



Monthly Editorial Consolidation



1st September to 30th September 2021

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BRICS In The Present Time

*This article is based on **It's time to build BRICS better** which was published in The Hindu on 01/09/2021. It talks about the success of BRICS and the future of the grouping.*

Tags: International Relations, GS Paper - 2, Important International Institutions, International Treaties & Agreements, Groupings & Agreements Involving India and/or Affecting India's Interests, Regional Groupings

The 13th **BRICS summit 2021** is set to be held in digital format under India's chairmanship. This plurilateral grouping comprising Brazil, Russia, India, China and South Africa is chaired by turn. India held the chair in 2012 and 2016 too.

The grouping succeeded up to a point but it now confronts multiple challenges. It is high time to identify the challenges and take some steps forwards.

Significance of BRICS

- **Big Five Nations:** Launched by a meeting of the Foreign Ministers of Brazil, Russia, India and China in 2006 and riding on the political synergy created by regular summits since 2009, BRIC turned itself into BRICS in 2010, with the entry of South Africa.
 - The importance of BRICS is self-evident: it represents **42% of the world's population, 30% of the land area, 24% of global GDP and 16% of international trade.**
- **Bridge Between North and South:** The grouping has gone through a reasonably productive journey. It strove to serve as a bridge between the Global North and Global South.
- **Common Global Perspective:** The BRICs called for the reform of multilateral institutions in order that they reflect the structural changes in the world economy and the increasingly central role that emerging markets now play.
- **Development Cooperation:** It developed a common perspective on a wide range of global and regional issues; established the **New Development Bank (NDB)**; created a financial stability net in the form of **Contingency Reserve Arrangement**; and is on the verge of setting up a Vaccine Research and Development Virtual Center.

Challenges With the BRICS

- **Marred by Various Issues:** Group has seen conflicts such as China's aggression in eastern Ladakh last year brought India-China relations to their lowest point in several decades.
 - There is also the reality of the strained relations of China and Russia with the West, and of serious

internal challenges preoccupying both Brazil and South Africa.

- On the other hand, China's image at global level has also been tarnished due to the Covid-19. In this backdrop, it is questionable whether BRICS matter or not.
- **Heterogeneity:** It is claimed by critics that heterogeneity (variable/diverse nature of countries) of the BRICS nations with its **diverse interests** possess a threat to the viability of the grouping.
- **China Centric:** All the countries in the BRICS group trade with China more than each other, therefore it is blamed as a platform to promote China's interest. Balancing trade deficit with China is a huge challenge for other partner nations.
- **Global Model for Governance:** Amidst, global slowdown, trade war and protectionism, the critical challenge for the BRICS consists in the development of a new global model of governance which should not be unipolar but inclusive and constructive.
 - The goal should be to avoid a negative scenario of unfolding globalization and to start a complicated merging of the global growing economies without distorting or breaking the single financial and economic continuum of the world.
- **Not Been Effective:** The five-power combine has succeeded, albeit up to a point. However, China's economic rise has created a serious imbalance within BRICS. Also the group has not done enough to assist the Global South to win their optimal support for their agenda.

BRICS Priorities

- **Achieving Multilateralism:** The first is to pursue reform of multilateral institutions ranging from the **United Nations, World Bank** and the **International Monetary Fund** to the World Trade Organization and now even the **World Health Organization**.
 - This is not a new goal. BRICS has had very little success so far, although strengthening multilateralism serves as a strong bond as well as a beacon.
 - Reform needs global consensus which is hardly feasible in the current climate of strategic contestation between the U.S. and China and the devastation caused by Covid-19 to health, lives and livelihoods.
- **Resolve to Combat Terrorism:** Terrorism is an international phenomenon affecting Europe, Africa, Asia and other parts of the world. Tragic developments concerning Afghanistan have helped to focus attention sharply on this overarching theme, stressing the need to bridge the gap between rhetoric and action.

- In this context, BRICS is attempting to pragmatically shape its counter-terrorism strategy by crafting the **BRICS Counter Terrorism Action Plan** containing specific measures to fight radicalisation, terrorist financing and misuse of the Internet by terrorist groups. This plan is expected to be a key deliverable at the forthcoming summit and may hopefully bring some change.
- **Promoting Technological and Digital Solutions** for the **Sustainable Development Goals (SDGs)**.
 - Digital tools have helped a world adversely hit by the pandemic, and India has been in the forefront of using new technological tools to improve governance.
- **Expanding People-to-people Cooperation:** However, enhancing people-to-people cooperation will have to wait for international travel to revive. Interactions through digital means are not a full substitute of in person meetings.

Way Forward

- **Cooperation Within the Group:** BRICS need to shed the centrality from China and create a better internal balance, reinforced by the urgent need for diversification and strengthening of regional value chains, all exposed during the pandemic.
 - Policymakers have been encouraging an increase in intra-BRICS cooperation in diverse areas like agriculture, disaster resilience, digital health, traditional medicine and customs cooperation.
- BRICS did well in its first decade to identify issues of common interests and to create platforms to address these issues.
 - For BRICS to remain relevant over the next decades, each of its members must make a realistic assessment of the initiative's opportunities and inherent limitations.
- **Commitment to Multilateral World:** BRICS nations need to recalibrate their approach and to recommit to their founding ethos. BRICS must reaffirm their commitment to a multi-polar world that allows for sovereign equality and democratic decision making.
- They must build on the success of the NDB and invest in additional BRICS institutions. It will be useful for BRICS to develop an institutional research wing, along the lines of the **OECD**, offering solutions which are better suited to the developing world.
- BRICS should consider a BRICS-led effort to meet their commitments under the **Paris Agreement** on climate change and the UN's sustainable development goals. This could include e.g. setting up a BRICS energy alliance and an energy policy institution.

- BRICS nations should strive for **peaceful and politico-diplomatic settlement of crisis** and conflict in various regions of the world.

Conclusion

Thus, the future of BRICS depends on the adjustment of the internal and external issues of India, China and Russia. Mutual communication between India, China and Russia is important for moving ahead.



Enforcing Contracts For Better EoDB

*This article is based on **Enforcing contracts key to 'ease of business'** which was published in The Hindu BusinessLine on 01/09/2021. It talks about the improving ease of doing business in India and the constraint still dragging it behind.*

Tags: Indian Economy, GS Paper - 2, Important International Institutions, Growth & Development

India needs investment of USD 4.5 trillion to build sustainable infrastructure by 2040. Thus, it is imperative to rapidly boost India's global ranking in the **World Bank's Ease of Doing Business (EoDB)** in order to attract foreign investment.

However, there are several challenges (especially Enforcing Contracts) which need to be resolved before we could break into the TOP 50 in the Worlds' EoDB list.

Recent Development in Ease of Doing Business (EoDB)

- India's world ranking, from **142 in 2014** among 190 countries, went up to **130 in 2015, 100 in 2017, 77 in 2018** and **63rd in 2019**.
- India was lauded by the World Bank for being among **10 top world reformers**, especially for a large country.
- This EoDB ranking is calculated on **10 parameters** — 'starting a business', 'construction permits', 'getting electricity', 'getting credit', 'paying taxes', 'trade across borders', 'enforcing contracts', and 'resolving insolvency'.
- India's progress has been steered by dramatic improvement in a few parameters, mainly in '**resolving insolvency**' (from **108 in 2018 to 52 in 2019**). But it has remained **stagnant at 163 in 'enforcement of contracts'**.
- For investors this is one of the most essential indicators for measuring time and cost to resolve a commercial dispute and evaluating a country's risk.

- Currently, only Delhi and Mumbai are under the purview of the Ease of Doing Business survey by World Bank.
 - Whereas, Kolkata and Bengaluru are likely to be included in the forthcoming Doing Business Report.

Enforcing Contracts

- The Enforcing Contracts indicator is essential to the success of the Doing Business report.
- It measures **time and cost** to resolve a standardized commercial dispute as well as a series of **good practices in the judiciary**.
- Therefore, Time, Cost and Quality of Judicial Process are the three variables which the World Bank has taken into account for ranking the countries on the Enforcing Contracts parameter of the Ease of Doing Business Ranking.
- The **Department of Justice** is the nodal department for the Enforcing Contracts Indicator.

Some Measures Taken

- The Department of Justice has been monitoring an array of **legislative and policy reforms** in coordination with the e-Committee of the Supreme Court and the High Courts of Delhi, Bombay, Calcutta and Karnataka.
- A **new portal for Enforcement of Contracts** has been set up. The idea is to ensure fair, well laid out rules, clear laws, reduce litigation involving the government and strengthen commercial dispute resolution mechanisms and enforcement of contracts.
- The government has also set up two **high level task forces in NITI Aayog**, to give recommendations for a policy framework for enforcement of contracts and an effective conciliation mechanism.
 - This is expected to accelerate investments in infrastructure and provide comfort to investors
- The Government has been aggressively pursuing various reform measures to create an effective, efficient, transparent and robust '**Contract Enforcement Regime**'.
 - Several rounds of meetings have been held with leading law firms, corporate bodies, chambers of commerce and industry to work in an integrated manner along with the judicial fraternity to improve the quality and efficiency of commercial courts.

Challenges With the Enforcement of Contracts

- **Incongruous and Flawed Interpretation:** India is not considered as a preferable seat of arbitration as there have been incongruous and flawed interpretations by the judiciary when compared to the foreign jurisdictions.
- **Delay in Completion of Proceedings:** There is unwarranted delay in completion of proceedings, leading to backlogs and delays of resolution of claims and cases.

- On an average, it takes four years to resolve a commercial dispute in India — as against 164 days in Singapore, the top-ranked nation, in terms of dispute resolution.

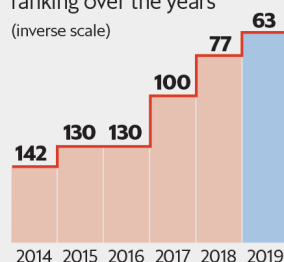
- **Backlogs of Cases:** India is known for backlogs in its judicial system which has been a major drawback for the country from becoming a commercially preferable jurisdiction for enforcement of contracts and administration of justice.
- **Tribunals are Not Helping:** Tribunals were formed for tackling this problem but with the ever-increasing number of cases, they have not significantly helped in reducing the burden of the courts.
- **Vacancies and Infrastructural Deficit:** There have been discussions on increasing the number of benches in various courts and tribunals. No concrete step has so far been taken in this regard. Vacancies at almost all levels of judiciary continue to be a **hindrance in combating the backlog**.

Way Forward

- **Dispute Resolution Mechanism:** With India becoming a hub of foreign investments, policy stability and access to a fair, speedy and effective dispute settlement mechanism is imperative.
 - Most foreign investors choose arbitration as their dispute settlement mechanism in their contracts, with the seat of arbitration being in a neutral country.
 - Being able to enforce such awards in India is vital to strengthening investor confidence.
- **Need For Reduction of compliances:** Recently the Centre and State governments decided to review and systematically phase out over 6,000 tedious compliances both at State and Central levels.
 - This will greatly help both domestic and foreign backed companies and promote EoDB.
 - India today is the first choice for global investors in the on-going geo-political situation.
 - It is of utmost importance to reduce the compliance burden so that firms can focus on the deliverables.
- **Adopt a multi-pronged approach:** This includes strengthening the capacity of the judiciary to implement the **provisions of the Commercial Courts Act** on priority basis.
 - Aspects such as making arbitration and pre-trial hearings mandatory, adopting the latest **case management practices and technological tools**, and training of dedicated judicial officers could make a significant difference.
 - The focus of the government has to be on **improving judicial infrastructure**, not just land and buildings, but the number of judges at all levels.

A steady climb

India's Doing Business ranking over the years
(inverse scale)



India ranking in categories

THE GOOD	2018	2019
Dealing with construction permits	52	27
Trading across borders	80	68
Resolving insolvency	108	52
THE BAD		
Protecting minority investors	7	13
Getting credit	22	25
Enforcing contracts	163	163

Source: World Bank

- **Time Bound Disposal of Cases:** There is no time-bound procedure to hear cases of breach and enforcement of contracts.
 - Time-bound disposal of cases, like the **way it happens in the United States**, will ensure contracts are enforced in a timely manner.
- **Honour the Contract:** Industry bodies and trade associations could play a role in sensitising their members on the sanctity of contracts. Some experts highlight the need for governments — Centre and the states — and public sector undertakings to be made more accountable for honouring contracts.

Conclusion

While India has consistently improved its score in EoDB, there is still a long way to go.

Also there is lately a **shift of supply chains from China**, it is important to focus on some of the issues that have prevented India from improving our contract enforcements. This is important to instil investor confidence as it signals predictability and commercial viability of the transactions.



Challenges of Monetisation

*This article is based on **Is monetising public assets a good idea?** which was published in The Hindu on 03/09/2021. It talks about issues related to the recently announced National Monetisation Pipeline and suggests a way forward.*

Tags: Indian Economy, GS Paper - 3, Mobilization of Resources, Fiscal Policy, Government Policies & Interventions

Recently, the government has released the **National Monetisation Pipeline (NMP)**, a document listing the various public assets that will be leased out to private companies over the next four years.

The government believes that monetising underutilised public assets will bring in almost Rs. 6 lakh crore to the government and help build new infrastructure to

boost the economy. The critics have accused the government of selling off valuable national assets to “**crony capitalists**”.

In this context, it becomes necessary to evaluate the programme with its long term impacts on overall economic growth.

National Monetisation Pipeline (NMP)

- The National Monetisation Pipeline (NMP), prepared by the **NITI Aayog**, aims to create a virtuous cycle of “develop, commission, monetise and invest” in national infrastructure.
- It aims to unlock value in brownfield projects by **engaging the private sector, transferring to them revenue rights** and not ownership in the projects, and using the funds generated for infrastructure creation across the country.

Rationale For NMP

- **India needs more infrastructure** but the public sector simply doesn't have the resources to build it. There are two possible responses.
 - For setting new infrastructure, one can think of bringing in the **private sector** with a contractual framework for what it has to do, and then **let it bring its own resources**.
 - To recognise that there are more risks in the construction stage and it is perhaps better to **let the public sector build the asset** and then sell it off to private players or if not an outright sale, **let the private sector manage it**.
- Building new infrastructure has two constraints for any country including India –
 - **Access to patient, predictable and cheap capital;**
 - **Execution capability**, where government and private agencies can take up multiple marquee projects simultaneously.
 - Thus, NMP is devised to provide a stimulus to improve the infrastructure sector.

Advantages of NMP

- **Generate Resource Augmentation:** NMP will help the government **get access to capital** via interested private parties.
 - These investors will maintain and operate the monetised assets, **generating cash flows**, but also **create technical and human resource capacity** in the infrastructure sector.
 - This **virtuous cycle of resource augmentation**, in turn, will help the government invest in new infrastructure immediately, without waiting for annual budgetary capital expenditure allocations.

- **Government Maintains the Ownership of Asset:** The existing brownfield, de-risked assets, which are part of the four-year monetisation pipeline, will help create execution capacities for new greenfield assets.
 - The government is monetising the rights to operate and maintain the assets, not their ownership.
- **Fair Value Share:** Contracts will be designed in a way that the government receives fair present value from the monetisation, while private parties get enough operational flexibility and regulatory visibility.
 - Moreover, given that the contract terms can be 25 years or even higher, the bidding interest shows investors are confident of long-term regulatory stability and certainty.
- **Better Targeted:** NMP introduces no new financial liability to the taxpayers and, in fact, represents a **better targeted “user pays” structure**.
 - Eg. If a stadium in Delhi is not monetised, taxpayers around the country as a whole will pay for its upkeep. But a monetised stadium is paid for only by those accessing the facilities in Delhi. This is a much better way to generate operational revenues.
- **Successful Examples:** The asset monetisation idea has already been tried by the **National Highways Authority of India** and **Power Grid Corporation of India** in various forms.
 - Even at the state-level, the **Mumbai-Pune Expressway** is maintained by a concessionaire against tolling rights.

Associated Challenges

- **Realising Adequate Value:** The First and foremost criticism is whether adequate value from the assets will be realised or not.
 - This depends on the quality of the bidding process and whether enough private players are attracted to bid.
- **Ensuring Sufficient Participation From Bidders:** The only way of ensuring that asset monetisation doesn't lead to **cronyism** is to make the bidding conditions such that the people eligible to bid are not a small, predetermined set.
 - However, because of the capital intensity of the project, not everybody is going to be able to bid. Even so, you can ensure that there is sufficient participation.
- **Execution Risk:** There will be execution risk in such a large programme. However, this is exactly why NMP is not adopting a one-size-fits-all approach.

- **Issue of Taxpayers' Money:** The taxpayers have already paid for these public assets — and, so, why should they pay again to a private party to use them.
- **Suboptimal Contractual Enforcement:** A criticism is born out of scepticism about a sub-optimal contractual and judicial framework to make such a plan a success.
- **Monopolistic Outlook:** A few business houses will corner the bulk of the assets offered under NMP.

Way Forward

- **Other Ways of Raising Resources:** The other methods of raising resources such as setting up of a **development finance institution (DFI)** and **raising the share of infrastructure investment** in the central and State Budgets can be adopted.
- **Dispute Resolution Mechanism:** Strengthening the judicial processes can not be much emphasised. Efficient and effective dispute resolution mechanisms will naturally and automatically accrue to the design and execution of NMP too.
- **Streamline PPP:** Recent experience suggests that **public-private partnerships (PPP)** now involve transparent auctions, a clear understanding of the risks and payoffs, and an open field for any and all interested parties.
 - Thus, the utility of PPP in greenfield projects can not be neglected.
- **Transparent Bidding:** Transparent bidding is one of the most important parts of the NMP project. Thus, maintaining transparency is the key to adequate realisation of the asset value.
- **NITI Aayog Recommendations:**
 - **Bringing InvITs Under Insolvency and Bankruptcy Code (IBC):** Extending IBC provisions to InvITs would help lenders access a faster and more effective debt restructuring and resolution option.
 - **Tax Breaks:** Tax-efficient and user-friendly mechanisms like allowing tax benefits in InvITs would attract retail investors (individual/non-professional investors).

Conclusion

As global economic conditions remain volatile and uncertain, raising financial resources upfront is a bold, constructive and confident policy statement. It signals to the world that India is open to business with the interests of the public exchequer and the citizens firmly protected.



