage toy libraries and integrate toys into education for holistic child development.
- Diversifying the product portfolio and catering to the changing preferences and needs of the consumers. This may include developing educational, digital, traditional, and customized toys that appeal to different age groups and segments.
- Adopting eco-friendly and circular practices in the toy value chain, such as using waste and recycled materials, designing sustainable packaging, and creating reuse and reshare models.



Challenges Post GST Compensation Regime

This editorial is based on 'States GST challenge' which was published in The Hindu Businessline on 30/05/2023. It talks about the challenges to states after the end of GST compensation regime.

Tag: Indian Economy, GS Paper-3, Government Policies & Interventions, Growth & Development, Constitutional Bodies, GS Paper-2, Federalism.

The Goods and Services Tax (GST) brought about a significant transformation in India's taxation landscape. However, initially some manufacturing states had raised concerns about potential revenue implications. To address these apprehensions, the Centre assured states of

protection against revenue losses through GST compensation cess for a five-year period after the implementation of GST.

Although the pandemic resulted in revenue dips for certain states, the Centre managed to clear outstanding dues through borrowings, demonstrating its commitment to supporting the states.

This compensation cess was extended till March 2026 for centre to recoup the amount disbursed to states through the union exchequer, however states will not get any share from the proceeds of extended levy.

What were the Apprehensions of States with GST Regime?

- **Concerns about Revenue Distribution:**
 - The “producing” states were apprehensive about losing out on revenue to the “consuming” states under the GST system.
 - Advanced states that produced more goods and sold them to less-developed states were worried about collecting comparatively less GST.
- **Loss of Power in Tax Rate Fixation:**
 - States opposed the GST because it proposed a **common tax rate for goods and services across the country**. This meant that states would lose the authority to set tax rates on various items, which undermined fiscal federalism and their autonomy.
- **Fear of Revenue Loss:**
 - **States were concerned about the potential loss of revenue** when transitioning from the previous tax regime to the GST system. As 17 existing indirect taxes were merged into one, it was **crucial to determine the “revenue-neutral” rate** to ensure that the same amount of revenue was collected as before.
 - **Incorrectly fixing the GST rate could lead to decreased revenue** collection, exacerbating fiscal challenges.

What is Goods and Services Tax (GST) ?

- The Goods and Services Tax (GST) is a **value-added tax** levied on most goods and services sold for domestic consumption. It is a **destination-based tax**.
- The GST became applicable from 2017 after the enactment of the **101st Constitution Amendment Act, 2016**.
- It is **paid by consumers**, but it is **remitted to the government by the businesses** selling the goods and services.
- **Centre and the States simultaneously levy tax** on a common base. GST levied by the **Centre is called Central GST (CGST)** and that levied by the States is called **State GST (SGST)**.

How did States Come on Board with GST?

The states agreed to come on board when their concerns were addressed. There were several factors that influenced their decision:

- **Autonomy to Collect Revenue:**
 - One significant factor that persuaded states to agree to the GST was the provision allowing them to retain **control over revenue from alcohol and petroleum products**.
 - These items were **excluded from the GST framework**, enabling states to levy excise duty on alcohol and VAT on petroleum products.
 - This autonomy proved crucial during the pandemic when tax collections plummeted.
- **Revenue Compensation:**
 - To address the states’ revenue concerns, the Union government assured them of **compensation for any revenue shortfall** below a growth rate of 14% (**based on the 2015-16 baseline**) for a period of **five years**.
 - A **compensation cess was introduced on luxury and sin goods to fund this compensation**.
- **Inclusion in the GST Council:**
 - The creation of the GST Council, comprising **representatives from each state and the Union government**, played a crucial role in garnering state support.
 - The GST Council became the decision-making body for all GST-related matters, with **voting provisions** in case of a lack of consensus.
 - The **Union government held one-third of the votes**, while the **states collectively held two-thirds**. This structure aimed to ensure a **cooperative and inclusive approach** to decision-making.

What Steps can States take After the End of GST Compensation?

The **absence of assured revenue protection means that states must explore alternative** avenues to enhance their fiscal capacity. This situation calls for proactive measures to maximize revenue collection while ensuring compliance.

To overcome the challenges posed by limited revenue-raising powers, states can employ the following strategies:

- **Utilize Tax Analytics:**
 - States should adopt tax analytics strategies and processes to gain insights from **comprehensive data analysis**. By **leveraging data collated from various sources**, states can make informed decisions based on accurate revenue projections.

- **Strengthen Compliance Monitoring:**
 - States should **reconcile information related to the movement of goods by cross-referencing e-way bill reports** with data from road transport departments.
 - This approach helps **detect potential discrepancies** and identify non-compliant taxpayers. However, reliance on such comparisons should be judicious, considering variations arising from different reporting requirements.
- **Tailored Measures for Non-Compliant Taxpayers:**
 - States should **profile taxpayers based on risk assessment** and previous compliance history. By categorizing taxpayers and implementing specific policy measures for each group, **enforcement actions can be targeted effectively**. This approach is particularly crucial in tackling issues such as circular trading and fraudulent invoicing.
- **Focus on Service Industry:**
 - With the authority to **levy GST on services**, states **must assess the service industry within their jurisdiction**.
 - Building capacity and expertise in evaluating service-related transactions will **broaden the taxpayer base** and **enhance revenue collection**.
 - States should conduct GST audits and create awareness among taxpayers through trade facilitation kiosks and engagement programs.
- **Foster Cooperative Federalism:**
 - States should **collaborate with each other in the spirit of cooperative federalism**. By adhering to the principles of the GST laws and avoiding unnecessary territorial disputes, states can **create a business-friendly environment** and foster taxpayer confidence.
 - This approach will encourage compliance, boost revenue, and enhance economic growth.

Conclusion:

States must adapt to the **changing dynamics of revenue generation**. While the initial concerns were addressed by the Centre, states now face the challenge of independently raising revenue and widening the tax net.

By employing proactive measures such as leveraging tax analytics, strengthening compliance monitoring, focusing on the service industry, and fostering cooperative federalism, states can navigate these challenges successfully. It is imperative for states to create an environment that promotes ease of doing business and instills confidence in taxpayers, thereby **driving sustainable revenue growth and economic development**.



Green GDP

*This editorial is based on **The building blocks for working out green GDP** which was published in The Hindu Business Line on 01/06/2023. It talks about Green GDP and Green National Account and their significance and challenges.*

Tag: Indian Economy, GS Paper – 3, National Income Accounting, Growth & Development

Growing environmental concerns have resulted in the demand for green national accounts that highlight the stock of environmental wealth, and its use and depletion by a society in its conventional national accounts.

Green GDP should account for both **environmentally beneficial and harmful products** and their **social value**. It also proposes a classification of products based on their environmental impact and a method of data collection and analysis using the **Supply and Use tables** of the Ministry of Statistics and Programme Implementation (MoSPI).

Incorporation of green accounts in conventional GDP requires expansion of the definition of production, consumption, and wealth. Both environmentally beneficial and harmful products must be accounted for in the national accounts. The social value of such products must be integrated with related economic activities.

What are Green GDP and Green National Account?

- Green GDP and Green National Account are concepts that try to measure the economic performance of a country while taking into account the environmental costs and benefits.
- **Green GDP:** **Green GDP** is an indicator that subtracts the **cost of natural resource depletion and environmental degradation** from the conventional GDP of a country. It is also known as **environmentally adjusted domestic product**. Green GDP can show how sustainable a country's economic growth is and how it affects the wellbeing of its people.
- **Green National Account:** Green National Account is a framework that integrates environmental considerations into national accounting frameworks. It **aims to measure and account for the environmental costs and benefits associated with economic activities**. Green accounting methods attempt to capture the value of natural resources, the costs of pollution and environmental degradation, and the benefits of ecosystem services.

What are some Examples of Environmental Costs and Benefits?

- **Environmental costs** refer to the negative impacts of economic activities on the environment, such as pollution, resource depletion, habitat destruction, climate change, and waste generation.
- **Environmental benefits**, on the other hand, are the positive outcomes of economic activities for the environment, including ecosystem services (such as food provision, water purification, and climate regulation), biodiversity conservation, renewable energy adoption, sustainable agriculture practices, and conservation and restoration efforts.

What is the Significance of Green GDP?

- **Environmental Valuation:** Green GDP incorporates the valuation of natural resources and ecosystem services, which are typically externalities in traditional GDP calculations. By quantifying the economic value of these environmental factors, it provides a more accurate measure of the true costs and benefits of economic activities.
- **Sustainability:** Green GDP aligns with the concept of **Sustainable Development Goals** by explicitly considering environmental factors in economic assessments. It allows policymakers to better understand the trade-offs between economic growth and environmental sustainability, facilitating the formulation of more informed policies and strategies.
- **Policy Relevance:** By providing a comprehensive picture of economic performance, including the environmental dimension, green GDP helps policymakers prioritize and allocate resources effectively. It enables the identification of sectors and activities that have significant environmental impacts, guiding targeted interventions and regulations for achieving sustainable development goals.
- **Resource Management:** Green GDP highlights the depletion of natural resources and encourages their sustainable management. By recognizing the economic value of resources, it promotes their conservation and efficient use, leading to improved resource allocation and reduced environmental degradation.

What are the Challenges in Implementing Green GDP?

- **Data Availability and Reliability:** Calculating green GDP is hard due to unreliable data on environmental costs, benefits, and natural resource value. Estimation involves assumptions and subjective judgments, affecting reliability and comparability.

- **Value Assignments:** Valuing environmental goods and services in monetary terms is a contentious issue. Critics argue that certain aspects of the environment, such as biodiversity or cultural heritage, have intrinsic value that cannot be adequately captured by economic valuation methods. The process of assigning economic values to the environment can be seen as oversimplifying and commodifying nature.
- **Complexity and Indicators:** Green GDP is a tough indicator to calculate because it includes social, economic, and environmental factors. There's no agreed-upon method for combining these factors, and choosing the right indicators is challenging.
- **Policy Implementation and Trade-offs:** Green GDP is useful, but it can be hard to turn it into policies. To make policies work, we need cooperation, political support, and to overcome obstacles. Also, balancing economic growth and environmental protection is tricky and varies by situation, so it's tough to make universal policies based only on green GDP.

What should be the Way Forward for Implementing Green GDP?

The way forward for implementing green GDP is not clear-cut, but some possible steps are:

- **Developing and adopting a common framework and methodology** for measuring and valuing environmental costs and benefits, based on the best available scientific and economic knowledge. **Conduct pilot projects and case studies to test and refine** Green GDP methodologies.
- **Improving the availability and quality of data on environmental indicators**, such as emissions, resource use, ecosystem services, etc., and ensuring their consistency and comparability across countries.
- **Promoting the awareness and understanding of green GDP among policy makers**, businesses, and the public, and highlighting its advantages over conventional GDP as a measure of economic performance and social well-being.
- **Encouraging the participation and collaboration of various stakeholders**, such as governments, international organizations, civil society, academia, and the private sector, in the design and implementation of green GDP policies and initiatives.
- **Addressing the trade-offs and conflicts that may arise from pursuing green GDP goals**, such as balancing economic growth and environmental protection, ensuring equity and justice among different groups and regions.

Which Countries Use Green GDP?

- **China:** China planned to publish Green GDP statistics in 2004 but stopped after facing political and methodological challenges following a preliminary report that showed reduced GDP growth due to environmental costs.
- **USA:** The USA has developed a comprehensive system of environmental-economic accounts that provide various indicators of the interactions between the economy and the environment, environmental expenditures, and environmental taxes. However, the USA does not produce a single measure of green GDP.
- **Europe:** The EU has environmental-economic accounts but no green GDP measure. The EU requires member states to compile accounts covering emissions, taxes, materials, and protection expenditure, which can be used to derive green GDP or adjusted domestic product.
- **Sweden:** Sweden is one of the top performing countries in the **Global Green Economy Index**, which measures the green economy performance of 130 countries based on four dimensions: leadership and climate change, efficiency sectors, markets and investment, and environment and natural capital. Sweden has also developed a dashboard of indicators to monitor its progress towards green growth.
- **India:** **Green GDP is not officially measured or reported in India**, but some attempts have been made to estimate it by various researchers and institutions. According to a paper published by the Reserve Bank of India in October 2022, researchers estimated the green GDP of India to be somewhere around Rs 167 trillion for 2019. This implies a reduction of about 10% from the conventional GDP of Rs 185.8 trillion for the same year.

What is Global Green Economy Index?

- The Global Green Economy Index (GGEI) is **published by Dual Citizen, a consultancy firm** that specializes in data-driven solutions for sustainability.
- The GGEI is a measure of the green economy performance of **160 countries** and how experts.
 - According to the latest report from 2022, **India ranks 60 out of 160 countries.**
- The GGEI covers **four dimensions**:
 - Climate Change & Social Equity
 - Sector Decarbonization
 - Markets & Investment
 - Environmental Health.
- The GGEI aims to provide a comprehensive and transparent measure of country sustainability performance and to inform policy making and investment decisions.



India and Generative AI

*This editorial is based on **Good and bad: On India and artificial intelligence** which was published in The Hindu on 05/06/2023. It talks about Generative AI and how India can harness its potential while avoiding adverse effects.*

Tag: Science & Technology, GS Paper-3, IT & Computers, Scientific Innovations & Discoveries, Artificial Intelligence

Generative artificial intelligence (AI) is AI that can create new data. There are many instances of generative AI in the world today, most commonly used to generate text, images, and code in response to users' requests, even if they are capable of more.

Their widespread adoption really embellished their capabilities, leading to awe, then worry. OpenAI's **ChatGPT chatbot** mimics intelligence very well; today, it has become synonymous with the abilities of generative AI at large. In the last few years, AI models backed by neural networks trained on very large datasets and with access to sufficient computing power have been used to do good, such as finding new antibiotics and alloys, for clever entertainment and cultural activities, and for many banal tasks, but it has caught attention most notably with its ability to falsify data. The world is past being able to reliably differentiate between data that faithfully reflects reality and data made to look that way by bad-faith actors using AI.

What Exactly is Generative AI?

Generative AI is a type of AI system that can create new content or data that resembles human-made content, such as text, images, music, code, etc. It works by using neural networks to learn from large amounts of data and then generate outputs based on the patterns and rules it has learned.

What are the Benefits of Generative AI?

- **Content Creation:** Generative AI enables the automated creation of various types of content, such as text, images, videos, music, and more. This can significantly speed up the content generation process for industries like advertising, entertainment, and marketing.
- **Personalization:** Generative AI can be used to create personalized experiences for users. By analyzing user preferences and behaviour, generative AI systems can generate tailored recommendations, product suggestions, and customized content, enhancing customer satisfaction and engagement.
- **Creative Assistance:** Generative AI tools can assist and inspire creative professionals in their work. Artists, designers, and writers can use generative AI to generate ideas, explore new possibilities, and

overcome creative blocks. It can act as a collaborator, offering fresh perspectives and aiding in the creative process.

- **Data Augmentation:** Generative AI can generate synthetic data that closely resembles real data. This is particularly useful in machine learning applications where a large amount of labelled data is required. Synthetic data can be generated to augment existing datasets, helping improve the performance and generalization of machine learning models.
- **Simulation and Training:** Generative AI can be used to simulate realistic scenarios for training purposes. For example, in industries like autonomous vehicles or robotics, generative AI can create virtual environments to train algorithms and test systems without the need for physical resources or risking safety.
- **Problem Solving:** Generative AI can be applied to problem-solving tasks, such as generating new drug compounds, optimizing supply chain logistics, or creating efficient designs. By exploring vast solution spaces, generative AI algorithms can propose novel solutions and accelerate the discovery process.
- **Virtual Characters and Agents:** Generative AI can bring virtual characters and agents to life. By imbuing them with generative capabilities, they can exhibit natural language understanding, interact with users, and respond dynamically to different situations. This has applications in virtual assistants, chatbots, gaming, virtual reality, and more.
- **Art and Entertainment:** Generative AI has opened up new avenues for artistic expression. It can generate unique artwork, compose music, produce realistic animations, and even generate entire stories or scripts. This fusion of human creativity and machine intelligence has led to exciting possibilities in the realm of art and entertainment.

What are the Threats from Generative AI?

- **Hallucinations:** These are the errors that AI models can make because they are not human and rely on data and training to provide answers. Sometimes, generative AI models can produce outputs that are nonsensical, inaccurate, or misleading.
- **Deepfakes:** These are the synthetic media that generative AI models can create by manipulating or combining existing images, videos, or audio. Deepfakes can be used for malicious purposes such as spreading disinformation, impersonating people, or blackmailing.
- **Data Privacy:** Generative AI models require large amounts of data to learn and generate outputs. However, this data may contain sensitive or personal

information that can be compromised or misused by third parties. Generative AI models may also collect user data without their consent or knowledge.

- **Cybersecurity:** Generative AI models can be used by hackers to create new and complex types of malwares, phishing schemes, or other cyberattacks that can evade conventional security measures. Such attacks can have serious consequences such as data breaches, financial losses, or reputational damage.
- **Copyright issues:** Generative AI models can create content that resembles or copies existing human-made content, such as text, music, or art. This can raise ethical and legal questions about the ownership, attribution, and rights of the original and generated content.

How can India Harness the Benefits of Generative AI?

- **Healthcare:** Generative AI can help diagnose and treat diseases more accurately by analyzing medical images and data. It can also help predict patient outcomes and take preventive measures.
- **Education:** Generative AI can help create personalized learning content and assessments for students based on their abilities and interests. It can also help teachers with grading, feedback, and curriculum design.
- **Agriculture:** Generative AI can help optimize crop yield and quality by generating recommendations for irrigation, fertilization, pest control, and harvesting based on weather, soil, and plant data.
- **Manufacturing:** Generative AI can help design and produce new products and services that meet customer needs and preferences by analyzing market trends and consumer behavior. It can also help improve efficiency and quality control in production processes.
- **Entertainment:** Generative AI can help create new forms of art, music, literature, and games that can entertain and inspire people. It can also help personalize content recommendations and advertisements based on user preferences.

What are India's Initiatives for Generative AI?

- **Launching the Generative AI Report:** **INDIAai**, the Government of India's National AI Portal, conducted numerous studies and hosted three roundtable discussions with some of the most prominent voices in Generative AI, AI Policy, AI Governance and Ethics, and academia to examine the impact, ethical and regulatory questions, and opportunities it brings to India.

- **Joining the Global Partnership on Artificial Intelligence (GPAI):** In 2020, India joined forces with 15 other countries to form the GPAI. The purpose of this alliance is to establish frameworks for the responsible utilization of emerging technologies.
- **Fostering an AI ecosystem within the country:** The Indian government has been dedicated to fostering an AI ecosystem within the country by investing in research and development, supporting startups and innovation hubs, creating AI policies and strategies, and promoting AI education and skilling.
 - **National Strategy for Artificial Intelligence:**
 - The Government has published the National Strategy for Artificial Intelligence with the objective of developing an ecosystem for the research and adoption of Artificial Intelligence.
 - **National Mission on Interdisciplinary Cyber-Physical Systems:**
 - Under this Mission, Technology Innovation Hubs (TIH) has been established on Artificial Intelligence and Machine Learning at the Indian Institute of Technology (IIT) Kharagpur, which aims to provide the state-of-the-art training and capacity building for the creation of next-generation scientists, engineers, technicians, and technocrats in the field of Artificial Intelligence.
 - **Artificial Intelligence Research, Analytics and Knowledge Assimilation Platform:**
 - It is a **Cloud computing** platform, aiming to make India a pioneer amongst emerging economies with regards to AI and transform sectors like education, health, agriculture, urbanization and mobility.

What should India do to

Overcome Challenges posed by Generative AI?

- **Developing a clear and comprehensive regulatory framework** that defines the purpose, scope, and principles of generative AI regulation. The framework should balance the protection of individuals from potential harms with the promotion of innovation and economic growth.
- **Building an accurate and fair liability framework** that assigns responsibility and accountability for the actions and outcomes of generative AI systems. The framework should consider the roles and obligations of different stakeholders, such as developers, providers, users, and regulators.
- **Incorporating essential regulatory facets such as transparency, accountability, privacy, security, ethics,**

and human oversight. These facets should ensure that generative AI systems are trustworthy, reliable, and respectful of human rights and values.

- **Investing in research and development of generative AI technologies** that can address India's specific needs and challenges. India should leverage its strengths in data science, engineering, and entrepreneurship to create innovative solutions for various sectors and domains.
- **Fostering collaboration and cooperation** among different stakeholders, such as government, industry, academia, civil society, and international partners. India should engage in dialogue and exchange of best practices with other countries and regions that are leading in generative AI development and regulation.

Conclusion:

Generative AI is a powerful and promising technology that can bring many benefits to India and its people. However, it also poses many challenges and risks that need to be addressed by effective and responsible regulation. India should adopt a proactive and balanced approach to generative AI implementation that ensures its safety, security, and ethical use.

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Oil Prices and India

*This editorial is based on **Eye on oil: on oil prices and India** which was published in **The Hindu** on 06/06/2023. It talks about reduction in crude oil production by OPEC+ countries and way forward for India.*

Tag: International Relations, GS Paper–2, Effect of Policies & Politics of Countries on India's Interests, GS Paper – 3, Mobilization of Resources, Growth & Development

The world's largest grouping of crude oil producers, commonly known as **OPEC+**, agreed to extend ongoing production cuts into 2024 as it seeks to keep oil prices from falling amid concerns about a global economic slowdown. OPEC major and leading producer Saudi Arabia also voluntarily vowed to reduce output by an extra 1 million barrels per day (bpd) in July 2023.

The more than 20-nation OPEC+ bloc, which has been striving to curtail supply in order to support prices in the face of flagging demand, had in a surprise move in April announced additional output cuts amounting to 1.66 million bpd. For India, which imports more than 80% of its crude oil requirements, the combined Saudi-cum-OPEC+ announcements of supply curtailment are a cause for some concern given the potential they have to push up global oil prices. Still, with India having sharply

increased its purchase of crude from Russia, the price India pays for an imported barrel of oil has been steadily declining.

What is OPEC+?

- OPEC+ is a **group of 23 oil-exporting countries** which meets regularly to decide how much crude oil to sell on the world market.
 - At the core of this group are the 13 members of OPEC (Organization of the Petroleum Exporting Countries), which are mainly Middle Eastern and African nations.
- OPEC was **formed in 1960** as a cartel, which aimed to fix the worldwide supply of oil and its price.
 - In 2016, when oil prices were low, OPEC joined forces with 10 other oil producers to create OPEC+.
 - One of the members of the expanded group is Russia (world's third-biggest oil producer), which also produces more than 10 million barrels a day.
- Together, **OPEC+ countries produce about 40% of all the world's crude oil.**
 - OPEC nations **produce about 30% of the world's crude oil.**
 - **Saudi Arabia is the biggest single oil supplier within the group**, producing more than 10 million barrels a day.
- OPEC+ tailors supply and demand to balance the market. It keeps prices high by lowering supplies when the demand for oil slumps. The organisation can also lower prices by putting more oil into the market.

Why is OPEC+ Reducing Production?

- **Concerns about Weak Global Demand:**
 - China's economic recovery after Covid-19 lockdowns is losing momentum, which has raised concerns. As the world's second-largest oil consumer, this could impact global oil demand and prices.
 - Interference with market dynamics (Western price cap on Russian oil)
 - Fears of another banking crisis in recent months have led investors to sell out of riskier assets such as commodities with oil prices.
 - Slow growth and lower demand in developed nations and fear of a global recession could lead to lower oil prices.
 - **US debt ceiling negotiations** have affected oil. Investors fear that this could negatively impact oil demand and result in lower prices, causing uncertainty in the market.
- **Punishing Speculators:**

- The planned cuts will also punish oil short sellers betting on oil price declines.
- Saudi energy minister warned traders against heavy betting on oil market. Some investors interpreted this as a signal for possible output cuts.

➤ **US Output Rising:**

- US crude oil production is set to rise by 5.1% in 2023 and 1.3% in 2024 due to growth in shale oil production and technology advancement. This could significantly impact global oil supply and prices.

➤ **Tensions with US:**

- The US is considering passing NOPEC (No Oil Producing and Exporting Cartels Act), which would allow seizure of OPEC's assets on US territory if market collusion is proven. The goal is to prevent price manipulation and promote fair competition, but it has faced criticism for potential retaliation by the OPEC.
- OPEC+ has criticised the International Energy Agency's advocacy for oil stocks releases last year of being politically motivated as the US is the biggest financial donor to IAE.
 - The IEA had argued these were necessary to bring down prices, but the IEA's predictions of price strength never materialised.
 - Moreover, the United States, which released most stocks, said it would buy back some oil in 2023, but later ruled that out.

