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## News Analysis (11 Jan, 2019)

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### Sikkim Proposes Universal Basic Income

The government of Sikkim has mooted the idea to implement **Universal Basic Income (UBI)**.

- If implemented Sikkim will become the first state in India to have UBI Scheme.
- The idea of UBI was also mentioned in the Economic Survey 2016-17.

### International Examples

Many countries in the world have tried the idea of UBI in one form or the other.

- **Finland:** Finland recently concluded a two-year experiment on effects of UBI on unemployed citizens, which commenced in January 2017.
- **Canada:** the government of Ontario, Canada, had announced a plan to test a kind of unconditional income guarantee and enrolled participants in three areas of the province for a guaranteed income for up to three years.
- **Netherland and Spain:** Some cities in the Netherlands have launched municipal-level trials for UBI. Barcelona in Spain has also tested several potential changes to its anti-poverty programmes, including unconditional cash payments.

### What is Universal Basic Income?

- A basic income is a **regular, periodic cash payment delivered unconditionally to all citizens** on an individual basis, without the requirement of work or willingness to work.
- The **five broad features** of such schemes are payments at **periodic regular intervals** (not one-off grants), **payments in cash** (not food vouchers or service coupons), **payments to individuals, universality** (all citizens included), and **unconditionality** (no prior condition).

## Advantages of UBI

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- **Social Justice:** UBI promotes many of the basic values of a society. It promotes liberty as it allows an individual to be financially independent. It promotes efficiency by reducing waste in government transfers.
- **Poverty Reduction:** As per the economic survey 2016-17, UBI could be the fastest way of reducing poverty. UBI ensures minimum basic income to everyone.
- **Agency:** By providing cash assistance state allows individuals to take decision for themselves how they are going to use the money as the circumstances that keep individuals trapped in poverty are varied. UBI liberates citizens from paternalistic and clientelistic relationships with the state.
- **Minimum Living Standard:** UBI is an acknowledgment that society's obligation to guarantee a minimum living standard to all individuals who are part of society.
- **Administrative Efficiency:** The existing welfare schemes are riddled with misallocation, leakages, and exclusion of the poor. By UBI in place of a plethora of separate government schemes will reduce the administrative burden on the state.  
Due to universality and unconditionality, UBI prevents misallocation and leakages.
- **Insurance against shocks:** This income floor will provide a safety net against health, income and other shocks.
- **Psychological benefits:** A guaranteed income will reduce the pressures of finding a basic living on a daily basis.

## Disadvantages of UBI

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- **Reduces incentive to work:** UBI may reduce the incentive for work. A minimum guaranteed income might make people lazy and opt out of the labor market.
- **Gender disparity:** Gender norms may regulate the sharing of UBI within a household – men are likely to exercise control over the spending of the UBI. This may not be the case with other in-kind transfers.
- **Implementation:** Given the current status of financial access among the poor, a UBI may put too much stress on the banking system.
- **Exposure to market risks (cash vs. food):** Unlike food subsidies that are not subject to fluctuating market prices, a cash transfer may not address the issue of the decline in purchasing power due to inflation.

## Resources for UBI

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- Sikkim is an ideal testing ground for UBI.
- It is a **surplus power generating state**, which exports nearly 90% of the 2,200 MW that its hydel projects produce — ensuring a **steady revenue stream** that other states typically lack.

- It has a **literacy rate of 98%** and a **(Below Poverty Level) BPL population way below the national average.**
- Sikkim has indicated that it will **do away with most subsidies before launching its UBI scheme.**
- **Economic survey 2016-17** has also mentioned that **subsuming other schemes is an essential prerequisite for managing funds for UBI.**
  - The Budget for FY18 showed there were about 950 central sector and centrally sponsored sub-schemes in the country, which accounted for about 5% of GDP by Budget allocation.
  - The top 11 schemes accounted for about 50% of the budgetary allocation. If the states were included, the number of schemes would be even larger.