Post-Modern Agriculture

*This article is based on **For a post-Covid-19 India, the need for postmodern agriculture** which was published in the Hindustan Times on 03/09/2021. It talks about the adoption of the postmodern approach in agriculture to deal with the present issues in modern (science-driven) agriculture.*

Tags: Agriculture, GS Paper - 1, Agricultural Resources, GS Paper-2, Government Policies & Interventions, GS Paper-3, E-Technology in the Aid of Farmers

David Quammen, author of the book '**Spillover**', has cautioned: "We disrupt ecosystems, and we shake viruses loose from their natural hosts. When that happens, they need a new host. Often, we are it." Much has already been depleted through careless stewardship of natural resources which has affected almost every sector including agriculture.

Looking at the issues of the agricultural sector in India, it is imperative that we require scientific innovation to feed a growing population. The challenge is to get the best blend of continuity and change for finding our way towards the new normal. This necessitates the new era of agriculture i.e **Post-modern Agriculture**.

Post-modern Agriculture

- The postmodern approach to agriculture is premised on sustainability i.e **Sustainable Agriculture(SA)**.
- It makes use of most modern technology and integrates modern management methodologies, it is also involved with producing agricultural products of high economic value.
- The types and techniques of post-modern agriculture are fairly wide in scope. The choice of agricultural products, improvements to nurturing methods, considerations for health and safety and the marketing of produce are all within such scope
- Postmodern agriculture needs to be scientifically propelled. **Biotechnology, nanotechnology, Artificial Intelligence, remote sensing, communication technology** and such frontier disciplines will promote resource-efficiency. Management at the level of agricultural landscapes and watersheds will be increasingly relevant.
- The multifunctional character of agriculture with its economic, environmental and social dimensions is already coming to the centre-stage.

Need For Postmodern Approach to Agriculture

- **Negative Consequences of Green Revolution:** Modern agriculture, based on science-driven technologies and

symbolised by the **Green Revolution**, is now viewed as a double-edged sword.

- In tripling foodgrain production, **nitrogenous fertiliser use went up 10-fold** in India, with increasing application of agrochemicals and growing dependence on fossil fuel energy.
- 18% of **greenhouse gas emissions** in the country are from agriculture.
- Plagued by rapidly **receding groundwater aquifers** and 35% **land degradation**, our soil organic matter content is among the lowest in Asia.
- **Monocultures of wheat and rice** are displacing the diversity of traditional farming systems.
- Genetic homogeneity has been **detrimental to nutrition** while enhancing vulnerability to **biotic and abiotic stresses**.
- **Prospects of Sustainable agriculture (SA):** As postmodern agriculture is based on the concept of sustainability of agriculture, it counters monocultural production models.
 - Its essence is embedded in the heralding of the **Second Green Revolution or Evergreen Revolution**.
 - There are various farming systems today for enhancing agricultural output with less land, water and energy. Their techniques enhance productivity while restoring soil fertility, replenishing water quality, improving biodiversity and maintaining inter-generational equity.
 - **The National Mission on Sustainable Agriculture**, to achieve SA, is one of the eight missions of the **National Action Plan on Climate Change**.

Strategy in Build

Up to Post-modern Agriculture

- **Agroforestry:** Agroforestry's 25 million hectares of tree-based farming systems provide fruit, fodder, fuel, fibre and timber while enriching the ecology through nutrient recycling, carbon storage, biodiversity preservation, soil and water conservation.
 - It boosts farmer-resilience by enhancing incomes, nutrition and insurance against crop failure.
- **Conservation Agriculture(CA):** Conservation agriculture is practised in about two million hectares, primarily in India's wheat-rice region. It addresses low efficiency use of water, nutrients and energy.
 - Its practices include zero tillage, laser levelling, crop sequencing, precision irrigation, use of stress-tolerant and climate-resilient varieties, and retention of crop residues as opposed to burning.
 - However, adoption of conservation agriculture in rainfed areas is yet to take off.

- **Zero-Budget Natural Farming (ZBNF):** It has a back-to-the-basics approach where chemical-free farming with leguminous intercrops uses traditional in situ botanical extracts and livestock wastes to improve soil fertility and crop productivity while controlling cultivation costs.
 - Andhra Pradesh leads with a target of incentivising six million farmers to adopt this on eight million hectares by 2024.
 - ZBNF's science is under experimentation by the Indian Council of Agricultural Research(ICAR).
- **Organic farming:** It is being practised in only 2% of the net cultivated area. The **National Programme for Organic Production** accounts for 70% of coverage.
 - Despite the **Paramparagat Krishi Vikas Yojana** started in 2015, progress in organic farming has been slow.
 - However, Sikkim was declared an organic state in 2016.
- **Systems of Rice Intensification (SRI):** It exemplifies more from less. It uses the biological and genetic potential in plants and soil, and is known to increase rice yields by 20-50% with 25-50% reduction in water use, 30-40% fewer agrochemicals and 80-90% less seed.
 - **The National Food Security Mission** had visualised five million hectares under SRI. Broad estimates put SRI coverage at half a million hectares.
- **Other SA practices** include **climate-smart agriculture**, **permaculture**, **regenerative agriculture**, **biodynamic cultivation**, **vertical farming** and **hydroponics**, though on a small scale.

Challenges

- **Lack of Awareness Among Farmers:** Several SA programmes and practices being implemented by central and state governments, development banks, non-governmental organisations, private sector and agri-entrepreneurial start-ups have been ongoing for nearly two decades.
 - But a 2021 report by the Council of Energy, Environment and Water found that less than 4% farmers have adopted SA practices.
- **Weak Adoption at Grassroot Level:** There appears to be no recent holistic evaluation of SA by public agencies such as the **National Sample Survey Organisation** or by the **Development Monitoring and Evaluation Office** of NITI Aayog.
 - Clearly, well-intentioned policies and missions by themselves do not necessarily translate into large-scale and rapid adoption at the ground level.

Way Forward

- Following measures can be taken:
 - A **holistic assessment** of various SA programmes and practices and their adoption by farmers.
 - Constructing a framework for a **better understanding of SA's multifunctional nature** in different agroclimatic zones;
 - Developing templates to **measure progress of SA** by factoring in considerations of both productivity and environmental **costs and benefits**; and,
 - Designing a regime of mandates and deliverables to be rigorously monitored in the short- and long-term.
- **Adopting to Ecosystem Restoration:** As Covid-19 hopefully ebbs, the period coincides with the **United Nations (UN) Ecosystem Restoration Decade of 2021-2030** for embracing transformative changes towards a green recovery that nurtures resilient production and consumption systems.
- **Using Post-modern Technology:** The agriculture sector will require scientific innovations and frontier technology to maintain sustainable agriculture and promote resource-efficiency.

Conclusion

Overexploitation of natural resources, deforestation and **unsustainable intensification of agriculture** are environmental drivers of zoonotic diseases. Thus, Postmodern agriculture is needed in post-Covid times to save and replenish resources.



Recalibrating the Affirmative Action

*This article is based on **The key to revitalising India's reservation system** which was published in The Hindu on 06/09/2021. It talks about the issues with the policy of affirmative action and the issues related to it.*

Tags: Social Justice, GS Paper - 2, Social Empowerment, Issues Related to SCs & STs, Government Policies & Interventions

Recently, the government has been lauded for introducing reservations for **Other Backward Classes (OBCs)** in the **National Eligibility cum Entrance Test (NEET)** examinations and the decision has renewed debate on caste census and again brought the debate on affirmative action in the limelight.

The **affirmative action programme** that was envisaged during the founding moments of the republic is indeed one of the remarkable provisions to have been worked

out by our Constitution makers. It has been historically significant in enunciating the principle of justice in a deeply unequal and oppressive social order such as ours.

While it is undeniable that reservation provisions have been one of the protagonists of Indian democracy's success stories, these have also accumulated a fair share of problems and call for immediate policy attention and debate.

Need For Reservation

- To correct the **historical injustice** faced by backward castes in the country.
- To provide a **level playing field** for backward sections as they can not compete with those who have had the access of resources and means for centuries.
- To ensure **adequate representation** of backward classes in the services under the State.
- For **advancement of backward classes**.
- To **ensure equality** as the basis of meritocracy i.e all people must be brought to the same level before judging them on the basis of merit.

Problems With Current Policy

- **No Equity:** Through reservation of seats in political and public institutions of the state, it was thought that the hitherto marginalised groups — which have suffered generations of oppression and humiliation — would, finally, be able to find place in the power sharing and decision-making processes.
 - However, this strategy of removal of disabilities has not translated into an equalisation of life chances for many groups in our heterogeneous society.
- **Problem of Reification:** The current system suffers from the problem of reification (fallacy of ambiguity) is a reality in the present situation.
 - The data released by the **Justice G. Rohini Commission's report** on the **sub-categorisation of OBCs** gives a good synoptic view to understand this.
 - Based on the last five years' data on appointments in central government jobs and OBC admissions to central higher education institutions, the commission concluded that 97% of central OBC quota benefits go to just under 25% of its castes.
 - As many as 983 OBC communities — 37% of the total — have zero representation in both central government jobs and admissions to central universities.
 - Also, the report states that just 10% of the OBC communities have accrued 24.95% of jobs and admissions.

- **Lack of Data:** It is important to note that the Rohini Commission's data are based just on the institutions that come under the purview of the central government.
 - There is lack of any legible data on the socio-economic conditions of varied social groups at more local levels of State and society.
- **Caste Still Attached to Income Level:** Even in the phase of liberation castes have remained tied to more traditional sources of income and were incapable of realising the new opportunities provided by the opening of the economy.
 - In the wake of the lack of social security net on the ground, the marginal majority still dwells in the waiting room of history, waiting to see the light of the policy grid of the state.
- Many suggestions were made in the recommendations that the expert committee for an **Equal Opportunities Commission (2008)** made in its comprehensive report that it submitted to the Ministry of Minority Affairs.
 - However, little policy progress has been made in this regard. Successive governments have been reluctant to engage with such radical policy options, almost always caving in to immediate and myopic political gains.
- **Demands From the Marginalised Section:** There is now a strong demand from those who have not been able to accrue the benefits of reservations from within the marginalised sections, to devise some policy option which may be able to supplement the existing system of reservation.
- **Asymmetrical Distribution:** Asymmetrical distribution of reservation has even deterred the solidarity among the lower caste groups.

Way Forward

- **Recalibrating Affirmative Action:** It is required that benefits of affirmative action are shared by the poorest of poor sections of any caste.
 - A mechanism is required that can address this lacuna in the present implementation of affirmative action and make the system more accountable and sensitive to intra-group demands.
- **Need For Evidence-based Policy:** There is an urgent need to develop a wide variety of context-sensitive, evidence-based policy options that can be tailored to meet specific requirements of specific groups.
- **Institutional Setup:** There is a need for an institution like the Equal Opportunities Commission of the United States or the United Kingdom which can undertake two important but interrelated things:

- **Make a deprivation index** correlating data from the socio-economic-based census of different communities including caste, gender, religion, and other group inequalities and rank them to make tailor made policies.
- **Undertake an audit** on performance of employers and educational institutions on non-discrimination and equal opportunity and issue **codes of good practice** in different sectors.
 - This will make the formulation of policy and its monitoring simpler at an institutional level.
- **Need For Comprehensive Caste-based Census:** A socio-economic caste-based census becomes a necessary precondition to initiate any meaningful reform in the affirmative action regime in India.
 - Thus it is the need of the hour to include caste census with the general census.
- **Strong Political Will:** A strong political will is indispensable to find an equilibrium between justice to the backwards, equity for the forwards and efficiency for the entire system.

Conclusion

Thus, it is necessary to place the issue of reservation in a new framework that takes due care of the changes taking place in Indian society and economy. This framework should help in perfectly balancing quality and equality.



Role of Judiciary in Improving Lawmaking

*This article is based on **The judicial role in improving lawmaking** which was published in The Hindu on 06/09/2021. It talks about the issues faced by the current process of lawmaking and how judicial intervention can provide a way forward.*

Tags: Governance, GS Paper - 2, Government Policies & Interventions, Judgements & Cases, Issues Arising Out of Design & Implementation of Policies

The **deterioration in the quality of deliberation** in Parliament over time has prompted calls for reform from different stakeholders. Recently, **Chief Justice of India (CJI)** of India also highlighted this problem, noting that the ambiguities and gaps in laws passed without meaningful deliberation trigger avoidable litigation.

While the CJI suggested that lawyers and intellectuals enter public life to improve deliberation, the judiciary can also play a crucial role in improving the lawmaking process.

Issues With the Legislative Process

- **Issues With Measure of Efficiency:** Many rely on the volume of Bills passed by Parliament in a session as a measure of its efficiency. However, this measure is flawed as it does not account for what is lost when efficiency is achieved by passing laws without adequate notice and deliberation.
 - Most of these laws create burdensome obligations on persons and often affect their fundamental rights.
- **Priority to Party Politics than Voters:** Legislators, as representatives of the people, are expected to exercise a duty of care before casting their vote for a legislation.
 - This entails due deliberation about the implications of the law, posing amendments and questions to the concerned Minister, and requiring expert evidence through standing committees.
 - However, the priority of representatives is more towards their party rather than their electors.
- **Lack of Effective Participation:** It is in the legislative organ that diverse interest groups find representation. Deliberation in such a forum ensures that the views of persons who are adversely affected by a law are heard and actively engaged with.
- **Lack of Effective Functioning:** Rushed lawmaking, rendering Parliament a rubber stamp, sacrifices two core ideals of a constitutional democracy, namely, equal participation and respect for fundamental rights.
- **Constitutional Provisions are Undermined:** The Constitution contains certain detailed provisions laying out how laws are to be passed by Parliament and the State Legislative Assemblies. Unfortunately, these are often undermined.
 - For example, even when the result through voice votes are unclear, the exact number of “ayes” and “nays” are not always counted, suggesting that Bills may be passed without securing the majority vote required under **Article 100**.
 - This issue arose most recently when the controversial farm laws were reportedly rushed and passed by voice vote in the Rajya Sabha despite objections by Opposition members.
- **Misusing Money Bills Provision:** Bills are certified as **Money Bills** to bypass the Rajya Sabha even where they do not meet the specific description of Money Bills provided under **Article 110**.
 - In the **Aadhaar case**, the Supreme Court recognised its power to check whether such procedural provisions had been complied with.
 - However, these provisions will only be taken seriously if the judiciary addresses their violations in a timely manner.

- The longer a challenge is pending, the more ground the State has to argue that rights and obligations created under the law should not be disturbed for a “mere” procedural violation.

Role of Judiciary

- **Enforcing the Spirit of Constitutionalism:** The judiciary can play an important role in improving the lawmaking process and securing democratic ideals.
 - A straightforward way of doing this is by **enforcing the text and spirit** of the constitutional provisions governing legislative procedures.
- **Changing the Method of Evaluating:** One important method is for the judiciary to make deliberation a factor in evaluating the constitutional validity of laws.
- **Using the Power of Judicial Review:** In exercising judicial review, the court’s role is to call on the State to provide justifications explaining why the law is reasonable and, therefore, valid.
 - While doing so, the court can also examine whether and to what extent the legislature deliberated the reasonableness of a measure.
 - The legislative inquiry would usually include **evaluating the factual basis** justifying the law, the suitability of the law to achieve its aim, and the necessity and proportionality of the law relative to its adverse impact on fundamental rights.
 - The Supreme Court, in fact, adopted this approach in the **Indian Hotel and Restaurants Association (2013) case**.
 - The court invalidated a law prohibiting dance performances only in hotels with less than three stars as rooted in class prejudice and, therefore, violative of equality.
 - While the State justified the classification on the ground that only such hotels were sites of trafficking, the court rejected this claim by examining the lawmaking process and found that the State did not have empirical data to support this claim.
- **Presumption of Constitutionality:** The judiciary can also **make deliberation a factor** in choosing whether to employ the doctrine of “**presumption of constitutionality**”.
 - This doctrine requires the court to exercise restraint and defer to legislative judgments on the reasonableness of a law.
 - It is rooted in the fiction that the legislature is a widely representative, deliberative organ, and thus “understands and correctly appreciates the needs of its own people”.

- If the judiciary confines the doctrine only to cases where the State shows that laws and their consequences were carefully deliberated in Parliament, the judiciary can encourage legislative bodies to ensure a deliberative lawmaking process.

- **Legislature be Reformed From Within:** The CJI’s suggestion that the legislature be reformed from within is admittedly the ideal solution to remedying legislative dysfunction without raising concerns of separation of powers.
 - However, legislative majorities have little incentive to cooperate for such reform, and significant public mobilisation on the issue would be necessary to change this.
 - The judiciary can and should employ the tools available to it to nudge legislative bodies to improve their lawmaking processes.

Conclusion

The Indian judiciary has often demonstrated that it is possible to enrich democracy by addressing dysfunctions in other institutions. By adopting a swift and systematic approach to reviewing the legislative process, the judiciary can help restore faith in the ‘temples of democracy’ and push us toward the culture of justification the Constitution sought to create.

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Innovation in Pharma Sector

*This article is based on the **Pharma industry must turn more innovative** which was published in The Hindu BusinessLine on 07/09/2021. It talks about the prospects of the Indian pharma sector and the need for innovation in the sector away from the generic sector.*

Tags: Science & Technology, GS Paper - 3, Mobilization of Resources, Industrial Policy

India enjoys an important position in the global pharmaceuticals sector. If the right choices are made and if nurtured right, India can grow to be leaders in the global pharmaceutical market. The next story of the Indian pharma industry has to be one centred around innovation.

However, to go beyond generics and bring innovation, the pharma industry will need policy support by way of R&D tax breaks, patent law tweaks and research talent.

State of Indian Pharma Sector

- India is the largest provider of generic drugs globally. It supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK.

- The Indian pharmaceutical market is estimated at USD 40 billion and pharma companies export another USD 20 billion.
 - However, this is a miniscule portion of the USD 1.27-trillion global pharmaceutical market.
- Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value.
- India has more than 30% share in the global generic market but less than 1% share in the new molecular entity space.
- According to the **Economic Survey 2021**, the domestic market is expected to grow three times in the next decade.
 - India's domestic pharmaceutical market is estimated at USD 42 billion in 2021 and likely to reach USD 65 billion by 2024 and further expand to reach ~USD 120-130 billion by 2030.