➤ **Maintaining the Value of its Main Export:**

- OPEC observers also say the group needs nominal oil prices to be higher to maintain the value of their main export in the face of inflation and currency devaluation.
 - Money printing by the West in recent years has lowered the value of the US dollar, the currency in which oil is traded.

What would be the effect of this reduced production in India?

India is the **third-largest oil consumer** and imports more than 80% of its total crude oil requirement. India imports roughly 70% of its crude from the OPEC members. On a decadal comparison, the imports have reduced drastically from 87% to 70% in 2021-22. However, OPEC still accounts for the majority of India's oil imports. The reduced production by OPEC+ will have a negative impact on India. Some of the possible effects are:

- **Higher Imported Inflation:** The production cut would raise crude oil prices, increasing India's import bill and worsening the **current account deficit** by around 0.4% of **GDP**. This will also affect the retail prices of petrol

and diesel, which are already at record highs across the country. Increased prices of petrol and diesel would further lead to rise in the price of domestic commodities as well.

- **Lower Economic Growth:** Higher oil prices will increase the cost of production and transportation for various sectors, affecting their profitability and competitiveness. This will also reduce the disposable income of consumers, affecting their demand for goods and services. Higher inflation and lower growth will also pose a challenge for monetary policy.
- **Higher Fiscal Deficit:** Higher oil prices will increase the subsidy burden for the government, which has to bear the difference between the market price and the controlled price of kerosene and **liquefied petroleum gas (LPG)**. This will widen the fiscal deficit and limit the scope for public spending on infrastructure and social welfare.
- **Higher External Vulnerability:** Higher oil prices will increase India's dependence on **foreign exchange reserves** and external borrowing to finance its oil imports. This will expose India to currency fluctuations and global financial shocks. Higher oil prices will also affect India's trade balance and terms of trade with other countries.

What should India do?

- **Diversify Energy Sources:** India can focus on diversifying its energy mix by promoting and investing in alternative and renewable energy sources. This includes **expanding the use of solar, wind, hydro, and nuclear power**. By reducing its reliance on **fossil fuels**, India can decrease its dependence on OPEC for oil imports.
- **Promote Domestic Oil and Gas Production:** India possesses substantial untapped oil and gas reserves. The government can incentivize domestic and foreign oil companies to engage in exploration and production activities, both onshore and offshore.
 - Implementing favourable policies, such as tax incentives and streamlined regulatory processes, can encourage increased investment and boost domestic production.
- **Enhance Energy Efficiency:** India can prioritize energy efficiency measures across various sectors, including transportation, industrial processes, and buildings. This involves adopting energy-efficient technologies, optimizing industrial processes, and implementing stricter energy conservation measures.
- **Strengthen International Partnerships:** India can foster strategic alliances with oil-producing countries outside of OPEC to secure alternative sources of oil. Strengthening ties with countries like Russia,

the United States, Canada, and others can provide opportunities for diversifying import sources and negotiating favourable supply agreements.

- **Develop Strategic Oil Reserves:** Maintaining an adequate strategic petroleum reserve can act as a buffer during supply disruptions or price fluctuations. India should continue to build and expand its strategic oil reserves to ensure a stable supply of oil during emergencies and reduce vulnerability to OPEC's decisions.
- **Support research and development:** Investing in research and development (R&D) for advanced energy technologies can lead to breakthroughs in energy storage, electric vehicles, and other alternative fuels. This can help India accelerate its transition to cleaner and more sustainable energy sources, reducing dependence on OPEC in the long run.
- **Encourage Public Transportation and Electric Vehicles:** Promoting the use of public transportation systems and electric vehicles (EVs) can significantly reduce India's oil consumption. Expanding the charging infrastructure and offering incentives for EV adoption can help accelerate the shift towards sustainable transportation options.
- **Engage in energy diplomacy:** India can actively engage in energy diplomacy and participate in international forums to advocate for fair and stable oil markets. Collaborative efforts with other oil-importing nations can help influence OPEC's decision-making and create a more balanced and transparent global energy market.

■■■

Need for Comprehensive Data Protection Laws

*This editorial is based on **Ignore GDPR at your own peril** which was published in **The Hindu Business Line** on 01/06/2023. It talks about status of Data protection laws globally and in India.*

Tag: Governance, GS Paper-3, IT & Computers, GS Paper-2, Government Policies & Interventions

In the digital age, the extensive collection and processing of personal data have become the lifeblood of communication and transactions within the digital ecosystem. However, the potential for misuse and abuse of digital technologies has raised significant concerns regarding the protection of personal data. The **European Union's General Data Protection Regulation (GDPR)** stands as a prime example of an effective data protection framework.

India has also been trying to strengthen its data governance through steps such as Digital Personal Data Protection Bill, Information Technology Act (IT Act) of 2000. India also plans to bring Digital India Act to replace IT act, 2000.

What are the Global Regulations Regarding Data Governance?

➤ **General Data Protection Regulations (GDPR) of European Union(EU):**

- The **General Data Protection Regulation** focuses on a **comprehensive data protection** law for processing of personal data.
- In the EU, the right to privacy is enshrined as a **fundamental right** that seeks to protect an **individual's dignity and her right** over the data she generates.
- The fines imposed by the GDPR, have **prompted organizations worldwide to prioritize compliance**. Notable companies, including Google, WhatsApp, British Airways, and Marriott, have faced substantial fines.
- Moreover, the GDPR's **strict norms regarding data transfers to third countries** have had a profound **influence on data protection frameworks beyond the EU**.

➤ **Data Governance in US:**

- There is **no comprehensive set of privacy rights or principles in the US** that, like the EU's GDPR, addresses the use, collection, and disclosure of data.
- Instead, there is **limited sector-specific regulation**. The approach towards data protection is different for the public and private sectors.
 - The activities and powers of the government vis-a-vis personal information are well-defined and addressed by broad legislation such as the **Privacy Act**, the **Electronic Communications Privacy Act**, etc.
 - For the private sector, there are **some sector-specific norms**.

➤ **Data Governance in China:**

- New Chinese laws on **data privacy and security** issued over the past 2 years include the **Personal Information Protection Law (PIPL)**, which came into effect in November 2021.
 - It gives **Chinese data principals new rights** as it seeks to prevent the misuse of personal data.
- The **Data Security Law (DSL)**, which came into force in September 2021, requires business data to be **categorized by levels of importance**, and puts new restrictions on cross-border transfers.

What are the Provisions Related to Data Governance in India?

➤ **IT amendment Act, 2008:**

- Existing Privacy Provisions India has some privacy provisions in place under the **IT (Amendment) Act, 2008**.
- However, these provisions are **largely specific to certain situations**, such as **restrictions on publishing the names of juveniles and rape victims** in the media.

➤ **Justice K. S. Puttaswamy (Retd) vs Union of India 2017:**

- In August 2017, a **nine-judge bench of the Supreme Court** in Justice K. S. Puttaswamy (Retd) Vs Union of India unanimously held that Indians have a **constitutionally protected fundamental right to privacy** that is an intrinsic part of life and liberty under **Article 21**.

➤ **B.N. Srikrishna Committee 2017:**

- Government appointed a **committee of experts for Data protection** under the chairmanship of **Justice B N Srikrishna** in August 2017, that submitted its report in July 2018 along with a draft Data Protection Bill.
- The Report has a wide range of **recommendations to strengthen privacy law** in India including **restrictions on processing and collection of data, Data Protection Authority, right to be forgotten, data localisation** etc.

➤ **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules 2021:**

- **IT Rules (2021)** mandate **social media platforms to exercise greater diligence** with respect to the content on their platforms.

➤ **Digital Personal Data Protection Bill:**

- The Bill will apply to the **processing of digital personal data within India** where such data is collected online, or collected offline and is digitised. It will **also apply to such processing outside India**, if it is for **offering goods or services** or profiling individuals in India.
- Personal data may be processed **only for a lawful purpose** for which an individual has given consent. Consent may be deemed in certain cases.
- **Data fiduciaries will be obligated to maintain the accuracy of data, keep data secure, and delete data** once its purpose has been met.
 - "Data Fiduciary" is defined as any person who alone or in conjunction with other persons determines the purpose and means of processing of personal data.

- The Bill grants certain rights to individuals including **the right to obtain information, seek correction and erasure**, and grievance redressal.
- The central government **may exempt government agencies from the application of provisions of the Bill** in the interest of specified grounds such as security of the state, public order, and prevention of offences.
- The central government will establish the **Data Protection Board of India** to adjudicate non-compliance with the provisions of the Bill.
- **Proposal of 'Digital India Act', 2023 to replace IT act, 2000:**
 - IT Act was **originally designed only to protect e-commerce transactions** and define cybercrime offenses, it did not deal with the nuances of the current **cybersecurity** landscape adequately nor did it address data privacy rights.
 - The **new Digital India Act envisages to act as catalysts for Indian economy by enabling more innovation**, more startups, and at the same time **protecting the citizens** of India in terms of safety, trust, and accountability.

What are the Challenges with Data Governance in India?

- **Insufficient Awareness:**
 - One of the primary obstacles in ensuring data protection in India is **the limited understanding among individuals and organizations** regarding the significance of data protection and the potential risks linked to data breaches. Consequently, individuals may find it **challenging to take the necessary precautions** to safeguard their personal data.
- **Weak Enforcement Mechanisms:**
 - The existing legal framework concerning data protection in India **lacks robust mechanisms for enforcing compliance**. This deficiency makes it difficult to hold organizations accountable for data breaches and non-compliance with data protection regulations.
- **Lack of Standardization:**
 - A significant hurdle in implementing and enforcing data protection regulations in India is the absence of standardized practices among organizations. The **lack of uniformity in data protection protocols** poses challenges when attempting to establish and adhere to consistent data protection practices.
- **Inadequate Safeguards for Sensitive Data:**
 - The current data protection framework in India **fails to offer sufficient safeguards for sensitive**

data, such as health data and biometric data. As organizations increasingly collect these types of data, the lack of adequate protection measures becomes a concern.

What can be the Way Ahead?

- **Government as a Role Model** Given its significant role as a data fiduciary and processor, the **government must lead by example in prioritizing data protection**.
- **Establishing an independent and empowered data protection board** with parliamentary or judicial oversight is crucial to ensure effective governance.
- **Balancing Innovation and Regulation is important.** While stringent regulations are necessary to safeguard personal data, overly prescriptive and restrictive norms could stifle innovation and hinder cross-border data flows. Striking the right balance is essential **to foster innovation while effectively protecting personal data**.
- A robust data protection law is just one aspect of a broader framework for digital governance. **To ensure comprehensive regulation, cyber security, competition, artificial intelligence, and other relevant areas must also be addressed.** The European Union's approach, encompassing additional instruments such as the Data Act, Digital Services Act, Digital Markets Act, and the AI Act, can provide valuable insights.



States' Role in Energy Transition

*This editorial is based on **Seeing India's energy transition through its States** which was published in The Hindu on 07/06/2023. It talks about the role of states in India's renewable energy transition journey.*

Tag: Indian Economy, GS Paper – 3, Issues Relating to Development, Growth & Development, Renewable Energy, Environmental Pollution & Degradation

India is planning to propose a multiple energy pathways approach to accommodate the diverse contexts and development trajectories of countries. The diversity of India's States, which necessitates multiple pathways, will determine its own domestic energy transition. India's global climate pledges — 50% non-fossil electricity generation capacity by 2030 and net-zero emissions by 2070 — are backed by domestic energy targets at the national level.

States are critical actors in India's energy transition as there is a multi-tier governance of energy production and usage. An effective transition will require bridging

the ambitions and implementation gaps between the Centre and the States. Simultaneously, national ambitions need to factor in the varying incentive structures, processes, and institutional capacities at the State level.

Why States matter?

- **Critical to the Realisation of National Targets:** States as spheres of implementation are critical to the realisation of national targets. While the Centre may set goals, and use carrots and sticks to help achieve them, the realisation of these goals often depends on how they are aligned with State priorities and capabilities.
- **Crucial for an Inclusive Development:** India's progress towards its 175 GW **renewable energy** target is complex. Only three states met their individual targets, and 80% of current renewable energy capacity is in six states in the west and south. An inclusive approach involving all states is necessary for a successful clean energy transition.
- **Energy Policy Formulation:** States can customize their renewable energy policies to meet their unique energy requirements and resources. **Renewable energy targets, incentives, and regulations can be designed to promote clean energy adoption based on local conditions.**
 - Moreover, Unresolved electricity sector issues, such as high losses and unreliable supply, may worsen during the clean energy transition. State-level solutions are needed as these issues are embedded in the State political economy.
- **Renewable Energy Potential:** India's diverse geography and climate lead to varying renewable energy resources across states. **States can leverage their specific resources, such as solar, wind, or hydroelectric, to set up projects, attract investments,** and contribute to the country's renewable energy capacity.
- **Laboratories of Policy Innovations:** States have been instrumental to policy innovations related to India's energy transition. For example, early initiatives by Gujarat and Rajasthan on solar, and Maharashtra and Tamil Nadu on wind energy technologies, have contributed significantly to renewable energy uptake at the national level.
 - Similarly, **PM KUSUM** is an adoption of successful State experiments on the solarisation of agriculture at a national scale.
- **Roadblocks to National Goals:** While States have the power to promote clean energy adoption, they could also become roadblocks to national goals, especially if the goals are perceived to conflict with State priorities.

- For example, a coal-dependent State may resist phasing out coal-fired power plants. Achieving national clean energy targets may be difficult without the cooperation of all States.

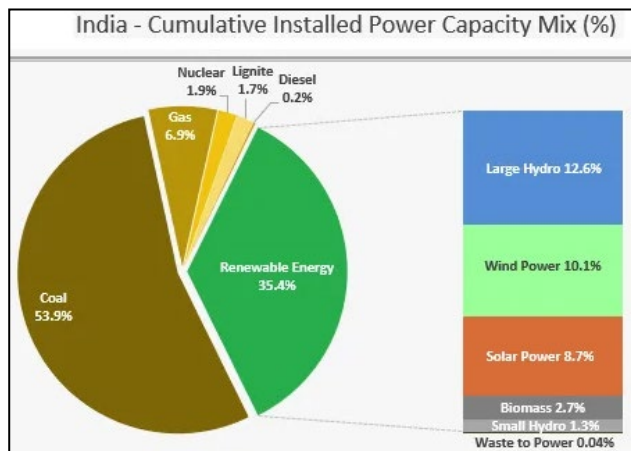
- **Demand-Side Management:** States can control demand-side management strategies as major energy consumers. **They can promote energy efficiency measures, smart grid technologies, and energy conservation practices at the local level.** States can also incentivize the use of electric vehicles, rooftop solar installations, and energy-efficient building designs.
- **Collaboration and Knowledge Sharing:** States can collaborate with each other, share best practices, and learn from successful initiatives. Forums like the National Institution for Transforming India (NITI Aayog) and other state-level agencies facilitate knowledge sharing, allowing states to benefit from the experiences and lessons of others.

What are the Challenges?

- **Varying Renewable Energy Potential:** States have varying renewable energy potential, making it difficult to balance contributions and targets. Some states have more capacity to contribute to the renewable **energy mix** than others.
- **Policy Variations:** States have their own energy policies, causing differences in approaches and targets. Aligning policies and creating a coordinated framework can be challenging.
- **Financial Disparities:** States in India have varying levels of financial resources, making it challenging for some states to invest in renewable energy projects. The availability of funding mechanisms and access to capital also differ among states.
- **Technical Capacity:** The technical capacity and expertise required for planning, implementing, and operating renewable energy projects may vary among states. Some states may have a more developed renewable energy sector and technical know-how, while others may lack the necessary expertise.
- **Infrastructure Readiness:** Grid infrastructure varies across states and needs upgrading to integrate renewable energy. Some states may face challenges due to limited resources.
- **Political Will and Administrative Efficiency:** Uniform energy transition needs political will and administrative efficiency across states. Differences in priorities and capabilities can affect the pace and effectiveness. Coordination among states is crucial for success.
- **Regional Interests and Priorities:** Each state has its own unique set of regional interests and priorities, which may sometimes conflict with the broader national

goals. Balancing regional and national interests in the energy transition is complex and requires effective negotiation and consensus-building among states.

- **Stakeholder Engagement:** Involving stakeholders is crucial for a successful energy transition. To address their concerns and promote cooperation, inclusive and participatory processes must be designed, especially since perspectives and interests may differ across states.



What should be the Way Forward?

- **A State-level framework:** As a complement to the techno-economic discourse, there is a need for a State-level framework to understand plans, actions, and governance processes towards an energy transition. Applying such a framework will enable an expedited transition in multiple ways.
 - It broadens the transition discourse from a narrow set of outcomes to include processes that shape outcomes. Understanding the effects of transitions on transparency, accountability, affordability, and reliability is crucial.
 - It leads to greater transparency which could enable participation of stakeholders in the processes and ensure public legitimacy and buy-in to complex decisions.
 - State preparedness leads to better understanding of state-level differences and helps make evidence-based policy choices for a practical and faster energy transition.
- **National Renewable Energy Policy Framework:** Create a national renewable energy policy framework that guides states to align their policies with national goals, while addressing state-specific challenges and promoting coordination and consistency.
- **Capacity Building and Knowledge Sharing:** Invest in capacity building to enhance technical expertise and knowledge-sharing among states. This can include training, workshops, conferences, and collaborative research projects.

- **Financial Support Mechanisms:** Ensure fair access to funds, establish mechanisms to bridge financial gaps between states. Options include creating funds for renewable energy projects, incentivizing private sector investments, and facilitating access to low-cost financing.
- **Standardization and Harmonization:** Encourage standardization and harmonization of policies, regulations, and technical standards across states. This can promote consistency, reduce complexity, and facilitate smoother inter-state project implementation and grid integration.
- **Grid Infrastructure Development:** Focus on strengthening and modernizing grid infrastructure, particularly in states with high renewable energy potential. Upgrading transmission and distribution systems, implementing advanced grid management technologies, and establishing robust inter-state transmission networks can support the integration of renewable energy sources.
- **Institutional Coordination and Collaboration:** Strengthen institutional coordination and collaboration between the central government, state governments, regulatory bodies, and other stakeholders. Establish dedicated platforms or task forces that facilitate regular communication, exchange of ideas, and coordination on energy transition-related matters.
- **Inclusive and Just Transition:** Ensure that the energy transition takes into account the social and economic aspects, particularly in regions heavily dependent on fossil fuel-based industries. Implement measures to support the affected communities, provide alternative livelihood opportunities, and ensure a just and equitable transition for all.

What are Some State Governments' policies w.r.to Renewable Energy?

- **Andhra Pradesh has its Renewable Energy Export Policy 2020** for solar, wind, and wind-solar hybrid projects. The policy aims to promote the export of renewable energy outside the state without any obligation of power procurement by state distribution companies (DISCOMs).
- **Gujarat has a Solar Power Policy 2021**, which offers benefits such as exemption from electricity duty, banking facility, waiver of cross-subsidy surcharge, etc. for solar power projects.
- **Karnataka's Renewable Energy Policy 2022-2027** which aims to facilitate development of 10 (Ten) GW of additional RE projects with or without energy storage systems in the State.

- **Tamil Nadu's Solar Energy Policy 2019**, which targets to achieve 9 GW of solar power by 2023, with provisions for grid-connected and off-grid projects, rooftop solar systems, solar parks, etc.

Conclusion:

While India has set laudable goals for its energy transition and has been working towards creating incentives and enforcement mechanisms, a critical next step is to engage with diverse State contexts, capabilities, and priorities. These are shaped by the interplay between multiple drivers, barriers, and enablers, including available techno-economic options, fiscal space, and social and political imperatives.



GDP Recovery Inadequate

*This editorial is based on **Latest GDP estimates** which was published in The Indian Express on 07/06/2023. It talks about the momentum of the underlying drivers of growth is not strong enough and there is need to address the challenges.*

Tag: Indian Economy, GS Paper-3, Inclusive Growth, Fiscal Policy, Employment

India's latest **GDP** estimates **have exceeded even the most optimistic projections**, leading to upward revisions of economic growth estimates for the ongoing financial year. India's GDP estimates indicate a recovery from the depths experienced during the pandemic.

However, the **recovery is not adequate** with **challenges persisting in rural demand, manufacturing performance, household expenditure, informal sector's growth, investment patterns, depressed household expenditure**, and economic loss pose challenges to the country's growth prospects. Resolving these contradictions is crucial for achieving sustainable and balanced economic growth.

Why is GDP Recovery Challenging?

- **Subdued Rural Demand despite Agricultural Growth:**
 - **Rural markets lagging:**
 - Despite robust growth in the agricultural sector, **rural demand remains subdued**, with volume growth in rural markets remaining sluggish.
 - **Per capita earnings weighed down:**
 - Increased engagement of workers in the farm sector results in lower per capita earnings.
 - **Poor performance of the non-farm sector:**

- The non-farm sector, which contributes significantly to rural household incomes, is possibly faring poorly.
- Work demanded by households under **MGNREGA**, though fallen below as observed during the Covid years, remains well above the pre-pandemic levels.
- In **2022-23**, **8.76 crore** individuals worked under the programme, as compared to **7.88 crore in 2019-20**, and **7.77 crore in 2018-19**.

➤ **Industrial Sector Slowdown and Manufacturing Performance:**

○ **Industrial Sector Slowdown:**

- The industrial sector, especially manufacturing, has significantly slowed down.
- Manufacturing sector **growth for the full year was a mere 1.3%**, despite a turnaround in the fourth quarter.

➤ **Rise in Informal Sector Employment within Non-Farm Sector:**

○ **Informal Sector Employment:**

- The share of workers engaged in proprietary and partnership enterprises (informal sector firms) within the non-agricultural sector has increased **from 68.2% (2017-18) to 71.8% (2021-22)**.
- The rise in informal sector employment contradicts government efforts to formalize the economy and boost employment opportunities.

➤ **Investment Activity and Current Account Dynamics:**

○ **Healthy Investment Growth:**

- Investment activity experienced healthy trend, with the **investment-to-GDP ratio reaching 29.2% (2022-23)**.

○ **Household Sector Driving Growth:**

- Two-thirds of the increase in the investment ratio was driven by the household sector, followed by the public sector and private sector firms.

○ **Possibility of Current Account Surplus:**

- The recent GDP data suggests the potential for a current account surplus or a minimal deficit, indicating weak investment demand relative to savings.

➤ **Depressed Household Expenditure and Impact of Inflation:**

○ **High-end Spending vs. Overall Household Expenditure:**

- Spending on high-end goods and services has grown, while overall household expenditure remains depressed due to subdued spending by lower and middle-income households.

- **Low Income Growth:**
 - Limited opportunities for productive employment and low-income growth contribute to suppressed household expenditure.
- **Inflation's Erosion of Purchasing Power:**
 - Steady inflation erodes the purchasing power of households, constraining consumption.
- **Economic Loss and the Uneven Recovery:**
 - **Real Growth Shortfall:**
 - Compared to the pre-pandemic trend growth, the Indian economy's real growth remains lower than current levels, signifying an economic loss.

What are Key Drivers of Economic Growth?

- **Investment:**
 - Investment in physical infrastructure, machinery, technology, and human capital is a key driver of economic growth.
 - It leads to increased production capacity, efficiency, and innovation, resulting in higher productivity and output.
- **Technology and Innovation:**
 - Technological advancements and innovation drive economic growth by improving productivity, creating new industries and markets, and enhancing competitiveness.
 - Investments in research and development (R&D) and technology adoption contribute to economic expansion.
- **Human Capital Development:**
 - Education, training, and skill development are essential drivers of economic growth.
 - A well-educated and skilled workforce is more productive, adaptable to new technologies, and capable of driving innovation and entrepreneurship.
- **Trade and Globalization:**
 - International trade and globalization play a significant role in economic growth.
 - By expanding markets, facilitating specialization, and promoting access to resources and capital, trade can enhance productivity, drive economic efficiency, and create employment opportunities.
- **Infrastructure Development:**
 - Adequate infrastructure, including transportation, communication, energy, and sanitation, is crucial for economic growth.
 - Well-developed infrastructure reduces transaction costs, facilitates the movement of goods and services, and attracts investments.

➤ Institutional Framework:

- A strong and efficient institutional framework is vital for economic growth. It includes the rule of law, property rights protection, transparent governance, efficient legal systems, and a business-friendly environment that fosters entrepreneurship and investment.

➤ Macroeconomic Stability:

- Maintaining macroeconomic stability through sound fiscal and monetary policies, low inflation rates, and exchange rate stability is critical for fostering an environment conducive to investment, trade, and economic growth.

➤ Entrepreneurship and Innovation:

- Entrepreneurial activities and innovation drive economic growth by creating new businesses, products, and services, generating employment, and fostering competition and market dynamism.

What are the Possible Solutions?