## Way Forward

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- The 2017 Economic Survey had flagged the UBI scheme as **“a conceptually appealing idea”** and a **possible alternative to social welfare programmes** targeted at reducing poverty.
  - UBI envisages an **uncompromised social safety net that seeks to assure a dignified life for everyone**, a concept that is expected to gain traction in a global economy buffeted by uncertainties on account of globalization, technological change, and automation.
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## Govt Launches Mission to Fight Air Pollution

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The Central government has launched a five-year action plan with a tentative target of 20-30% reduction in concentrations of **PM10 and PM2.5 by 2024**, with 2017 as the base year.

Unlike earlier initiatives which focussed largely on the national capital region, this is a comprehensive **pan-India** air pollution abatement **scheme for 102 cities**.

## Highlights

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- The plan includes **102 non-attainment cities**, across 23 states and Union territories, which were identified by Central Pollution Control Board (CPCB) on the basis of their ambient air quality data between 2011 and 2015.
 

The **non-attainment cities** are those that have fallen short of the National Ambient Air Quality Standards (NAAQS) for over five years. These ‘non-attainment cities’ were marked by CPCB and were asked to implement 42 measures aimed at mitigating air pollution as part of the National Clean Air Programme (NCAP).
- As part of the programme, the Centre also plans to scale up the **air quality**

**monitoring network across India.** At least 4,000 monitors are needed across the country, instead of the existing 101 real-time air quality (AQ) monitors.

- The plan proposes a three-tier system, including real-time physical data collection, data archiving, and an action trigger system in all 102 cities, besides **extensive plantation plans**, research on **clean-technologies**, landscaping of major arterial roads, and **stringent industrial standards**.
- It also proposes **state-level plans of e-mobility** in the two-wheeler sector, rapid augmentation of charging infrastructure, stringent **implementation of BS-VI norms**, boosting public transportation system, and adoption of third-party audits for polluting industries.
- The states have been kept in the loop for implementation and **global multilateral agencies** brought in for technical support.
- The ministry will periodically review the progress of these components on the basis of appropriate indicators, which will be evolved. However, it is not binding on the state governments as it is not a legal document.
- It will be operationalised through inter-sectoral groups, which include the ministries of road transport and highways, petroleum and natural gas, renewable energy, and urban affairs among others.

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## Criticism

- The pollution reduction target in these cities **are not 'legally binding'** on respective states.
- A reduction of merely 20-30% from 2017 level by 2024 will not be sufficient to bring the air quality at desired level, i.e. the targets under action plan are **less ambitious**.

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## Way Forward

- Although, the targets appear less ambitious, the **NCAP is envisaged to be dynamic and would continue to evolve** based on the additional scientific and technical information as they emerged.
- This is a welcome step as it was imperative to have measurable, focused and precise targets with clear timelines and demonstrable accountability towards public health, to succeed in this national-level initiative.

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## Important Facts for Prelims (11th January 2019)

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### Sahayak Air Droppable Containers

- The Navy has successfully tested Sahayak Air Droppable Containers that can be air-dropped to enhance its operational logistics capability at sea.

- The trials were undertaken from an IL-38 aircraft off the coast of Goa.
- Having a test payload of 50 kg, these containers are equipped to carry spares for ships up to 2,000 km away from the coast.
- This will reduce the requirement of ships to be close to the coast for collecting spares and stores, thereby increasing the duration of their deployment. The Sahayak Containers would enhance its operational logistics capability.
- These cylindrical containers have been indigenously developed by the Naval Science and Technological Laboratory and the Aeronautical Development Establishment of the Defence Research and Development Organisation.

**Naval Science & Technological Laboratory (NSTL)**, Visakhapatnam was established on August 20, 1969 to undertake research and development of complete major naval systems (Underwater Mines, Torpedoes, Fire Control Systems, Weapon Launchers, Targets, Decoys, etc) for the Indian Navy to make it self-reliant.

**Aeronautical Development Establishment (ADE)** is a key Aeronautical Systems Design House in Defence Research and Development Organization (DRDO), under Ministry of Defence.