Issues With Indian Pharma Sector

- **Lack of Capabilities in Innovation Space:** India is rich in its manpower and talent but still lags in innovation infrastructure. The government needs to invest in research initiatives and talent to grow India's innovation.
 - The government should support the clinical trials and subjectivity in certain regulatory decision-making.
- **Effect of External Markets:** Reports comments that India is heavily dependent on other countries for **active pharmaceutical ingredients (API)** and other intermediates. 80% of the APIs are imported from China.
 - So India is, therefore, at the mercy of supply disruptions and unpredictable price fluctuations. Implementation of infrastructure improvement in the field of internal facilities is necessary to stabilize supply.
- **Quality compliance inquiry:** India has undergone the highest number of Food and Drug Administration (FDA) inspections since 2009; therefore, continuous investment for upgrading quality standards will distract the capital away from other areas of development and growth is reduced.
- **Lack of Stable Pricing and Policy Environment:** The challenge created by unexpected and frequent domestic pricing policy changes in India. It has created a vague environment for investments and innovations.

Need of the Innovation in Pharma Sector

- Changing perspective and increasing the use of technology were the need of the hour. But now it is essential that **innovation is at the core of business**,

and there is a dire need to embrace it if India wants to continue to be of relevance in the global pharmaceutical space.

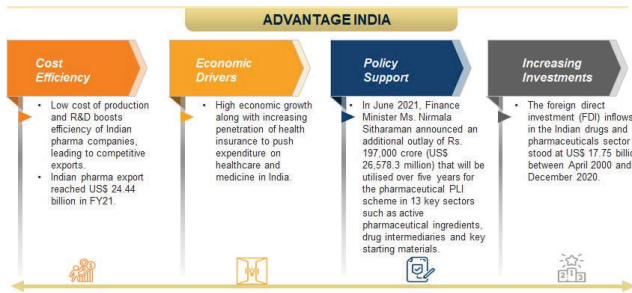
- India playing at scale in the innovation space will **not just help the country but will create a source of sustainable revenues**, bringing new solutions to unmet healthcare needs.
 - In India, this would lead to reduction in disease burden (development of drugs for India-specific concerns like **tuberculosis** and **leprosy** does not get global attention), creation of new **high-skilled jobs**, and probably around USD 10 billion of additional exports from 2030.
 - Countries like China have already leapfrogged ahead, skipping the generic medicine based development.

Challenges in Achieving Innovation

- For innovation to thrive in India, multiple challenges must be overcome:
- **Complex and protracted approval** processes (nod for development of new drugs in India takes 33-63 months versus 11-18 months in developed countries).
- **Lack of robust process guidelines** (Indian websites list 24 guidelines compared to over 600 at the USFDA).
- **Lack of transparency** (the US has an established pre-submission process and a time bound stage-gate process).
- **Inadequate capacity/capability** (there are considerable enhancements needed across regulatory bodies in India).
- **Limited governance** (Indian authorities currently only track the number of applications and approvals).
- **A limited innovation mindset** (India is risk averse compared to most global bodies, for example in the approval of clinical trials).

Way Forward

- **Robust Regulation:** An enabling regulatory structure with simplified processes, robust guidelines, predictability, increased capacity and strong governance.
 - India needs a 60% reduction in the approval timeline to be competitive.
- **Robust Funding Support** with government aid for industry investment through policies/incentives, direct government investment, and significant private investment.
 - India offers an attractive set of benefits — weighted R&D deduction, additional patent box benefits, and progressive policies to increase innovation funding which can attract more investment.



- **Industry-Academia Linkages:** Strong linkages between academia and industry with high quality academic talent and infrastructure, industry-oriented research, and strong governance.
 - The US created the Bayh-Dole Act encouraging academics to set up independent companies.
 - India needs world-class centres of excellence to attract global talent and support cutting-edge research.
- **Coherent Policies Across Sector:** A favourable policy landscape through coherent policies across research, technology commercialisation and Intellectual Property(IP).
- **Innovation Hubs to Accelerate Collaboration:** There is a need for several at-scale innovation hubs co-locating academia, public R&D centres, industry, start-ups and incubators.
- **Invest in Other Modern Sectors:** India should look up to and invest in **biotechnology**. India's biotechnology industry, comprising biopharmaceuticals, bio-services, bio agriculture, bio-industry and bioinformatics is expected to grow at an average rate of around 30% a year and reach USD 100 billion by 2025.



Alternative to Crop Stubble Burning

*This article is based on the article **From Waste To Wealth: An alternative to Punjab's crop stubble burning** which was published in The Hindu BusinessLine on 09/09/2021. It talks about the issues of stubble burning and the alternative ways to deal with it.*

Tags: Agriculture, GS Paper - 1, GS Paper - 3, Government Policies & Interventions, Health, Environmental Pollution & Degradation

In the monsoon months, paddy cultivation is in full swing in the Indo-Gangetic plains, which cover the Indian States of Punjab, Haryana, and Uttar Pradesh. The same farmers who are toiling hard to bring food to our plates will soon engage in the highly unhealthy practice

of stubble burning, a common sight in Indian paddy waste management.

Though cheaper and faster in the interim, stubble burning is incredibly unsustainable for the environment – it fills the air with soot, dispels nutrients out of the soil, and leads to several other ecological complications.

In this context, it is of utmost importance to find out the alternate solution to deal with the issue of stubble warming.

Hazards of stubble burning

- **Contribution to Atmospheric Pollution :** Stubble burning is a significant contributor to atmospheric pollution, coming in 3rd after industrial and vehicular emissions.
 - In Asian countries such as China, around 60% of total biomass emissions come from stubble burning. At the same time, globally, it constitutes about one-fourth of the total biomass burning (inclusive of forest fires).
 - The awful haze surrounding India's **national capital region(NCR)** has been directly linked to stubble burning, coinciding with burning periods in October-November.
- **Human Health Impacts:** Several health effects have been noticed that arise from the resultant air pollution, ranging from skin and eyes irritation to severe neurological, cardiovascular, and respiratory diseases.
 - Prolonged exposure to high pollution also leads to an increase in mortality rates – as per research, the life expectancy of Delhi inhabitants has decreased by about 6.4 years due to their exposure to high levels of pollution.
- **Detrimental to the Soil's Health:** It strips soil of its essential nutrients such as nitrogen, phosphorus, and potassium (**NPK**).
 - It raises soil temperature to about 42°C, thus displacing or killing important microorganisms up to a depth of about 2.5 cm.
 - It hampers agriculture productivity because pollutants in the atmosphere lead to acid rain and prolonged exposure to particulate pollution favours growths of pests or diseases.
 - The **ground-level ozone** produced by stubble burning affects the plant's metabolism, and penetrates and destroys its leaves, causing severe damage to crops in northern parts of India.
- **Costs to the Economy:** As per reports, tourists' inflow has decreased in Delhi by about 25-30% due to the increase in air pollution.

- It is estimated that air pollution has a USD 2.9 trillion economic cost, equating to 3.3% of the world's GDP.
- 14 of the 20 most polluted cities in the world are from India (mostly from Delhi, UP, and other northern States), and the issue costs the country USD 150 billion per year on average.

Challenges in

Adoption of Alternative Method

- **Lack of Alternatives:** Despite being aware of the ill effects of stubble burning, it continues to be the modus operandi for farmers regarding post-harvest waste management. Closer-to-ground interaction reveals that the farmers do not have much choice.
- **Lack of Capacity:** Let us take the example of Punjab, where farmers harvest almost 80% of the rice crop using combine harvesters which leave stubble stalks around 15 cm high. For paddy and wheat, the stubble generated is 1.5 times the grain.
 - These are difficult to either remove or incorporate into the soil through manual labour or using farm equipment, both of which are economically not viable for an average farmer.
 - Markets for other methods of paddy residue management are fragmented; for instance, together, the seven biomass power plants in Punjab consume 1 million metric tons of paddy straw annually.
- **Lack of Stubble Management Infrastructure:** As a result of the lack of infrastructure for waste management, farmers set almost 15.4 million metric tons (out of the 19.7 MMT) on fire in open fields (Punjab government 2017).
 - This method is sought after as it is cheaper and faster for the farmer, helping them clear the land in time before the next cropping cycle.

Alternative to Stubble Burning

- **Bio Enzyme-PUSA:** The **Indian Agriculture Research Institute** has devised a radical solution for stubble burning in the form of a bio-enzyme called PUSA.
 - When sprayed, this enzyme decomposes the stubble in 20-25 days, turning it into manure, further improving the soil quality.
 - It leads to an increase in organic carbon and soil health while significantly reducing the fertiliser expense for the next cropping cycle.
 - Being a sustainable agriculture practice, it also cuts back on the emission of greenhouse gases and prevents the release of toxins and soot into the air.

- When practised over a while, it considerably increases the soil's nutrient health and microbial activity, both of which ensure better yield at reduced input costs for the farmers as well as organic produce for the consumers.
- **Grassroot Participation with Public Private Partnership:** This calls for active public-private partnerships, where resources are moved to the grassroots and solutions are deployed in time to benefit society.
 - Farmers should be onboarded into the scheme developed for them.
- **Technology Enabled Smart Revolution:** Stubble burning is one of the many ramifications of the green revolution. It is time to correct it and give our farmers a new and sustainable impetus: A Smart Revolution!
 - Technology will be the primary enabler here, helping to scale, reach and extend the benefits of a shared economy to the farmers.
 - With **digitisation** and a commitment to enabling sustainable practices and outcomes, we can seed the benefits of sustainable agriculture in farmers' minds.
 - If done well, the soil and air will be healthier, water tables replenished, and farmers will be earning more.
- **In-situ treatment, Ex-situ treatment of stubble and Changing Cropping Pattern:**
 - For in-situ management (eg. crop residue management by zero-tiller machines and use of bio-decomposers) the government is currently giving equipment to farmers to mix the stubble back into the soil, so that they do not have to burn it, but everyone is not getting these machines.
 - The government should ensure their availability to everyone.
 - Similarly, in ex-situ management (eg. use of rice straw as cattle fodder), some companies have started collecting stubble for their use, but we need more action on this front
 - There is also a need to change the cropping pattern as the current pattern (Paddy in drier North west India) is not suitable for the declining water table.
- **Other Alternative Use:** Instead of burning the stubble, it can be used in different ways like **cattle feed, compost manure, roofing in rural areas, biomass energy, mushroom cultivation, packing materials, fuel, paper, bio-ethanol** and industrial production, etc.

India-Sri Lanka Deteriorating Ties

This article is based upon “Sri Lanka’s economic crisis poses challenges for India” which was published in Livemint on 09/09/2021. It talks about deteriorating ties of India and Sri Lanka in recent times, how the latter’s economic crisis are worsening it and what India can do to preserve this age-old relationship.

Tags: International Relations, GS Paper - 2, India and its Neighbourhood, Bilateral Groupings & Agreements, Groupings & Agreements Involving India and/or Affecting India’s Interests, Effect of Policies & Politics of Countries on India’s Interests

India’s development partnership with Colombo has always been demand-driven, with projects covering social infrastructure like education, health, housing, access to clean water and sanitation, besides industrial development.

India’s ‘**Neighbourhood First**’ policy towards Sri Lanka also resonated with Sri Lanka’s ‘**India First**’ foreign and security policy in 2020.

However in recent times, due to Chinese intervention, the ties between the two countries have plummeted. The condition is likely to worsen with **Sri Lanka declaring the state of emergency** in the country.

To prevent India from losing significant ties with countries like Sri Lanka, it needs to nurture its international & diplomatic policies and make use of the regional platforms to the fullest.

India and Sri Lanka

- **Economic Ties:** India is Sri Lanka’s **third largest export destination**, after the US and UK. More than 60% of Sri Lanka’s exports enjoy the benefits of the **India-Sri Lanka Free Trade Agreement**. India is also a major investor in Sri Lanka.
 - **Foreign Direct Investment (FDI)** from India amounted to around \$ 1.7 billion over the years from 2005 to 2019.
 - In July 2020, the **RBI signed a currency-swap agreement with the Central Bank of Sri Lanka (CBSL)** under the **SAARC Currency Swap Framework 2019-22**, for withdrawals of up to \$400 million.
- **Plummeting Relations:** The political and economic ties began to worsen between the two since February, 2021 when **Sri Lanka backed out from a tripartite partnership with India and Japan** for its **East Container Terminal Project** at the Colombo Port, citing domestic issues.
 - However, later, the **West Coast Terminal** was offered under a public private partnership arrangement to Adani Ports and Special Economic Zones Ltd.

- **Sri Lanka’s State of Emergency:** Sri Lanka, running out of Forex reserves for essential imports like food, has recently declared a state of economic emergency.
 - Sri Lanka depends heavily on imports to meet even its basic food supplies, such as sugar, dairy products, wheat.
 - The **price of food items has risen** in tandem with the **depreciating rupee**.
 - The **Tourism sector has also drastically suffered** since the terror attacks of 2019, followed by the pandemic and the **FDI inflows have halved** from \$1.2 billion (2019) to \$670 million (2020).
 - Its public **Debt-to-GDP ratio was at 109.7%** in 2020 and the **external debt-to-GDP ratio stood at 62%** in 2020.

Debt-to-GDP Ratio

- It is the metric comparing a country’s public debt to its Gross Domestic Product (GDP). It is often **expressed as a percentage**.
- By comparing what a country owes (debt) with what it produces (GDP), the debt-to-GDP ratio reliably **indicates a particular country’s ability to pay back its debts**.
 - A country with a **high debt-to-GDP ratio** typically has **trouble paying off public debts**.

Chinese Intervention in the Ties

- **Largest Creditor to Sri Lanka:** China is the **largest bilateral creditor to the country**. Its loans to the Sri Lankan public sector **amount to 15% of the central government’s external debt**.
 - Sri Lanka heavily relies on Chinese credit to address its foreign debt burden.
- **Surpassing Indian Exports:** China’s exports to Sri Lanka surpassed those of India in 2020 and stood at **\$3.8 billion**.
 - **India’s exports were at \$3.2 billion** for the same year.
- **Investment in Infrastructure Projects:** China has invested about \$12 billion in Sri Lanka’s Infrastructure projects between 2006-19.
 - The country also has **formal control over Sri Lanka’s Hambantota port** as a part of a 99-year lease.
 - Sri Lanka has decided to **establish a Special Economic Zone around the Colombo port city** and a new economic commission, **to be funded by China**. The Colombo port handles **60% of India’s trans-shipment cargo**.
 - Leasing of Hambantota and the Colombo Port City project makes it almost certain for the **Chinese**

navy to have a permanent presence in the Indian Ocean which will be worrisome for India's national security.

- **Shifting Interests of Smaller Nations:** Sri Lanka's economic crisis may further push it to align its policies with Beijing's interests.
 - This comes at a time when India is already on a **diplomatic tightrope with Afghanistan and Myanmar**.
 - Other South Asian nations like Bangladesh, Nepal and the Maldives have also been turning to China to finance large-scale infrastructure projects.

Way Forward

- **Preserving Strategic Interests:** Nurturing the Neighbourhood First policy with Sri Lanka is important for India to preserve its strategic interests in the Indian Ocean region.
- **Taking Advantage of Regional Platforms:** Platforms like the **BIMSTEC**, **SAARC**, **SAGAR** and the **IORA** could be leveraged to foster cooperation in fields like technology-driven agriculture, marine sector development, IT & communication infrastructure etc.
 - Indian foreign policy towards Sri Lanka, as part of its '**Island Diplomacy**', will also have to evolve in tune to the emergent realities and threats.
- **Restraining Chinese Expansion:** India will need to continue to work on the Kankesanthurai port in Jaffna and the oil tank farm project in Trincomalee to **ensure that China does not make any further inroads in Sri Lanka**.
 - Both countries can also cooperate on **enhancing private sector investments to create economic resilience**.
- **Leveraging India's Soft Power:** In the technology sector, India can **create job opportunities in Sri Lanka** by expanding the presence of its IT companies.
 - These organisations can create thousands of direct and indirect jobs and boost the island nation's service economy.

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Towards A Zero Carbon Future

*This article is based upon **Green hydrogen, a new ally for a zero carbon future** which was published in The Hindu on 09/09/2021. It talks about the need for alternative sources of energy and the significance of Green Hydrogen in "Zero Carbon dioxide Emissions".*

Tags: Governance, GS Paper - 2, Government Policies & Interventions, Health, GS Paper 3, Environmental Pollution & Degradation, Conservation, Growth & Development

The quest for discovering alternatives to fossil fuels, responsible for the production of over 830 MT per annum of carbon dioxide, has been going on for years.

The latest studies by scientists have signalled the crucial issue of climate vulnerability, especially for the Asian countries. The forthcoming **26th UN Climate Change Conference of the Parties (COP26) in Glasgow** will re-examine the climate adaptation measures and coordinated action plans to mitigate the impact of greenhouse gases.

In the light of finding an alternative source for powering India's industries and lighting its homes with zero emissions of CO₂, **Green Hydrogen** is a compelling option to rely on.

Green Hydrogen

- **Hydrogen and Green Hydrogen:** It is the most abundant element on the planet having **energy density almost three times that of diesel**, but present rarely in its pure form.
 - Hydrogen is designated with different colours depending upon its production technique; **Black hydrogen** is produced by use of fossil fuel, whereas **Pink hydrogen** is produced through electrolysis, but using energy from nuclear power sources.
 - **Green hydrogen is a zero-carbon fuel** produced from **electrolysis** using renewable energy (wind or solar) to split water into hydrogen and oxygen.
- **Need for Green Hydrogen:** Generation of power via natural resources like Green hydrogen will be a major step forward in achieving the target of '**net zero**' emissions.
 - As per the **International Energy Agency (IEA)**, India is the world's fourth largest energy consuming country after China, USA and EU and **will overtake the EU to become the third largest energy consumer by 2030**.
 - For a country with such a high level of energy consumption, shifting to a renewable source of energy becomes even more important considering the present climate vulnerabilities.
- **Initiatives Taken for Adopting Green Hydrogen:**
 - The Indian Railways have recently announced the **country's first experiment of a hydrogen-fuel cell technology-based train** by retrofitting an existing diesel engine.
 - The **Union Budget (2021-22)** has announced a **National Hydrogen Energy Mission (NHM)** for using hydrogen as an energy source.