➤ Boosting Rural Demand:

- Enhance the non-farm sector in rural areas through **targeted policies** and initiatives to **stimulate growth and employment opportunities**.
- Improve infrastructure and connectivity in rural regions to attract investments and promote economic activities.
- Increase **access to credit and financial services** for rural households and entrepreneurs to encourage entrepreneurship and small business development.
- Implement measures to bridge the income gap between the farm and non-farm sectors, ensuring equitable distribution of economic benefits.

➤ Reviving the Manufacturing Sector:

- Implement sector-specific policies to incentivize manufacturing, such as **tax incentives, simplified regulations, and ease of doing business** reforms.
- Encourage **innovation, research and development**, and technology adoption in the manufacturing sector to enhance productivity and competitiveness.
- Strengthen **skill development programs** to address the skill gap in the labor force and align it with the requirements of the manufacturing industry.
- Facilitate public-private partnerships and collaboration to attract investments and promote industrial growth.

➤ Formalization of the Informal Sector:

- Introduce policies and programs to promote the formalization of informal sector enterprises, such as providing access to finance, simplifying registration procedures, and offering incentives for compliance.

- Enhance the **social security net for workers in the informal sector** to improve their income security and overall well-being.
- Foster an **enabling environment for informal enterprises to transition to the formal sector** by providing business development support, training, and access to markets.
- **Addressing Income Inequality and Boosting Household Expenditure:**
 - Implement progressive taxation policies to redistribute income and reduce wealth disparities.
 - Enhance social welfare programs and safety nets to provide support to low-income households and vulnerable groups.
 - Increase investment in education and skill development to empower individuals and improve their employability.
 - Combat inflationary pressures through effective monetary and fiscal policies to protect the purchasing power of households.
- **Monitoring and Evaluation:**
 - Establish robust mechanisms to monitor and evaluate the effectiveness of implemented policies and interventions.
 - Regularly assess the impact of policy measures on key economic indicators and make necessary adjustments to ensure desired outcomes.
 - Encourage research and data-driven decision-making to inform policy formulation and implementation.



Freebies: A Double-Edged Sword

*This editorial is based on **The costs of poll-driven power freebies** which was published in **The Hindu Business line** on 08/06/2023. It talks about the **Freebies Culture** by the **Political Parties** and its consequences.*

Tag: Governance, GSPaper-2, Government Policies & Interventions

It is well-established that every election season, political parties across the board make ambitious expenditure commitments in a bid for electoral success.

The Political parties with an aim to win elections promise the provision of various freebies like electricity, water and transportation. Providing free electricity has been the most popular among all the promises.

High power subsidies not only jeopardise a State's fiscal health, but also impose substantial opportunity costs, limiting the funding available for social programmes in other domains.

For example, Karnataka's budget allocations for education and health are lower than the average allocations in these sectors by all States.

What is Freebie?

In a Reserve Bank of India report in 2022, **freebies** have been defined as "a public welfare measure that is provided free of charge". It adds that freebies are different from **public/merit goods** such health and education, expenditure on which has wider and long-term benefits.

What is the Difference between Freebies and Welfare?

The difference between **freebies** and welfare schemes is not always clear, but a general way to distinguish them is by their long-term impact on beneficiaries and society. Welfare schemes have a positive impact, while freebies can create dependency or distortions.

- **Freebies** are goods and services given free without any charge to the users.
 - They are generally aimed at benefiting the targeted population in the short term.
 - They are often seen as a way of luring voters or bribing them with populist promises.
 - Some examples of freebies are free laptops, TVs, bicycles, electricity, water, etc.
- **Welfare schemes**, on the other hand, are well thought-after plans that aim to benefit the target population and improve their standard of living and access to resources.
 - They are typically aimed at fulfilling the constitutional obligations (**Directive Principles of State Policy**) towards citizens.
 - They are often seen as a way of promoting social justice, equity, and human development.
 - Some examples of welfare schemes are **public distribution system (PDS)**, **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**, **mid-day meal scheme**, etc.

Why Freebies is a Double-Edged Sword?

- **Advantages of Freebies**
- **Public Outreach and Engagement:** Government freebies can increase public trust and satisfaction with the government, as they demonstrate its responsiveness and accountability to the people. Moreover, freebies can create opportunities for feedback and dialogue between the government and the citizens, enhancing transparency and democracy.

- A study by the Centre for Policy Research found that freebies such as laptops, bicycles, and cash transfers had a positive impact on voter turnout, political awareness, and satisfaction with the government in Uttar Pradesh and Tamil Nadu.
- **Economic Growth:** Freebies can stimulate economic growth by increasing the productive capacity of the workforce, especially in less developed regions. For example, freebies such as laptops, bicycles, or sewing machines can enhance the skills, mobility, and income opportunities of the poor and rural population.
 - A report by the **NITI Aayog** stated that freebies such as bicycles given to schoolgirls in Bihar and West Bengal increased their enrolment and retention rates, reduced dropout rates, and improved their learning outcomes.
- **Social Welfare:** They can provide basic necessities and social welfare to the poor and marginalized sections of society, such as food, education, health, electricity, etc. For example, freebies such as uniforms, textbooks, or health insurance can improve the literacy, health, and quality of life of the needy and vulnerable groups.
 - A study by the **World Bank** estimated that freebies such as food subsidies under the **Public Distribution System (PDS)** reduced the poverty ratio in India by 7% in 2011-12.
 - A survey by the NSSO revealed that freebies such as health insurance under the **Rashtriya Swasthya Bima Yojana (RSBY)** reduced the out-of-pocket expenditure and catastrophic health shocks for below poverty line households.
- **Income Equality:** Freebies can reduce income inequality and poverty by redistributing wealth and resources more equitably. For example, freebies such as loan waivers, or cash transfers can empower the indebted, or low-income households by giving them access to assets, credit, or income support.
 - A report by the **Reserve Bank of India** analysed that loan waivers relieved the debt burden and improved the creditworthiness of distressed farmers.

Disadvantages of Freebies

- **Dependency Syndrome:** Freebies can create a negative pattern of dependency and entitlement among the recipients, who may expect more freebies in the future and become less motivated to work hard or pay taxes. For example, freebies such as rice at Rs 1 per kg or electricity at zero cost can reduce the sense of responsibility and accountability of the beneficiaries and make them dependent on external aid.
 - A survey by the **Association for Democratic Reforms** showed that 41% of voters in Tamil Nadu considered

freebies as an important factor in voting, while 59% said they were satisfied with the performance of the state government.

- **Fiscal Burden:** Freebies can have adverse consequences on the fiscal health and macroeconomic stability of the state or the country, by increasing public expenditure, subsidies, deficits, debts, and inflation. For example, freebies such as farm loan waivers, unemployment allowances, or pension schemes can strain the budgetary resources and fiscal discipline of the government and affect its ability to invest in other sectors or repay its obligations.
 - A report by RBI analysed that freebies such as pension schemes for senior citizens under the **Indira Gandhi National Old Age Pension Scheme (IGNOAPS)** posed a fiscal risk for the central and state governments, as they implied an increasing pension liability with an ageing population.
- **Resource Misallocation:** Freebies can distort the expenditure priorities and allocation of resources, by diverting funds from more productive and essential sectors such as infrastructure, agriculture, industry, etc. For example, freebies such as mobile phones, laptops, or air conditioners can consume a large share of public spending and crowd out investment in public goods such as roads, bridges, irrigation systems, or power plants.
 - A report by the **NITI Aayog** criticised that freebies such as laptops given by the Uttar Pradesh government diverted funds from more urgent needs such as improving school infrastructure, teacher quality, or learning outcomes.
- **Quality Compromise:** Freebies can lower the quality and competitiveness of the goods and services that are given for free, by reducing the incentives for innovation and improvement. For example, freebies such as bicycles or laptops may be of inferior quality or outdated technology compared to those available in the market or those produced by other countries.
 - A report by the **Centre for Development of Advanced Computing** assessed that freebies such as laptops given by various state governments were based on obsolete technology and software, which limited their functionality and performance.
- **Impact on Environment:** Freebies can have a negative impact on the environment, by encouraging overuse and wastage of natural resources, such as water, electricity, or fuel. For example, freebies such as free power, free water, or free gas cylinders can reduce the incentives for conservation and efficiency and increase the carbon footprint and pollution levels.

- A report by the **CAG** revealed that free electricity for farmers in Punjab led to overuse and wastage of power, low tax compliance, and poor quality of service delivery by the state power utility.

What Should be the Way Forward?

- **Drawing a Line Between Welfare and Freebie:** Freebies must be understood from an economic perspective and **connected to taxpayers' money**.
 - **Differences between subsidy and freebie are also essential** since subsidies are justified and specially targeted benefits meant to meet specific demands. The freebies, on the other hand, are quite different.
- **Clear Rationale and Indication of Funds:** Political parties should be required to disclose the financing and trade-offs of freebies to the voters and the **ECI** before announcing them. This would include specifying the sources of revenue, the impact on fiscal balance, the opportunity cost of public spending, and the sustainability of freebies.
- **Empower the Election Commission of India:** **ECI** should be provided more powers to regulate and monitor the announcement and implementation of freebies by political parties during elections. This would include giving the ECI more powers to de-register parties, impose penalties, or take contempt action for violating the **model code of conduct** or the court orders on freebies.
- **Voter Awareness:** In a democracy, the power to block or allow the march of freebies rests with the voters. Educating voters about the economic and social consequences of freebies and encouraging them to demand performance and accountability from political parties. This would include creating awareness campaigns, voter literacy programs, civil society initiatives, and media platforms to inform and empower voters to make rational and ethical choices.
- **Judicial Intervention:** A constructive debate and discussion in parliament is difficult since the freebie culture has an impact on every political party, whether directly or indirectly. Therefore, judicial involvement is required in order to propose measures.
 - The Supreme Court has suggested setting up an expert committee to look into the issue of freebies and their impact on the economy and democracy. The committee would consist of members from the **Niti Aayog**, the **Finance Commission**, the **RBI** and other stakeholders. The committee would make suggestions on how to control freebies given by political parties during election campaigns.
- **Focus on Inclusive Development:** It would address the root causes of poverty, inequality, and exclusion

that make people vulnerable to freebies. Inclusive development would also create a more conducive environment for economic growth and social progress, which would benefit all sections of society in the long run. Therefore, inclusive development can be a more effective and desirable alternative to freebies.

- It can be understood well through this quote - *"Give a man a fish and you feed him for a day, teach a man to fish and you feed him for a lifetime."*



Mega Food Storage Plan: Challenges & Way Forward

*This editorial is based on **Pitfalls of the food storage plan** which was published in **The Hindu Business line** on 07/06/2023. It talks about the newly approved **Mega Food Storage Plan**, its challenges and a way out.*

Tag: Agriculture, GS Paper-3, Buffer Stocks & Food Security, Food Processing

The Union Cabinet has approved a Rs 1 lakh crore plan for **"World's Largest Grain Storage Plan in Cooperative Sector"** by the convergence of various schemes. The latest decision of creating additional decentralised grain storage at the block level is a positive step towards strengthening the agriculture sector.

The new initiative tries to address two of the most important objectives of farm laws -strengthening/ expanding the market infrastructure and ensuring remunerative prices to farmers.

It is disturbing to see grains, amounting to thousands of tonnes, getting wet in the market yards. Market yards fail to provide basic protection to the produce inside the yard. These issues also adversely affect the grains that are just harvested (farm level) and also the crops that are about to be harvested resulting in huge losses for farmers. Reducing post-harvest losses should be a key objective of the new storage infrastructure.

What is this Mega Food Storage Plan?

- It'll increase foodgrain storage capacity by 70 million tonnes in the cooperative sector.
 - This will be world's largest grain storage plan in the cooperative sector.
- The plan will let cooperatives set up decentralised storage facilities across the country, in a move to reduce the burden on **Food Corporation of India (FCI)**, cut wastage of farm produce and help farmers plan their sales better.

- The plan will converge existing schemes of the ministry of agriculture and farmers welfare, ministry of consumer affairs, food and public distribution, and ministry of food processing industries, and to utilize the funds available under the schemes for this purpose.

What are the Major Highlights of the Storage Plan?

- **Convergence of schemes:** The plan aims to converge eight ongoing schemes of three ministries to address the shortage of agricultural storage infrastructure in India.
- **Inter-Ministerial Committee:** An Inter-Ministerial Committee (IMC) will be formed to oversee the implementation of the grain storage plan.
 - The committee will be chaired by the Minister of Cooperation and will include the Ministers of Agriculture and Farmers Welfare, Consumer Affairs, Food and Public Distribution, and Food Processing Industries, along with relevant secretaries.
- **Strengthening cooperatives:** The Ministry of Cooperation has developed the grain storage plan to leverage the strength of cooperatives and transform them into successful business enterprises. This aligns with the vision of “*Sahakar-se-Samridhi*” (Cooperation for Prosperity).
- **Agri-infrastructure at PACS level:** The plan focuses on establishing agri-infrastructure, including warehouses, custom hiring centers, and processing units, at the level of **Primary Agricultural Credit Societies (PACS)**.
 - This decentralized approach aims to enhance the economic viability of PACS and contribute to the growth of the Indian agricultural sector.
- **Pilot project:** The Ministry of Cooperation will implement a pilot project in at least 10 selected districts to test and refine the grain storage plan's implementation strategies and assess its outcomes.

How will the Plan benefit?

- **Reducing post-harvest losses** by creating decentralized storage capacity at the local level, which will prevent spoilage and wastage of food grains.
- **Preventing distress sale** by providing farmers with various options, such as selling their produce to state agencies or FCI, storing their produce in godowns, or processing their produce in common units.
- **Enhancing income** by enabling PACS to diversify their business activities, such as serving as fair price shops, setting up custom hiring centers, etc.
- **Improving food security** by increasing the availability and accessibility of food grains for consumers, especially the poor and vulnerable sections.

- **Reducing transportation costs** by minimizing the movement of food grains from procurement centers to warehouses and from warehouses to fair price shops.

What are Post Harvest losses?

- Post-harvest losses are the measurable quantitative and qualitative losses in a given product that occur between harvest and the moment of human consumption.
- These losses can affect various aspects of the product, such as its quantity, quality, nutritional value, edibility, and marketability.

What do the Stats

say about Post Harvest Crop losses?

- The average post-harvest losses range between:
 - 10-16% for major cereal crops
 - 26% in the case of wheat
 - 34% in the case of fruits and vegetables.
- The economic value of these losses was INR 926.51 billion (USD 15.19 billion) in 2014.

What are the Reasons behind Post Harvest losses?

- **Infrastructure Deficiency:** Suboptimal storage capacity and absence of cold chain infrastructure lead to microbial growth and quality degradation. Scarcity of modern processing units results in enzymatic browning and reduced shelf life.
- **Handling and Packaging Errors:** Abrasive handling and unsuitable packaging lead to physical injury and exposure to biotic and abiotic stressors. Also, Inadequate transportation infrastructure causes transit delays and mechanical damage.
- **Market Disconnection:** Restricted market access and price fluctuations increase post-harvest losses.
- **Pest and Disease Outbreaks:** Insufficient pest and disease management practices cause crop spoilage and contamination.
- **Financial Constraints:** Insufficient resources and limited access to credit hinder investment in improved facilities and technologies.
- **How to reduce Post Harvest Losses?**
 - **Assessing maturity and harvesting** the crop at the appropriate stage, using proper tools and techniques.
 - **Checking water quality and temperature and avoiding contamination or damage during washing and cleaning.**
 - **Improve market access for farmers** by establishing efficient supply chains, connecting them with suitable buyers, and promoting fair pricing mechanisms to minimize delays in selling produce.

- **Using proper storage methods** such as hermetic or air-tight containers, which can prevent insects, rodents, mould, and moisture from spoiling the crop.
- **Implement and enforce quality standards and certifications** for harvested produce to ensure adherence to proper handling, storage, and processing practices.
- **Upgrade transportation infrastructure**, including road networks and logistics, and promote the use of refrigerated vehicles to minimize delays and damage during transit.

What are the Challenges associated with the Plan?

- **Conflict with FPOs:** The main objective of promoting **Farmer Producer Organisation (FPOs)** is to address the well-recognised limitations of **co-operative societies** and it is aimed to cover all the blocks of the country. FPOs are also involved in post-harvest handling of the produce that may come in conflict with the agriculture co-operatives.
- **Agri Co-operatives aren't so efficient:** Agriculture co-ops are inefficient but have been given financial responsibilities and storage infrastructure implementation. This decision is unclear, especially since FPOs have better governance as businesses.
 - The problems associated with agriculture co-operatives include elite capture, bureaucratic/political interference, poor marketing.
 - As a result, small and marginal farmers lose on gaining access to competitive markets and getting remunerative prices.
- **Infrastructure managing and maintaining:** It is easy to create infrastructure but managing and maintaining it is a bigger challenge. India has an unenviable record of maintaining its infrastructure, be it FCI storage, drinking water systems, irrigation systems, etc. **Capital maintenance expenditure (Capex)** is rarely incorporated into annual budgets.
 - Moreover, India has the storage capacity for only one-eighth of its annual perishable produce.
- **Food Quality Management:** Maintaining food quality is crucial for nutrition security. Often the **PDS** distributes poor quality grains due to low quality storage infrastructure with primitive technologies (FCI godowns) and long spans of storage.

What could be the Possible Solutions?

- **Implement through PPP or FPOs:** The food storage initiative would have served better if implemented

under **private-public-people (PPP)** initiative in the lines of FPOs. Even bringing it under the umbrella of FPO would have been a better option.

- **Modernize the Existing storage:** Modernising the existing storage infrastructure should be a priority. The move should be to go beyond grains and create storage infrastructure for perishable commodities (fruits, vegetables, milk, meat, fish, etc.).
- **Don't ignore the Horticulture Crops:** Because of the increasing production of **horticultural crops**, there is need for creating adequate storage facilities. While doubling farm incomes is linked to cultivation of high value crops (horticultural), providing sufficient storage infrastructure for curbing distress sale and wastage is a necessary condition.
 - The value of food losses (agriculture, horticulture, milk, meat and fish) is above ₹1,40,000 crore a per year.
- **Focus on Processing for Perishables:** In the case of perishables, processing can increase the longevity of the food and may reduce its nutrition value. Again, modern technologies are required for ensuring high quality processing.

■■■

NCERT Rationalisation: Clearing Confusions

This editorial is based on **No Textbook Conspiracy** which was published in The Indian Express on 12/06/2023. It talks about the menace of disinformation spread around recent textbook rationalisation exercise taken up by the NCERT.

Tag: Governance, GS Paper- 2, Education, Government Policies & Interventions

Recently, the alarmist news was circulated that key concepts and segments, notably the theory of evolution and the periodic table, have been dropped from science textbooks by the **National Council of Educational Research and Training (NCERT)**.

The usual suspects took to social media to declare the death of secularism and scientific temper in India. The story received widespread global attention, including from Al-Jazeera, Deutsche Welle and the noted scientific journal Nature.

What was particularly concerning, in this case, was the circulation of unverified information on social media, which was further amplified by mainstream media. From one news outlet to another, the story expanded, sowing disinformation and confusion.

This not only had an adverse impact on the reputation of the NCERT but also created scepticism about the country's education system. The government had already been working to dispel the negative image of the country's education system. No scientific theory is absolute — it can be contested. The latest debates that have questioned Darwin's theory of evolution need to also be a part of the curriculum.

What was the Criteria for Rationalisation?

The NCERT was tasked with the rationalisation of textbooks across all classes and subjects. The process accounted for five broad criteria:

- Overlaps with similar content in other subjects within the same class.
- Similar content in a lower or higher class
- The level of difficulty
- Easily available content that does not require much assistance from teachers and can be undertaken through self or peer-learning.
- Irrelevant content in the present context

What was the Rationale behind the Rationalisation Exercise?

The updating of textbooks is a regular process carried out by the NCERT, but one needs to understand these changes are not random. They are undertaken in specific contexts:

- **To Reflect the Changing Realities:** Some changes were made to reflect the changing realities — these include the incorporation of content related to information technology and computers.
- **In Accordance with the New Education Policy:** The textbooks are revised in accordance with the reforms in the country's educational system. In this case, the **National Education Policy (NEP) 2020** is the torchlight — it “emphasises reducing the content load and providing opportunities for experiential learning with a creative mindset.”
- **The Pandemic Effect:** There was a colossal loss of teaching time during the pandemic which, in turn, led to loss of learning and increased the load on the students. This was also a concern expressed by the **Parliamentary Standing Committee on Education**.
 - Therefore, the process of rationalisation was initiated to facilitate the “speedy recovery in the learning continuum and compensating time loss of students.”

What were the Concerns raised by the Critics?

- The exercise is **politically motivated** and aims to erase or distort certain aspects of India's history,

culture, and diversity that do not align with the ruling establishment's ideology.

- The exercise is **at odds** with the progressive thrust of the **National Education Policy 2020**, which emphasises critical thinking, multidisciplinary learning, and respect for diversity.
- The exercise is **lacking transparency** and consultation with a wide range of stakeholders, such as teachers, students, parents, academics, and civil society groups.
- The exercise is **unnecessary** and **ineffective** in addressing the learning losses caused by the **Covid-19** pandemic, which require classroom-level interventions and empowering teachers.
- The exercise has also raised concerns about the comprehensiveness and depth of the curriculum, as some significant chapters such as the **Periodic Table**, **Darwin's theory of Evolution**, and Fibre and Fabrics were deleted.

What is the Government's stance?

- The **periodic table** has “not been removed” from school education curriculum” but instead reassigned to Unit 3 in the Class 11 textbook.
- **Darwin's theory of evolution** is covered in “great detail” in chapter six of the Class 12 textbook.
- The missing reference to **Maulana Azad** from the Class 11 Political Science textbook (Indian Constitution at Work) is not a part of the current process of rationalisation.
 - The reference was dropped from 2014-15.
 - Still, It ended up being linked with the larger controversy. So many leaders have not been mentioned in textbooks, even earlier.
- The discussions have missed another important point — these textbooks are for this year alone. Besides the larger synchronisation practice of textbooks to make them comply with the NEP 2020, the textbooks are supposed to be revised regularly by the **Textbook Development Committee** (constituted in 2005).
 - This committee is mandated to develop the syllabus in line with the 2005 **National Curriculum Framework (NCF)**.
 - Each proposed change is first sent to the Textbook Committee, which is tasked to analyse and recommend them.
- The critics argued that the deletion of some items was not included in the notification of the rationalisation. This has nothing to do with some conspiracy but is representative of the regular process of reprinting where minor deletions are not notified to avoid unnecessary confusion.

- Moreover, these are **not radical transformations** since reprinting textbooks to take care of the suggestions of stakeholders is a process that takes place every year.
- These decisions were taken by the expert panel. The rationalisation of textbooks is a need-based exercise to reduce content load because of the toll taken on the mental health of students during the pandemic.
 - The NCERT arrived at these decisions after consultation with “in-house” domain experts, as well as 25 external specialists.

What are Some Past Controversies regarding the Rationalisation exercise?

- In 1978-79, a controversy over revising the contents of history books dominated the political space during the tenure of Prime Minister **Morarji Desai**.
- In 2006, during the UPA rule, a chapter on Sikhism had to be changed because of enormous controversy.
- Another controversial incident occurred in 2012, when the Shahi Imam of the Fatehpuri Mosque in Delhi, demanded the removal of two mediaeval paintings from history textbooks arguing that their inclusion violated Sharia law.

What should be the Way Forward?

- **Participatory and Evidence based exercise:** Ensure that the curriculum development and revision process is more participatory, transparent, and evidence-based.
 - This means that the NCERT should involve a diverse and representative group of experts, teachers, students, parents, and other stakeholders in the decision-making process, and share the rationale and evidence for any changes or deletions with the public.
- **Incorporate Feedbacks & Suggestions:** The NCERT should also consider the feedback and suggestions from the users of the textbooks and make revisions based on the latest research and best practices in education.
- **Focus on Extra Curriculars as well:** Extracurricular activities like sports should be added to the syllabus. Participating in sports not only helps to maintain physical fitness but also promotes social skills, teamwork, and leadership qualities.
 - It provides an opportunity for students to pursue their interests and passions outside of academics.

Conclusion:

Scrutiny should be lauded as long it is rooted in hard facts and evidence. Selective reading and mischaracterisation do not breed transparency or accountability but undermine them. Context and facts

must be accounted for before any discussion is initiated. Learning about the menace of disinformation is an education in itself.



Rise in Child Labour

This editorial is based on **Covid has led to major rise in child labour** which was published in The Indian Express on 11/06/2023. It talks about the issue of Child Labour and how the Covid pandemic has led to an increase in its prevalence.

Tag: Governance, GS Paper-2, Issues Related to Children, Government Policies & Interventions

The Covid-19 pandemic brought the world to its knees and exposed multiple fault-lines in the healthcare, education, economic, and job-related sectors. India has not been immune to this devastation. As per the official statistics around 5,31,843 deaths have been reported from India to the **WHO**.

