



Draft Indian Telecommunication Bill 2022

For Prelims: Department of Telecommunications (DoT), draft Indian Telecommunications 2022 Bill, over-the-top (OTT) platforms, the Indian Telegraph Act, 1885, Telecom Regulatory Authority of India (TRAI), Telecommunication Development Fund (TDF), Production Linked Incentive (PLI), Bharat Net Project, Prime Minister Wi-Fi Access Network Interface (PM-WANI)

For Mains: Significance of India's Telecom Sector

Why in News?

Recently, the **Department of Telecommunications (DoT)** released the **draft Indian Telecommunications 2022 Bill** to regulate Internet-based [OTT \(Over-The-Top\)](#) telecom services.

What are the Key Highlights of the Draft Bill?

- **About:**
 - The draft Bill consolidates **three separate acts** which currently govern the telecommunication sector — [the Indian Telegraph Act, 1885](#), **Indian Wireless Telegraphy Act, 1933**, and **The Telegraph Wires (Unlawful Protection) Act, 1950**.
- **Dilution of TRAI Power:**
 - The DoT has also proposed to dilute some crucial powers and responsibilities of the [Telecom Regulatory Authority of India \(TRAI\)](#) on issuing new licences to service providers.
- **OTT Regulation:**
 - The government has included internet-based and **OTT communication services** such as WhatsApp calls, Facetime, Google Meet etc under telecom services.
 - It was the long-standing demand by telecom operators for creating a level playing field. At present, while **telecom companies need a licence to offer services, OTT platforms do not.**
 - Further, bringing OTTs under the ambit of telecom services means that OTT and **internet-based communications would require a licence to offer services.**
- **Provision of Refund:**
 - The telecom ministry has proposed a provision for refund of fees in case a telecom or internet provider surrenders his license.
- **Default in Payment by Licensees:**
 - In the **event of payment default, and in extraordinary circumstances**, including financial stress, consumer interest, maintaining competition in the sector, or reliability and continued supply of telecommunication services, the **govt can defer the payment of such amounts, convert a part or all of the amounts payable into shares**, write-off payable amounts or provide relief from payment.
- **In case of Insolvency:**
 - In the **case of insolvency, the spectrum assigned to an entity shall revert to government control**, and the Central Government may take such further action, as may be prescribed, which may include allowing such licensee or assignee to continue to use the spectrum.

▪ **Telecommunication Development Fund:**

- It proposes to **rename the Universal Service Obligation Fund (USOF) as Telecommunication Development Fund (TDF)**.
 - The USO fund is **generated from the annual revenue of telecom services providers**. The sums of money received towards the TDF will first be credited to the Consolidated Fund of India.
- The fund will be **utilised to boost connectivity services in underserved rural, remote, and urban areas**. It will also **aid research and development of new telecommunication services, skill development**, and support the introduction of new telecommunication services.

What is the Present status of the Telecom Industry in India?

▪ **Present Status:**

- The Telecom industry in India is the **second largest in the world** with a subscriber base of 1.17 billion as of 2022. India has an **overall teledensity of 85.11%**.
- The industry's exponential growth over the last few years is primarily driven by affordable tariffs, wider availability, the roll-out of **Mobile Number Portability (MNP)**, **expanding 3G and 4G coverage**, and evolving consumption patterns of subscribers.
- The Telecom sector is the **3rd largest sector in terms of FDI inflows, contributing 6.44% of total FDI inflow**, and contributes directly to 2.2 million employment and indirectly to 1.8 million jobs.
- Between 2014 and 2021, the **FDI inflows in the Telecom sector rose by 150%** to USD 20.72 billion from USD 8.32 billion during 2002-2014.
- 100% Foreign Direct Investment (FDI) has now been allowed in the Telecom sector under the automatic route.
- India is on its way to becoming the **second-largest smartphone market globally by 2025 with around 1 billion installed devices** and is expected to have 920 million unique mobile subscribers by 2025 which will include 88 million 5G connections.

▪ **Initiatives:**

- **PLI Schemes under Atmanirbhar Bharat Abhiyan:**
 - **Production Linked Incentive (PLI)** Scheme worth INR 12,195 Crores for manufacturing of telecom and networking products. Incentives worth more than INR 4,000 Crores have been earmarked for the Design Led Manufacturing Scheme of the existing PLI Scheme.
- **Telecom Sector Reforms:**
 - In 2021, large-scale structural and procedural reforms have been brought in to enhance liquidity and minimise financial stress within the telecom sector.
- **Bharat Net Project:**
 - **Bharat Net Project** Optical fibre cables laid to 178,247-gram panchayats, out of which 161,870 are service ready. Additionally, 4,218-gram panchayats have been connected over satellite media, taking the total number of service-ready gram panchayats to 166,088.
- **Prime Minister Wi-Fi Access Network Interface (PM-WANI):**
 - Provision of **public Wi-Fi service through Public Data Offices (PDOs)** spread across the country to accelerate the expansion of broadband internet services.