- **Saudi Arabia** is also prioritising plans to manufacture renewable energy by utilising 'idle-land-banks' for solar and wind energy generation.
 - It is working to establish a mega **\$5 billion green hydrogen manufacturing unit** covering a land-size as large as that of Belgium, in the northern-western part of the country.
- In the Asia-Pacific sub-continent, **Japan** and **South Korea** are on the front foot in terms of hydrogen policy making.
 - Japan's **Basic Hydrogen Strategy** sets out the country's action plan till 2030, including the establishment of an international supply chain.

Grey hydrogen	Blue hydrogen	Green hydrogen
Split natural gas into hydrogen and CO ₂	Split natural gas into hydrogen and CO ₂	Split water into hydrogen by electrolysis powered by water or wind
CO ₂ emitted in the atmosphere	CO ₂ stored or reused	No CO ₂ emitted

Issues Associated

- **An Expensive Source:** The production cost of green hydrogen has been considered to be a prime obstacle.
 - According to the **International Renewable Energy Agency (IREA)**, the production cost of this 'green source of energy' is **expected to be around \$1.5 per kilogram** (for nations having perpetual sunshine and vast unused land), by the year 2030.
- **Large Investments Required:** The commercial usage of hydrogen as a fuel and in industries **requires mammoth investment in R&D** of such technology and **infrastructure for production, storage, transportation and demand creation** for hydrogen.
- **Availability of Electrolysers:** The shortage of electrolysers (a device which splits water to form H₂ and O₂ using electricity) can become a roadblock for meeting the estimated requirement on green hydrogen.
 - The **cost of electrolysers has the highest share in the total production cost** of green hydrogen.
 - Manufacturing capacity of such electrolysers may require investments between Rs 15,000-20,000 crore.

Way Forward

- **Decentralised Production:** Decentralised hydrogen production must be promoted through **open access of renewable power to an electrolyser**.
 - There shall be mechanisms to **ensure access to round-the-clock renewable power supply** for decentralised hydrogen production.

- **Wheeling Electricity:** It is a more viable option than transportation of hydrogen by trucks.
 - For instance, wheeling electricity from a solar plant in Kutch to a refinery in Vadodara could lower the transportation cost by 60%, compared to delivering hydrogen using trucks.
- **Blending Hydrogen:** Blending a certain percentage of green hydrogen with grey hydrogen **for existing applications** like oil refining and fertilizers, depending on the viability gap.
 - Mandating new greenfield capacities of hydrogen applications like oil refining and fertilizers to use only green hydrogen from a future cut-off date (to avoid long term lock-ins).
- **Regional Cooperation:** India should form a **regional alliance with countries** South Korea, Japan and Singapore **to export green hydrogen** from coastal India to help them reach their net-zero ambitions.

Conclusion

- Power generation by green hydrogen will be a viable solution to achieve the target of 'net-zero' emission to remain under 1.5°C. It will also be a leap forward in minimising the dependence on conventional fossil fuels.
- It is high time to catch up with the rest of the world by going in for clean energy, decarbonising the economy and adopting 'Green hydrogen' as an environment-friendly and safe fuel for the next generations.

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Privatisation of PSBs

*This article is based on **Large-scale privatisation of banks will hurt** which was published in The Hindu Business Line on 12/09/2021. It evaluates the idea of privatisation of Public Sector Banks (PSBs) and provides a way forward.*

Tags: Privatisation of Banks, GS Paper - 3, Banking Sector & NBFCs, Mobilization of Resources

As an institution, **Public Sector Banks(PSBs)** are vehicles of the Indian economy's growth and development, and they have become the trustees of people's savings and confidence.

The PSBs played a huge role in making the country self-sufficient by supporting the green, blue, and dairy revolutions. They have also contributed significantly to infrastructural development.

Govt-owned banks not only provide a tremendous comfort level to depositors but also render services at affordable cost. However, the idea of privatisation has come up to deal with the issues of PSBs has several challenges.

Importance of Private Sector Banks

- The private sector banks play a vital role in the Indian economy. They indirectly motivate the public sector banks by offering healthy competition. The following are their importance:
- **Offering High Degree of Professional Management:** The private sector banks help in introducing a high degree of professional management and marketing concept into banking.
 - It helps the public sector banks as well to develop similar skills and technology.
- **Creates Healthy Competition:** The private sector banks provide a healthy competition on general efficiency levels in the banking system.
- **Encourages Foreign Investment:** The private sector banks especially the foreign banks have much influence on the foreign investment in the country.
- **Helps to Access Foreign Capital Markets:** The foreign banks in the private sector help the Indian companies and the government agencies to meet their financial requirements from international capital markets.
 - This service becomes easier for them because of the presence of their head offices/other branches in important foreign centres. In this way they help a large extent in the promotion of trade and industry in the country.
- **Helps to Develop Innovation and Achieve Expertise:** The private sector banks are always trying to innovate new product avenues (new schemes, services, etc.) and make the industries achieve expertise in their respective fields by offering quality service and guidance.
 - They introduce new technology in the banking service. Thus, they lead the other banks in various new fields. For example, introduction of computerised operations, credit card business, ATM service, etc

Privatisation Not a Panacea

- **Non Performing Assets is Universal Challenge:** The major problem faced by banks is on account of non-performing assets, which is common for both the private and public sector banks.
 - The government may also have difficulty in providing additional capital to the government banks on account of fiscal constraint and the banks are in need of additional capital to maintain **Capital Adequacy Ratio** for continuing their lending operations.
 - But getting rid of public sector banks on account of such problems is akin to throwing the baby out with the bathwater.

- **Failure of Private Sector Banks:** Bank nationalisation ushered in a revolution for India's banking sector. Before nationalisation, barring the State Bank of India, most banks were privately owned and they largely benefited the rich and the powerful.
 - The nationalisation of 14 private banks in 1969, followed by six more in 1980, transformed the banking sector, created jobs, extended credit to the agriculture sector and benefited the poor
 - Areas that had so far been neglected, including agriculture, employment-generating productive activities, poverty alleviation plans, rural development, health, education, exports, infrastructure, women's empowerment, small scale and medium industry, and small and micro industries, became priority sectors for these banks.
- **Governance Issues:**
 - ICICI Bank MD and CEO was sacked for allegedly extending dubious loans.
 - Yes Bank CEO was not given extension by the RBI and now faces investigations by various agencies.
 - Lakshmi Vilas Bank faced operational issues and was recently merged with DBS Bank of Singapore.
- **Under Reported NPAs:** When the RBI ordered an asset quality review of banks in 2015, many private sector banks, including Yes Bank, were found under-reporting NPAs.

Way Forward

- **Penalising Willful Defaulters:** There is an urgent and imperative need to bring in a suitable statutory framework to consider wilful defaults on bank loans a "criminal offence".
 - A system to examine top executives of PSBs across the country will also help in improving accountability.
- **Improving the Governance:** The governance and management of PSBs has to improve. The way to do this was outlined by the **PJ Nayak committee**, which recommended distancing between the government and top public sector appointments (everything the Banks Board Bureau was supposed to do but could not).
- **Reduce the Number of Mandates for PSBs:** By now, the well-established one is debt waiver for farmers. They need a lot of help from the government but debt waiver, which eats away at repayment culture, is not one of them.
 - It is equally pernicious to subject banks to mandated lending. Right now, they are being exhorted to lend to MSMEs.
- **Utilising Infrastructure:** Placing such a huge network of bank branches and the infrastructure and assets in

the hands of private enterprises or corporates may turn out to be an irrational move.

- It could lead to denial of convenient and economical banking services to the common man; the risks of monopoly and cartelisation may only complicate the issue.
- Thus, it is more appropriate to utilise the already in place infrastructure.
- **De-Risking Banks:** There is a need to follow prudential norms for lending and effective resolution of NPAs.
 - In this context, the establishment of the **bad bank** and speedy resolution of NPAs through the **Insolvency Bankruptcy Code** steps in the right direction.
- **Corporatization of PSBs:** Rather than blind privatization, PSBs can be made into a corporation like **Life Insurance Corporation (LIC)**. While maintaining government ownership, will give more autonomy to PSBs.

Conclusion

Thus, merely privatising PSBs will get it nowhere. A whole lot of intricate sector-specific reforms must also be carried through to get useful results.



Boost For Textile Sector

*This article is based on **A boost for textile sector** which was published in The Hindu Business Line on 13/09/2021. It talks about the problems of the Textile sector and the measures that should be taken to solve the issues of the sector.*

Tags: Indian Economy, GS Paper - 3, Employment, Growth & Development, Inclusive Growth

Recently, the Union cabinet has approved the **Production Linked Incentive (PLI) scheme** for the textile sector. PLI scheme for Textiles is part of the overall announcement of PLI Schemes for 13 sectors made earlier during the Union Budget 2021-22, with an outlay of Rs. 1.97 lakh crore.

The Indian textile and apparel sector, with USD 37 billion exports and USD 85 billion domestic consumption, is one of the largest employers in the country. Every USD 1 billion additional exports in apparel manufacturing can create 1.5 lakh new jobs.

If some adequate measures are taken on time, Indian exports can grow in double digits for the next several years, which in turn will create millions of jobs. In this context, it is imperative to remove the problems of the textile sector and take some urgent measures.

The Indian apparel sector needs scale, specialisation and competitiveness to capitalise on the emerging post-Covid opportunities in global trade.

Challenges in Textile Sector

- **Highly fragmented:** The Indian textile industry is highly fragmented and is being dominated by the unorganized sector and small and medium industries.
- **Outdated technology:** The Indian textile industry has its limitations of access to the latest technology (especially in small-scale industries) and failures to meet global standards in the highly competitive market.
- **Tax structure issues:** The tax structure **GST (Goods and Service Tax)** makes the garments expensive and uncompetitive in domestic as well as international markets. Another threat is rising labour wages and workers' salaries.
- **Stagnant exports:** The export from the sector has been stagnating and remained at the USD 40-billion level for the last six years.
- **Lack of scale:** The apparel units in India have an average size of 100 machines which is very less in comparison with Bangladesh, which has on an average of at least 500 machines per factory.
- **Lack of foreign investment:** Due to challenges given above the foreign investors are not very enthusiastic about investing in the textile sector which is also one of the areas of concern.
 - Though the sector has witnessed a spurt in investment during the last five years, the industry attracted Foreign Direct Investment (FDI) of only USD 3.41 billion from April 2000 to December 2019.

Way Forward

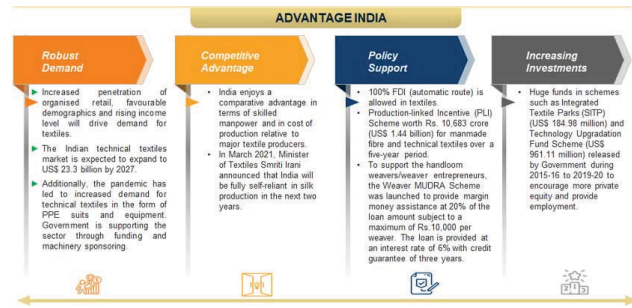
- **Need for scale:** Scale is important to bring down the cost of production, improve productivity levels to match global benchmarks and, thereby, cater to large orders from markets like the US.
 - With right scale and technology interventions, India can match the manufacturing costs of competing countries.
- **Need For Environment Friendly Manufacturing Process:** With growing awareness on social and environmental issues, global buyers are looking for more compliant, sustainable and large factories to place bulk orders; these are available in China and Vietnam. Such facilities need to be created in India too.
 - With a condition on incremental sales growth, the newly launched PLI scheme ensures investment from the enterprise to grow capacity on a continuous

basis. India can surely build ten USD 1 billion companies in the next few years.

- **Specialisation:** India has built a strong ecosystem in cotton apparels, but is lagging in **man-made fiber (MMF)** apparel manufacturing. Global fashion is moving towards blends.
 - The US annually imports around Rs. 3-lakh crore worth of MMF apparels. In this mega market, India has a share of just 2.5%.
 - Hence, with a focussed approach, the sector can be aligned towards global fashion demands.
 - PLI incentivises the manufacturing of MMF apparel and fabrics. Instead of providing scattered incentives to so many products, it's time to specialise in a few products which have huge market opportunities.
 - Integrated companies can invest in greenfield projects to make MMF apparel and compete with strong players like China and Vietnam in cost.
- **Competitiveness:** To compete with low-cost competitors, India needs to be ultra-efficient in pricing. With assured production incentives in the PLI scheme, entrepreneurs with growth aspirations will boldly invest in integrated smart factories. This can help achieve world-class productivity and manufacturing efficiency.
- **Attracting capital:** Only 10% of the Indian textile sector is listed on the stock exchange. The textile sector's (excluding raw-material makers) market cap of around Rs. 2 lakh crore is hardly 1% of the BSE's Rs. 250 lakh crore market cap.
 - Many textile companies in the SME space are not participating in the stock market.
 - Many textile companies in the unlisted space are demonstrating world-class sustainable practices and can attract a lot of capital if they present the right themes.
 - In the past two years, the government has initiated a lot of structural reforms to bring new energy to the textile sector. PLI is one such reform and it's time for the industry to step up and announce new projects under this scheme and move towards making India the fashion capital of the world.

Conclusion

India needs a comprehensive blueprint for the textile sector. Once that is drawn up, the country needs to move into mission mode to achieve it. In this context, the New Textiles Policy 2020 being formulated by the Centre should aim at developing a competitive textile sector which is modern, sustainable and inclusive.



India: Internet Shutdown Capital Of World

This article is based on [Behind the great Indian Internet shutdown](#) which was published in The Hindu on 15/09/2021. It talks about the issues of internet shutdown and suggests measures to deal with the issues.

Tags: Governance, GS Paper - 3, IT & Computers, Challenges to Internal Security Through Communication Networks

In January 2020, the Supreme Court of India held that **access to information via the Internet is a fundamental right** under the Indian Constitution. This was in the case of **Anuradha Bhasin vs Union of India**, where the top court also ruled that any restriction on Internet access by the Government must be temporary, limited in scope, lawful, necessary and proportionate.

The expectation was that this decision would limit the instances of Internet suspension to only those exceptional situations where there is a public emergency or a threat to public safety — the legislatively mandated prerequisites for restricting Internet access.

Unfortunately, these promises have remained unfulfilled. The year following the decision, India saw more instances of Internet shutdown than the year preceding it.

India's Internet restrictions also accounted for more than 70% of the total loss to the global economy in 2020, and India remains infamous as the **Internet shutdown capital of the world**.

Some Examples of Recent Restrictions

- The Government of the Union Territory of **Jammu and Kashmir (J&K)** has restricted access to mobile data in the Valley of Kashmir. These restrictions have been issued in the wake of the death of hardline separatist leader Syed Ali Shah Geelani.
- In Delhi and Haryana, the internet was shut down following farmers' protests.
 - The Haryana orders are on social media but have not been uploaded on government websites.

Rationale of Internet Shutdown

- **Check Fake News:** Internet shutdowns are typically used when there is civil unrest, in order to block the flow of information about government actions or to end communication among activists and prevent the spread of rumours and fake news.
 - It is also a tool to verify rumours, and enables individuals and the Government to disseminate the truth.
- **Preventive Response:** Cutting off the Internet is both an early and preventive response to block restive groups to organise riots against the Government.
- **National Interest:** The Internet cannot be independent of national sovereignty. Therefore, the necessary regulation of the internet is a reasonable choice of sovereign countries based on national interests.

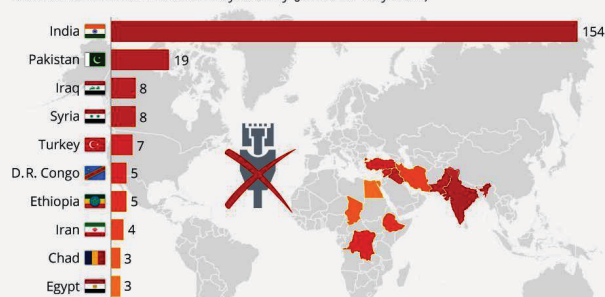
Impacts of Internet Shutdown

- **Create a Trust Deficit:** The Internet is a necessity in this day and age, and restrictions without publicly disclosed reasons create a trust deficit.
 - There is also a deficit because the Union Government has also not done enough to give statutory recognition to the directions in Anuradha Bhasin.
 - In 2020, it amended the Telecom Suspension Rules, 2017 to limit Internet suspension orders to a maximum of 15 days.
 - However, the amendment did not include an obligation on the Government to publish orders nor did it include the Supreme Court's direction to undertake periodic review of these orders.
- **Economic Impacts:** In 2020, the Indian economy suffered losses to the tune of USD 2.8 billion due to 129 separate instances of Internet suspension, which affected 10.3 million individuals.
 - The Internet is a source of information, entertainment, health care, education, livelihood and a platform for the members of Indian society to interact with each other and the world at large.
- **Against Human Development:** The harm — **economic, psychological, social, and journalistic** — caused by such suspensions outweighs any speculative benefits.
 - Internet suspensions ought to be imposed in times of emergency and not to stifle the democratic exercise of the right to protest. In those times, the Internet is a necessity to seek help
- **Affect Vulnerables From Lower Socio-economic:** Internet restrictions are often justified on the ground that they are limited to mobile data services. These contentions also miss the point.

- According to a 2019 **Telecom Regulatory Authority of India (TRAI)** report on Indian Telecom Services Performance Indicators, mobile device users (dongle and phone) constituted 97.02% of total Internet users.
- Only 3% of users have access to broadband Internet.
- These numbers are not likely to have changed significantly since then, since broadband Internet continues to be expensive.
- It follows from this that Internet restrictions also tend to adversely affect those from lower socio-economic backgrounds more.

The Countries Shutting Down The Internet The Most

Number of internet shutdowns by country (Jan 2016–May 2018)*



* An internet shutdown occurs when someone (usually the government) intentionally disrupts the internet or mobile apps to control what people say or do.