But it is among the marginalised sections of society, especially women and children, that the effect of the pandemic has been deep and long lasting. Households that were surviving in poor economic conditions were pushed to the brink of poverty. These conditions have exacerbated the social inequities and have exposed women and children to abuse, violence and lack of security.

A 2022 report by **UNICEF** and **International Labour Organization (ILO)** said that as Covid has put children at risk of child labour globally, the number of child labour cases were expected to rise by 8.9 million by the end of 2022. As per the US Department of Labour, disruption in supply chains has thrust people into unemployment leading to an increase in poverty.

What does the Data say about Child Labour in India?

- According to the last available **Census 2011**, there were 10.1 million child labourers in India.
- As per the **National Crime Records Bureau Report 2022**, in 2021, around 982 cases were registered under the **Child Labour (Prohibition and Regulation) Act, 1986**, with the highest number of cases registered in Telangana, followed by Assam.
- Aide et Action's study in India on the impact of COVID-19 on migrant children revealed a **two-fold increase** in the number of children who accompanied their working parents to the brick-making industry after the first wave COVID-19 pandemic.

- **According to a study by Campaign Against Child Labour (CACL)**, there has been a significant increase in the proportion of working children from 28.2% to 79.6% out of the 818 children who were surveyed, mainly because of the COVID-19 pandemic and closure of schools.
- According to a new **report by the International Labour Organization (ILO) and UNICEF**, the number of children in **child labour has risen to 160 million worldwide** with millions more at risk due to the impacts of COVID-19.
- India's biggest child labour employers are – Uttar Pradesh, Bihar, Rajasthan, Madhya Pradesh, and Maharashtra.

What are the Prominent Causes of Child Labour in India?

- **Poverty:** Many families are unable to afford the basic needs of life and send their children to work instead of school. Poverty also forces some children to work as bonded labourers or migrate to other places in search of work.
- **Social norms:** Some communities and families have a tradition of making their children work in certain occupations, such as agriculture, carpet weaving, or domestic service. Some also believe that education is not important or suitable for girls.
- **Lack of decent work opportunities for adults and adolescents:** Due to the high unemployment rate and low wages, many adults and young people are unable to find decent and dignified work. This leads them to engage in informal and hazardous work or push their children into labour.
- **Poor School Infrastructure:** Many schools in India lack adequate facilities, teachers, and quality education. Some schools also charge fees or other expenses that are unaffordable for poor families. These factors discourage parents from sending their children to school and make them drop out.
- **Emergencies:** Natural disasters, conflicts, and pandemics can disrupt the normal functioning of society and increase the vulnerability of children. Some children may lose their parents, homes, or access to basic services. They may be forced to work for survival or be exploited by traffickers and other perpetrators.

How has the Covid Pandemic aggravated the issue of Child Labour?

- **Fall in Living Standards:** The pandemic has caused economic insecurity, unemployment, poverty and hunger for many families, forcing children to work for survival.

- **Loss of Guardianship:** The pandemic claimed many lives, leaving numerous children without parents. As a consequence, some of these children were compelled to engage in child labor.
- **Deteriorating Employment Opportunities:** The disruption in supply chains, trade and foreign investment has reduced the demand for labour and income opportunities for adults, making children more vulnerable to exploitation.
- **Rise in Informality:** The pandemic has increased the share of informal workers who lack social protection, decent working conditions and access to health care. Children are often employed in informal sectors such as agriculture, domestic work, street vending, mining and construction.
- **Migration:** Economic hardships and disruptions caused by the pandemic may have resulted in increased migration, both internal and cross-border. Migrant children, particularly those who are unaccompanied or separated from their families, have been more susceptible to exploitation and forced labor.
- **Temporary School Closures:** The pandemic has disrupted the education of millions of children, especially those who lack access to online learning or face barriers such as lack of electricity, devices or internet. School closures increased the risk of dropouts, early marriages, teenage pregnancies and child labour.

What is the Socio-Economic Impact of Child Labour?

- **Reduced Human Capital Accumulation:** Child labor diminishes children's ability to accumulate skills and knowledge, affecting their future productivity and income.
- **Perpetuation of Poverty and Child Labour:** Child labor lowers wages for unskilled work, contributing to the cycle of poverty and continued child labor.
- **Impaired Technological Progress and Economic Growth:** Child labor hampers technological advancements and innovation, slowing down long-term economic growth and development.
- **Deprivation of Rights and Opportunities:** Child labor deprives children of their rights to education, health, protection, and participation, limiting their future opportunities and social mobility.
- **Undermined Social Development and Cohesion:** Child labor weakens social development and cohesion within a country, impacting stability and democracy.
- **Negative Health Impacts:** Child labor exposes children to hazards, physical injuries, diseases, abuse, and exploitation, adversely affecting their physical and mental well-being, mortality rates, and life expectancy.

What Initiatives have been taken by the Government to Curb Child Labour?

- **Right to Education Act (2009):** It added **Article 21A** to the Constitution which recognizes education as a fundamental right of every child and provides for free and compulsory education to all children aged 6 to 14 years.
- **Child Labour (Prohibition and Regulation) Act (1986):** Bans the employment of children below 14 years and adolescents below 18 years in hazardous occupations and processes.
- **The Factories Act (1948):** Prohibits the employment of children below 14 years of age in any hazardous environment and restricts the working hours and conditions of adolescents (14 to 18 years) who are allowed to work only in non-hazardous processes.
- **National Policy on Child Labour (1987):** Aims to eradicate child labour by prohibiting and regulating it, providing welfare and development programmes for children and their families, and ensuring the education and rehabilitation of working children.
 - **National Child Labour Project (NCLP) Scheme:** It seeks to provide non-formal education, vocational training, mid-day meal, stipend and health care to the rescued children and then mainstream them into formal schooling system.
- **Pencil Portal:** The platform aims at engaging the Central Government, State Government, District, civil society and the public in eradicating child labour to achieve the target of a child labour free society. It was launched by the Ministry of Labour and Employment.
- **Ratifying conventions of the International Labour Organization:** India has also ratified two core conventions of the **International Labour Organization** on child labour in 2017.
 - **The Minimum Age Convention (1973) - No. 138:** This convention requires States party to set a minimum age under which no one shall be admitted to employment or work in any occupation. The minimum age should not be less than the age of completion of compulsory schooling and, in any case, not less than 15 years. However, developing countries may initially specify a minimum age of 14 years.
 - **The Worst Forms of Child Labour Convention (1999) - No. 182:** This convention calls for the prohibition and elimination of the worst forms of child labour, including slavery, forced labour and trafficking; the use of children in armed conflict; the use of a child for prostitution, pornography and in illicit activities (such as drug trafficking); and hazardous work that is likely to harm the health, safety or morals of children.

What more should be done to Address the issue?

- **Strengthening the Legal Framework and its Enforcement:** The government should enact and amend laws that prohibit and regulate child labour, in line with the international standards and conventions.
 - It should also ensure that the laws are effectively implemented and enforced, by allocating adequate resources, capacity, coordination, data, accountability and political will.
 - The penalties for violating the child labour laws should be severe and consistent.
- **Providing Social Protection and Economic Support:** The government should provide comprehensive social protection and economic support to poor and vulnerable families, to prevent them from resorting to child labour as a coping mechanism.
 - This could include regular cash transfers, subsidies, pensions, health insurance, food security, etc.
 - The government should also facilitate access to credit, savings, microfinance and other livelihood opportunities for poor households.
- **Ensuring Universal and Quality Education:** The government should ensure that all children have access to free and compulsory education up to the age of 14 years, as per the Right to Education Act 2009 and **Article 21A** of the Constitution.
 - It should also improve the quality, relevance, safety and inclusiveness of education, by providing adequate infrastructure, teachers, curriculum, materials, scholarships, etc.
 - It should also follow up with children who drop out or do not enrol in school, and provide them with bridge education, vocational training or alternative learning opportunities.
- **Raising Awareness and Mobilizing Action:** The government should collaborate with civil society organizations, media, corporations and citizens to raise awareness about the harmful effects of child labour and the importance of child rights.
 - It should also mobilize action and support for the initiatives against child labour, by creating platforms, campaigns, networks, coalitions, etc.
 - The role of Panchayats can also be explored for raising awareness.
- **Responding to Emergencies and Crises:** The government should prepare for and respond to emergencies and crises that may increase the risk of child labour, such as conflicts, disasters, pandemics or economic shocks.

- It should provide humanitarian assistance and protection to affected children and families, such as food, water, shelter, health care, psychosocial support, etc.
- It should also ensure the continuity of education and social protection services during and after the crises.



Navigating Gig Economy's Social Safety Net

This editorial is based on "Social Security to Gig Workers" which was published in The Hindu BusinessLine on 13/06/2023. It talks about the need to provide social security to gig economy workers and the main challenges in ensuring the same.

Tag: Economy, GS Paper 2, Government Policies & Interventions, GS Paper 3, Growth & Development, Employment

In the digital age, the advent of **widespread digitisation** has propelled the gig economy to **unprecedented heights**, forever altering the landscape of commerce. As technological advancements revolutionised the way people connect, consume, and create, a **perfect storm brewed when the Covid-19 pandemic struck**, leaving traditional industries reeling.

Amidst the chaos, the **gig economy emerged as a silver lining**, offering individuals the opportunity to harness their skills and talents independently, while meeting the evolving demands of a rapidly changing world.

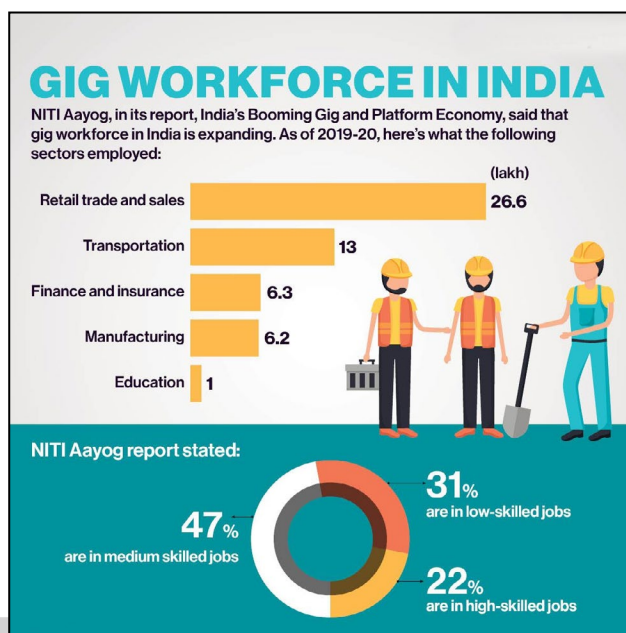
However, as this new era of work unfolded, a **pressing issue emerged for these gig workers - social security**. The very flexibility and freedom that attracted countless gig workers came at a cost, leaving them **largely oblivious to the traditional safety nets** enjoyed by their counterparts.

As the gig economy continued to flourish, the quest for a **sustainable solution to ensure the well-being of its workers** became a pressing concern for both individuals and society at large.

What is a Gig Economy and Who is a Gig Worker?

- **Gig Economy:** A free market system in which temporary positions are common and organisations **contract with independent workers for short-term engagements**.
- **Gig Worker:** A person who performs work or participates in a gig work arrangement and earns from such activities **outside of traditional employer-employee relationship**.

What is the Scenario of the Gig Economy in India?



➤ Growth Scenario:

- As per the **Economic Survey 2020–21**, India has emerged as one of the world's largest countries for flexi staffing, or gig workers.
- As per **Niti Aayog's** report on **Gig Economy**, the latter employs **approximately 7.7 million workers**, with the number **expected to rise to 23.5 million by 2029-30**, comprising around **4% of overall livelihood** in the country.
- Currently, about **31% of gig work is in low skilled jobs** such as cab driving and food delivery, **47% in medium-skilled jobs** such as plumbing and beauty services, and **22% in high skilled jobs** such as graphic design and tutoring.

➤ Social Security - A Major Issue:

- Gig workers are often **excluded from social security and labour legislation** due to their **ambiguous employment status**.
- Social security and other basic labour rights like minimum wage, limits on working hours, etc. **hinge on "employee" status**, the independent contractor status of gig workers excludes them from getting such benefits and legal protections.

➤ Government's Initiatives:

- The **Code on Social Security (2020)** contains a separate section on 'gig economy' and **imposes an obligation on gig employers** to contribute to a Social Security Fund to be handled by a government-led board.
- The **Code on Wages, 2019**, provides for universal minimum wage and floor wage across organised and unorganised sectors, including gig workers.

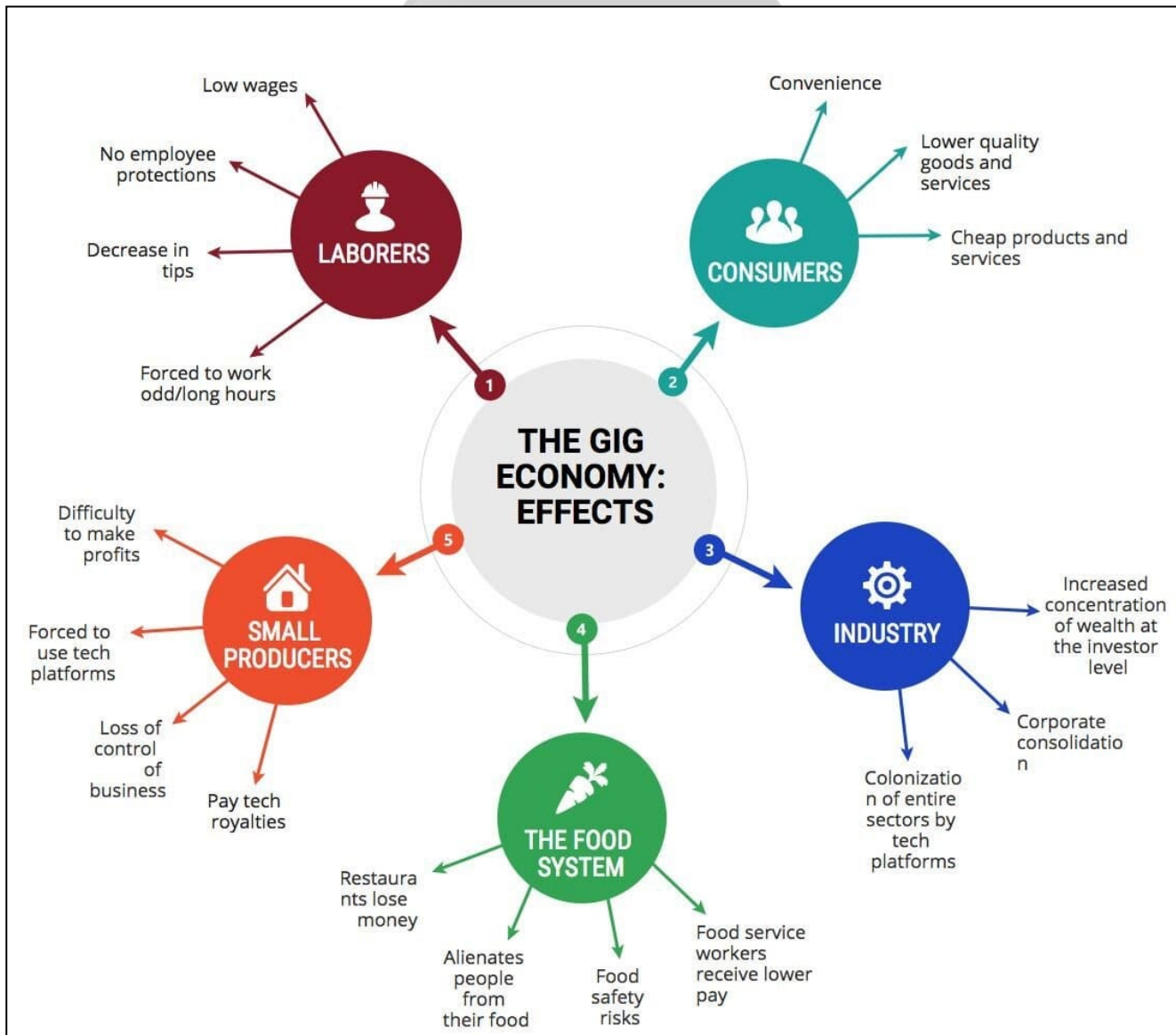
Why is it Essential to Provide Social Security Benefits to Gig Workers?

- **Economic Security:** The 'demand-based only' nature of the sector results in lack of job security and uncertainty attached to the continuity of income making it even more reasonable to provide social security benefits like **unemployment insurance, disability coverage, and retirement savings programs.**
- **More Productive Workforce:** Lack of access to employer-sponsored health insurance and other healthcare benefits leaves **gig workers vulnerable to unexpected medical expenses;** prioritising their health and well-being will create a healthier and more productive workforce.
- **Equity in Opportunities:** Exemption from traditional employment protections creates disparities where gig workers face **exploitative working conditions and inadequate compensation.** Providing social security benefits will **level the playing field.**

- **Long-term Financial Security:** Without employer-sponsored retirement plans, gig workers may struggle to save enough for their future. Enabling gig workers to save for retirement will **reduce the risk of future financial hardship and dependence on public assistance programs.**

What are the Main Challenges in Providing Social Security Benefits to Gig Workers?

- **Classification:** The nature of the gig sector makes providing social security benefits to gig workers a Herculean task. **Blurred boundaries between self-employment and dependent-employment,** and freedom to work for multiple firms or quit at will, make it difficult to determine the extent of company obligations towards gig workers.
- **Excess Flexibility:** The gig economy is characterised by its flexibility, allowing workers to choose when, where, and how much they work. **Designing social security**



benefits that accommodate this flexibility and meet the diverse needs of gig workers is a complex task.

- **Funding and Cost Distribution:** Traditional social security systems rely on employer and employee contributions, with employers typically bearing a significant portion of the costs. In the gig economy, where workers are often self-employed, **identifying appropriate funding mechanisms becomes complex.**
- **Coordination and Data Sharing:** Efficient data sharing and coordination among gig platforms, government agencies, and financial institutions are necessary to accurately assess gig workers' earnings, contributions, and eligibility for various social security programs. However, as **gig workers often work for multiple platforms or clients**, it becomes **challenging to coordinate and ensure proper coverage.**
- **Education and Awareness:** Many gig workers may **not fully understand their rights and entitlements** regarding social security benefits. Raising awareness and providing **education about the importance of social security, eligibility criteria, and the application process** is a challenging task.

What can be done to Ensure Social Security of Gig Workers?

- **Implementing CSS 2020:** Although the Code on Social Security (2020) contains provisions for gig workers, the **rules are yet to be framed by the States and not much has moved in terms of instituting the Board.** These should thus be taken up expeditiously by the government.
 - The UK has instituted a model by **categorising gig workers as "workers," which is a category between employees and the self-employed.** This secures them a minimum wage, paid holidays, retirement benefit plans, and health insurance.
 - Similarly, in **Indonesia**, they are entitled to accident, health, and death insurance. **India can emulate these examples.**
- **Expanding Employer Responsibilities:** Strong support for gig workers should come from the **gig companies that themselves benefit from this agile and low-cost work arrangement.** While the popular practice is to classify gig workers as self-employed or independent contractors, in practice, this may not be appropriate.
 - For instance, many companies use an array of performance-control measures that forbid gig workers from entering into direct contracts with clients. In such cases, they **must be provided equal benefits as that of a regular employee.**
- **Wider Health Coverage:** Only a few firms in India provide on-work accident insurance; this should be taken up by all employers.

- With respect to health insurance, some apps provide options for workers to sign up with designated third-party insurers on a subscription model. This, however, does not seem to be enough given their low health coverage.
- **Helping workers save for a rainy day or retirement** should also be taken seriously by companies. One way this could be done is through **minimal voluntary contribution by customers** that could go into a corpus fund (**similar to business trusts handling their EPF**).
- **Government Support:** The government should **invest in systematically increasing exports in high-skill gig work** such as in the education, financial advisory, legal, medicine or customer management sectors; by **making it easier for Indian gig workers to access global markets.**
 - Also, it would require **collaboration between governments, gig platforms, and labour organisations** to establish **fair and transparent mechanisms for sharing the responsibility of providing social security benefits.**

Conclusion

There is an urgent need to focus on the regulation of gig work in India, as it is expected to engage more than a million people in the coming decade. Further delay in instituting a **regulatory framework for gig workers** will impact **India's booming digital economy** and its workers.

The government must **engage in tripartite consultations to understand the nuances of the gig economy** and formulate an appropriate legal framework that balances the economic growth of businesses with the welfare of gig workers.

■ ■ ■

Universal Basic Income

*This editorial is based on **The Universal Basic Income debate** which was published in The Financial Express on 14/06/2023. It talks about the idea of Universal Basic Income and discusses though it's not a panacea for all the problems of India, but a promising idea that deserves serious consideration and experimentation.*

Tag: Indian Economy, GS Paper- 2, Issues Related to Children, Government Policies & Interventions

Whether or not to provide a **universal basic income (UBI)** is an idea that does not appear to go away. If an earlier Chief Economic Advisor (CEA) Arvind Subramanian proposed it as a "conceptually appealing idea" in the Economic Survey for 2016-17, the current CEA, V Anantha

Nageswaran, has disposed of it, stating it was not necessary for the country. Not so long ago, a UBI was also recommended in a report on inequality commissioned by the Economic Advisory Council to the prime minister. A member of **NITI Aayog** also backed the provision of a quasi-universal basic rural income.

The current CEA feels that a UBI is not needed, as India needs to focus more on economic growth to take care of the aspirations of its people, adding that it should not be on the agenda over the near-term.

What is the idea of Universal Basic Income?

- **Universal Basic Income (UBI)** is a social welfare proposal in which **all the beneficiaries regularly receive a guaranteed income** in the form of an unconditional transfer payment.
- The goals of a basic income system are to **alleviate poverty and replace other need-based social programs** that potentially require greater bureaucratic involvement.
- UBI is typically intended to reach all (or a very large portion of the population) with no (or minimal) conditions.

What are the Pros and Cons of UBI?

- **Pros:**
 - **Poverty Alleviation:** Reduces poverty and income inequality by providing a minimum income floor for everyone, especially the most vulnerable and marginalized groups. It can also help people afford basic needs such as food, health, education, and housing.
 - **A Health Stimulus:** Improves physical and mental health by reducing stress, anxiety, and depression associated with poverty and financial insecurity. It can also enable people to access better health care, sanitation, and nutrition.
 - **Simplified Welfare System:** Can streamline the existing welfare system by replacing various targeted social assistance programs. This reduces administrative costs and eliminates the complexities associated with means-testing, eligibility requirements, and benefit cliffs.
 - **Enhancing Individual Freedom:** UBI provides individuals with financial security and greater freedom to make choices about their work, education, and personal lives.
 - **Economic stimulus:** Injects money directly into the hands of individuals, stimulating consumer spending and driving economic growth. It can boost local businesses, create demand for goods and services, and generate employment opportunities.

- It can empower people to pursue entrepreneurship, take risks, and engage in creative or socially beneficial activities that may not be economically viable otherwise.

➤ **Cons:**

- **Cost and Fiscal Sustainability:** UBI is very expensive and would require higher taxes, spending cuts, or debt to finance it. It could also create inflation, distort the labor market, and reduce economic growth.
- **Creates Perverse Incentives:** Decreases motivation to work and reduces productivity and efficiency. It could also create a culture of dependency, entitlement, and laziness. It could also discourage people from acquiring skills, education, and training.
 - The current Chief Economic Advisor has objected to UBI as it creates “perverse incentives” in dissuading people from making their own efforts to seek income-generating opportunities.
- **Inflationary Pressures:** It could contribute to inflationary pressures. If everyone receives a fixed amount of money, it may drive up prices for goods and services as businesses adjust their pricing strategies to capture the additional income available in the market.
- **Potential for Dependency:** UBI may create a reliance on government support, and there is a risk that some individuals might become complacent or dependent on the basic income, leading to reduced motivation for personal and professional growth.

Why is UBI not Feasible in India?

- **Affordability:** India is an emerging nation with a large population but limited resources. It may be very costly to provide a basic income to each and every citizen, especially at a level that is sufficient to meet their basic needs.
 - The Economic Survey of 2016-17 estimated that a UBI of Rs. 7,620 per year for every Indian would cost about 4.9% of GDP, which is more than the combined expenditure on food, fuel, and fertilizer subsidies.
 - To finance UBI, the government would have to either raise taxes, cut other spending, or increase borrowing, all of which have negative consequences for the economy and society.
- **Political Feasibility:** India has a complex and diverse political system, with multiple levels of government, parties, and interest groups. It may be difficult to build consensus and support for UBI across different stakeholders, such as politicians, bureaucrats, beneficiaries, and taxpayers.