▪ **Challenges:**

- **Declining Average Revenue Per User (ARPU):** ARPU decline now is sharp and steady, which, combined with falling profits and in some cases serious losses, is prompting the Indian telecom industry to look at consolidation as the only way to boost revenues.
 - In 2019, the Supreme Court allowed the government's plea to recover adjusted gross revenue of about Rs 92,000 crore from telcos, that further adds to their stress.
- **Limited Spectrum Availability:** Available spectrum is less than 40% as compared to European nations and 50% as compared to China.
- **Low Broadband Penetration:** Low broadband penetration in the country is a matter of concern. As per white paper presented on broadband at the last International Telecommunication Union (ITU), **broadband penetration in India is only 7%**.
- Over the Top (OTT) applications such as WhatsApp, OLA and so on do not need permission

or a pact with a telecommunications company. This hampers the revenue of telecommunication service providers.

- **Huge fluctuations in the duties on Telecom Equipment** which contribute to connecting the whole system from the central server to the consumer.

What are Over-The-Top Platforms (OTT)?

- OTT or Over-the-Top platforms are audio and video hosting and streaming services such as **Netflix, Amazon Prime Video, Hotstar etc**, which started out as content hosting platforms but soon branched out into the production and release of short movies, feature films, documentaries and web series themselves.
 - These platforms offer a range of content and use [Artificial Intelligence \(AI\)](#) to suggest users the content they are likely to view based on their past viewership on the platform.
 - Most OTT platforms generally offer some content for free and charge a monthly subscription fee for premium content which is generally unavailable elsewhere.

Way Forward

- The telecom sector in India has to deal with various challenges like maintaining a **sufficient spectrum and adopting new technologies** faster to be able to use the new features and techniques to serve the customers with better and feature-rich service.
- The Draft Telecommunication Bill 2022 addressed these challenges and is open to discussion which would further lead to a comprehensive policy regarding the future of telecommunications in India.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. In India, which of the following review the Independent regulators in sectors like telecommunications, insurance, electricity, etc.? (2019)

1. Ad Hoc Committees set up by the Parliament
2. Parliamentary Department Related Standing Committees
3. Finance Commission
4. Financial Sector Legislative Reforms Commission
5. NITI Aayog

Select the correct answer using the code given below:

- (a) 1 and 2
- (b) 1, 3 and 4
- (c) 3, 4 and 5
- (d) 2 and 5

Ans: (a)

Exp:

- Parliamentary Committees are of two kinds – Standing Committees and Ad Hoc Committees. The former are elected or appointed every year or periodically and their work goes on, more or less, on a continuous basis. The latter are appointed on an ad hoc basis as the need arises and they cease to exist as soon as they complete the task assigned to them.
- In India, there are 24 Department Related Standing Committees that comprise members from both Houses of Parliament. These committees are Ministry specific, and may review the working of

regulators within their respective departments. For example, in August 2012, the Standing Committee on Energy presented a report on the functioning of the 'Central Electricity Regulatory Commission'. **Hence, 2 is correct.**

- **Ad Hoc Committees set up by the Parliament may examine the working of regulators.** For instance, the terms of reference of the Joint Parliamentary Committee (JPC) on the allocation of 2G spectrum include the review of the policy on spectrum pricing and grant of telecom licences. **Hence, 1 is correct.**
 - Role of Finance Commission and NITI Aayog is advisory in nature and they do not review independent regulators. **Hence, 3 and 5 are not correct.**
 - The Financial Sector Legislative Reforms Commission (FSLRC) was constituted by the Ministry of Finance in March 2011 to comprehensively review and redraw the legislations governing India's financial system. It has no role in reviewing the independent regulators. **Hence, 4 is not correct.**
- Therefore, option (a) is the correct answer.**

Mains

Q. The aim of Information Technology Agreements (ITAs) is to lower all taxes and tariffs on information technology products by signatories to zero. What impact would such agreements have on India's interests? **(2014)**

Source: IE

Lifestyle for the Environment (LiFE) Movement

For Prelims: Lifestyle for the Environment, Conference of the Parties (COP26), National Afforestation Programme (NAP), 'Pro-Planet People

For Mains: Significance of Lifestyle for the Environment (LiFE)

Why in News?

Recently, the Union Minister of Power and New & Renewable Energy launched the **Agni Tattva - Energy for LiFE campaign**, to create awareness of the core concept of Agni Tattva, an **element that is synonymous with energy and is amongst the five elements** of Panchmahabhoot.