Way Forward

- **Rule Out All Non-shutdown Options:** Governments should identify best practices in addressing issues at their source, prioritizing alternative measures to Internet shutdowns. Sharing experiences within and across regions could bring solutions that do not rely on restrictions to access.
- **Measure the Cost First:** Governments need to do a cost-benefit analysis of the impact of the cost of Internet shutdowns before taking such action.
 - Network disruptions hinder productivity, adversely impact business confidence, and can be detrimental to both short- and long-term financial investments.
- **Diversify Voices:** Venture capitalists and investors should incorporate Internet shutdowns as part of their risk assessment. The importance of small and medium enterprises, including those outside the Information and Communication Technology (ICT) sector, to the local economy's future must also be recognized more widely, in light of how Internet shutdowns can completely undermine their ability to operate.
- **Perform Watchdog Functions:** Civil society organizations, along with other stakeholders, should continue to track the impact of Internet shutdowns and play a key role calling for government accountability and transparency around Internet shutdowns.

Conclusion

Parliament has allowed these restrictions only in a public emergency or when there is a threat to public safety. Yet, to much dismay, Internet restrictions are much more common than desirable and cannot be challenged because of a lack of transparency.

Thus, more faithful compliance with the Supreme Court guidelines on the part of the executive government is needed to rid ourselves of the tag of the "internet shutdown capital" of the world and fulfil Digital India's potential.



Representative Judiciary in India

*This article is based on **In the Supreme Court, representation matters** which was published in the Hindustan Times. It talks about the issues of lack of women representation in Indian judiciary and suggests a way forward.*

Tags: Indian Polity, GS Paper - 2, Judiciary, Issues Related to Women, Gender

The nation may soon have its first **woman Chief Justice of India (CJI—Justice BV Nagarathna)**. This is a welcome step.

However it has raised the larger issue of low representation of women in the judiciary.

State of Women Representation in Judiciary

- **Women Representation in Supreme Court:** The first-ever woman judge (Justice Fatheema Beevi) in the Supreme Court (SC) was appointed in 1989, 39 years after the apex court came into existence.
 - Since then, only 10 women have become judges in the apex court.
- **Women Representation in High Courts:** The share of women judges in High Courts (HCs) was no better. Overall, women judges account for only 11% of HC judges.
 - In five HCs (Patna, Meghalaya, Manipur, Tripura and Uttarakhand high courts), no woman served as a judge, while in six others, their share was less than 10%.
 - The percentage of women judges at the Madras and Delhi High Courts was relatively high.
- **Women Representation in District Courts:** Women's representation in the judiciary is slightly better in the lower courts where 28% of the judges were women as of 2017. However, it was lower than 20% in Bihar, Jharkhand and Gujarat.

Reasons For Low Women Representatives

- **Opaque Collegium System Functioning:** More women tend to enter the lower judiciary at the entry level because of the method of recruitment through an entrance examination.
 - However, the higher judiciary has a collegium system, which has tended to be more opaque and, therefore, more likely to reflect bias.
- **No Women Reservation:** Many states have a reservation policy for women in the lower judiciary, which is missing in the high courts and Supreme Court.
 - Reservation quota for women is perhaps just one among many factors that encourages and facilitates more women to enter the system.
 - In states where other supporting factors are present in sufficient measure, women's quotas perhaps help bridge the gap in gender representation.
 - However, the Bill for giving 33% reservation to women in Parliament and state legislatures has not been passed till date, despite all major political parties publicly supporting it.
- **Familial Responsibilities:** Factors of age and family responsibilities also affect the elevation of women judges from the subordinate judicial services to the higher courts.
 - A lot of female judges join the service very late, which makes their chance of making it to the high courts or Supreme Court bleak.
 - Then there are some who are not able to focus on their growth as a judge because their focus shifts towards their families after joining service.
- **Not Enough Women in Litigation:** Since lawyers elevated from the bar to the bench form a significant proportion of judges in the high courts and Supreme Court, it is worth noting that the number of women advocates is still low, reducing the pool from which women judges can be selected.
 - While official data on the number of women in the legal profession as a whole is not available, a 2020 news report estimates that women make up only 15% of all enrolled advocates in the country.
- **No serious attempt** has been made during the past 70 years to give adequate representation to women either in the high courts or in the Supreme Court.
 - In India, women constitute about 50% of the total population and a large number of women are available in the Bar and in the judicial services for elevation but, in spite of that, the number of women judges is small.

Significance of High Women representation

- **Motivates More Women to Seek Justice:** Higher numbers, and greater visibility, of women judges can increase the willingness of women to seek justice and enforce their rights through the courts.
 - Though not true in all cases, having a judge who is the same gender as litigant, can play a role in setting the litigant's mind at ease.
 - For instance, think of a transgender woman as a judge listening to the case of other trans women. That would inspire confidence in the litigant, as well.
- **Different Point of Views:** It is definitely valuable to have representation of various marginalities in the judiciary because of their different lived experiences.
 - Diversity on the bench would definitely bring in alternative and inclusive perspectives to statutory interpretations.
- **Increase Judicial Reasoning:** Increased judicial diversity enriches and strengthens the ability of judicial reasoning to encompass and respond to varied social contexts and experiences.
 - This can improve justice sector responses to the needs of women and marginalized groups.

Way Forward

- **Changing Patriarchal Mindset:** The need of the hour is to correct the patriarchal mindset in recommending and approving the names of those who are to be elevated as high court judges and come out with more representation to worthy women lawyers and district judges for elevation.
 - Unless women are empowered, justice cannot be done to them.
- **Provision of Reservation:** It is high time that all those who matter in the appointment of judges to the high court and the Supreme Court, realise the need of giving adequate representation to women in the judiciary.
 - In fact, the superior judiciary should also have horizontal reservation for women such as subordinate judiciary without diluting merit.
- **Vacancies as an Opportunity:** There are more than 40% of the vacancies in high courts. But it gives an opportunity to make up for the deficiency in the matter of representation to women in higher judiciary.
- **Removing Gender Discrimination:** It will be a step in the right direction and ultimately may lead to more social and gender harmony in the judiciary.
 - Any step in this direction will be a benchmark for society with many more young women students coming forward and opting for law as a profession.

Conclusion

To be truly diverse, the Indian judiciary would need representation of judges from not only different gender identities, including trans and non-binary but also different caste, socioeconomic, religious, and regional backgrounds.

It would also mean appointment of judges from doubly marginalised sections to allow for the representation of intersectional voices.



e-Shram Portal: Scope of Improvement

This article is based on “e-Shram Needs Some Hard Work To Get Going” which was published in The Hindu on 17/09/2021. It talks about the e-Shram portal, the much needed initiative for the unorganised sector of India and the issues associated with it.

Tags: Social Justice, GS Paper 1, Population and Associated Issues, GS Paper 2, Government Policies & Interventions, Issues Relating to Development, GS Paper 3, Employment

Recently, the Ministry of Labour and Employment (MoLE) launched the e-Shram portal for creating a National Database of Unorganized Workers (NDUW).

The portal came into being after the Supreme Court **directed the Government to complete the registration process of unorganized workers.**

This much needed step, considering the enactment of **Unorganised Workers' Social Security Act, 2008** is however, about a decade late to come into existence.

As much as appreciable the step is towards addressing the issues of the informal sector, the portal also raises concerns over issues like workers' data protection, digital illiteracy etc.

Unorganised Sector and e-Shram

- **Total Share:** According to the **Periodic Labour Force Survey** (PLFS 2018-19), **90% of workers were in the informal sector**, which is 419 million of the 465 million workers.
- **Impact of Pandemic:** Informal workers in rural and urban areas have been hit the most due to the pandemic, because of the seasonality of their employment and lack of formal employee-employer relationship.
- **e-Shram Portal:** It seeks to register an estimated 398-400 million unorganised workers and to issue an E-Shram card containing a 12 digit unique number.
 - **Significance:**

- **Accidental Coverage:** Each individual registering at the portal is eligible for an accidental cover of Rs 2 lakh for a year which is provided yearly under the **Pradhan Mantri Suraksha Bima Yojana (PMSBY)**.
- **Integrating Welfare Schemes:** The portal seeks to integrate all the social welfare schemes available for the benefit of unorganised workers.
- **Beneficial for Inter-state Migrants:** The portal helps the inter-state migrant workers avail the **benefit of the welfare schemes regardless of their location**.
- **Social Security Benefits:** The unorganised workers will be able to receive social security benefits such as insurance coverage, maternity benefits, pensions, educational benefits, provident fund benefits, housing schemes etc.

Issues Associated

- **Lower Teledensity and Digital Literacy:** India still witnesses a significant digital divide, as per the **Telecom Regulatory Authority of India**, as of 30th June, 2021, the **rural teledensity** (number of telephone connections per 100 people in a specified geographic area) **stands at 60.10% against the overall teledensity is 88.07%**.
 - This is compounded by the low levels of **digital literacy**.
- **Aadhaar Related Issues:** Imposing the condition of **Aadhaar** would exclude workers without Aadhaar cards from the process.
 - Many unorganised workers have to change mobile numbers frequently and may **not always be able to access the Aadhaar-linked mobile**.
 - Aadhaar-seeding is a controversial issue in the **North-eastern regions**.
 - Moreover, the Aadhaar verification system has **suffered technology failures many times** that have led to serious issues of exclusion for welfare benefits.
- **Data-Security Related Issues:** In the **absence of a stringent data protection law**, one of the vital concerns of the portal is **data security and its potential abuse** considering it is a mega-sized database.
 - The central government would have to share data with State governments whose data security capacities vary.
- **Non-Inclusive Coverage of Workers:** By excluding workers covered by **EPF and ESI**, lakhs of **contract workers will be excluded from the ambit of unorganised workers**.
 - Moreover, the portal is open to unorganised workers aged between 16 and 59 only, the NDUW **excludes a large number of workers aged over 59** from its ambit, which constitutes age discrimination.
- **Ambiguity regarding Gig Workers:** Even though the MoLE includes gig workers in this process, the other three **Labour Codes** do not include them as workers, neither does the **Social Security Code** specifically include them, unless they are declared 'self-employed' or 'wage workers'.

Way Forward

- **Allowing Multiple Mediums for Identification:** The mandatory usage of Aadhaar for registration is unconstitutional and exclusionary. Other government provided ID cards should be allowed for authenticating a worker's identity.
 - Triple linkage for efficient and leakage-less delivery of all kinds of benefits to workers viz. **One-Nation-One-Ration Card (ONORC)**, **E-Shram Card** and the **Election Commission Card** can be done.
 - Also, the workers must be provided the flexibility to use different numbers as it would increase the portal's registration intake.
- **Offline Registrations:** Arrangements for offline registration are needed, given that all workers will not be able to access the online portal.
 - To this extent, **Common Service Centres** can be **leveraged to hold 'registration camps'** for those who wish to register offline.
- **Adopting Multi-Pronged Approach:** The success of the project depends on the involvement of a variety of stakeholders. It also includes:
 - Massive and innovative dissemination exercises involving multiple media outlets of various languages.
 - The holding of camps on demand by the stakeholders by the Government.
 - Efficiency of the resolution of grievance redress mechanisms.
 - Micro-level operations.
- **Surveys and Surveillance:** The Government must **publish statistics at the national and the regional levels** of the registrations to assess the registration system's efficiency.
 - There is also the concern of corruption as middle-service agencies such as Internet providers might charge exorbitant charges to register and print the E-Shram cards.
 - Therefore, the **involvement of surveillance agencies is crucial**.

Conclusion

- The Covid-19 crisis has taught us the importance of building safety nets and raised the need to formulate robust social security mechanisms for the unorganised sector in India.
- E-Shram is a vital system to provide hitherto invisible workers much-needed visibility. It will provide the Labour Market Citizenship Document to them.
 - It must be ensured that registrations are not a source of exclusion of a person from receiving social assistance and benefits.



Domestic Tourism Opportunity

This article is based on [A domestic tourism opportunity has presented itself. India must seize it](#) which was published in the Hindustan Times on 17/09/2021. It talks about the tourism sector, constraints associated with it and suggests a way forward.

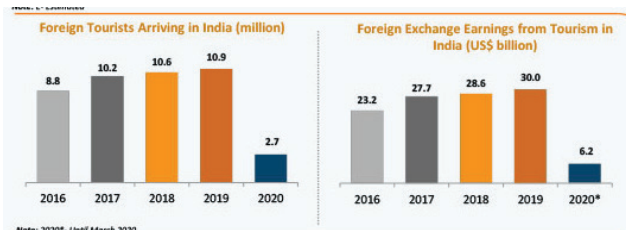
Tags: Indian Economy, GS Paper - 3, Mobilization of Resources, Employment, Issues Relating to Development

Over the last 20 years, the world has faced many global adversities — the dot-com bubble, the 9/11 attack, the 2008 financial meltdown, among others. **Covid-19** is another disruption caused by a macro-event, but its intensity is far more severe.

Like all challenging situations, this pandemic-induced crisis has also presented us with an opportunity to recalibrate the tourism potential. But this needs political will, the entrepreneurial spirit of the private sector, and investment support.

Significance of Tourism Sector

- **Generates Income and Employment:** In 2020, the Indian tourism sector accounted for 31.8 million jobs, which was 7.3% of the total employment in the country.



- By 2029, it is expected to account for about 53 million jobs.
- **Service Sector:** It gives a push to the service sector. A large number of businesses engaged in the service

sector such as airlines, hotels, surface transportation, etc. grows with the growth of the tourism industry.

- Foreign Travelers help India in getting **net Foreign Exchange**.
- Tourism helps in preservation of **National Heritage and Environment** by bringing in focus the importance of sites and the need to preserve them.
- **Tourism as a form of soft power**, helps in promoting cultural diplomacy, people to people connect and thereby promotes friendship and cooperation between India and other countries.

Constraints in Tourism Sector

- **Infrastructure and Connectivity:** Deficiencies in infrastructure and inadequate connectivity hamper tourist visits to some heritage sites.
 - Also, India has various tourist destinations but few circuits or segments such as the **Golden Triangle** (Delhi-Agra-Jaipur).
- **Promotion and Marketing:** Although it has been increasing, online marketing/branding remains limited and campaigns are not coordinated.
 - Tourist information centers are poorly managed, making it difficult for domestic and foreign tourists to access information with ease.
- **Lack of Skills:** The number of adequately trained individuals for the tourism and hospitality sector is a key challenge to giving visitors a world-class experience.
 - A limited number of multilingual trained guides, and the limited local awareness and understanding of the benefits and responsibilities associated with tourist growth act as constraints on the sector's growth.
- **Underutilization of Tourism Potential:** Out of 140 countries, India ranked 8th on cultural resources and business travel, 13th on price competitiveness, and 14th on natural resources in **World Economic Forum's Travel & Tourism Competitiveness Report 2019**.
 - Despite these superb rankings, India's overall tourism competitiveness ranking at 34 reveals that India has not monetized or marketed the precious assets embedded in its heritage to their full potential, as other countries do.

Way Forward

- **A Robust Transportation Network:** Travel and tourism heavily depend on a robust transportation network operated on-road, railways, and air.
 - There is still a lot of ground to cover to improve last-mile connectivity.
 - In the railways, the traffic has been stagnant.

- The railways need radical reforms — initiating the proposal to attract private investment in passenger train service is a humble beginning by the government, but wide-ranging reforms are the need of the hour.
- On air travel, focus on solving for better connectivity, especially for less explored tourism in the Northeast. Currently, less than 50% of the total routes under the **UDAN scheme** are operational.
- It is critical to make these routes operational and viable for airlines so that hidden gems such as **Zuluk in Sikkim, Ziro in Arunachal, Majuli in Assam** have better connectivity through commercial flights, helicopters and air taxis.

➤ **Upgrading the Capacity of Infrastructure:** There is a pressing need to upgrade capacity at top tourist locations..

- India's top travel destinations are crumbling due to the high influx of tourists and poor infrastructural support.
- Water scarcity and infra issues in Shimla are well known, and this time, in between the two Covid-19 waves.
- Before the pandemic, around 26 million Indians travelled abroad in 2018, spending an estimated USD 25 billion.
- Thus, there is a need to remove the infrastructural bottlenecks.

➤ **Exploring the unexplored:** We also need to create awareness of numerous undiscovered places in India. The tourism ministry has made a strong push with '**Dekho Apna Desh Campaign**', but the government and private sector can collaborate towards the development of campaigns that will promote domestic travel in line with evolving travel preferences.

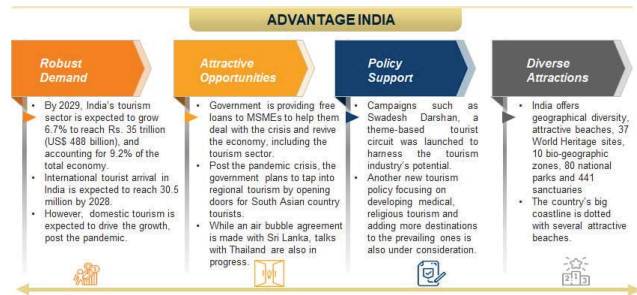
- For the holistic development of the sector, identifying, developing and spreading awareness about unexplored travel destinations within India to ease the burden on overexposed popular locations which see more than 90% share of tourist footfall during the peak travel season.

➤ **Incentives and concessions:** With a belief that the travel and tourism sector will continue to contribute significantly to the country's Gross Domestic Product (GDP) and employment generation, as was done in the past, it is an opportune moment for timely push with concessions and incentivisation to grow domestic tourism.

- Recently, the ministry of tourism initiated a proposal for the **inclusion of tourism in the concurrent list** of the Constitution. This move will allow both the

Centre and states to formulate policies that could benefit the sector.

- The move could particularly benefit the industry as it could lead to the **rationalisation of property** and other taxes, **industry status** across the board, as well as **lower rates on electricity and water**.



Conclusion

Given opportunities in the Tourism sector, it can act as an engine to revive growth and showcase brand India to the world.



'Good' Urbanisation

*This article is based on **Why India needs 'good' urbanisation** which was published in the Indian Express on 20/09/2021. It talks about the issues of urbanisation and how 'good' urbanisation can resolve such issues.*

Tags: Indian Society, GS Paper - 1, Population and Associated Issues, Urbanization, GS Paper - 2

Cities are a technology for poverty reduction; New York City's GDP equals that of Russia with 6% of the people and 0.00005% of the land.

Covid-19 has catalysed a naive or hypocritical romanticism of villages that believes cities are undesirable technology because of their hostility to migrants, infection hotspot tendency, and diminished centrality to the future of work due to digitisation.