- There may also be resistance from those who benefit from the existing welfare schemes or those who oppose redistribution on ideological grounds.
- **Implementation Challenges:** India faces many challenges in delivering public services and transfers effectively and efficiently. There are issues of identification, targeting, delivery, monitoring, and accountability that affect the quality and reach of the existing programmes.
 - UBI would require reliable data, technology, and institutions to execute it properly and avoid leakages, corruption, and exclusion errors.
 - Moreover, India has not achieved a Universal Aadhar enrolment yet so it could be problematic in beneficiary identification and target-based delivery of service.
- **Behavioural Effects:** UBI may have unintended or undesirable effects on the behaviour of the recipients or the society at large.
 - For example, UBI may reduce the motivation to work or acquire skills, leading to lower productivity and efficiency.
 - It may also create a culture of dependency, entitlement, or laziness among the recipients.
 - It may also discourage people from participating in social or civic activities that contribute to the common good.

What Alternatives can India

Take in Place of Universal Basic Income?

- **Quasi UBRI:** QUBRI is a variant of universal basic income (UBI), which is defined as a transfer that is provided universally, unconditionally, and in cash. The idea was proposed by former Chief Economic Adviser to provide a direct cash transfer of Rs 18,000 per year to each rural household in India, except those which are “demonstrably well-off” to tackle agrarian distress.
- **Direct Benefits Transfers (DBT):** This is a scheme that transfers subsidies or cash directly to the bank accounts of the beneficiaries, instead of through intermediaries or in-kind transfers. DBT aims to improve the efficiency, transparency, and accountability of welfare delivery, as well as to reduce leakages and corruption.
 - Schemes like **PM Kisan, Pradhanmantri Jan Dhan Yojana** etc are fine examples of success of DBT.
- **Conditional Cash Transfers (CCT):** This is a scheme that provides cash to poor households on the condition that they fulfil certain requirements, such as sending their children to school, immunizing them, or attending health check-ups. CCT aims to improve the human

capital and long-term outcomes of the poor, as well as to incentivize behavioural change.

- **Other Income Support Schemes:** These are schemes that provide cash or in-kind assistance to specific groups of people who are in need, such as farmers, women, elderly, disabled, etc. These schemes aim to address the specific vulnerabilities and challenges faced by these groups, as well as to promote their empowerment and inclusion.
- **Employment Guarantee Schemes:** India already has a successful example of this with the **MGNREGA**. Such schemes provide a legal guarantee of employment to rural households for a certain number of days in a year. Expanding and strengthening such programs can ensure that individuals have access to job opportunities and can earn a livelihood.
- **Skill Development and Training:** Investing in skill development and vocational training programs can equip individuals with the necessary skills to secure sustainable employment. By focusing on skill enhancement, the government can enable individuals to find suitable jobs and improve their income prospects.
 - Effective implementation of schemes like **PM Kaushal Vikas Yojana (PMKVY), Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)** and PM Rojgar Protsahan Yojana (PMRPY) etc.
- **Universal Basic Services:** Instead of focusing on providing a universal basic income, India can prioritize the provision of essential services such as education, healthcare, clean water, and sanitation. By ensuring access to these services for all citizens, the government can improve the overall standard of living and reduce inequality.
- **Asset-Building Policies:** These are policies that aim to help low-income people accumulate assets such as savings, education, housing, or business capital. They may include matching funds, tax incentives, subsidies, or grants for asset accumulation. The advocates of asset-building policies argue that they can enhance the long-term economic security, social mobility, and empowerment of low-income people better than UBI, and that they can foster a culture of saving and investment.
- **Inclusive Development:** Focus on creating more opportunities and capabilities for people to participate in and contribute to the economy and society, rather than providing them with a fixed amount of money. Inclusive development also addresses the structural causes of poverty and exclusion, such as discrimination, lack of access to education, health, infrastructure, and social protection.



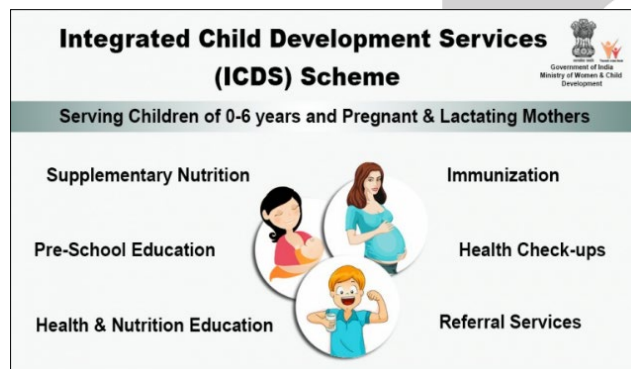
Strengthening ICDS

*This editorial is based on **Strengthening the Integrated Child Development Services scheme** which was published in *The Indian Express* on 15/06/2023. It talks about the issues of Integrated Child Development scheme and ways to strengthen it.*

Tag: Social Justice, GS Paper- 2, Issues Related to Children, Issues related to women, Government Policies & Interventions

It is true that India's high prevalence of stunting, wasting, and anaemia continues to pose public health risks for children and women. India must strengthen its existing social sector schemes, such as the **Integrated Child Development Services (ICDS)**, to tackle this. The ICDS targets children aged 0-6 years, pregnant women, and lactating mothers; addresses non-formal pre-school education; and breaks the cycle of malnutrition, morbidity, and mortality.

What is Integrated Child Development Services (ICDS) scheme?



- The **Integrated Child Development Service (ICDS) Scheme** providing for supplementary nutrition, immunization and pre-school education to the children is a popular flagship programme of the government.
- Launched in 1975, it is one of the world's largest programmes providing for an integrated package of services for the holistic development of the child.
- ICDS is a centrally sponsored scheme implemented by state governments and union territories. The scheme is universal covering all the districts of the country.
- The Scheme has been renamed as Anganwadi Services.
- The services are now offered as part of the **Saksham Anganwadi and Poshan 2.0** - an Integrated Nutrition Support Programme for the duration of the **15th Finance Commission** period i.e., from 2021-22 to 2025-26.
- **Objectives:**
 - To improve the nutritional and health status of children in the age-group 0-6 years

- To lay the foundation for proper psychological, physical and social development of the child
- To reduce the incidence of mortality, morbidity, malnutrition and school dropout
- To achieve effective co-ordination of policy and implementation amongst the various departments to promote child development
- To enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper nutrition and health education.

➤ Beneficiaries:

- Children in the age group of 0-6 years
- Pregnant women and Lactating mothers
- Adolescent Girls (14-18 years) in Aspirational Districts and North-eastern States

What Studies Show about the Success of ICDS?

- A study published in World Development demonstrated the ICDS's positive impact on cognitive achievements, especially among girls and those from economically disadvantaged families.
- Another peer-reviewed study in The University of Chicago Press Journals found that children who were exposed to ICDS during the first three years of life completed 0.1-0.3 more grades of schooling than those who were not.
- In a study published in the Natural Library of Medicine, it was found that adolescents aged 13-18, who born in villages with proper ICDS implementation, showed a 7.8% increased likelihood of school enrolment and completed an average of 0.8 additional grades compared to their peers who did not have access to the ICDS.

What are the Challenges in Effective Implementation of ICDS?

- **Infrastructural Issues:** A disconcerting 2.5 lakh centres operate without functional sanitation facilities and 1.5 lakh centres lack access to potable water. Approximately 4.15 lakh Anganwadi centers do not possess their own pucca building.
 - **Supply Network Planning (SNP) and Administrative Challenges:** The food and micronutrients provided to children and mothers are often irregular, poor, inadequate, and corrupt. There is no clear policy or guidelines for SNP.
 - **Availability of Human Resources:** There are not enough Anganwadi Workers (AWWs) and Anganwadi Helpers (AWHs), who are the main service providers at the AWCs. They are also overworked, underpaid, and poorly trained.

- **Low Focus on Early Childhood Education:** The pre-school education for children aged 3-6 years at the AWCs is often ignored or poorly done. There is no proper infrastructure, curriculum, materials, or monitoring for pre-school education.
- **Challenges of strengthening training, monitoring:** The training, monitoring, Management Information Systems (MIS), and Information & Communication Technology (ICT) for ICDS are weak or missing in many places. The training is outdated and inadequate. The monitoring is irregular and incomplete. The MIS is manual and unreliable. The ICT is underused or unavailable.
- **Week Monitoring:** The monitoring and evaluation of ICDS is weak and inconsistent, with gaps in data availability, reliability and utilization. The MIS is not updated regularly and does not capture all the relevant indicators and outcomes of ICDS. There is also a lack of feedback and corrective action based on the monitoring data.
- **Anganwadi Workers are burdened with non-ICDS functions:** Each Anganwadi worker, which is the basic unit of service delivery under ICDS, has to perform multiple tasks such as nutrition, health, education, record keeping, etc. This affects the quality and coverage of services.
- Moreover, AWWs are often assigned non-ICDS duties by other departments or authorities, such as census, elections, surveys, etc., which further distracts them from their core functions.

What should be

Done to Strengthen ICDS scheme?

- **Improve Infrastructure:** The government should allocate more funds and resources for improving the infrastructure of Anganwadi centres, such as building pucca structures, providing sanitation facilities, potable water, electricity, cooking equipment, etc.
 - The government should also involve the local community and panchayats in the maintenance and management of Anganwadi centres.
- **Streamline Supply Network Planning (SNP):** The government should streamline the procurement, distribution and monitoring of food and micronutrients for ICDS beneficiaries and ensure timely and adequate supply. The government should also adopt transparent and accountable mechanisms to prevent corruption and leakage in SNP.
 - The government should also issue clear policy guidelines and standard operating procedures for SNP.
- **Increase Availability of Human Resources:** The government should recruit more Anganwadi workers and helpers and ensure fair and regular payment of their salaries and incentives.
 - The government should also provide them with adequate training, supervision, support and recognition for their work.
 - The government should also ensure that they are not overburdened with non-ICDS duties by other departments or authorities.
- **Focus on Early Childhood Education:** The government should enhance the quality and coverage of pre-school education for children aged 3-6 years at Anganwadi centres, by providing proper infrastructure, curriculum, materials, and monitoring.
 - The government should also promote early stimulation and learning activities for children under 3 years and involve parents and caregivers in their development.
- **Strengthen training, monitoring, MIS and ICT:** The government should strengthen the training, monitoring, MIS and ICT systems for ICDS, by using modern technology, such as smartphones, applications, biometric devices, etc.
 - The government should also update the training modules and methods and ensure regular and effective training for all ICDS functionaries.

Case Study: Advantages of Additional Workers in Anganwadis

An additional Anganwadi worker could be added to each Anganwadi centers to lessen the load of these workers. Implementing this approach could yield following advantages.

- It would lead to better health and educational outcomes. A large-scale randomised controlled trial in Tamil Nadu, conducted to evaluate the effects of increasing staff levels within the ICDS framework, revealed significant outcomes.
 - The addition of a half-time worker effectively doubled the net preschool instructional time, which led to improvements in math and language test scores for children enrolled in the programme.
- The cost of a nationwide roll-out of this model is relatively insignificant in comparison to the potential advantages it offers. The estimated long-term benefits, based on expected improvements in lifetime earnings, would be around 13 to 21 times the expenses.
- The new Anganwadi worker can be given the responsibility of concentrating only on preschool and early childhood education.

- This would allow existing workers to dedicate more time to child health and nutrition.
- It would also enable the Anganwadi workers to expand their outreach and serve a larger number of families.
- Apart from improving the well-being of rural communities, this would create job opportunities for local residents, particularly women. It would lead to the creation of 1.3 million new jobs for women across India.



Railway Accidents in India: Causes and Safety Measures

*This editorial is based on **Railway safety** — listen to the voices from below which was published in The Hindu on 17/06/2023. It talks about the Railway Safety in India and highlights the need for better safety measures and infrastructure.*

Tag: Governance, GS Paper-2, Government Policies & Interventions

The Indian Railways is one of the largest railway networks in the world, with millions of people relying on it for transportation every day. Statistics show that over the last two decades, the number of derailments which constitute the majority of accidents has drastically declined from around 350 per year around the turn of the millennium, to 22 in 2021-22.

However, accidents like the one that occurred at Bahanaga Bazar railway station at Balasore highlight the need for better safety measures and infrastructure. The loss of so many lives is a tragic reminder of the importance of ensuring that the railways are safe for everyone who uses them.

In response to this incident, there have been calls for accountability from those in charge of the Railways, as well as a need to address the systemic issues that may have contributed to the accident. Experts are offering suggestions on how to prevent similar incidents from happening in the future, such as improving signalling systems and investing in better technology.

Furthermore, there have been comparisons made with Railway systems abroad, highlighting the need for India to improve its infrastructure and safety measures to match those of other countries. Overall, this incident has brought attention to the importance of ensuring that the Indian Railways are safe and reliable for everyone who uses them.

What are the Primary Reasons behind Railway Accidents?

- **Infrastructure Defects:** The railway infrastructure, which includes tracks, bridges, overhead wires, and rolling stock, is often defective due to poor maintenance, ageing, vandalism, sabotage, or natural disasters.
 - Much of the infrastructure was built in the 19th and 20th centuries and has not been upgraded to meet the growing demand and modern standards.
 - The railway system also suffers from a lack of funds, corruption, and inefficiency, which hamper its development and maintenance.
 - Moreover, many routes are operating at over 100% capacity, which increases the risk of accidents due to congestion and overloading.
- **Human Errors:** The railway staff, who are responsible for operating, maintaining, and managing the trains and tracks, are prone to human errors due to fatigue, negligence, corruption, or disregard for safety rules and procedures.
 - Human errors can result in wrong signalling, miscommunication, over speeding, or overlooking defects or hazards.
 - The railway staff also lack adequate training and communication skills, which affect their performance and coordination.
- **Signalling Failures:** The signalling system, which controls the movement and direction of trains on the tracks, can fail due to technical glitches, power outages, or human errors.
 - Signalling failures can lead to trains running on the wrong track, colliding with other trains or stationary objects, or overshooting stations.
 - For example, the recent train accident in Odisha was reportedly caused by a change in electronic interlocking that was not communicated properly to the drivers.
- **Unmanned level crossings (UMLCs):** UMLCs are places where railway tracks crossroads without any barriers or signals to regulate traffic.
 - UMLCs pose a high risk of accidents as vehicles or pedestrians may not notice the approaching train or may try to cross the track when the train is near.
 - In 2018-19, UMLCs accounted for 16% of all train accidents in India.
 - The railways have eliminated all the unmanned level crossings (UMLCs) on broad gauge routes, but there are still many manned level crossings (MLCs) that pose a risk of accidents.

What has Railways**Done to Reduce Accidents so far?**

- **Rashtriya Rail Sanraksha Kosh (RRSK):** A safety fund for critical assets. It was established in 2017-18 with a corpus of Rs 1 lakh crore over a period of five years for critical safety related works such as track renewals, signalling projects, bridge rehabilitation, etc.
- **Technological Upgradation:** Improved design and features of coaches and wagons. This includes introducing Modified Centre Buffer Couplers, Bogie Mounted Air Brake System (BMBS), improved suspension design and provision of Automatic fire & smoke detection system in coaches. It also includes installing **KAVACH** - an indigenously developed Automatic Train Protection (ATP).
- **LHB Design Coaches:** Lighter and safer coaches for Mail/Express trains. These coaches are based on German technology and have better anti-climbing features, fire retardant materials, higher speed potential and longer service life than conventional ICF design coaches.
- **GPS based Fog Pass Device:** A device to help loco pilots navigate in foggy conditions. It is a GPS enabled hand-held device that displays the exact distance of the approaching landmarks such as signals, level crossing gates, etc. It also alerts the loco pilot with a loud buzzer when the train approaches a signal or a level crossing gate.
- **Modern Track Structure:** Stronger and more durable tracks and bridges. This includes using Prestressed Concrete Sleeper (PSC), higher Ultimate Tensile Strength (UTS) rails, fan shaped layout turnout on PSC sleepers, Steel Channel Sleepers on girder bridges, etc.
- **Ultrasonic Flaw Detection (USFD):** A technique to detect and remove faulty rails. It is a non-destructive testing method that uses high frequency sound waves to inspect the rails for cracks, defects or flaws that may cause derailments or accidents. The defective rails are then removed and replaced with new ones.
- **Mechanization of Track Maintenance:** A system to automate and optimize track maintenance. This includes using machines such as track tamping machines, ballast regulating machines, dynamic track stabilizers, etc to carry out track maintenance activities such as tamping, dressing, stabilizing, etc. This reduces human errors and improves track quality and safety.
- **Interlocking System:** A system to control points and signals centrally. It is a system that uses electrical or electronic devices to operate the points and signals from a central location. It eliminates the need for manual operation of points and signals by staff on the ground. It also reduces the chances of human failure and enhances safety.

- **Elimination of Unmanned Level Crossings (UMLCs):** UMLCs are being eliminated progressively by closing, merging, manning, or providing subways/road under bridges/road over bridges.

What have the Various Committees recommended to ensure Railways Safety?

- **Kakodkar Committee (2012):**
 - Creating a **statutory Railway Safety Authority**
 - Setting up a non-lapsable **Rashtriya Rail Sanraksha Kosh (RRSK)** of Rs. 1 lakh crores over 5 years for safety works
 - Adopting advanced technologies for track maintenance and inspection
 - Improving human resource development and management
 - Ensuring independent accident investigation
- **Bibek Debroy Committee (2014):**
 - Separating railway budget from general budget
 - Outsourcing non-core activities
 - Creating a **Railway Infrastructure Authority of India**
- **Vinod Rai Committee (2015)**
 - Establishing an **independent Railway Safety Authority** with statutory
 - Setting up a **Railway Accident Investigation Board** to conduct independent and impartial inquiries.
 - Creating a **separate Railway Infrastructure Company** to own and maintain railway assets
 - Introducing a **performance-linked incentive scheme for railway employees**

What should be**Done More to Enhance Safety in India?**

- **Invest More in Safety-Related Works:** Allocate more funds for track renewal, bridge repair, signalling upgrade, coach refurbishment, etc.
- **Train Employees to Minimize Human Errors:** Provide regular and comprehensive training to the railway staff on the latest technologies, equipment, systems, safety rules and procedures.
- **Eliminate Level Crossings:** Construct Road overbridges (ROBs) or road underbridges (RUBs) to replace the unmanned and manned level crossings.
- **Adopt advanced technologies:** Install anti-collision devices (ACDs) such as **Kavach**/ Train Collision Avoidance System (TCAS), Train Protection Warning System (TPWS), Automatic Train Control (ATC), etc.
 - The railways are in the process of installing these technologies on some sections of tracks, but they need to be expanded to cover the entire network.

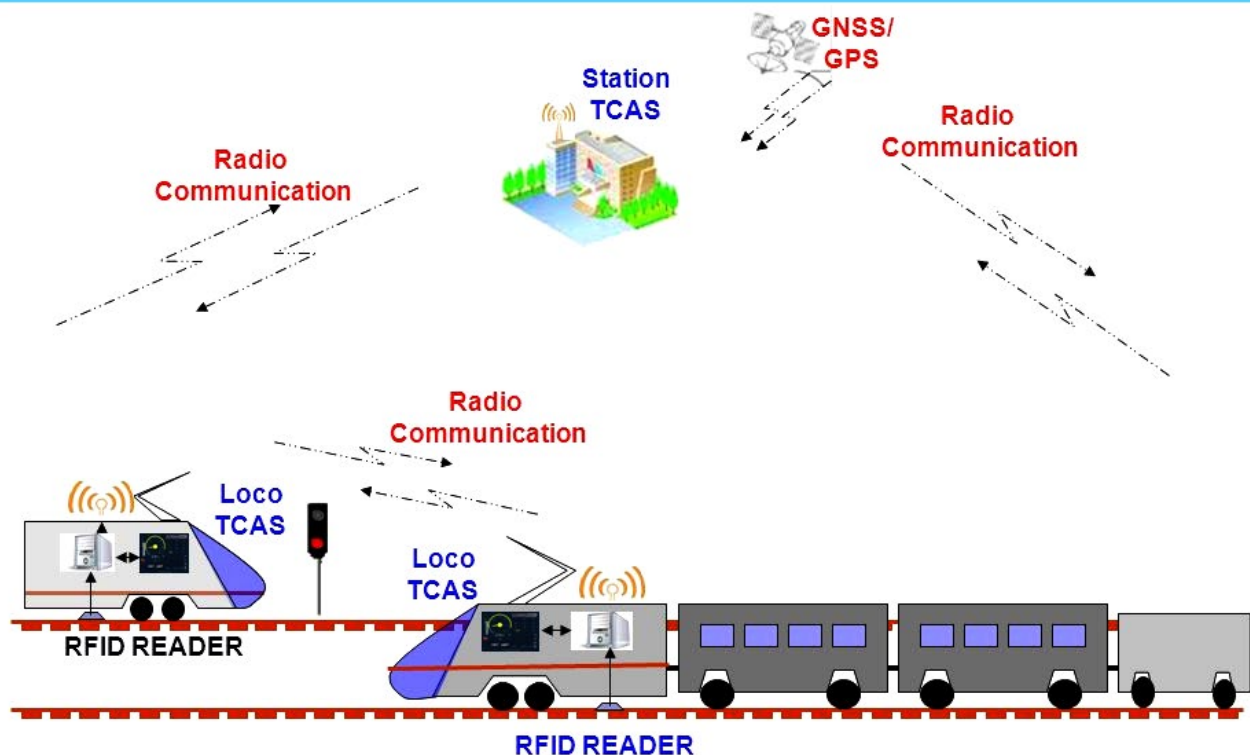
- **Introduce Performance-Linked Incentives:** Reward the railway staff based on their performance and compliance with the safety rules and procedures.
- **Outsource Non-Core Work:** Transfer the non-core activities such as maintaining hospitals, colleges etc to private or public sector entities, which can improve efficiency and reduce costs.
- **Create A Statutory Railway Safety Authority:** Set up a railway safety authority as a statutory body with powers to frame safety standards, conduct safety audits and inspections, enforce accountability and penalties for lapses, and investigate accidents.
- **Conduct Regular Safety Audits and Inspections:** Monitor, evaluate and audit the safety performance of the railway staff, infrastructure and equipment, and enforce strict accountability and penalties for lapses.
- **Enhance Coordination and Communication:** Improve the communication and coordination among the railway board, zonal railways, divisions, production units, research organisations, etc., which are involved in railway operations.
- **Establish a Confidential Incident Reporting and Analysis System (CIRAS):** It was developed by a British University; a similar mechanism should be implemented

that encourages lower-level staff to report deviations in real-time while maintaining confidentiality.

- This system should be supported by the necessary communication and information technology infrastructure, making it accessible and user-friendly for all staff members.
- Simultaneously, transform the management mindset from a fault-finding and punishment-oriented approach to one that emphasizes shared commitment to safety, focusing on correction rather than punishment and actively listening to the voices of staff at all levels.
- In matters of railway safety, there has to be an attitudinal change — from the conventional approach of fault-finding and punishment to one of shared commitment to ensure complete safety at all levels.

- **Rethink Indian Railways Management Service (IRMS) Scheme:** Conduct a thorough evaluation of the IRMS scheme and its impact on loyalty, ownership, and safety management. Consider revising or modifying the scheme to preserve a sense of specialization and loyalty towards specific disciplines or departments, promoting a stronger commitment to safety.

TCAS - System configuration



What are Some of the Best Global Practices?

- **United Kingdom:** The UK has one of the lowest rates of train accidents in Europe. The UK has implemented various safety measures, such as:
 - **The Train Protection and Warning System (TPWS)**, which automatically stops trains that pass signals at danger or exceed speed limits.
 - **The European Train Control System (ETCS)**, which provides continuous communication between trains and signalling centres.
 - **The Rail Accident Investigation Branch (RAIB)**, which conducts independent and impartial investigations of railway accidents and incidents.
- **Japan:** Japan is known for its high-speed trains, such as the Shinkansen or Bullet trains, which operate at speeds of up to 320 km/h. Japan has achieved a remarkable record of safety, with zero passenger fatalities since the Shinkansen started operating in 1964. Japan has adopted various safety measures, such as:
 - The **Automatic Train Control (ATC)** system, which monitors and controls the speed and braking of trains.
 - The Comprehensive **Automatic Train Inspection System (CATIS)**, which detects defects and faults in trains using sensors and cameras.
 - The **Earthquake Early Warning System (EEWS)**, which alerts trains to stop or slow down in case of seismic activity.



India's Cyclone Preparedness


*This editorial is based on **Preparedness pays off** which was published in **The Hindu** on 19/06/2023. It talks about the efficacy of preparedness in dealing with cyclone hazard to minimize the losses.*

Tag: Geography, GS Paper - 3, Disaster Management, GS Paper-1, Cyclone, Important Geophysical Phenomena

Cyclone Biparjoy was a **very severe cyclonic storm** that hit Gujarat and parts of Rajasthan. It caused significant **damage to infrastructure, injuries and cattle deaths**, but only two human fatalities.