Since its formation in 1959, ADE has been playing an important role in the design & development of a variety of aeronautical systems required by the Indian Armed forces. The research, design and development activities of ADE include development of Unmanned Aircraft Systems and systems for manned aircrafts including Simulators.

## Two New AIIMS for Jammu and Kashmir, One for Gujarat

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- The Union Cabinet has approved establishment of three new All India Institutes of Medical Sciences (AIIMS) under the **Pradhan Mantri Swasthya Suraksha Yojana**.
- An **Act of Parliament in 1956** established the All India Institute of Medical Sciences (AIIMS) as an autonomous institution of national importance and defined its objectives and functions.

### **Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)**

- PMSSY was announced in 2003 with objectives of correcting regional imbalances in the availability of affordable/ reliable tertiary healthcare services and also to augment facilities for quality medical education in the country.
- The PMSSY is implemented by the Ministry of Health and Family Welfare.
- It has two components:
  - Setting up new AIIMS (All India Institute of Medical Sciences)
  - Upgradation of government medical colleges in various states.
- The project cost for upgradation of each medical college institution is shared by the Centre and the state.

## Electronic National Agricultural Market (e-NAM)

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- First-ever inter-State transaction on e-NAM has taken place between Uttarakhand and Uttar Pradesh.
- The electronic National Agricultural Market (e-NAM) is a pan-India electronic trading portal which networks the existing APMC(Agricultural produce market committee) mandis to create a unified national market for agricultural commodities. It was launched in 2016.
- e-NAM allows trading of commodities at mandis through mobile and web applications.
- Small Farmers Agribusiness Consortium (SFAC) is the lead agency for implementing e-NAM under the aegis of Ministry of Agriculture and Farmers' Welfare, Government of India.
- e-NAM requires states to implement 3 changes:
  - Provide for electronic trading,
  - single trading licences that are valid in all mandis in a state.
  - a single-window levy of transaction fees.
- The e-NAM Portal provides a single window service for all APMC related information and services. This includes commodity arrivals & prices, buy & sell trade offers, provision to respond to trade offers, among other services.

## Raisina Dialogue 2019

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- Recently, Raisina Dialogue conference was concluded in New Delhi.
- The theme of the Dialogue was "A World Reorder: New Geometries; Fluid Partnerships; Uncertain Outcomes".
- The Raisina Dialogue is a multilateral conference committed to addressing the most challenging issues facing the global community.
- The Dialogue is structured as a multi-stakeholder, cross-sectoral discussion, involving heads of state, cabinet ministers and local government officials, as well as major private sector executives, members of the media and academics.
- The conference is hosted by the Observer Research Foundation in collaboration with the Government of India, Ministry of External Affairs.

## GST Council Meeting

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- Recently, 32nd Meeting of Goods and Service Tax (GST) Council took place.
- Decisions made:
  - GST Council has allowed Kerala to impose "**calamity cess**" on the intra-state supply of goods and services.

**Kerala is the first state to impose "calamity cess" after the introduction of GST.**

- GST Council has raised the exemption limit from GST for micro, small and medium enterprise from Rs. 20 lakh to Rs. 40 lakh.

### **How are decisions taken at the GST Council?**

- No decision can be taken in the Council without the concurrence of both the union or the state governments.
- **Decisions are taken by a 75% majority** of the weighted votes of members present and voting.
- **Union government's vote has a weightage of one-third** of the votes cast, while **all states together will have a weightage of two-third of the votes cast.**

### **Goods & Services Tax Council**

- **Goods & Services Tax Council is a constitutional body** for making recommendations to the Union and State Government on issues related to Goods and Service Tax.
  - The **GST Council is chaired by the Union Finance Minister** and other members are the Union State Minister of Revenue or Finance and Ministers in-charge of Finance or Taxation of all the States.
  - **As per Article 279A (1) of the constitution, the GST Council was constituted by the President.**
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