However, Covid-19 can be seen as an opportunity to catalyse **good urbanisation** by **empowering our cities with more power and funds**.

Debate — The Wizard vs The Prophet

➤ The post-Covid debate of **cities as "desirable or undesirable" technology** mirrors a 1960s debate about food chronicled in the wonderful book -**The Wizard and the Prophet** by Charles Mann.

➤ **Norman Borlaug — the wizard** — is a Nobel-winning scientist who believed science and technology will overcome challenges and he kickstarted the agricultural **Green Revolution**.

- **William Vogt — the prophet** — believed that prosperity would lead humans to ruin without cutting back and he kickstarted the environment movement.
- One says innovate; the other says retreat.

Is Urbanisation a Solution or Problem

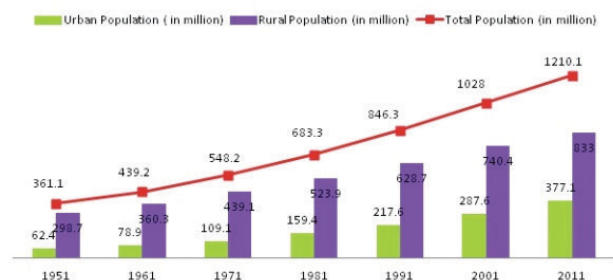
- Urbanization yields several positive effects if it happens within the appropriate limits. Some of the positive implications of urbanization, therefore, include the **creation of employment opportunities, technological and infrastructural advancements, improved transportation and communication, quality educational and medical facilities, and improved standards of living.**
- However, extensive urbanization mostly results in adverse effects.
 - Urbanization attracts people to cities and towns which leads to a high population increase. With the increase in the number of people living in urban centers, there is a continued **scarcity of houses.**
 - The megacities — 10 million-plus populations — are **unpleasant places to live** for people who are not rich or powerful.
 - The **problem of joblessness** is highest in urban areas and it is even higher among educated people. It is estimated that more than half of unemployed youths around the globe live in metropolitan cities.
 - The cost of living in urban areas is very high. When this is combined with random and unexpected growth as well as unemployment, there is the spread of **unlawful resident settlements** represented by **slums and squatters.**
- Twenty-six of the world's 33 megacities are in developing countries because their rural areas lack rule of law, infrastructure and productive commerce.
 - Also there is no denying that even our non-megacities have inadequate planning, non-scalable infrastructure, unaffordable housing, and poor public transport.
- However, Megacities are not always cursed. Tokyo has a third of Japan's population but planning and investments have ensured that essential workers like teachers, nurses, and policemen rarely commute two hours.
 - The most insightful metric for city quality came from Italian physicist Cesare Marchetti who suggests that **30 minutes has been the most acceptable** — or shall we say civilised — commute through history (even as the method changed from walking to horses to bicycles to trains to cars).

- The Marchetti constant is **almost impossible in Bengaluru** where taxi and auto speeds average 8 km/hour.

Major Issue of Urbanisation in India: Weak Local Urban Bodies

- The annual spend of the central government is about Rs 34 lakh crore and of 28 state governments is about Rs 40 lakh crore. But the **15th Finance Commission** estimates 2.5 lakh plus local government bodies only **spend Rs 3.7 lakh crore annually.**
- This apartheid has many reasons.
 - **Power:** Local government is curtailed by state government departments in water, power, schools, healthcare, etc (property tax collection would be 100% if municipal bodies supplied water).
 - **Independence:** Only 13% and 44% of the budget of rural and urban bodies was raised by themselves.
 - **Structure:** A Union ministry controlling finance and governance of the states would be unacceptable by the States but the Department of Local Self Government in the states has almost unlimited powers (suspension/removal of mayors and other elected representatives or supersession of elected local bodies is almost routine in most states).
 - Having separate central rural and urban ministries distorts policy.
 - **Lack of Good Leadership:** The lack of power and resources sets off a vicious cycle of decline because ambitious and talented individuals aren't attracted to city leadership.

Growth of Urban Population Since 1951-2011 in India



Way Forward — Need For Good Urbanisation

- **For Socio- Economic Justice:** Good urbanisation is crucial to delivering **economic justice for women, children and other vulnerable sections of the society.**
 - Poor quality urbanisation has meant men-only migration, leaving the women with all the hard labour of farm work, raising the children, and looking after in-laws, while having virtually no

recourse to health services, or to even emotional support of the spouse.

- Village children going to abysmal-quality government schools without bilingual possibilities places them at a disadvantage in English-dominated entrance tests for professional courses and civil services.
- Though not great by any standards, the quality of both healthcare and education in cities remains better than villages by miles.
- **Redeveloping Small and Medium Cities:** There is no denying that even our non-megacities have inadequate planning, non-scalable infrastructure, unaffordable housing, and poor public transport.
 - Thus it is impossible to have good urbanisation without focussing on the small and medium cities.
- **Getting Power and Funds to Cities:** Good urbanisation needs chief ministers to sacrifice self-interest. Their reward will be the hopes of millions waiting for high-quality jobs and opportunities.
 - India is lucky that Norman Borlaug prevailed over William Vogt in the food technology debate.
- As the post-Covid urbanisation debate gains momentum, we hope the wizards will again prevail over the prophets.

■■■

Indo-Pacific And AUKUS

This article is based on [The new AUKUS alliance holds some lessons for India](#) which was published in the Indian Express on 20/09/2021. It talks about the recently concluded pact AUKUS and its wide ranging impacts on the region.

Tags: International Relations, GS Paper - 2, Global Groupings, Important International Institutions, Bilateral Groupings & Agreements, Effect of Policies & Politics of Countries on India's Interests

The heads of government of **Australia, the UK and US** announced the formation of a trilateral security pact, to be known by the acronym, **AUKUS**, the nuclear coalition, which has ignited unprecedented French fury.

Without naming China, the US President announced that “**in order to deal with rapidly evolving threats**,” the US and Britain would share, with Australia, intelligence and advanced technologies in areas like **artificial intelligence, cyber-warfare, quantum computing** and **nuclear submarine construction**.

Rationale For Formation of AUKUS

- The UK, US and Australia have announced a historic

security pact in the Asia-Pacific, in what's seen as an **effort to counter China**.

- It will let Australia build nuclear-powered submarines for the first time, using technology provided by the US.
- However, the three nations are already allied to each other, in more ways than one — the US and UK are **NATO allies**, and Australia, New Zealand and the US are linked by the **ANZUS pact**.
 - All three are also members of the “**Five Eyes**” intelligence alliance.
- This announcement places a question mark over the continuing relevance of this forum and its long-overdue actualisation as there is the **Quadrilateral Security Dialogue (Quad)** for the Indo-Pacific realm.
- The inclusion of a much-diminished, post-Brexit UK in such a long-range alliance is bound to raise a few eyebrows.

Impact on Indo-Pacific Realm/QUAD

- There is concern that AUKUS could leave a deep **scar on US-EU relations** and the **North Atlantic Treaty Organisation(NATO)**, and weaken the international coalition in the Indo-Pacific.
- France had cancelled a scheduled meeting of the foreign ministers of Australia, France, and India at **the UN**.
 - In the last couple of years, the trilateral has become an important element in the emerging Indo-Pacific architecture. But the cancellation of the meeting is a blow to the trilateral engagement.
- It is not clear whether the QUAD and AUKUS will reinforce each other or remain mutually exclusive.
 - There are some beliefs that the “**Anglosphere nations**” — which share common cultural and historical ties to the UK — inspire more confidence in each other.

Impact on India

- **India Excluded:** The creation of the AUKUS is an attempt to send a stronger message to China. However, China's description of this alliance as an “**exclusionary bloc**,” should be food for thought for two members of the Quad/Malabar forums — **India and Japan** — who have been excluded from the new grouping.
- **New USA Partner to Lead in Indo-Pacific:**
 - Some major milestones in the **Indo-US security relationship** have been: Signing of the pathbreaking Indo-US Civil Nuclear Agreement, in 2008; launching of the Defence Technology and Trade Initiative in 2012; accord of the status of “**Major Defence Partner**” by the US Congress in 2016; grant of Tier 1 status to India, enabling export of high-

technology items; and institution of “2+2 talks” in 2018. Signing of the fourth and last of the key “foundational agreements” in 2020, was supposed to have eliminated the final impediment to closer defence cooperation.

- But AUKUS may be the beginning of a shift in the US policy which is about finding a new partner to lead in the Indo-Pacific region i.e. Australia.

Chinese Reaction

- China called on countries around the world to **oppose “hegemony and division”**.
 - China opposed acts that undermine the international order, create confrontation, and create division under the banner of so-called rules setting.
- China has proceeded to create artificial islands, and to convert them into fortified air bases.
 - Regular “**freedom of navigation operations**” by the US and allied navies have neither deterred, nor daunted China.
- Even more aggressive has been China’s conduct along the Sino-Indian border, where it has used massive military deployments to stake claims to large tracts of Indian territory, leading to a conflict in mid-June 2020.
 - India, having counter-mobilised, at considerable economic cost, has stood its ground. This dangerous confrontation is likely to continue.
- The Quad has neither created a charter nor invested itself with any substance, fearing that it would be dubbed an “**Asian NATO**.”
 - China, on its part, has dismissed the Quad as a “headline-grabbing idea which will dissipate like sea-foam”.

Way Forward

- While the warming of the Indo-US relationship brings comfort to Indians, India should beware of hyperbole, obscuring reality, in the bilateral discourse.
 - American offers of help “**to make India a great power**” and declarations that “**two of the world’s great democracies should also have the world’s two greatest militaries**,” must be taken with a generous pinch of salt.
- China, it is said, owes its pole position to the advanced technology it was given, or it purloined from the US over a 30-year period.
 - All that India has to show for its “strategic partnership,” is approximately \$22 billion worth of military hardware purchased from US companies — a distinctly retrograde step when we seek atma nirbharta and freedom from external reliance.

- We need all the technologies being offered to Australia, in addition to “know-how” and “know-why” of much else, including stealth fighters, jet engines, advanced radars and nuclear propulsion for submarines as well as aircraft-carriers.
- For India to attain its full potential, it will **need insurance against hegemony**, and a **breathing space to restore its economy**.
 - This respite will enable it to catch up with technology and boost its military muscle.
 - While preparing to fight its own battles, India will need to seek external balancing.
 - If realpolitik so demands, it must break old beliefs and strike new partnerships — wherever there is convergence of interests
- **Build Strong Relations With France and Europe:** For long, Europe was largely a diplomatic backwater for India. As India discovers that every European nation, from tiny Luxembourg to a rising Poland, has something to offer, Europe has become a thriving hub of India’s international relations.
 - The last few years have seen an intensification of India’s strategic engagement with France. For example, the government has overcome the earlier reluctance in Delhi to work with France on Indian Ocean security.
 - In the last couple of years, India has made a determined effort to build a new partnership with Britain, which is the fifth-largest economy in the world, a leading financial hub, a technological powerhouse, and punches well above its weight in global affairs.
- **India Needs to Remember the Following:**
 - One is to remind France, Australia, the UK and US of the shared interests in securing the Indo-Pacific and the dangers of letting the current quarrel undermine that larger goal.
 - The other is to highlight the region’s vast requirements for effective deterrence in the Indo-Pacific; and that there is enough room for the US, UK, France, and Europe to collaborate with Indo-Pacific partners in overlapping coalitions to develop high technology and defence-industrial cooperation in all the areas highlighted by AUKUS — effective underwater capabilities to AI, quantum computing and cyber warfare.

Conclusion

India’s interests lie in deeper strategic cooperation with France and Europe as well as the Quad and the Anglosphere. India’s diverse relationships in the West

must be deployed in full measure to prevent a split in the Indo-Pacific coalition.



High-end Products In India

*This article is based on **How to boost export of high-end products** which was published in the Hindu BusinessLine on 21/09/2021. It talks about the state of India's export of high-end products and points out issues associated with their production.*

Tags: Indian Economy, GS Paper - 2, Government Policies & Interventions, GS Paper - 3, Growth & Development, Indigenization of Technology, Industrial Policy

Post-independence, the Indian economy was heavily dependent on the agricultural sector. It contributed more than 50% to the GDP. Over the years India gradually shifted from an agriculture based economy to the service based economy. Many economists believe that skipping the secondary sector is the main reason as to why the Indian economy has not developed as fast as other economies of the world.

In recent years the manufacturing sector has been the major focus for the government of India. Realising the importance of the manufacturing sector and the amount of employment it can generate, many initiatives are being taken up by the current government to foster the growth of this sector.

However, it is imperative to shift manufacturing from low to high end products in order to achieve a higher economic growth rate.

State of High End Product Export

- Let us place products we export into two baskets- Basket A and Basket B.
- **Basket A** contains products traded in large values globally but in which India has a small share — examples, **machinery, electronics and transport products** account for 37% of global goods export basket.
 - But the share of Indian exports in global exports of each of these is low.
 - Machinery 0.9%, electronics 0.4% and transport goods 0.9%.
 - More examples of our low share in important products. Integrated circuits (0.03%), computers (0.04%), solar-cells (0.3%), LED TV (0.02%), mobile phones (0.9%).
- **Basket B Products:** India has a large share in global exports, but the value of world trade in these products is small.

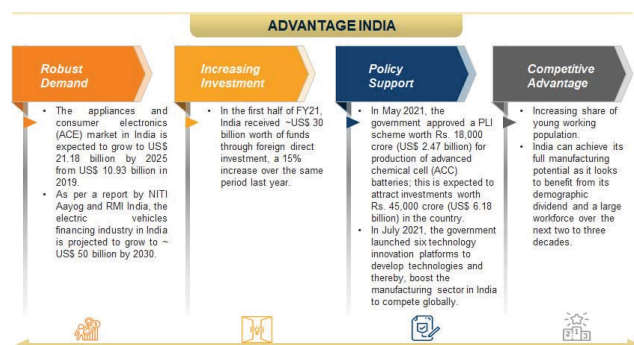
- For example, India's share in global textiles exports is 5.9%. But textile is a small category counting for just 1.3% of the global export basket.
- In marine products, India has a high share of 5.4%. But marine products count for just 0.6% of the global export basket.
- Other examples where global export value is small, but India has a large share are: cut and polished diamonds (28.8%), jewellery (13.5%), rice (35%), shrimps (25.4%), and sugar (12.4%).
- **Export Complexity Index (ECI)** measures diversity and technological sophistication of goods exported by 130 countries. **India's rank was 42 in 2000 and 43 in 2019**, mainly because of weak presence in Basket A products.
 - China's rank improved from 39 to 16 during this period due to expansion in Basket A products.
 - Thus, a major thrust should be to focus on expanding presence in such products (Basket A).
- On the other hand, the small size of the Basket B sets the limit on the growth. Most such products being labour-intensive, low technology, face competition from low-cost countries.

Issues Associated With Manufacturing in India

- **Inadequate Skilled Workforce:** The manufacturing sector, for it to grow, requires an educated workforce with the necessary skills and training.
 - India's skill ecosystem needs to be fixed.
- **Basic Infrastructure:** Manufacturing labs, connectivity and transportation are slow and costly when compared to developed nations which is a huge deterrence to Industries.
 - Uninterrupted power supply is another challenge.
- **Small Size:** Small enterprises, because of their smaller size, suffer from low productivity, preventing them from achieving economies of scale.
- **Lack of Innovation Due to Low Spending On R&D:** Currently, India spends about **0.7% of GDP on research and development**, a considerably small amount when compared with other developed nations.
 - This prevents the sector from evolving, innovating and growing.
- **Low Productivity:** In India labor productivity and capital productivity are both low. Compared with India, manufacturing productivity in Indonesia is twice as high; in China and South Korea, productivity is four times higher.
 - For example, South Korea's electronics manufacturing sector is 18 times more productive than India's, and its chemicals manufacturing sector is an astonishing 30 times more productive.

Measures to Increase High End Product Export

- **Lower Import Duties on Inputs:** High duty on inputs results in expensive finished products that are out-priced by imported goods both in the domestic and export markets.
 - Low duties make domestic firms competitive. Soon many will start shipping directly.
 - Gradually, with better forward and backward linkages, jobs increase as both exporting and importing sectors grow.
 - In Vietnam, five million workers work with direct exporters while seven million work for firms supplying products to exporters.
- **Increase Access to Formal Finance:** Enable top one million small manufacturing firms to get bank finance without collateral at regular interest rates.
 - Less than 4% of small firms in India have access to formal finance. The figure for the US, China, Vietnam and Sri Lanka is 21%.
- **Simplify Process of Exporting for Small Value Consignments:** Many people buy local sarees, suits, handicraft, ready-to-eat/cooked products and ask the shops to courier to friends and relatives abroad.
 - For such small value exports, it is needed to simplify and integrate compliances relating to Customs, GST, Directorate General of Foreign Trade (DGFT) and other concerned agencies.
 - **Schemes like making districts as export hubs** would benefit from such simplification.
 - The simplification will also help exports by small artisans and firms located in class B and C cities.
- **Invite Large Anchor Firms in Critical Products to Set Up Operations in India:** This is a tested strategy for promoting the manufacturing and export of Basket A items. Government initiatives like **simplified labour laws, PLI incentives, low corporate tax** on new manufacturing operations and scrapping of retrospective tax have enthused many firms searching for China plus-one location to shift base to India.
 - India's large number of competitive ancillary units and skill base are a big plus over competing countries.



- **Raising productivity:** To become globally competitive, India's manufacturing value chains must lift their productivity closer to global standards.
 - Improvements to key manufacturing processes could increase the productivity of Indian companies in the chosen value chains.
 - By adopting **Industry 4.0** and automation technologies and investing in analytics, reskilling, and upskilling, Indian manufacturers could accelerate the production of high end products.



Social Entrepreneurs

*This article is based on **For the empowerment of social entrepreneurs, a five-point agenda** which was published in the Hindustan Times on 22/09/2021. It talks about social entrepreneurship and suggests ways to encourage social entrepreneurs in India.*

Tags: Governance, GS Paper - 2, GS Paper - 3, Issues Relating to Development, Growth & Development

The second **Covid-19 wave** has brought to fore the remarkable role of social entrepreneurs as last-mile responders and an effective way to bring the change in the development of the social sector.

During this time, they mobilised resources, generated awareness, distributed necessities, provided counselling, dispelled myths, ensured home care services, built community service centres, facilitated testing, and supported the vaccination drive.