India escaped the worst of the cyclone's fury due to early warnings from the **India Meteorological Department (IMD)** and timely evacuation of people from coastal areas. India's disaster management system has improved over the years; however, the challenges remain for the future.

What is a Cyclone?



CYCLONE

Cyclones are rapid **inward** air circulation around a **low-pressure** area.

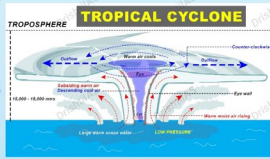


Cyclone v/s Anticyclone

Pressure System	Pressure Condition at the Center	Pattern of Wind Direction	
		Northern Hemisphere	Southern Hemisphere
Cyclone	Low	Anticlockwise	Clockwise
Anticyclone	High	Clockwise	Anticlockwise

Classification

- **Tropical Cyclones;** originate between the **Tropics of Capricorn and Cancer**
- **Extra Tropical/ Temperate Cyclones;** originate in the **Polar Regions**



Conditions for Formation

- Large sea surface with temperature $>27^{\circ}\text{C}$.
- Presence of the **Coriolis force**
- Small **variations in the vertical wind speed**
- A **pre-existing weak low-pressure area**
- **Upper divergence** above the sea level system

Different Names for Tropical Cyclones

- **Typhoons** - Southeast Asia and China
- **Hurricanes** - North Atlantic and eastern Pacific
- **Tornados** - West Africa and southern USA
- **Willy-willies** - Northwest Australia
- **Tropical Cyclones** - Southwest Pacific and Indian Ocean

Nomenclature

- Nodal Authority - **World Meteorological Organization (WMO)**
- Indian Ocean Region - **Bangladesh, India, Maldives, Myanmar, Oman, Pakistan, Sri Lanka and Thailand** contribute to naming cyclones that occur in this region.

Cyclones in India

- **Bi-annual Cyclone Season** - March to May and October to December
- Recent Cyclones - **Tauktae, Vayu, Nisarga and Mekanu** (in Arabian Sea) and **Asani, Amphan, Fani, Nivar, Bulbul, Titli, Yaas and Sitrang** (in Bay of Bengal)

What are the General Mitigation and Preparedness Measures Against Cyclone?

- **Mapping Hazards:**
 - The mapping of cyclone hazards displays the outcomes of evaluating cyclone risks on a map, indicating the frequency/probability of different intensities or durations.
- **Regulating Land Use:**
 - Implementation of policies to control land use and enforce building codes.
 - Vulnerable areas should be **kept for parks, grazing grounds or flood diversion instead of human settlements**.
- **Engineered Structures:**
 - Some examples of general good construction practice include:
 - **Constructing buildings on stilts** or on earthen mounds.
 - **Buildings should be wind** and water resistant.
 - Buildings storing food supplies should be protected against the winds and water.
- **Cyclone Shelters:**
 - People who live in places that often face cyclones need cyclone shelters to protect them.

- Building cyclone shelters is expensive, so they usually depend on the government or outside donors for help.
- The best locations for cyclone shelters can be found using a system that maps the geography of the area.
- **Flood Management:**
 - Cyclonic storms can cause flooding in different ways. The sea water can rise and cover the coastal lands. The rain can be too heavy and fast for the land to absorb.
 - Building barriers along the rivers and the coasts can prevent the water from reaching the lands that are prone to flooding.
 - The water flow can be controlled by creating places to store water, small dams to slow down water, and other ways to drain water.
- **Plantation of Mangroves:**
 - **Mangroves** protect the coastal area from storm surge and wind accompanied with cyclones.
 - Communities should participate in the mangrove plantation which could be organized by the local authorities, NGOs or the community itself.
 - Mangroves also **help in erosion-control and coastal conservation**.
- **Public Awareness Generation:**
 - Numerous lives can be saved by effectively disseminating information through public education. Research has consistently shown that a lack of public awareness and education contributes significantly to the damage incurred on lives and livelihoods.
- **Early Warning System:**
 - Enhancing Early Warning Systems to Facilitate Rapid and Efficient Response
 - Fostering Awareness and Accessibility of Cyclone Early Warning Signals
 - Promoting Information Dissemination Channels for Cyclone Early Warnings
- **Community Participation:**
 - Since the local people are the persons best aware of the strengths and weaknesses of their area, location, culture and customs, some mitigation measures should be developed by the community themselves.
 - These **community mitigation activities can be achieved with the support from government and other civil society organizations**.

What are the Government Initiatives for Cyclone Preparedness?

- **National Cyclone Risk Mitigation Project:**

- India initiated this project to undertake **structural and non-structural measures** to mitigate the cyclone's effects.
- The **aim of the project is to protect the vulnerable local communities** from the **impact of cyclones** and other hydro-meteorological calamities.
- After the formation of **National Disaster Management Authority (NDMA)**, the management of the Project was transferred to NDMA in September, 2006.
- **Integrated Coastal Zone Management (ICZM) Project:**
 - ICZM **aims to improve the livelihood of coastal communities** and **conserve the coastal ecosystem**.
 - The ICZM plan **involves identification of infrastructure requirements** and livelihood improvement means in coastal districts.
 - **Conservation of mangroves** is among the components.
 - The national component of the project **includes mapping of the country's coastline and demarcation of the hazard line**.
- **Coastal Regulation Zones (CRZ):**
 - The coastal areas of seas, bays, creeks, rivers, and backwaters which get influenced by tides up to **500 m from the high tide line (HTL)** and the land between **the low tide line (LTL)** and the high tide line was declared as coastal regulation zone (CRZ) in 1991.
 - The coastal regulation zones have been declared by **the Ministry of Environment, Forest and Climate change** under the **Environment Protection Act 1986**.
- **Color Coding of Cyclones:**
 - It is a weather warning that is issued by the India Meteorological Department (IMD) to alert people ahead of natural hazards.
 - The four colors **used by IMD are Green, Yellow, Orange, and Red**.

Early Warning System for Tropical Cyclones	
PHASE	DEFINITIONS:
No hazard	No hazard
Information — Be alert! —	Tropical cyclone poses possible threat within next 120 hours
Watch — Prepare yourself! —	Tropical cyclone conditions are possible within next 48 hours
Warning — Protect yourself! —	Tropical cyclone conditions are expected within next 36 hours
Strike — Seek shelter! —	Tropical cyclone conditions are imminent within next 6 hours

What are the Challenges Associated with Cyclone Preparedness?

- **Limited Lead Time:**
 - Despite advancements in weather forecasting, cyclones' precise impact can only be **determined within a relatively short time frame** of 36-60 hours.
 - This limited lead time poses challenges for effective preparedness and evacuation efforts.
- **Vulnerable Coastal Infrastructure:**
 - **Coastal regions are prone to cyclone damage** due to their geographical vulnerability.
 - Inadequate infrastructure, including buildings, roads, and bridges, may not withstand the strong winds, storm surges, and heavy rainfall associated with cyclones.
 - Upgrading and reinforcing coastal infrastructure is a significant challenge.
- **Lack of Effective Communication Networks:**
 - Efficient communication is crucial for **disseminating early warnings, coordinating evacuation efforts, and providing real-time updates** during cyclones.
 - However, coastal areas may face challenges such as **weak signal strength, power outages, and damaged communication networks**, hindering effective communication during critical times.
- **Evacuation Challenges:**
 - Evacuating coastal communities in a short period can be challenging due to various factors; some individuals **may be reluctant to leave their homes**, especially if they have experienced false alarms or have concerns about their belongings.
 - Additionally, **issues related to transportation, logistics, and capacity limitations** in shelters can impede timely and smooth evacuations.
- **Different Livelihood Patterns:**
 - Coastal communities often depend on fishing and other marine-related activities for their livelihoods.
 - Cyclone warnings **may disrupt their economic activities**, leading to resistance or delays in evacuations.
 - Balancing the need for evacuation with the economic realities of coastal communities is a complex challenge.
- **Inadequate Funding and Resources:**
 - Adequate financial resources, **trained personnel, and necessary equipment** are essential for effective cyclone preparedness.
 - Ensuring **sufficient funding, allocation of resources, and coordination among multiple agencies and stakeholders** can be challenging, especially in regions with limited financial capabilities.

What Measures can be Taken to Enhance Cyclone Preparedness?

- **Strengthening Forecasting and Early Warning:**
 - Developing and enhancing the **scientific and technological capabilities** for **monitoring, predicting and communicating** the cyclone hazards and risks.
 - Using advanced tools such as **satellites, radars, numerical models**, etc. to improve the **accuracy, timeliness and reliability of cyclone forecasts** and warnings.
 - Strengthening the **coordination and collaboration** among different agencies and platforms involved in the early warning system.
 - **Increasing the public awareness and understanding** of the cyclone warnings and their implications.
- **Enhancing Comprehensive Preparedness and Readiness:**
 - Developing and implementing **comprehensive and participatory disaster management plans** at **national, state, district and local levels**. Identifying and mapping the vulnerable areas, populations and assets.
 - Establishing and maintaining **adequate transport, communication and power networks**. Stocking up on essential supplies and equipment.
 - Preparing and updating **emergency kits and evacuation plans**.
 - Conducting regular **drills, trainings and mock exercises** to test and improve the preparedness and readiness of various actors.
- **Reducing Exposure and Vulnerability:**
 - Implementing **structural and non-structural measures** to prevent or mitigate the cyclone impacts.
 - Building or **retrofitting sturdy and resilient houses, buildings, infrastructure and facilities**.
 - Restoring and conserving natural ecosystems such as **mangroves, wetlands, coral reefs**, etc. that provide protection from cyclones.
 - Enforcing **coastal regulation zone norms and land use planning to regulate** the development activities in the coastal areas.
 - Promoting livelihood **diversification and social protection schemes** to reduce the dependence on cyclone-prone sectors.
- **Fostering Cooperation and Partnership:**
 - Engaging and **involving various stakeholders** such as government agencies, non-governmental organizations, international organizations, private sector, media, academia, civil society, etc. in the cyclone preparedness and management process.

- Participating in **regional and international initiatives** for cyclone risk reduction such as the **Indian Ocean Rim Association (IORA)**, **South Asian Association for Regional Cooperation (SAARC)**, **Bay of Bengal Initiative for Multi-Sectoral Technical Economic Cooperation (BIMSTEC)**, etc.



Regulatory Challenges of Indian Drugs

*This editorial is based on **Safety first** which was published in The Hindu on 20/06/2023. It talks about safety issues related to Indian drugs and its consequences.*

Tag: Governance, GS Paper-2, Government Policies & Interventions, Health, Statutory Bodies, Issues Relating to Development

India is one of the largest producers and exporters of pharmaceutical products in the world, catering to **about 20% of the global demand for generic drugs**. India is **among the top 12 destinations for biotechnology worldwide** and **3rd largest destination for biotechnology in Asia Pacific**. In 2022, India's Biotechnology industry has **crossed USD 80.12 billion**, growing 14% from the previous year.

India's pharma industry has **contributed to improving the health outcomes and access to affordable medicines** for millions of people across the world, especially in developing countries. However, India's pharma industry has **also faced several allegations and incidents of producing substandard, contaminated or harmful drugs** that have caused adverse effects and deaths among patients in various countries such as in Sri Lanka, Gambia, Uzbekistan, United States etc.

These incidents have **raised serious concerns** about the **quality and safety** of Indian pharma products and the **role and effectiveness** of the Indian drug regulator in ensuring compliance with the standards and norms.

What are the Potential Causes of Inadequate Safety Standards of Drugs?

- **Lack of Adequate Regulation and Enforcement:**
 - India's drug regulation is **governed by the **Drugs and Cosmetics Act, 1940****, which is **outdated and inadequate to deal with the complexities and challenges** of the modern pharma market.
 - The Act **does not cover many aspects such as clinical trials, bioequivalence studies, good manufacturing practices**, etc. that are essential for ensuring quality and safety of drugs.

- Moreover, the **enforcement of the Act is weak and fragmented**, as it involves multiple authorities at the central and state levels, with overlapping jurisdictions and responsibilities.
- **Inadequate Resources:**
 - There is also a **shortage of manpower, infrastructure, funds and technology** to carry out **effective inspections, testing, monitoring and surveillance** of drug manufacturing units and products.
- **Lack of Transparency and Accountability:**
 - India's drug regulator, the **Central Drugs Standard Control Organization (CDSCO)**, does not disclose much information about its activities, processes, outcomes, etc. to the public or the media.
 - There is no mechanism to evaluate its performance or impact on curbing substandard or spurious drugs.
 - There is also **no mechanism to ensure that the regulator is independent, impartial and free** from external influences or pressures from the government or the industry.
 - There have been **allegations of corruption, collusion and conflict of interest among some officials** of the CDSCO and some pharma companies.
- **Lack of Awareness and Compliance among Pharma Companies:**
 - Some pharma companies in India **do not adhere to the prescribed standards and norms for manufacturing, testing, labeling, packaging, storing and distributing drugs**.
 - Some pharma companies also resort to **unethical or illegal practices** such as using substandard or counterfeit raw materials, adulterating or **diluting drugs, falsifying or manipulating data** or documents, etc. to cut costs or increase profits.
 - They also **lack awareness or knowledge** about the regulatory requirements or guidelines for different markets or countries.
 - They may not have **adequate quality control systems or mechanisms** to detect or prevent errors or defects in their products.

What are the Consequences of Ineffective Regulations?

- **Harm to Public Health:**
 - Poor quality and safety of Indian pharma products can cause serious harm to public health by causing adverse effects such as **infections, allergies, organ damage, poisoning, etc.** among patients who consume them.

- This can lead to treatment failure, drug resistance, complications or deaths among patients who suffer from **chronic or life-threatening diseases** such as HIV/AIDS, tuberculosis, malaria, cancer, etc.
- **Erosion of Public Trust:**
 - Ineffective regulation **undermines the trust and confidence of patients** and healthcare providers in Indian pharma products.
- **Harm to Economic Growth:**
 - Poor quality and safety of Indian pharma products **can cause harm to economic growth by affecting the reputation and competitiveness** of India's pharma industry in the global market.
 - This can lead to **loss of market share, revenue and profits for Indian pharma companies due to bans, recalls or rejections** of their products by foreign regulators or customers.
- Consequently, lead to **loss of foreign exchange earnings, employment opportunities and investments** for India's pharma sector.
- They can also expose India's pharma industry to legal liabilities or penalties for violating the laws or norms of other countries.
- **Harm to International Relations:**
 - Poor quality and safety of Indian pharma products can cause harm to international relations by affecting India's image and credibility as a responsible and reliable partner in global health initiatives.
 - This can **create diplomatic tensions or conflicts** between India and other countries that are affected by substandard or harmful drugs from India.
- **Harm to International Cooperation:**
 - They can hamper India's **cooperation or collaboration** with other countries or organizations in addressing common health challenges such as **pandemics, epidemics, etc.**

Major Bodies Regulating Drugs and Pharmaceutical in India

Ministry of Health and Family Welfare	Ministry of Chemicals and Fertilizers	Ministry of Commerce	Ministry of Science and Technology	Ministry of Environment
Directorate General of Health Services (DGHS) Indian Council of Medical Research (ICMR)	Department of Pharmaceuticals	Patent Office	Department of Biotechnology (DBT)	Environmental clearance for manufacturing
Central Drugs Standard Control Organization (CDSCO) headed by Drug Controller General of India, DCGI (I) + Statutory Committees + Advisory Committees	National Pharmaceutical Pricing Authority (NPPA); Drugs (Prices Control) Order (DPCO) 2013	Controller General of Patent	Council of Scientific and Industrial Research (CSIR) Laboratories	

What Should be the Way Forward?

- **Amending the Drugs and Cosmetics Act, 1940:**
 - The government **should update the legal framework for drug regulation** to cover all aspects and challenges of the pharma sector and provide clear and uniform standards and norms for different categories of drugs and markets.
- **Streamlining and Rationalizing the Drug Regulatory Structure and Functions:**
 - The government **should create a single, central authority with adequate powers, resources, expertise and autonomy** to regulate the entire pharma sector and ensure effective enforcement and compliance of the drug laws and norms.
- **Fostering a Culture of Quality and Safety Among the Pharma Industry:**
 - The government should **provide incentives, recognition, support and guidance** to the industry for complying with the standards and norms and producing high-quality drugs and encourage them to adopt voluntary self-regulation and quality certification schemes.



Local Body Elections Conundrum

*This editorial is based on **Grassroots peace** which was published in The Indian Express on 20/06/2023. It talks about problems of political violence in the local government election.*

Tag: Governance, GS Paper 2, Constitutional bodies, Cooperative Federalism

A **state election commission** is an **autonomous and constitutional body** that is responsible for conducting elections for **urban local bodies and panchayats** in a state. The state election commissioner is **appointed by the governor of the state** and cannot be removed from office except on the grounds and manner specified for a judge of a high court. A state election commission **ensures that elections are conducted in a free, fair and unbiased way** and also updates the electoral rolls and implements the model code of conduct.

Local body elections are an important aspect of democracy in India, as they empower the people at the grassroots level to participate in governance and development. However, in some states, such as West Bengal, these elections witnessed political violence and intimidation, which undermine the democratic process and the rule of law.

What are the Causes and Consequences of Local Election Violence?

➤ **Causes:**

- **Competition for Power and Resources:**
 - When elections are seen as a **zero-sum game**, where the **winner takes all and the loser gets nothing**, the stakes are high and the incentives for violence are strong. This can lead to **intimidation, harassment, or assassination of political opponents, supporters, or electoral officials**.
- **Ethnic or Religious Polarization:**
 - When elections are along **ethnic or religious lines**, they can exacerbate existing cleavages and grievances, and **create a sense of existential threat for some groups**.
 - This can lead to hate speech, discrimination, or communal clashes.
- **Weak Institutions and Rule of Law:**
 - When elections are not well-managed, transparent, or credible, they can **undermine trust and legitimacy in the electoral process** and the outcome.
 - This can lead to protests, riots, or rejection of results by the losing side.

○ **Other Forms of Organized Violence:**

- When elections take place in contexts where there is **ongoing civil war, insurgency, terrorism, or criminality**, they can be affected by these forms of violence or trigger new ones.
- This can lead to disruption, sabotage, or coercion of the electoral process or the voters.

➤ **Consequences:**

○ **Violate Human Rights and Dignity:**

- Political violence can cause **physical harm, psychological trauma, displacement, or death** for the victims and their families.

○ **Undermine Electoral Integrity and Accountability:**

- Political violence **can distort the will of the people, reduce voter turnout**, or influence voting behavior through fear or favor.
- It can also prevent effective monitoring, observation, or adjudication of electoral disputes.

○ **Erode Trust and Social Cohesion:**

- Political violence **can damage the reputation and legitimacy of the electoral institutions and the elected representatives**.
- It can also increase **polarization, resentment, or hostility** among different groups in society.

○ **Impede Development and Stability:**

- Political violence can **disrupt economic activities, public services, or infrastructure**.
- It can also **create insecurity, uncertainty, or instability** that can deter investment, growth, or cooperation.

What is the Role of the State Election Commission in Containing Violence?

- The role of the State Election Commission (SEC) in containing political violence is to ensure that elections are **conducted in a free, fair and unbiased way**.
- The SEC has the **power of superintendence, direction and control** of the preparation of electoral rolls for, and the conduct of all elections to the Panchayats and the Municipalities.
- The SEC **also implements the Model Code of Conduct (MCC)** before **every election to be followed by the different candidates and parties** so that the decorum of the electoral process is maintained well.
- The SEC **can cancel polls in case of booth capturing, rigging, violence** and other irregularities.
- The SEC is **expected to act as an independent and impartial constitutional authority** that safeguards the democratic rights of the people.

What are Challenges with Functioning of SEC?

➤ Lack of Autonomy:

- Although the state election commission on many occasions tried to exercise its duties enshrined in the constitution of India, they struggled to assert their independence. For example:
 - In Maharashtra, SEC had asserted that he **should have the power to hold elections** to the offices of mayor, deputy mayor, sarpanch and deputy sarpanch.
 - On the contrary, he was **arrested and sent to jail for two days** in March 2008 after the Legislative Assembly found him guilty of breach of privilege in an alleged conflict over his jurisdiction and powers.

➤ Lack of Safeguard for SEC:

- Though the State Election Commissioner shall not be removed from his/her office except in like manner and on the like grounds as a Judge of a High Court (Art 243K(2)), yet it has been diluted on many instances.
- In the **Aparmita Prasad Singh vs. State of U.P. (2007)** the Allahabad High Court held that **if the Governor has power to fix or prescribe tenure by rule, he also enjoys the power to amend the rule**, either for extending the term of the tenure or reducing the same.
- Once the prescribed tenure comes to end, the incumbent **SEC must cease to hold office, and this shall not amount to removal** from office.

➤ Non-Uniform Service Conditions for SECs:

- **Article 243K(2)** states that the tenure and appointment will be directed as per the law made by the state legislature and thus each SEC is governed by a separate state Act.
- This gives power to states to amend rules unilaterally and even sometimes take ordinance routes to bypass legislative scrutiny **like the recent example of Andhra Pradesh SEC**.

What are the Measures to Strengthen the SEC?

Strengthening state election commission can help in improving the quality and credibility of local elections, as well as preventing or reducing political violence. Some of the possible ways to strengthen state election commission are:

➤ Ensuring Adequate Resources and Staff:

- State election commission **should have sufficient funds, personnel, equipment, and infrastructure** to carry out its functions effectively and efficiently.

- The governor should make available to the state election commission such staff as may be necessary for the discharge of its functions.

➤ Enhancing Independence and Accountability:

- State election commission **should be free from any political interference, pressure, or influence** from any source.
- State election commissioner should not be removed from office except on the grounds and manner specified for judge of high court. State election commission should also be accountable to the public and the law for its actions and decisions.

➤ Improving Electoral Management and Dispute Resolution:

- State election commission **should adopt best practices and standards for electoral management, such as voter registration, voter education, polling arrangements, counting, and declaration of results.**
- State election commission **should also have effective mechanisms for resolving electoral disputes, complaints, and grievances** in a timely and impartial manner.

■■■

Declining Cultivation Area of Nutri-Cereals

*This editorial is based on **Millets need a procurement push** which was published in **The Hindu Businessline** on 19/06/2023. It talks about declining trends in cultivation areas of nutri-cereals.*

Tag: Agriculture, GS Paper-2, Government Policies & Interventions, GS Paper - 3, Cropping Patterns, Public Distribution System (PDS), Environmental Pollution & Degradation

Millets, also known as **nutri-cereal crops**, play a vital role in **providing essential micronutrients such as calcium, fiber, protein, iron, and more**. Considering the high prevalence of micronutrient deficiencies among India's large population, the ongoing decrease in the cultivation area of these nutri-cereal crops poses a **significant threat to nutritional security**.

Acknowledging the significance of these crops and aiming to increase their recognition among consumers, the Centre took a proactive step in 2018 by issuing a notification to rename coarse cereals as nutri-cereals.

To incentivize farmers to grow millets, the Centre has regularly announced attractive **minimum support prices (MSP)** for these crops. However, despite these efforts, the area under cultivation of nutri-cereal crops continues to decline.

Why Cultivation Areas of Nutri-Cereal Continue to Decline?

➤ Impact of Green Revolution:

- While enhancing food security, the **Green Revolution** has also brought some undesirable changes in the cropping pattern. The area under water-intensive crops (paddy, sugarcane, banana, wheat, etc) increased substantially, whereas the area under less-water consuming nutri-cereal crops declined sharply from **44.34 million hectares (mha)** in 1965-66 to **22.65 mha** in 2021-22, down **49%**.

➤ Low Productivity and Poor infrastructure:

- The **low productivity, poor seed availability, inadequate processing** and value addition facilities, and weak market linkages for nutri-cereals.
- Nutri cereals have historically been considered as “poor man’s food” and faced reduced demand due to preferences for rice and wheat.
- Insufficient market demand and low-price incentives discourage farmers from investing in the cultivation of nutri cereals, resulting in lower productivity.

➤ Changing Dietary Preferences:

- People’s eating habits and preferences shift over time. If there has been a significant change in consumer preferences towards other types of breakfast foods or if there is a growing preference for convenience foods, it could impact the demand for nutri cereals.

➤ Increased Competition:

- The cereal market is highly competitive, with numerous options available to consumers.
- There may be a proliferation of new breakfast products, including different types of cereals, granolas, breakfast bars, or yogurt-based breakfast options.
- This increased competition could result in a decline in market share for nutri cereals.

➤ Lack of Marketing and Innovation:

- Nutri cereals **face challenges if there is a lack of effective marketing** strategies or innovation in product development.
- Consumers are **often attracted to new and exciting products**, so if nutri cereals fail to capture their attention through marketing campaigns or fail to introduce new variations or flavors, it may lead to declining sales.