Social enterprises, as distinct from **non-governmental organisations (NGOs)**, operate in an open marketplace. They could be for-profit, not-for-profit or have a hybrid model. While their numbers have grown, social entrepreneurs need urgent help from the government.

Social Entrepreneurs and Their Significance

- **Focus on Social Problems:** Social Entrepreneurs mainly focus on social problems. They initiate innovation by mobilizing the resources available to build social arrangements in response to the social problems.
- **Change Agent in Social Sector:** Social Entrepreneurs act as change makers in society who in turn influence others to contribute to the development of mankind.
 - They work not only as a strong catalyst in society, but as change agents in the social sector.
- **Bring the Changes:** They adopt a mission to **create and sustain social value**; recognizing and rigidly pursuing new opportunities, engaging in a process of continuous innovation, adaptation and learning.

- **Increased Accountability:** They act boldly without being limited by resources in hand and exhibit heightened accountability to the constituencies.
- **Improve People's Lives:** People are attracted to social entrepreneurs like the **Nobel Peace Prize laureate Muhammad Yunus** for many of the same reasons that they find business entrepreneurs like Steve Jobs so compelling – these extraordinary people come up with brilliant ideas and against all the odds succeed at creating new products and services that dramatically improve people's lives.
- **Help in Achieving Inclusive Society:** They are also playing a pivotal role in the inclusive recovery and rebuilding of communities at the grassroots level.
 - **Some Examples:** Social Entrepreneurship is the way to the future. Some Indian entrepreneurs like Ela Bhatt (**Self Employed Women's Association-SEWA**), Bunker Roy (founder of **Barefoot College**, which helps rural communities become self-sufficient), Harish Hande (his pragmatic efforts to put solar power technology in the hands of the poor, through his social enterprise **SELCO India**) etc. have come forward and successfully tackled and continue to tackle some of the globe's most complex challenges in India
- **Encouraging Not For Profit Startups:** The **Start-up India initiative** has addressed for-profit startup social enterprises, but does not cover not-for-profits. Its inclusion could be an important step in this direction.
- **Ease the Foreign Contribution (Regulation) Act (FCRA)** provision for social enterprises, which can receive funds through international donors.
 - Unlocking the potential of large global capital, and a more inclusive, flexible and time-bound clearance approach in FCRA guidelines can help bring relief for fund-starved social enterprises, especially those who are involved in pure social and business activities.
- **Fast-track Work on Social Stock Exchange:** Announced in the 2019-20 budget, investment in social bonds as an eligibility criterion for investors who intend to access the Indian market can help fund projects.
 - It will also open the platform for many micro, small, and medium enterprises (MSMEs) and service sector companies to buy social bonds and comply with the CSR law.
- **Ease the Bidding Process For Social Projects:** Social entrepreneurs, especially small and micro organisations that run projects at the grassroots level and innovators who bring new solutions, are often unable to participate in the bidding process for government-sponsored schemes and programmes.
- **Recognise Their Work:** For over a decade, the Schwab Foundation for Social Entrepreneurship and the Jubilant Bhartia Foundation have nurtured social entrepreneurship through an annual **Social Entrepreneur of the Year (SEOY) India Award**.
 - Many such initiatives can be adopted which will encourage social entrepreneurs.

Promoting Social Entrepreneurs

- **Permit Social Entrepreneurs** with less than three years of experience, as well as for-profit social entrepreneurs, to receive financial support through **Corporate Social Responsibility (CSR)** funding.
 - The ministry of corporate affairs guidelines do not allow this at the moment.
 - Since Covid-19 has had a disproportionate impact on marginalised communities, social entrepreneurs stretched their resources to serve these communities.
 - They need capital to sustain their work and scale up to expedite rebuilding and recovering efforts.
- **Define Social Enterprise:** The lack of an official definition acts as a hurdle. For example, the United Kingdom's department of trade and industries defines them as "a **business with primarily social objectives** whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners".
 - In India, with no specific ministry or department that addresses their issues, social entrepreneurs are unable to get focused support.
 - They need a point of reference in the government. Niti Aayog can potentially nurture this sector.

Conclusion

The need of the hour is a nourishing ecosystem for social entrepreneurs to take up programmes, bridge pandemic-induced gaps, scale-up existing initiatives, and be part of the mainstream response system.

Social entrepreneurs face many challenges. By supporting their responses, we can significantly scale up their on-the-ground relief efforts and help in India's inclusive recovery.



Service Sector Potential In North East

*This article is based on **North-East can be a window for service exports** which was published in The Hindubusiness*

Line 23/09/2021. It talks about the issues of the North East Region (NER) and suggests measures to improve the service sector in the region.

Tags: Governance, GS Paper - 2, Centre-State Relations, Government Policies & Interventions

The ‘**Look East**’ policy of 1991 gave way to the ‘**Act East**’ policy of 2015. The objective of the latter is to promote economic cooperation, cultural ties and strategic relationships with countries in the Asia-Pacific region. This would involve providing enhanced connectivity to India’s North Eastern Region (NER) with our bordering countries.

In contrast to global experiences, the border districts in South Asia tend to lag behind others, especially in the East. There is a vast amount of literature to show that transport and connectivity are among the major challenges to improving trade ties in the East, especially the **chicken neck area** in the Siliguri corridor.

Several of the districts in the region, which border Bangladesh, Bhutan and Nepal, had been classified as “backward” by the erstwhile Planning Commission. Thus, the focus here should be on the **potential of the services sector** in North Bengal and NER. While it is challenging to think of the services sector in a pandemic, the idea is to be future ready.

Developmental Issues in North East Region

- **Few Pockets of Development:** Economic activities got concentrated in select pockets. This resulted in vast areas remaining inaccessible and backward even to this day.
- **Widespread and prolonged socio-political conflict** situations such as Insurgents resulted in economic destruction and social disorganisation.
- **Steady flow of central funds** into the hands of the local elite including local political leadership has indirectly discouraged local initiatives to raise funds for economic rejuvenation of the region.
- **Inadequate economic infrastructure** like transportation, communications and market accessibility stood in the way of industrialisation, even in the small scale sector.
- **Lack of infrastructure** has impeded industrialisation while industrialisation could not materialise owing to poor infrastructure. It is a vicious circle.
 - Poor connectivity with the rest of the country is a challenge. Development of transportation and communication linkages is lopsided being concentrated in the upper Brahmaputra valley only.
- **Low Agriculture Output:** Primitive farming like **slash and burn (jhum cultivation)** is still being practised in the hilly areas of the region.

- Single cropping patterns in the plains failed to produce enough food grain for even for local consumption.

Way Forward

- **Producer services:** Each of the border districts must develop a perspective plan identifying their comparative advantages and sync them with schemes like **District Export Hubs** and **One District One Product**.
 - Scaling up of key sectors will require significant enhancement of what economic literature calls ‘producer service’ sectors, which include management services, research and development, financial and accounting services, and marketing.
- **Financial services:** Barring Sikkim, the NER lags behind in terms of financial inclusion (NCAER DBT Research). The sector can spur regional growth and it has both efficiency and equity implications. The innovations from the fintech sector can be another line of export.
- **ICT connectivity:** The nature of this sector is similar to financial services. Poor connectivity plagues the NER, which is largely due to its geographical terrain (NCAER DBT Research).
 - If India can tap into Bangladesh’s submarine cable networks, then a combination of optical fibre, satellite and microwave technologies could be used to provide digital connectivity in NER.
 - Cooperation, trade and innovations in this area will also help our neighbours.
- **Tourism:** Improved connectivity will boost tourism in this region. The natural beauty combined with its religious and historical sites can spur tourism.
 - Research has found that Nepali citizens living in border regions come to Siliguri for shopping. Day trips for shopping/picnicking from neighbouring countries could be encouraged and monetised.
 - Both short and long trips can generate foreign revenue. The border haats between India and Bangladesh must be enhanced.
- **Education:** Siliguri area houses good quality boarding schools, which can attract international students from bordering districts, with spillovers in tourism.
 - Similarly, other districts could identify their respective comparative advantage. Higher education, especially through research institutes and edtech companies, could be another potential area of service exports.
- **Logistics:** The current infrastructural investment will boost demand for logistics services. India is developing several airports in the region.
 - Bagdogra airport, Darjeeling, is the only international airport in North Bengal, and it is close to many districts in Bangladesh and Nepal.

Conclusion

North East Region (NER) offers tremendous potential in terms of growth of the services sector. The unique nature of each of the border districts in the region needs to be identified, developed and scaled for sustainable growth and development of these areas.



Disease Surveillance System

*This article is based on **A disease surveillance system, for the future** which was published in The Hindu on 24/09/2021. It talks about the significance of disease surveillance programmes and suggests a way forward to strengthen the system.*

Tags: Social Justice, GS Paper - 3, Health, Government Policies & Interventions

Surveillance is the systematic collection, analysis, and interpretation of outcome specific data for use in planning, implementing and evaluating public health policies and practices.

A disease surveillance system serves two key functions; **early warning of potential threats to public health** and **programme monitoring functions** which may be disease specific or multi-disease in nature.

In the second half of Twentieth century, as part of the global efforts for smallpox eradication and then to tackle many emerging and re-emerging diseases, many countries recognised the importance and started to invest in and strengthen the disease surveillance system. These efforts received further boost with the emergence of **Avian flu** in 1997 and the **Severe Acute Respiratory Syndrome (SARS)** outbreak in 2002-04.

Disease Surveillance System in India

- A major cholera outbreak in Delhi in 1988 and the Surat plague outbreak of 1994, nudged the Government of India to launch the **National Surveillance Programme for Communicable Diseases in 1997**.
- However, this initiative remained rudimentary till, in wake of the **SARS outbreak**, in 2004, India launched the **Integrated Disease Surveillance Project (IDSP)**.
- The focus under the IDSP was **to increase government funding for disease surveillance, strengthen laboratory capacity, train the health workforce** and have at least one trained epidemiologist in every district of India.
- With that, between 2004 and 2019, nearly every passing year, more outbreaks were detected and investigated than the previous year.

Epidemiology

- Epidemiology is the study and analysis of the distribution, patterns and determinants of health and disease conditions in defined populations.
- It is a cornerstone of public health, and shapes policy decisions and evidence-based practice by identifying risk factors for disease and targets for pre
- It is to initiate action to either prevent or stop further spread, a process termed as disease surveillance.

Need For Surveillance System

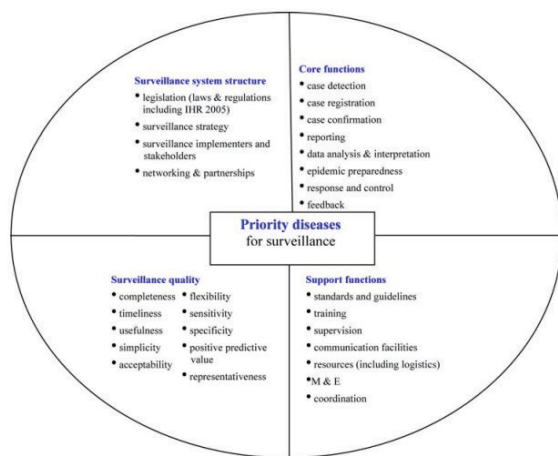
- **Better Management of Health Care System:** When diseases are predictable, theoretically, health systems can be designed to manage them.
 - For example, if hospitals know the seasonality of influenza, pneumonia or diarrhoea, they can plan for the surge in admissions, ensuring that beds and staff are available when needed.
- **Increased Threats From India's Diverse Nature:** In a country with 1.3 billion people, with a marked inequity in health care, dense urban populations, multiple contact with domestic and wild animals, frequent internal migration, a large diaspora, international air links and a warm climate, we are uniquely positioned to be most at threat from indigenous and imported infectious diseases.
- **Illness Identified at the Earliest:** In a well-functioning disease surveillance system, an increase in cases of any illness would be identified very quickly.
 - An example is Kerala, one of the best performing disease surveillance states in India, as it is picking the maximum Covid-19 cases; it could pick the first case of the Nipah virus in early September 2021.
 - On the contrary, cases of dengue, malaria, leptospirosis and scrub typhus received attention only when more than three dozen deaths were reported in multiple districts of Uttar Pradesh.

Way Forward

- **Increase the Funding:** The government resources allocated to preventive and promotive health services and disease surveillance need to be increased by the Union and State governments.
- **Train the Workforce:** The workforce in the primary health-care system in both rural and urban areas needs to be **retrained in disease surveillance** and public health actions.
 - The vacancies of surveillance staff at all levels need to be urgently filled in.
- **Capacity Building:** The laboratory capacity for **Covid-19**, developed in the last 18 months, needs

to be planned and repurposed to increase the ability to conduct testing for other public health challenges and infections.

- This should be linked to create a system in which samples collected are quickly transported and tested and the reports are available in real time.
- **Adopting 'One Health' Approach:** The emerging outbreaks of zoonotic diseases, be it the Nipah virus in Kerala or avian flu in other States as well as scrub typhus in Uttar Pradesh, are a reminder of the interconnectedness of human and animal health.
 - Thus, the '**One Health**' approach has to be promoted beyond policy discourses and made functional on the ground.
- **Strengthening the Registration System:** There has to be a dedicated focus on strengthening the **civil registration and vital statistics (CRVS)** systems and **medical certification of cause of deaths (MCCD)**.
 - These are complementary to disease surveillance systems and often where one is weak, the other is also functioning sub-optimally.
- **Need For Coordinated Action:** It is also time to ensure coordinated actions between the State government and municipal corporation to develop joint action plans and assume responsibility for public health and disease surveillance.
 - The allocation made by the **15th Finance Commission** to corporations for health should be used to activate this process.



Conclusion

The emergence and re-emergence of new and old diseases and an increase in cases of endemic diseases are partly unavoidable. We cannot prevent every single outbreak but with a well-functioning disease surveillance system and with application of principles of epidemiology, we can reduce their impact.

Indian States urgently need to do everything to start detecting diseases, which will prepare the country for all future outbreaks, epidemics and pandemics. This is amongst the first things, which Indian health policy makers should pay attention to.

■■■

MSP is Not Enough

*This article is based on **MSP is not the way to increase farmers' income** which was published in the Indian Express on 27/09/2021. It evaluates Minimum Support Price (MSP) scheme for doubling farmers' income.*

Tags: Indian Economy, GS Paper-3, Agricultural Pricing, Agricultural Resources, Government Policies & Interventions

After two successive droughts in 2014-15 and 2015-16, the government set out an ambitious target to **double farmers' incomes** by 2022-23. The **Ashok Dalwai Committee** was set up to chalk out a strategy to achieve this target of doubling farmers' incomes and set the goal to be achieved over seven years with the base year of 2015-16.

It clearly stated that a growth rate of 10.4% per annum would be required to double farmers' real income by 2022-23. According to an estimate of farmers' income for 2015-16 by **NABARD** in 2016-17, the average monthly income of farmers for 2015-16 was Rs 8,931

As per the Situation Assessment Survey (SAS) of agricultural households (for 2018-2019 by NSO), an average agricultural household earned a monthly income of Rs 10,218 in 2018-19. In this context, it is important to evaluate **Minimum Support Price(MSP)** as a policy option to achieve the target of doubling farmers' income.

A Minimum Support Price was aimed to:

- Assure remunerative and relatively stable price environment for the farmers by inducing them to increase production and thereby augment the availability of food grains.
- Improve economic access to food.
- Evolve a production pattern which is in line with overall needs of the economy.

Criticism of the MSP

- **No MSP For Allied Sector:** The scope for augmenting farmers' incomes is going to be more from allied sectors like rearing animals (including fisheries). It is worth noting that there is no minimum support price (MSP) for products of animal husbandry or fisheries and no procurement by the government.

- It is demand-driven, and much of its marketing takes place outside **APMC** mandis.
- **Inadequate Storage System:** Those who believe that farmers' income can be increased by continuously raising the MSP of grains and government procurement.
 - However, the fact that grain stocks with the government are already overflowing and more than double the buffer stocking norms.
- **MSPs in Favour of Paddy and Wheat:** Skewed MSP dominated system of rice and wheat leads to overproduction of these crops.
 - Further, it discourages farmers to grow other crops and horticulture products, which has higher demand and subsequently could lead to increase in farmers income.
- **Economically Unsustainable:** The economic cost of procured rice comes to about Rs 37/kg and that of wheat is around Rs 27/kg. However, market prices of rice and wheat are much lower than the economic cost incurred by the **Food Corporation of India (FCI)**.
 - Due to this, the FCI's economic burden is touching Rs 3 lakh crore.
 - This amount eventually will have to be borne by the Union government and may subsequently lead to divergence of funds from being invested in agriculture infrastructure.
- **Market-Driven System in the Non-Farm Sector:** Milk and poultry don't have MSP and pricing is done by the company in consultation with milk federations, not by the government.
 - Due to this, milk farmers do not have to go through the mandi system paying high commissions, market fees and cess.
 - Further, these cooperatives compete with multinational private companies like Nestle, Hatsun which ultimately benefits in augmenting farmers' income.
 - Moreover, private companies also invest in rural infrastructure.
 - Due to combined effects of these factors, the milk sector has been growing at a rate two to three times higher than rice, wheat and sugarcane.
- **Restriction in Exports:** Even after producing surplus grains, every year a huge portion of these grains gets rotten. This is due to the restrictions under **WTO norms**, that grain stocks with the FCI (being heavily subsidized due to MSP) cannot be exported.
- **Loopholes in the Implementation of MSP Scheme:** **The Shanta Kumar Committee**, formed to suggest restructuring of the Food Corporation of India (FCI) in 2015, in its report, had stated that only 6% of the

MSP could be received by the farmers, which directly means that 94% of the farmers in the country are deprived from the benefit of the MSP

Way Forward

- **Investing More in Agri-allied Sector:** Wisdom lies in investing more in animal husbandry (including fisheries) and fruits and vegetables, which are more nutritious.
 - The best way to invest is to incentivise the private sector to build efficient value chains based on a cluster approach.
- **Strengthening FPO:** There is a genuine demand for protection of farmers from ruthless market orientation for Profit.
 - Thus, there is a need for strengthening of **Farmer Producer Organisations (FPOs)**, this will increase bargaining power of farmers on one hand and provide a suitable investment climate on the other.
- **The awareness among the farmers needs to be increased** and the information disseminated at the lowest level so that the knowledge would increase the bargaining power of the farmers.
- **Timely Payments to Farmers:** The basic source of livelihood for the farmers is farming and the delay in payment has a negative effect.
 - The delay in payment needs to be corrected and immediate payment should be ensured. For sustainability of farming prompt payment at remunerative rates should be made.
- **Insurig Irrigation:** State agri-GDP growth is volatile and depends on the monsoon, this is especially true for states that have a much lower level of irrigation.
 - For example, Punjab with almost 99 per cent irrigation cover, will have a much more stable income than say Maharashtra with just 19 per cent irrigation cover.