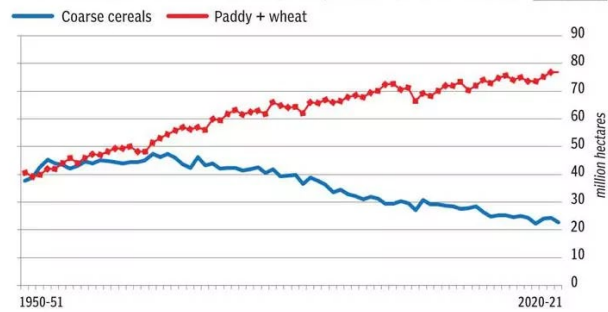
➤ Perception and Taste Preferences:

- Taste preferences can significantly impact the success of food products. If consumers perceive nutri cereals as bland or unappealing in terms of taste, they opt for other breakfast options that are

perceived as more flavorful or enjoyable.

Widening gap

Trends in nutri cereals area Vs paddy + wheat area in India



Profitability of nutri-cereal crops Vs other crops in 2019-20 (value in ₹/ha)

Crop's name	Leading State	Paid-out cost (A2+FL)	Total cost (C2)	Value of output	Profit/loss	
					In relation to cost A2+FL	In relation to cost C2
Paddy	Andhra Pradesh	69,412	1,00,107	1,07,400	37,988	7,293
Wheat	Punjab	37,823	72,236	94,583	56,760	22,347
Jowar	Maharashtra	41,569	57,066	41,552	-17	-15,514
Bajra	Rajasthan	27,647	35,530	19,850	-7,797	-15,680
Ragi	Maharashtra	60,047	67,389	30,295	-29,752	-37,094
Maize	Rajasthan	43,868	55,791	36,223	-7,645	-19,568
Tur	Karnataka	29,491	42,459	44,672	15,181	2,213
Gram	Rajasthan	30,868	43,757	50,955	200,87	7,198
Groundnut	Gujarat	65,334	84,342	85,140	19,806	798
Rapeseed & Mustard	Rajasthan	35,557	49,514	65,235	29,678	15,721
Cotton	Gujarat	65,198	86,458	94,271	29,073	7,813

Source: CACP (2022) Price Policy for Kharif Crops: Marketing Season 2022-23

What are the Benefits of Increasing Cultivation of Nutri-Cereals?

➤ Nutrition:

- Nutri cereals are **high in dietary fibre, iron, folate, calcium, zinc, magnesium, phosphorous, copper, vitamins and antioxidants**. They can provide nutritional security and act as a shield against nutritional deficiency, especially among children and women.

➤ Climate Resilience:

- Nutri cereals are **drought-tolerant, pest-resistant, and can grow in marginal lands with low inputs**. They can adapt to changing climatic conditions and reduce the risk of crop failure.

➤ Environmental Sustainability:

- Nutri cereals have **low water and energy requirements and can improve soil health and biodiversity**. They can also reduce greenhouse gas emissions and water pollution compared to rice and wheat.

➤ Economic Empowerment:

- Nutri cereals **can offer income opportunities for small and marginal farmers**, especially women and tribal communities, who are the main producers of these crops.

- They can also create value addition and processing potential for rural entrepreneurs.

What are Some Examples?

- **Sorghum (Jowar):** A gluten-free cereal that is rich in protein, iron, and antioxidants. It can help lower blood sugar and cholesterol levels.
- **Pearl millet (Bajra):** A drought-tolerant cereal that is high in protein, fiber, and minerals like calcium, magnesium, and zinc. It can help prevent anaemia and improve digestion.
- **Finger millet (Ragi):** A cereal that has the highest calcium content among all grains. It is also a good source of iron, fiber, and amino acids. It can help strengthen bones and teeth and prevent diabetes.
- **Foxtail millet (Kakum):** A cereal that is rich in protein, fiber, and antioxidants. It can help lower blood pressure and cholesterol levels, and improve immunity.
- **Kodo millet (Kodon):** A cereal that has a low glycemic index and is high in fiber and phytochemicals. It can help regulate blood sugar levels and prevent obesity.
- **Barnyard millet (Sanwa):** A cereal that has the highest fiber content among all millets. It is also high in iron and calcium. It can help prevent constipation and improve blood circulation.
- **Little millet (Kutki):** A cereal that is high in protein, fiber, and minerals like iron, zinc, and potassium. It can help lower cholesterol levels and prevent cardiovascular diseases.
- **Proso millet (Chenna):** A cereal that is high in protein, phosphorus, and antioxidants. It can help improve muscle and nerve function, and prevent oxidative stress.

What are the Government Initiatives to Promote Millets Cultivation?

- **International Year of Millets:**
 - Recognizing the significance of millets on a global scale, the **United Nations General Assembly**, sponsored by India, adopted a resolution designating 2023 as the **"International Year of Millets."**
 - This highlights the importance of millets in addressing nutritional challenges and promoting sustainable agriculture. In India, 2018 was celebrated as the "National Year of Millets" to raise awareness and foster their cultivation and consumption.
- **Rebranding:**
 - In order to **promote the consumption of millets**, the Indian government has officially designated them as Nutri-Cereals, emphasizing their nutritional value.

➤ Farmer-friendly schemes:

- Under the **Rashtriya Krishi Vikas Yojana**, the government allocated Rs. 300 crores in 2011-12 to promote millets as Nutri-cereals.
 - The objective of this scheme was to demonstrate integrated production and post-harvest technologies, with a visible impact that would stimulate increased millet production nationwide.
- The Ministry of Agriculture & Farmers' Welfare is **implementing a Rs 600-crore scheme to increase the cultivation area, production, and yield of nutri-cereals**.
 - The goal is to match the cultivation of nutri-cereals with the local topography and natural resources. The government is also encouraging farmers to align their cropping patterns with **India's diverse 127 agro-climatic zones**.

➤ Provision of seed kits and inputs:

- The government is **providing farmers with seed kits and necessary inputs** to support the cultivation of nutri-cereals.
- Additionally, efforts are being made to build value chains and support the marketability of nutri-cereals through assistance to **Farmer Producer Organizations (FPOs)**.

➤ Increase in Minimum Support Price:

- Recognizing the importance of millets, the government has raised the **Minimum Support Price** for these crops, providing significant price incentives for farmers. This increase has been a substantial boost to the agricultural sector.

➤ Inclusion in Public Distribution System:

- To ensure a stable market for millet produce, the government has incorporated millets into the **public distribution system**. This move enhances accessibility and availability of millets for consumers, further promoting their consumption.

What More Needs to be Done?

➤ Collaboration with Food Industry:

- Foster **partnerships with food manufacturers and retailers** to expand the range of nutri cereal products available in the market.
- Encourage the **development of new flavors, convenient packaging options, and product innovations** that cater to different consumer segments.

➤ Conducting School and Community Programs:

- Integrate nutri cereals into **school feeding programs and community initiatives** that promote healthy eating habits.

- This can involve providing nutri cereals in school meals, **conducting nutrition workshops, and collaborating with local organizations** to raise awareness about their benefits.
- **Collaboration with Healthcare Professionals:**
 - Work closely with **healthcare professionals, dietitians, and nutritionists** to promote the inclusion of nutri cereals in dietary recommendations and treatment plans for various health conditions.
 - This can help build credibility and trust among consumers.
- **Encouraging Consumer Engagement:**
 - Encourage consumer **participation through contests, challenges, and social media campaigns** that promote the consumption of nutri cereals.
 - Create platforms for consumers to share their experiences, recipes, and success stories related to incorporating nutri cereals into their diet.



Complexity of Indian Federalism

*This editorial is based on **India's Federalism** which was published in The Indian Express on 23/06/2023. It talks about the Indian Federal System and associated issues.*

Tag: Indian Polity, GS Paper-2, Federalisms, co-operative federalism

Federalism is a system of government in which powers are divided between two or more levels of government, such as the centre and the states or provinces. Federalism allows for the accommodation of diversity and regional autonomy within a larger political unit.

The Indian Constitution establishes a federal system with some unitary features. It is sometimes called a quasi-federal system, as it contains elements of both federation and union. The Constitution specifies the distribution of legislative, administrative and executive powers between the union government and the state governments. The legislative powers are categorized under a **Union List, a State List and a Concurrent List**, representing the powers conferred upon the union government, the state governments and the powers shared among them. The Constitution also provides for the establishment of a multilevel or multilayered federation with multiple modes of political power distribution.

The Indian federalism is unique in its context, as it has evolved from a unitary system under British rule to

a federal system after independence. Indian federalism has faced several challenges and issues over time, such as the integration of princely states, linguistic reorganization of states, regional movements and demands for autonomy, centre-state relations and conflicts, fiscal federalism and resource sharing, cooperative federalism and inter-state coordination, etc.

What are different Types of Federal Systems?

- **Holding Together Federation:** In this type, powers are shared between various constituent parts to accommodate the diversity in the whole entity. Here, powers are generally tilted towards the central authority. Example: India, Spain, Belgium.
- **Coming Together Federation:** In this type, independent states come together to form a larger unit. Here, states enjoy more autonomy as compared to the holding together kind of federation. Example: USA, Australia, Switzerland.
- **Asymmetrical Federation:** In this type, some constituent units have more powers or special status than others due to historical or cultural reasons. Example: Canada (Quebec), Russia (Chechnya), Ethiopia (Tigray).

What are the Challenges Before Indian Federalism?

- **Regionalism:**
 - The rise of regional parties and movements based on linguistic, ethnic, religious or cultural identities has posed a challenge to the national integration and unity of India.
 - Some regions or groups have demanded more autonomy, special status or even secession from the Indian union.
 - For example, the demand for Gorkhaland in West Bengal, Bodoland in Assam, etc.
- **Division of Powers:**
 - The division of powers between the Centre and the states is not clear and balanced.
 - The Centre has more powers and resources than the states and can interfere in their affairs through various means such as President's rule, Governor's role, central laws, etc. The states have limited autonomy and fiscal space to pursue their own development and welfare policies.
 - For example, President's rule was imposed in Arunachal Pradesh and Uttarakhand in 2016 on grounds of constitutional breakdown, but was later revoked by the Supreme Court.
- **Absence of Fiscal Federalism:**

- The **fiscal relations between the Centre and the states are not equitable** and transparent. The Centre collects most of the taxes and distributes them to the states according to its discretion or criteria.
- The states depend on the **Centre for grants-in-aid, loans and other transfers**. The states have limited taxation powers and borrowing capacities.
- **For example**, many states have complained about the **inadequate compensation for revenue losses** due to **GST** implementation.
- **Unequal Representation of Units:**
 - The representation of states in the **Parliament and other federal institutions is not proportional to their population**, area or contribution. Some states are over-represented while others are under-represented.
 - For example, **Uttar Pradesh has 80 Lok Sabha seats** while **Sikkim has only one**. This affects the voice and influence of different states in national decision-making and resource allocation.
- **Centralized Amendment Power:**
 - The power to amend the Constitution is vested in the Parliament with a special majority. The states have no role or say in the amendment process except in some matters affecting them.
 - **For example**, the **Centre's decision to abrogate Article 370 and bifurcate Jammu and Kashmir into two union territories in 2019 was done without consulting the state government or other stakeholders**.
 - For example, the **creation of Telangana from Andhra Pradesh in 2014 was opposed by the latter state** and led to protests and violence.

Why there is a Need to Strengthen Federalism?

- **Preserving Diversity and Pluralism:**
 - Federalism is needed **to protect and preserve the diversity and pluralism of India's society, culture, language, religion, etc.** in the face of increasing homogenization and assimilation pressures from the Centre or dominant groups.
- **Safeguarding Autonomy and Rights:**
 - Federalism is needed **to safeguard and enhance the autonomy and rights of the states and other sub-national units** in the face of increasing centralization and interference from the Centre or other external forces.
- **Improving Quality and Efficiency of Governance:**
 - Federalism is needed **to improve and ensure the quality and efficiency of governance and service delivery** at various levels by empowering and enabling the states and other sub-national units

to formulate and implement their own policies and programmes according to their needs and capacities.

- **Promoting Balanced and Inclusive Development:**
 - Federalism is needed **to promote and achieve the balanced and inclusive development and welfare of all regions and sections** of India by ensuring equitable and transparent distribution of resources and opportunities among different levels or units of government.
- **Fostering Harmony and Cooperation:**
 - Federalism is needed **to foster and sustain the harmony and cooperation among different levels or units of government** by resolving disputes and conflicts through dialogue and consultation rather than confrontation and coercion.

Which Institutions are Promoting Federalism?

- **The Supreme Court:**
 - It is the apex judicial body of the **country and acts as the guardian** and interpreter of the Constitution.
 - It has the power to adjudicate disputes between the Centre and the states or among the states.
- **The Inter-State Council:**
 - It is a constitutional body established under **Article 263 of the Constitution to promote coordination and cooperation among the Centre and the states** on matters of common interest and concern.
 - It consists of the **Prime Minister, Chief Ministers of all states, Chief Ministers of union territories** with legislatures and six central ministers nominated by the Prime Minister.
- **The Finance Commission:**
 - It is a constitutional body **established under Article 280** of the Constitution to recommend the distribution of revenues between the Centre and the states.
 - It also suggests measures to augment the resources of states and grants-in-aid to states in need.
- **The NITI Aayog:**
 - It was established in 2015 to replace the Planning Commission.
 - It acts as a think tank and advisory body for the Centre and the states on matters of economic and social development.
 - It also fosters cooperative federalism by involving states in policy formulation and implementation.
 - It consists of a chairperson (the Prime Minister), a vice-chairperson, a CEO, full-time members, part-time members, ex-officio members (chief ministers of all states and lieutenant governors of union territories) and special invitees.

What are the Ways to Strengthen Federalism in India?

- **Enhancing Devolution of Powers and Resources:**
 - Federalism can be strengthened by **enhancing devolution of powers and resources to states and local bodies** by revising the constitutional lists, increasing the share of states in central taxes, giving more fiscal autonomy and flexibility to states, etc.
- **Ensuring Greater Representation and Participation:**
 - Federalism can be strengthened by **ensuring greater representation and participation of states in national decision-making** by involving them in the formulation and implementation of national policies and programmes, giving them more voice and vote in federal institutions such as the GST Council, the Inter-State Council, the NITI Aayog, etc.
- **Fostering Cooperative and Competitive Federalism:**
 - Federalism can be strengthened by **fostering cooperative and competitive federalism among states** by encouraging them to work together on common issues and challenges, promoting best practices and innovations among them, creating incentives and rewards for better performance and outcomes, etc.
- **Addressing Regional Imbalances and Inequalities:**
 - Federalism can be strengthened by **addressing regional imbalances and inequalities by providing special assistance and support to backward** and disadvantaged regions or groups, ensuring fair and adequate allocation of resources and opportunities among different regions or groups, creating regional development councils or authorities, etc.
- **Respecting Federal Principles and Spirit:**
 - Federalism can be strengthened by **respecting federal principles and spirit in all matters** by adhering to the constitutional provisions and norms related to federalism, avoiding arbitrary or unilateral actions or interventions by the Centre or states, **resolving disputes or conflicts through dialogue or judicial mechanisms**, etc.

■■■

Navigating India US Relations

This editorial is based on "Old Friends in a Challenging World" which was published in Indian Express on 26/06/2023. It talks about the recent developments in India-US relations and how their different foreign policy approaches pose major challenges in their relations.

Tag: International Relations, GS Paper 2, Bilateral Groupings & Agreements, Effect of Policies and Politics of Countries on India's interest, Indian Diaspora, Groupings & Agreements Involving India and/or Affecting India's Interests

The Prime Minister of India addressing a joint session of the US congress (a rare honour for a visiting leader from overseas) is evident of the fact that **India-US relations** are deepening and widening and is envisaged as "a **momentous development that will benefit not just the US and India, but the world at large**".

The bilateral relations between India and the US are built upon various factors including the **increasing market size of the Indian economy**, growing **influence of the Indian diaspora** in American business and politics as well as their **consensus on the need of the hour to contain Chinese aggression**.

As the **US deepens its Indo-Pacific engagement** and **India solidifies its regional prowess**, the partnership between these democratic powerhouses has the potential to **reshape the geopolitical chessboard**.

What is the Current Scenario of India-US Relations?

- **Economic Progress:**
 - **Bilateral trade between the two countries has grown tenfold since 2000**, to **USD 191 billion in 2022**, and India became the **9th largest US trading partner** in 2021. The rise in bilateral trade in goods and services reached **~160 billion USD in 2021**.
 - The **US is India's largest trading partner** and most important export market. It is one of the few countries with which **India has a trade surplus**. In **2021-22**, India had a **trade surplus of USD 32.8 billion with the US**.
- **Political Like-mindedness:**
 - Both the countries have like-minded views about the efficiency of IPEF for continued growth, peace, and prosperity in the **Indo-Pacific region**.
 - India has also joined the US-led **Indo-Pacific Economic Framework for Prosperity (IPEF)**.
 - However, the two countries have quite contradictory responses towards the **Russia-Ukraine** crisis, **Afghanistan issue** and **Iran**.
- **Defence Cooperation:**
 - India, which could not access US weapons during the **Cold War**, has bought **USD 20 billion worth of arms over the last two decades**.
 - However, the incentive for the US is **helping India reduce its historical dependence on Russia** for its military supplies.

- The armed forces of India and the US engage in extensive bilateral military exercises (Yuddha Abyas, Vajra Prahar) and minilateral ones with the four partners in the **Quad Forum (Malabar)**.
- Another grouping in the **Middle East - I2U2** involving **India, Israel, UAE and the US** is being termed as the **new Quad**

➤ Upcoming Developments:

- **Micron Technology** (a US company) will invest around USD 2.75 billion in the next five years to build a new **semiconductor** assembly and test facility in India.
 - This further involves **USD 400 million investment in 4 years** to set up a collaborative engineering centre along with the **training of 60,000 Indian engineers**.
- The biggest takeaway is the deal between General Electric Aerospace and HAL to manufacture under licence **GE's F414 engine for India's light combat aircraft** - this deal marks the **end of the technology denial regime**.

➤ India as a US Ally:

- Despite vast mutual, strategic interests of the two countries, **India cannot be termed as a 'US ally' due to its foreign policy approach of non-alignment**.
 - Indian leaders across parties and over decades have long prioritised foreign policy independence as a central feature of India's approach to the world.
- Especially since the end of the Cold War, Indian leaders have sought to **improve ties with the US, but not by curtailing India's independent approach to foreign policy**.

➤ India's 'Multi-Aligned' Foreign Policy:

- The PM of India has described the **"world as one family" (vasudhaiva kutumbakam)**, to frame Indian diplomacy.
 - This approach has been termed **"multialignment"** - seeking positive ties as far and as widely as possible.
- Along this theory, India has carefully managed its relationships with **Saudi Arabia as well as Iran; with Israel as well as the Palestinian Territories; with the US as well as Russia**.
 - India has reserved the right to engage with those who aren't the US allies - Russia, Iran and even China - if its **national interests dictate such a need**.

What are the Major Challenges between India and the US?

➤ US Criticism of India's Foreign Policy:

- If the **Indian elite has long seen the world through the lens of non-alignment**, alliance relationships have been at the heart of US' foreign policy since the **Second World War**.

- **India's policy of nonalignment especially during the Cold War** has always been a point of concern for the West, especially the US.

- After the 9/11 attacks, the US asked India to dispatch troops to Afghanistan; the **Indian military vetoed the request**.

- When the US invaded Iraq in 2003, even then **India's erstwhile PM withheld military support**.

- Even today, **India refuses to toe the American line on the Russian-Ukraine war** and its **import of cheap Russian oil** continues to break records.

- Pro-US voices have often been raised demanding India to get **"on the right side of history"**.

➤ India's Engagement with US Adversaries:

- India has criticised the **US decision to block Iranian and Venezuelan oil** from the open market.

- India has **actively worked to bring Iran into the SCO** (Shanghai Cooperation Organization).

- India has also held **18 rounds of talks with China** to resolve the **border dispute** besides remaining a key participant in the China-backed **Asian Infrastructure Investment Bank**.

➤ US' Criticism of India's Democracy:

- Various US organisations and foundations, from time to time, with the tacit support of some Congressmen and Senators, come out with **reports questioning the present state of democratic discourse, press and religious freedom and condition of the minorities in India**.

- Some of them include the **International Religious Freedom Report 2023** and the **Human Rights Report on India 2021** by the US State Department.

➤ Economic Tensions:

- The **Atmanirbhar Bharat Campaign** has exacerbated the view in US that **India is increasingly becoming a protectionist** closed market economy.

- Effective since June 2019, the **USA decided to withdraw duty-free benefits to Indian exporters under the GSP programme** affecting India's export-oriented sectors such as pharma, textiles, agri products and automotive parts.

What can be Done to Improve the India-US Relations?

- **Moving Ahead with Multi-Alignment:** With the Ukraine-Russia conflict, global powers have been realigning into new groupings. India has a tough task

of walking a very tightrope between Russia and the US. India's approach, till now, has been in the best of its national interests and must continue to be so.

- **India shall calibrate this balancing act and bring dialogue and diplomacy** to resolve strong differences, and **not be part of the ever-widening chasm** which can only result in **repercussions that go against world peace**.
- **Leveraging the Best Common Interest:** The new India-US defence partnership makes it possible to **conceive of an Asia that is not vulnerable to domination by any one power**.
 - Increasing defence cooperation among the two countries will also **help India bridge the massive gap in military capabilities with China** with strong support from the US.
 - Both **India and the US have a strong interest in stabilising the Asian balance of power** and coping with the geopolitical churn triggered by China's rise and Beijing's assertiveness in Asia.
- **Economic Intermingling:** Indo-US economic engagement needs more ballast with **greater flows of investment and trade**. US investments in India are pegged at \$54 billion, which **represent less than 1% of its global investments**. Also, India, too, needs to increase investments in the US, **creating interdependencies between the two nations is crucial**.
 - Bolstering India's strategic partnership with the US is critical for it to become a developed nation by encouraging manufacturing-led export growth and infrastructural development. This cannot succeed without **greater access to the US market and technological cooperation**.
 - The **India-US iCET** is a step in the right direction.
 - India's economic rise would be in the US' interest just as much as US leadership of technology enablers and global affairs would be in India's.
 - This reality **must not be lost in noise over India's neutrality** on the world stage and its **refusal to be bound by a NATO-like-bloc**.
- **Cooperation in Sustainable Development:**
 - Initiatives like the **revamped US-India Strategic Clean Energy Partnership (SCEP)** exemplify cooperation in fostering the growth of renewable energy deployment in India.
 - The US can **further assist by facilitating access to funds for India's ambitious goals**.
 - By deepening the partnership on clean energy and climate action, both nations can achieve their global climate goals while fostering economic growth, job creation, and energy security.

- **Engaging Private Sectors:** Many CEOs are now adopting a **"China plus one" strategy**, seeking to diversify their supply chains. Recently, **Apple's decision to establish its first retail store in India** not only enhances the country's attractiveness to other tech companies but also **showcases its capability to produce cutting-edge technology** and strengthen its **manufacturing potential**.
 - This move is a crucial indication that companies are diversifying their supply chains away from China.
 - India can also signal its readiness to become a hub for chip manufacturing and case manufacturing **leveraging US' assistance or the same**.

- **Expanding Coverage to Food Security:** In addition to national security, food security is of equal importance to India, if not more – which, however, is being threatened by **climate change with increasing temperatures affecting poorer nations disproportionately (India being no exception)**.

- The US is at the forefront of technologies not just in defence, space, and semiconductors but also in agriculture.
- The **next round of US-India collaboration shall involve a special attempt to include food and agriculture** as one of the core areas of cooperation.
 - It has the potential to do good to the maximum number of people in the developing world, be it in Asia or Africa.

Conclusion

The Indian prime minister put it during his address to the joint session of the US Congress -

"In the past few years, there have been many advances in AI — Artificial Intelligence. At the same time, there have been more momentous developments in another AI — America and India." This reflects the growing relation between India and USA in the past recent years.

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Just (Uniform) Civil Code

*This editorial is based on **Strike a fine balance, have a just civil code** which was published in The Hindu on 24/06/2023. It talks about uniform civil code (UCC) and challenges in the implementation of UCC.*

Tag: Indian Polity, GS Paper-2, Fundamental Rights, Directive Principles of State Policy, Issues Related to Women

The Law Commission of India has initiated asked for views and proposals from the public regarding the UCC.

The **UCC** has been a highly debated and politically charged issue in India. The **Law Commission's** previous stance on the UCC was that **it was neither necessary nor desirable**. UCC is a **proposal to replace the personal laws** of various religious communities with a common set of laws for all citizens.

What is Uniform Civil Code?

➤ **About:**

- The Uniform Civil Code is **mentioned in Article 44 of the Indian Constitution**, which is part of the **Directive Principles of State Policy**.
- These principles are **not legally enforceable but are meant to guide the state** in making policies.
- It has been supported by some as a way to **promote national integration and gender justice**, but opposed by others as a threat to religious freedom and diversity.
- The **only state in India that has a UCC is Goa**, which retained its common family law **known as the Goa Civil Code** after it was liberated from Portuguese rule in 1961.
- The **rest of India follows different personal laws** based on their religious or community identity.

➤ **Personal Laws in India:**

- Currently, **not only Muslims but also Hindus, Jains, Buddhists, Sikhs, Parsis, and Jews** are governed by their own personal laws.
- Personal laws are determined based on religious identity.
- The reformed Hindu Personal Law still incorporates certain traditional practices.
- Differences arise when Hindus and Muslims marry under the Special Marriage Act, where Hindus continue to be governed by Hindu Personal Law, but Muslims are not.

What are the Challenges in Implementing UCC?

➤ **Diverse Personal Laws and Customary Practices:**

- India is a country of diverse religions, cultures and traditions.
 - Each community has its own set of personal laws and customs that govern their civil matters.
 - These laws and practices vary widely across regions, sects and groups.
- To find a common ground and uniformity among such diversity is very difficult and complex.
- Moreover, many **personal laws are not codified or documented**, but are based on **oral or written sources** that are **often ambiguous or contradictory**.

➤ **Resistance from Religious and Minority Groups:**

- Many religious and **minority group's view UCC as an infringement on their religious freedom** and cultural autonomy.
- They fear that **UCC would impose a majoritarian or homogenous law** that would disregard their identity and diversity.
 - They also argue that **UCC would violate their constitutional rights under Article 25**, which guarantees the freedom of conscience and free profession, practice and propagation of religion.

➤ **Lack of Political Will and Consensus:**

- There is a lack of political will and consensus among the government, the legislature, the judiciary and the civil society to initiate and implement UCC.
- There are also apprehensions that **UCC could provoke communal tensions and conflicts** in the society.

➤ **Practical Difficulties and Complexities:**

- UCC would require a **massive exercise of drafting, codifying, harmonising and rationalising** the various personal laws and practices in India.
- It would **require a wide consultation and participation of various stakeholders**, including religious leaders, legal experts, women's organisations, etc.
- It would also require a **robust mechanism of enforcement and awareness to ensure compliance** and acceptance of UCC by the people.

What are the Benefits of UCC?

➤ **National Integration and Secularism:**

- UCC would promote national integration and secularism **by creating a common identity and sense of belonging among all citizens**.
- It would also **reduce the communal and sectarian conflicts** that arise due to different personal laws.
- It would **uphold the constitutional values of equality, fraternity and dignity** for all.

➤ **Gender Justice and Equality:**

- UCC would ensure gender justice and equality **by removing the discrimination and oppression faced by women** under various personal laws.
- It would **grant equal rights and status to women in matters of marriage, divorce, inheritance, adoption, maintenance**, etc.
- It would also **empower women to challenge the patriarchal and regressive practices** that violate their **fundamental rights**.

➤ **Simplification and Rationalisation of the Legal System:**

- UCC would simplify and rationalise the legal system **by removing the complexities and contradictions** of multiple personal laws.
- It would **harmonise the civil and criminal laws by removing the anomalies and loopholes** that arise due to different personal laws.
- It would **make the law more accessible and understandable** for the common people.
- **Modernisation and Reform of Outdated and Regressive Practices:**
 - UCC would modernise and reform the **outdated and regressive practices that are prevalent** in some personal laws.
 - It would **eliminate the practices that are against the human rights** and values enshrined in the Constitution of India, **such as triple talaq, polygamy, child marriage, etc.**
 - It would also **accommodate the changing social realities and aspirations** of the people.

What are the Important Cases Related to UCC?

- **Shah Bano Begum v. Mohammad Ahmed Khan (1985):**
 - The Supreme Court upheld the right of a Muslim woman to claim maintenance from her husband under Section 125 of the Criminal Procedure Code, even after the expiry of the Iddat period.
 - It also **observed that a UCC would help in removing contradictions** based on ideologies.
- **Sarla Mudgal v. Union of India (1995):**
 - The Supreme Court held that a Hindu husband cannot convert to Islam and marry another woman without dissolving his first marriage.
 - It also stated that a UCC would prevent such fraudulent conversions and bigamous marriages.
- **Shayara Bano v. Union of India (2017):**
 - The Supreme Court declared the practice of triple talaq as unconstitutional and violative of the dignity and equality of Muslim women.
 - It also recommended that the **Parliament should enact a law to regulate Muslim marriages and divorces.**

'DIRECTIVE PRINCIPLES CALL FOR UCC'

- **SC favours UCC throughout India** as envisaged under Article 44 of the Directive Principles in the Constitution
- **Cites example of Goa**, says the **state has a UCC for all** irrespective of their religion and no provision for triple talaq
- Says Muslim men whose marriages are registered in Goa cannot practise polygamy
- Says **no attempt made to frame a UCC despite SC appeals** in Shah Bano and Sarla Mudgal cases
- Hindu laws codified in 1956

“It is interesting to note that whereas the founders of the Constitution in Article 44 in Part IV dealing with Directive Principles of state policy had hoped and expected that the state shall endeavour to secure for the citizens a uniform civil code throughout the territories of India, till date no action has been taken in this regard

—SUPREME COURT BENCH

What Should be the Way Forward?

- **Unity and Uniformity:**
 - The recommended **UCC should reflect India's multiculturalism and preserve its diversity.**
 - Unity is more important than uniformity.
 - The Indian Constitution **allows for both integrationist and restricted multicultural approaches** to accommodate cultural differences.
- **Discussion and Deliberations with Stakeholders:**
 - Also, involving a broad range of stakeholders, including religious leaders, legal experts, and community representatives, in the process of developing and implementing the UCC.

- This could help to ensure that the UCC takes into account the diverse perspectives and needs of different groups, and that it is seen as fair and legitimate by all citizens.
- **Striking a Balance:**
 - The Law Commission **should aim to eliminate** only those practices **that do not meet** the constitutional standards.
 - **Cultural practices must align with substantive equality and gender justice goals.**
 - The Commission should avoid contributing to reactive culturalism among different communities.

- The **Muslim clergy should lead the reform process** of Muslim Personal Law by identifying discriminatory and oppressive issues and considering progressive views.
- **Constitutional Perspective:**
 - The Indian Constitution upholds the right to cultural autonomy and aims for cultural accommodation.
 - **Article 29(1) protects the distinctive culture** of all citizens.
 - Muslims **need to question whether practices like polygamy and arbitrary unilateral divorce** align with their cultural values.
 - The **focus should be on achieving a just code** that promotes equality and justice.



Reforming Multilateral Development Banks

*This editorial is based on **Transforming the Banks** which was published in **The Indian Express** on 27/06/2023. It talks about multilateral development banks and challenges associated with them.*

Tag: Indian Economy, GS Paper-3, Growth & Development, Industrial Growth, Liberalization, Government Budgeting

Multilateral development banks (MDBs) are financial institutions that provide loans, grants and technical assistance to developing countries for their economic and social development. MDBs include the **World Bank Group**, the **Asian Development Bank**, the African Development Bank the **Inter-American Development Bank**, etc. MDBs have been instrumental in supporting the **development of both low-income and middle-income countries** (LICs and MICs) by addressing issues such as **poverty reduction, infrastructure development, human capital formation, etc.**

However, MDBs are also **facing several challenges and limitations** that **affect their relevance and performance** in the changing global context. Therefore, **there is a need to reform and strengthen MDBs** to make them more responsive and effective in addressing the emerging challenges and opportunities in the digital space.

What is the Need for Reforming MDBs?

- The current legal and institutional framework of MDBs is **outdated and inadequate** to deal with the rapid changes and complexities of the digital ecosystem.
- The current framework was established after World War II to address the post-war reconstruction and development needs of the less developed countries.
- The **current framework does not reflect the contemporary realities** and aspirations of the developing countries, especially those of the Global South.
- **To Enhance their Relevance and Performance in Supporting Developing Countries:**
 - The **current operation strategies** and business models of MDBs are **not optimal for meeting the diverse and evolving needs** of developing countries in pursuing inclusive and sustainable development.
 - The current strategies and models **do not leverage the full potential of MDBs to mobilize resources and partnerships**, foster policy dialogue and alignment, monitor and evaluate progress, and address gaps and challenges.
 - The **current strategies and models do not diversify their portfolio of instruments and modalities** to provide tailored and flexible solutions for different contexts and sectors.
 - The current strategies and models do not support innovation and technology transfer for development solutions, especially for adaptation and resilience.
- **To Improve their Governance and Accountability:**
 - The current governance structure of MDBs is **not representative and responsive to the needs and interests of their shareholders** and stakeholders.
 - The current structure **does not reflect the changing balance of power** and influence among developed and developing countries in the global economic order.
 - The current structure **does not ensure effective participation and voice** of developing countries in decision-making processes.
 - The current structure **does not ensure transparency and disclosure of MDBs' operations** and impacts.

What are the Challenges for Reforming MDBs?

- **Adapting to Emerging Global Challenges:**
 - MDBs need to adapt their **operations and financing mechanisms** to address emerging global challenges such as pandemics, conflicts, and transboundary issues.
 - They **should have the flexibility to respond** to rapidly changing circumstances and provide timely support to affected countries.
- **Resource Constraints:**
 - MDBs face resource constraints in meeting the increasing demands for development financing.
 - The **current funding levels may not be sufficient to address** the scale of challenges faced by developing countries, particularly in the areas of climate change mitigation, adaptation, and infrastructure development.

- **Procedural Constraints:**
 - MDBs often face criticism for being trapped in bureaucratic procedures, which can slow down project implementation and decision-making.
- **Mobilizing Private Sector Investments:**
 - MDBs **face challenges in mobilizing private sector investments** for development projects.
 - They need to create an enabling environment that attracts private capital by addressing risks and providing financial incentives for private sector engagement.
- **Addressing Climate Change:**
 - MDBs face the challenges of **climate change and support sustainable development** initiatives.
 - This requires incorporating climate considerations into their policies, strategies, and project financing decisions.

What are the Implications for India?

- India, as a leader and partner of the Global South, has a stake and a **role in shaping the reforms of MDBs** to make them more responsive and effective in addressing these issues and opportunities.
- India is also a **major borrower and beneficiary of MDBs**, especially the World Bank Group and the Asian Development Bank.
 - India has received loans and grants from these institutions for various sectors such as infrastructure, health, education, agriculture, etc.
- India is also a contributor and shareholder of MDBs.
 - India has **provided capital and resources to these institutions** to support their operations and lending capacity.
 - India has also **participated in their governance and decision-making** processes.

What is the Role of MDBs in Addressing Poverty and Inequality?

- **Supporting the Implementation of the SDGs:**
 - The **SDGs(sustainable development goals)** are a set of 17 global goals that aim to end poverty, protect the planet and ensure peace and prosperity for all.
 - MDBs can **help developing countries align their national policies and strategies with the SDGs**, mobilize resources and partnerships, **monitor and evaluate progress**, and address gaps and challenges.
 - MDBs can also **support cross-cutting issues such as gender equality, human rights**, governance, etc., that are essential for achieving the SDGs.
- **Provide Concessional Finance and Grants:**

- **Providing concessional finance and grants to**
 - Low-income countries (LICs) and fragile and conflict-affected states (FCS) face multiple challenges such as **low growth, high debt, weak institutions, social unrest, violence**, etc., that **hinder their development** prospects and increase their vulnerability to shocks.
- MDBs can **provide concessional loans and grants** to these countries to help them meet their basic needs, build resilience, promote stability, and foster economic transformation.
- MDBs **can also leverage their convening power and influence** to mobilize additional support from other donors and partners for LICs and FCS.
- **Promoting Inclusive Growth and Shared Prosperity:**
 - Middle-income countries (MICs) are a diverse group of countries that have **achieved significant progress in reducing poverty** but still **face persistent inequalities** and social exclusion.
 - MDBs can help MICs address these **challenges by supporting policies and programs that enhance productivity, competitiveness, innovation, diversification**, etc., as well as those that improve access to quality education, health, social protection, infrastructure, etc., for all segments of society.
 - **MDBs can also help MICs tackle emerging issues such as climate change, urbanization, digitalization**, etc., that have implications for their development trajectories.

Conclusion

- Reforming MDBs is a crucial and timely initiative that holds out the promise of not only upgrading the current legal regime but also redefining the contours of how technology is regulated in India.
- Reforming MDBs is likely to have far-reaching implications for the digital ecosystem and its stakeholders in terms of opportunities and challenges.
- Reforming MDBs requires extensive consultations and deliberations among various stakeholders to ensure that it is inclusive, participatory and future proof.
- India has a key role and responsibility in reforming MDBs to make them more relevant and effective for the development of the Global South.



E-Commerce Exports

*This editorial is based on **Policy for e-commerce exports** which was published in **The Hindu Businessline** on 26/06/2023. It talks about e-commerce export policy and associated issues.*

Tag: Indian Economy, GS Paper-2, Government Policies & Interventions, GS Paper-3, Growth & Development

India has a **huge potential to increase its e-commerce exports**, which are **currently only \$2 billion**, or less than **0.5 per cent of its total exports** of \$447.46 billion in 2022-23. By 2025, the global e-commerce exports are **expected to reach \$2 trillion**, and India can **tap into this opportunity** by aiming for \$200 billion to \$250 billion by 2030.

To achieve this, **India needs to formulate an e-Commerce Export policy** that addresses the challenges faced by SME (Small and Medium enterprises) exporters.

What are the Challenges Faced by SMEs in E-Commerce Exports?

- **Shipping and Clearance Costs:**
 - SMEs have to bear **high shipping costs** for transport and custom clearance of their products, which can **reduce their profit margins** and competitiveness.
- **Payment Collection and Regularisation:**
 - SMEs **have to pay high charges to payment gateways** or aggregators for collecting sales realisation from foreign customers.
 - They also have to **submit physical documents at Authorized dealers Banks** for regularisation of their export bills, which can be cumbersome and costly.
- **Trade Barriers and Regulatory Hurdles:**
 - SMEs have to **deal with various trade barriers and regulatory hurdles** in foreign markets, such as **tariffs, quotas, standards, certifications, licenses**, etc.
 - These can **increase the time and cost** of exporting and affect the quality and quantity of products.
- **Knowledge and Financing Gap:**
 - SMEs often **lack the necessary knowledge and financing** to access and compete in international markets.
 - They may **not have adequate information** about market opportunities, customer preferences, cultural differences, legal requirements, etc.
 - They may **also face difficulties in obtaining credit, insurance, or other financial services** to support their export activities.
- **E-commerce Adoption Issues:**
 - SMEs may face various **issues related to e-commerce adoption**, such as **technical infrastructure**, online payment security, **cyber scams**, customer service, etc.
 - They may also **need to adapt their products or services** to suit the online platform and the global market.

What is the Need for Comprehensive E-commerce Policy?

- **Providing a Level Playing Field:**
 - It involves **addressing issues such as market access, foreign direct investment, taxation, consumer protection, data privacy, intellectual property**, etc. to ensure **fair competition and equal opportunities for domestic and foreign e-commerce players**, as well as for online and offline retailers.
- **Facilitating Negotiations at WTO and Other Regional Trade Agreements:**
 - It involves **articulating India's interests and positions on e-commerce issues**, such as **cross-border data flows**, digital trade facilitation, **digital taxation**, etc. to enable India to participate and benefit from the global rules and frameworks on e-commerce.
- **Saving the Policy Space for Future Developments and Innovations**
 - Adopting a flexible and forward-looking approach that balances the objectives of **facilitation and regulation** to allow the **e-commerce sector to evolve and innovate in response** to the changing dynamics and trends of the digital economy.
- **Promoting the Competitiveness and Inclusiveness of E-commerce Exports**
 - Providing **financial, technical, and legal support**, simplifying customs procedures, **harmonizing standards and certifications**, etc. to enable e-commerce exporters, especially SMEs, to access and compete in international markets.
- **Protecting the Data Sovereignty and Security of India**
 - Adopting a data protection law that regulates the **collection, processing, storage, transfer, disclosure**, and deletion of personal data by e-commerce entities to ensure the privacy and security of Indian citizens and businesses.

What is the Regulatory Framework for E-commerce in India?

- India does not have a specific law or regulation that exclusively governs e-commerce activities.
- Instead, various ministries and departments of the Indian government deal with different aspects of e-commerce, such as information technology, consumer protection, foreign direct investment, taxation, competition, data privacy, intellectual property, etc.
- **The Information Technology Act, 2000 and the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021:**

- These **provide the legal recognition and framework** for electronic transactions, electronic signatures, electronic contracts, cyber security, cybercrimes, intermediary liability, etc.
- They also regulate the **content and conduct of digital media platforms**, including e-commerce platforms.
- **The Consumer Protection Act, 2019 and the Consumer Protection (E-Commerce) Rules, 2020:**
 - These aim to protect the rights and interests of consumers in e-commerce transactions, such as fair-trade practices, disclosure of information, grievance redressal, etc.
 - They also impose obligations and liabilities on e-commerce entities, such as registration, verification, refund policy, etc.
- **The Foreign Exchange Management Act, 1999 and the Foreign Direct Investment Policy:**
 - These regulate the inflow and outflow of foreign exchange and foreign investment in India.
 - They also prescribe the sector-specific guidelines and restrictions for foreign direct investment in e-commerce activities, such as inventory-based model, marketplace model, single-brand retail trading, multi-brand retail trading, etc.
- **Comparison with Other Countries:**
 - **Scope and definition of e-commerce:**
 - India does **not have a clear and uniform definition** of e-commerce, and different laws and regulations may apply to different types of e-commerce activities, such as B2B, B2C, C2C, inventory-based, marketplace-based, etc.
 - Other countries, such as the **US, the EU, China**, etc., have adopted **more comprehensive and consistent definitions** of e-commerce that cover various aspects and modes of online transactions.
- **Foreign Direct Investment:**
 - India has imposed restrictions and conditions on foreign direct investment in e-commerce activities, such as **allowing only marketplace-based model** and not inventory-based model, prohibiting exclusive deals and predatory pricing, mandating local sourcing and storage of data, etc.
 - Other countries like the United States **have more liberal and flexible policies on foreign direct investment in e-commerce activities**, allowing both inventory-based and marketplace-based models, encouraging innovation and competition, and adopting data protection and privacy laws.

➤ **Consumer Protection:**

- India has recently enacted the Consumer Protection Act, 2019 and the Consumer Protection (E-Commerce) Rules, 2020 to protect the rights and interests of consumers in e-commerce transactions.
- These laws and rules impose **various obligations and liabilities** on e-commerce entities, such as registration, verification, disclosure of **information, grievance redressal, refund policy**, etc.
- Other countries such as China have also enacted similar laws and rules to protect consumers in e-commerce transactions.

➤ **Taxation of e-commerce:**

- India has levied **goods and services tax (GST)** on the supply of goods and services in e-commerce transactions.
- It has also imposed **equalization levy** on the **online advertising** services provided by foreign e-commerce operators to Indian customers.
 - Other countries such as the EU **have also levied various taxes on e-commerce** transactions, such as digital services tax (DST), etc.
- However, there is no global consensus or coordination on the taxation of e-commerce transactions.

What are the Recommendations for a Comprehensive E-commerce Export Policy?

➤ **Developing a National Trade Ecosystem:**

- Integrating various stakeholders, such as **RBI**, Customs, DGFT, GSTN (GST Network), India Post, couriers, e-commerce platforms, and exporters, **to provide a single window system** for e-commerce exports, with simplified documentation and customs clearance procedures.

➤ **Providing Financial, Technical, and Legal Support:**

- Offering subsidies, grants, loans, insurance, training, consultancy, etc. to e-commerce exporters, especially SMEs, **to help them access and compete in international markets.**

➤ **Harmonizing the Standards and Certifications:**

- Ensuring **quality and safety of products and services** by aligning the standards and certifications for e-commerce **exports with international norms** and best practices.
- **Promote cross-border e-trade** by making it easier for them to do business with overseas buyers.

➤ **Streamlining the Taxation Regime:**

- Adopting a **uniform GST rate for all types of e-commerce** transactions and providing tax incentives and exemptions for e-commerce exporters.

➤ **Protecting the Data Privacy and Security:**

- Adopting a **data protection law** that regulates the collection, processing, storage, transfer, disclosure, and deletion of personal data by e-commerce entities.
- Providing SMEs with information on how to identify and avoid scams, as well as by providing them with resources to help them recover from cyberattacks.

➤ **Promoting Innovation and Competition:**

- Creating incubators, accelerators, hubs, networks, etc. to **foster digital entrepreneurship** and research and development in the e-commerce sector.
- Engagement with District Industries Centres (DICs) to establish Export Facilitation Cells (EFCs) which

will help SMEs identify products and markets that are in demand overseas.

➤ **Strengthening Regional and International Cooperation and Dialogue:**

- Engaging in forums, agreements, negotiations, etc. to share best practices, exchange data, harmonize standards, resolve disputes, and build trust on e-commerce export policies.
- The e-commerce export policy should be jointly formulated by the customs and the directorate general of foreign trade (DGFT) and the RBI after necessary changes in their regulations, including redefining the responsibilities of sellers and simplifying payment facilitation, accounts and procedures.

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Drishti Mains Questions

1. India has a huge potential to become a global hub for toy manufacturing and exports. Discuss the challenges for India's toy industry and suggest measures to overcome them.
2. GST compensation was a short-term measure to address the shortfall in states revenue. What can be the long-term solutions to it? Discuss.
3. Explain the concept of Green GDP and its benefits, challenges, and the way forward.
4. Discuss the potential benefits and challenges of generative AI for India's development and security. Suggest some measures that India should take to harness the opportunities and mitigate the risks of generative AI.
5. India is heavily dependent on OPEC countries to meet its crude oil demand. OPEC has been reducing its crude oil production and has decided to cut the production further. Discuss the implication of this cut and suggest some measures to minimize its impact.
6. Highlight the challenges faced in implementing robust data governance in India and propose strategies for enhancing data protection in the country.
7. States have a crucial role to play in India's energy transition journey. Discuss the challenges associated with the role of states in India's energy transition and suggest measures to overcome them.
8. Discuss the key challenges faced by the Indian economy in achieving sustainable and inclusive economic growth.
9. Critically examine the socio-economic implications of providing freebies by political parties to the voters.
10. Critically analyse the recently approved Mega Storage Plan through cooperatives. Also, suggest some measures for its effective implementation.
11. Learning about the menace of disinformation is an education in itself. Discuss this statement in light of recent changes made in textbooks by the National Council of Educational Research and Training (NCERT).
12. Child labour is a global challenge that affects millions of children and hampers their economic, social and health development. Discuss the causes, consequences and solutions of child labour in India.
13. What are the key barriers preventing gig economy workers from accessing and maximising social security benefits and how can these barriers be effectively addressed?
14. Examine the merits and demerits of Universal Basic Income (UBI) and provide your opinion on its feasibility and effectiveness in the Indian context.
15. The Integrated Child Development Services (ICDS) scheme faces several challenges in terms of coverage, quality, impact and governance. Critically examine the performance and challenges of ICDS scheme and suggest measures to strengthen it.
16. "Analyse the effectiveness of India's cyclone preparedness measures in mitigating the impact of severe cyclones, taking into consideration the challenges faced and the lessons learned from recent events."

Drishti Mains Questions

17. Railway safety is a crucial issue for the Indian Railways, which is one of the largest and busiest rail networks in the world. Discuss the major causes of train accidents in India and the measures taken by the government to prevent them.
18. Analyse the causes and consequences of poor quality and safety of Indian pharma products in the global market. Suggest some measures to improve the quality and safety of Indian pharma products and enhance India's reputation and competitiveness as the pharmacy of the global south.
19. Discuss the role and significance of State Election Commissions in ensuring free and fair elections at the local level in India. What are the challenges faced by them and what steps have been taken to address them?
20. Examine the potential of nutri-cereals to contribute to sustainable agriculture, dietary diversity, and rural livelihoods.
21. Analyze the challenges and opportunities in achieving federalism and its implications for intergovernmental relations.
22. "While Indian and US' policies are at variance in countries such as Russia, Iran and Afghanistan, China is the one interest that aligns the two countries together and hence, offers a good possibility to cooperate". Comment.
23. Analyse the constitutional, legal and socio-cultural implications of implementing a uniform civil code (UCC) in India. How can the challenges and opportunities of UCC be addressed in a democratic and secular manner?
24. What are the main opportunities and challenges for multilateral development banks to mobilize resources of a country and partnerships for development finance and assistance?
25. E-commerce exports have emerged as a potential source of growth and employment for Indian MSMEs. Discuss the challenges and opportunities of e-commerce exports and suggest measures to enhance their competitiveness and market access.