Conclusion

Agriculture lies at the backbone of the Indian economy. Therefore, more sustainable solutions lie in augmenting productivity, diversifying to high-value crops, and shifting people out of agriculture to the high productivity sector.



IPRs For Economic Growth

*This article is based on **Expand the study of IPRs** which was published in The Hindu BusinessLine on 28/09/2021. It talks about the issues associated with the IPRs regime in India and its impacts on Indian Economy.*

Tags: Indian Economy, GS Paper - 3, Government Policies & Interventions, Intellectual Property Rights (IPRs)

Recently, the Department Related Parliamentary Standing Committee on Commerce presented its 161th report, the **Review of the Intellectual Property Rights (IPRs) Regime in India**.

The Committee, in its interactions with different organisations, was informed about the **absence of any study undertaken** by India to analyse the economic impact of IPRs on its GDP, growth of industries, generation of employment, trade and commerce, etc

At many places, the committee notes and compares the Indian system with other foreign jurisdictions. It also outlines the need for India to follow/consider/emulate the policies of the US or the EU.

In this context, the IPR regime study is important in order to understand the impact of the IPR ecosystem on the economy.

Need of IPR Study

- **To Know IPR Contribution to Economy:** It is a fact that most countries undertake studies on how much IPRs contribute to their economies. Also, countries undertake studies on how much is lost when inflexible IPRs affect access to healthcare.
- **Expensive Healthcare Expenses:** IPR studies are especially important in India where healthcare expenses are soaring and the cost of some medications is beyond the reach of common people.
- **Valuable Contribution of IPRs on Economy:** A study of **Organisation for Economic Cooperation and Development (OECD)**, namely, 'Policy Complements to the Strengthening of IPRs in Developing Countries, 2010' states that
 - 1% increase in trademark protection increases **Foreign Direct Investment (FDI)** by 3.8%;
 - 1% improvement in patent protection increases FDI by 2.8%; and
 - 1% improvement in copyright protection increases FDI by 6.8%.
- **Encouraging Foreign Exchange:** It is of the opinion that strengthening IPRs in India would also spur economic development by encouraging foreign exchange inflow thereby increasing productivity and generation of employment opportunities in the country.

IPR Associated Issues in India

- **Low Number of Patents:** In the year 2019, only 24,936 (~25000) patents were granted in India which is considerably low as compared to 3,54,430 and 4,52,804 patents granted in the U.S. and China respectively.

- Also, the rate of increase in the number of patents in India has not been very impressive compared to that seen in U.S. and China.

- **Counterfeiting and Piracy:** IP crimes including counterfeiting and piracy are the rising threats to IPRs which should be regulated and deftly handled by taking appropriate measures.
- **Data Exclusivity:** Foreign investors and MNCs allege that Indian law does not protect against unfair commercial use of test data or other data submitted to the government during the application for market approval of pharmaceutical or agro-chemical products. For this they demand a Data Exclusivity law.
- India continues to remain on the United States Trade Representative's (USTR's) '**Priority Watch List**' for alleged violations of intellectual property rights (IPR).
 - In its latest **Special 301 report** released by the United States Trade Representative (USTR), the US termed India as "**one of the world's most challenging major economies**" with respect to protection and enforcement of IP.

Way Forward

- **Role of State Government:** The State Governments could play the role of constructive partners in evolving a strong IPR regime by formulating their own strategies and policies within the broad framework of India's policy on IPR.
 - They should actively participate in evolving policies that focus on **sensitizing people on significance of IPRs**, encouraging **innovation in educational institutions** and establishing **State level Innovation Councils, enforcement of IPR laws and curbing IP crimes**.
- **Participation of Civil Society:** It is important to incorporate suggestions from members of civil society, who have become important and invested levers in India. They have relentlessly highlighted the welfare interventions of development.
- **Encouraging NGOs:** NGOs associated with craftsmen, artisans and those working in hilly and tribal areas may be engaged in spreading awareness about IPR to the target group.
 - Also, necessary tool kits for promoting IPR may be provided to facilitate them in training.
- **IPR Facilitation Centers** should be established in **Tier-I, Tier-II and remote regions** of the country with a focus on enhancing the awareness of MSMEs, small businessmen and traders.
- **Promoting Scientific Temperament:** The training programmes and workshops being organized by the Department (especially for MSMEs, small tradesmen,

local artisans) should be oriented towards inculcating scientific temperament and knowledge about identification of novelty in their products and protection of such novelties as IPRs;

- **Review of IPR Policy Should be Undertaken:** The re-assessment of the policy is imperative in the wake of new and emerging trends in spheres of innovation and research which requires concrete mechanisms to protect them as IPRs.
- The **relevance and utility of cutting edge technologies** such as Artificial Intelligence (AI) and machine learning would increase manifold in the present world
 - A separate category of rights for AI and AI related inventions and solutions should be created for their protection as IPRs

Conclusion

For a country at the crossroads of development such as India, a keen eye on balancing economic development with welfare issues is important to create a level of sustainability. An efficient and equitable intellectual property system can help all countries to realize intellectual property's potential as a catalyst for economic development and social & cultural well-being.



Digital Talent

*This article is based on **The war for digital talent: India can emerge as a global hub for it** which was published in the Livemint on 29/09/2021. It talks about digital talent and the issues associated with the digital experts ecosystem in India.*

Tags: Science & Technology, GS Paper - 2, Government Policies & Interventions, GS Paper - 3, Growth & Development, IT & Computers, Robotics, Industrial Policy, Scientific Innovations & Discoveries, Artificial Intelligence

The **Covid-19 pandemic** has accelerated the digital transformation of enterprises, creating enormous opportunities for all organizations. Given the customer-centricity of the tech industry in India, the demand environment is extremely positive, and many companies have announced aspirations to grow in double digits this fiscal year.

To deal with the talent issues, companies are adopting a multi pronged approach—step up fresh hiring so that the supply pool increases, enhance re-skilling programmes through online learning, deploy adjacent-talent skills for on-the-job learning, and, above all, offer employees a holistic employment experience, one that spans career development, learning and wellness.

In an evolving technology ecosystem, India has a huge opportunity to become the digital talent hub of the world. And the demand for talent in advanced technology like **AI, robotics, and data science** will be 20 times greater than the supply by 2025.

Digital Talent

- These are (talented) employees who are able to adapt and use the existing digital technologies.
- **Need For Digital Talent:** A **World Economic Forum** report showed that investment in upskilling could potentially boost the global economy by USD 6.5 trillion by 2030, and India's economy by USD 570 billion.
- Digital talent is not equal to education in the classic **STEM (Science, technology, engineering and mathematics) disciplines**.
 - Rather, digital talent stems from a digital-first mindset comprising hard digital skills such as **data analytics** and **soft digital skills** like storytelling, comfort with ambiguity, etc.
 - Gone are the days when an engineer only sat in a room and wrote code. Today, the most important skill for a data scientist is storytelling.

Indian Prospects

- For India to retain its lead in the digital era, **India needs to disrupt the traditional approach to talent development**.
 - The race to becoming and being seen as a talent hub is warming up across the world.
 - For example, the UAE just announced plans to roll out green visas, expand eligibility for golden visas and attract top tech workers for the country to become the preferred investment hub for technology companies.
 - Several other countries like the UK, US and Australia are rethinking efforts to attract high-skill talent, including fast-tracking visas for at-risk sectors and promoting visas for highly accomplished applicants.
- India's **biggest opportunity is developing digital talent for the future world**. India is going to be the talent leaders of the world.
 - Talent will be the biggest competitive advantage for India. Business will go where the talent is and they will base their investment decisions based on that.

Reasons For Lack of Digital Talent

- **Digital Skill Shortage:** Owing to the skill shortage, 53% of Indian businesses could not recruit in 2019.
 - Thus, the shortage of digital skills is one of the main challenges today.

- **Problem of Brain Drain:** One of the key problems is that our best-trained minds don't stay in our country: They go abroad.
 - It is referred to as the “**brain drain**” or the mass migration of skilled labor from India.
- **Standard of Private Institution:** There are a very large number of private engineering colleges that don't teach anything, and are run mainly for personal gain and not for the students/societal gain.
 - It thus does not encourage R&D on the campus.
- **Lack of Remuneration:** People in technical fields simply aren't compensated well enough.
 - India is the only country where immediately after graduation, an engineering student would go for an MBA to get into marketing or management.
- **High Unemployability:** Inequality is rising in the country, as is rural and urban distress. Migration is also on the rise, real estate prices have collapsed, expenditure is rising, and wages are stagnant — and they have been so for a while now.
- **Lack of Focus on Research and Developments:** India's digital talent most of the times just focus on the salary packages and give a little heed on innovation.

Way Forward

- **Focused Implementation of the National Education Policy:** It is important to have a long-term focus and we need to inculcate the right attitudes.
 - Continuous learning, skill credits, world-class academic innovation, experiential learning, faculty training, all need to focus on excellence and outcomes.
- **Build Alternate Talent Pools:** We need to build digital capabilities in smaller towns, get more women to join the work-stream with hybrid work norms, revamp vocational education from industrial training institutes and polytechnics.
 - We can leverage **corporate-social-responsibility(CSR)** funding from industry for these programmes.
- **Incentivize Skilling:** In the early days of the tech sector, tax incentives played a key role in building a global footprint of multinational corporations in India.
 - We must now create schemes that incentivize skilling for corporates, not just for their own needs, but across the ecosystem.
- **Explore Innovative Learning Models:** Use apprenticeship programmes at scale, not just for a certificate, but coupled with assessments.
 - Invest in building world-class free content that can be leveraged by anyone and aligned with a credible system of certification.

- **Democratize Training:** We must remove all hurdles for people to get skilled. Unnecessary entry qualifications and eligibility criteria can be dropped. Let's have no barrier to entry, but a quality-controlled exit process.

Conclusion

India must not only look at strategies aimed at increasing home-grown talent, but also work on attracting the best global talent to catalyse the next decade of growth and innovation. This requires constant investments in re-skilling and embracing a culture that promotes skill development. Creating a robust digital talent ecosystem would further enable us to be future-ready and leverage the opportunities of a digital future.



Rural Debt Trap

This article is based on [What gives rise to the rural debt trap?](#) which was published in The Indian Express on 30/09/2021. It talks about the issues of rural debt trap and suggests a way forward.

Tags: Governance, GS Paper - 2, GS Paper - 3, Welfare Schemes, Government Policies & Interventions

The **All-India Debt and Investment Surveys (AIDIS)**, carried out by the **National Statistical Office(NSO)** are among the most important nationally representative data sources on the rural credit market in India.

Recently published, the AIDIS report reveals that non-institutional sources have a strong presence in the rural credit market, notwithstanding the high costs involved in borrowing from them. Inadequate access to affordable credit lies at the heart of rural distress.

Findings of the AIDIS Report

- According to the report, the average debt per household in rural India is Rs 59,748, nearly half the average debt per household in urban India.
- A key indicator of access to credit is the **incidence of indebtedness (IOI)** — the proportion of households having outstanding loans.
- As per the latest AIDIS report, the IOI is 35% in rural India — 17.8% of rural households are indebted to institutional credit agencies, 10.2% to non-institutional agencies and 7% to both.
- The share of debt from institutional credit agencies in total outstanding debt in rural India is 66% as compared to 87% in urban India.

Reasons For Rural Debt Trap

- **Use of Credit For Household Purposes:** To know how socio-economic inequality shapes household indebtedness, the purpose of borrowing must be examined.
 - Institutional credit is taken mainly for **farm business and housing in rural India**.
 - A significant portion of debt from non-institutional sources is used for other household expenditures.
 - The data indicates that better-off households have greater access to formal-sector credit and use it for more income-generating purposes.
 - The top 10% rural households in terms of asset ownership spend almost two-thirds of their institutional debt and 40% of non-institutional debt on farm/non-farm business, whereas the bottom 10% spend half of their total debt on household expenditure.
- **Factor of Social Identities:** Access to credit is complicated by the interplay of social identities. The average asset ownership of Scheduled Caste and Scheduled Tribe households in rural areas is one-third as compared to upper-caste households.
- **Inadequate access to affordable credit** lies at the heart of the rural distress. Lack of marketable collateral, credit demand for consumption purposes and informational constraints have been the primary reasons for a large proportion of the rural population being excluded from institutional finance.
 - The credit policy needs to be revamped to accommodate the consumption needs of the rural poor and to find alternatives for collateral to bring the rural households within the network of institutional finance.
- **Rural Poors Lack Assets For Collateral:** Access to institutional credit is largely determined by the ability of households to furnish assets as collateral.
 - The report shows that the top 10% of asset-owning households have borrowed 80% of their total debt from institutional sources, whereas those in the bottom 50% borrowed around 53% of total debt from non-institutional sources.
- **Policy of Loan Waiver:** Loan waiver schemes disrupt credit discipline as farm loan waivers may act as a temporary solution and can prove to be a moral hazard in future.

- This is because those farmers who can afford to pay their loans might not pay it expecting a waiver.

Way Forward

- **Measures to Improve the Reach of Institutional Credit:**
 - The Government of India should push state governments to complete the **digitisation process** and **update of land records** in a time bound manner.
 - State governments should give access to banks to digitised land records in order to verify land titles and create charges online.
- **Increasing Credit Flow to Allied Activities:** Government should set separate targets for working capital and term loan towards allied activities.
- **Land Consolidation:** State governments should promote and conduct awareness drives for land consolidation so that the farmers can achieve economies of scale and have the incentive to make long term investments.
- **Agricultural Loans against Gold as Collateral:** Presently such loans are not separately flagged in **core banking solution (CBS)** platform of banks.
- **Farm Loan Waivers:** Government of India and state governments should undertake a holistic review of the agricultural policies and their implementation, as well as evaluate the effectiveness of current subsidy policies with regard to agri inputs and credit in a manner which will improve the overall viability of agriculture in a sustainable manner.
- **Credit Guarantee Scheme for Agriculture sector:** In India there is no guarantee scheme available to banks to cover the default risk of the borrowers.
 - Government in partnership with state governments should set up a credit guarantee fund for the agriculture sector on the lines of credit guarantee schemes implemented in the MSME sector.
- **Achieve Financial Inclusion:** Aggressive efforts are needed to improve institutional credit delivery through technology driven solutions to reduce the extent of financial exclusion of agricultural households.
 - Banks should explore collaborations with agri-tech companies/start-ups so as to provide access to credit in an integrated, timely and efficient manner to the farmers.



Drishti Mains Questions

1. BRICS has succeeded up to a point but it now confronts multiple challenges. In this context, discuss the steps to be taken in order to maintain the sustainability of the group.
2. 'The Enforcing Contracts indicator is essential to the success of the Doing Business report.' Discuss how better enforcement of contracts will go a long way in attracting foreign investments in the evolving geopolitical situation.
3. 'The government is monetising the rights to operate and maintain the assets, not their ownership.' In the light of the statement discuss the issues associated with the National Monetisation Pipeline.
4. Postmodern agriculture is needed in post-Covid times to save and replenish resources and achieve the evergreen revolution. Discuss.
5. It is necessary to place the issue of reservation in a new framework that takes due care of the changes taking place in Indian society and economy. Discuss.
6. By adopting a swift and systematic approach to reviewing the legislative process, the judiciary can help restore faith in the 'temples of democracy. Discuss.
7. India needs innovation in the pharma sector in order to grow to be leaders in the global pharmaceutical market. Comment.
8. Though a cheaper and faster way to get rid of stubble waste, stubble burning is incredibly unsustainable for the environment. Discuss.
9. Discuss the recent decline in Indo-Sri Lankan relations and the role that China has played in it. Suggest the measures that both the countries can take to preserve their bilateral ties.
10. Green hydrogen as an alternative source of energy can be the long-sought solution of the problem of global warming and GHG emissions. Discuss.
11. Privatisation of public sector banks is not a definitive panacea for the problems of the banking sector in India. Discuss.
12. India needs a comprehensive blueprint for the textile sector to make it a competitive sector which is modern, sustainable and inclusive. Discuss.
13. India is sometimes referred to as the 'Internet shutdown capital of the world'. Discuss the measures to reduce instances of internet shutdown.
14. 'Higher numbers, and greater visibility, of women judges can increase the willingness of women to seek justice.' In the light of the given statement discuss the issue of lack of women representation in judiciary.
15. "E-Shram Portal is a vital system to provide hitherto invisible workers much-needed visibility". Comment.
16. Covid-19 pandemic-induced crisis has also presented us with an opportunity to recalibrate the tourism potential. Comment.
17. Covid-19 reinforces that good urbanisation is our most powerful technology for poverty reduction. Comment.
18. Recently concluded pact among the US, the UK and Australia may bring new dynamics in the Indo-Pacific range. Comment.
19. It is imperative to shift manufacturing from low to high end products in order to achieve a higher economic growth rate. Discuss.

20. The Covid-19 wave in India has brought to fore the remarkable role of social entrepreneurs as last-mile responders. Discuss how social entrepreneurship can be encouraged in India.
21. Promoting the service sector can play an important role in the development of the north east region in India. Discuss.
22. 'We cannot prevent every single outbreak but with a well-functioning disease surveillance system, we can reduce their impact.' Discuss.
23. Minimum Support price (MSP) assures an remunerative and relatively stable price environment for the farmers and helps in doubling farmers' income. Critically discuss.
24. The Intellectual Property Rights (IPR) regime is important in order to understand the impact of the IPR ecosystem on the economy. Discuss.
25. In an evolving technology ecosystem, India has a huge opportunity to become the digital talent hub of the world. Discuss.
26. Rural debt trap is one of the main reasons at the heart of rural distress. Analyse.