- The Panchmahabhoot comprises of Earth (Prithvi), Water (Jal), Fire (Agni), Air (Vayu) and Aether/Space (Aakash).

What do we know about the Agni Tattva Campaign?

- It would provide a **platform to deliberate upon the learning and experiences of subject experts** and specialists and explore solutions for a sustainable future for all.
- Further, it will cover several **important topics focusing on health, transport, consumption and production, security, environment, and spirituality.**

What do we know about Lifestyle for the Environment (LiFE) Movement?

- **About:**
 - The idea of LiFE was introduced by India during the **26th United Nations Climate Change Conference of the Parties (COP26)** in Glasgow in 2021.
 - The **idea promotes an environmentally conscious lifestyle** that focuses on 'mindful and deliberate utilisation' instead of 'mindless and wasteful consumption'.
 - With the launch of the Mission, the prevalent **"use-and-dispose" economy governed by mindless** and destructive consumption will be replaced by a **circular economy**, defined by conscious and deliberate consumption.
- **Objective:**
 - It seeks **to leverage the strength of social networks to influence social norms** surrounding climate.
 - The Mission plans to create and nurture a global network of individuals, namely **'Pro-Planet People' (P3)**.
 - P3 will have a **shared commitment to adopt and promote environmentally friendly lifestyles**.
 - Through the P3 community, the **Mission seeks to create an ecosystem that will reinforce and enable environmentally friendly** behaviours to be self-sustainable.

What are India's Achievements in Conserving the Environment?

- **Increase in Forest Cover:**
 - **India's forest cover** is increasing and so is the population of lions, tigers, leopards, elephants and rhinos.
 - The **total forest cover is 21.71% of the total geographical area** in 2021, compared with 21.67% in 2019 and 21.54% in 2017.
- **Installed Electric Capacity:**
 - India's commitment to **reach 40% of installed electric capacity** from non-fossil fuel-based sources has been achieved, 9 years ahead of schedule.
- **Ethanol Blending Target:**
 - The **target of 10% ethanol blending** in petrol has been achieved 5 months ahead of the November 2022 target.
 - This is a major accomplishment given that blending was hardly 1.5% in 2013-14 and 5% in 2019-20.
- **Renewable Energy Target:**
 - The **country's installed Renewable Energy (RE) capacity** stands at 150.54 GW (solar: 48.55 GW, wind: 40.03 GW, Small hydro Power: 4.83, Bio-power: 10.62, Large Hydro: 46.51 GW) as on 30th Nov. 2021 while its nuclear energy based installed electricity capacity stands at 6.78 GW.
 - According to **REN21's Renewables 2022 Global Status Report (GSR 2022)**, India was ranked **third in wind power, fourth in solar power and third in renewable power installed capacity in 2021**.

What are the Other Related Initiatives?

- **National Afforestation Programme (NAP)**
- **National Mission for a Green India (GIM)**
- **National Action Plan on Climate Change (NAPCC)**
- **National Biodiversity Action Plan**
- **Rural Livelihood Schemes:** Recognition of natural resources intrinsically linked to rural livelihoods is also reflected in flagship schemes like the **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)** and the **National Rural Livelihood Mission (NRLM)**.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. The term 'Intended Nationally Determined Contributions' is sometimes seen in the news in the context of (2016)

- (a) pledges made by the European countries to rehabilitate refugees from the war-affected Middle East
- (b) plan of action outlined by the countries of the world to combat climate change
- (c) capital contributed by the member countries in the establishment of Asian Infrastructure Investment Bank
- (d) plan of action outlined by the countries of the world regarding Sustainable Development Goals

Ans: (b)

Exp:

- **'Intended Nationally Determined Contributions' is the term used under the UNFCCC for reductions in greenhouse gas emissions** in all countries that signed the Paris Agreement.
- At COP 21 countries across the globe publicly outlined the actions they intended to take under the international agreement. The contributions are in direction to achieve the long-term goal of the Paris Agreement; "to hold the increase in global average temperature to well below 2°C to pursue efforts to limit the increase to 1.5°C, and to achieve net zero emissions in the second half of this century." **Therefore, option (b) is the correct answer.**

Mains

Q. Describe the major outcomes of the 26th session of the Conference of the Parties (COP) to the United Nations Framework Convention on Climate Change (UNFCCC). What are the commitments made by India in this conference? **(2021)**

Source: PIB

Quad Grouping

For Prelims: QUAD, HADR, Indo-Pacific

For Mains: Groupings & Agreements Involving India and/or Affecting India's Interests, Bilateral Groupings & Agreements, QUAD and its Significance

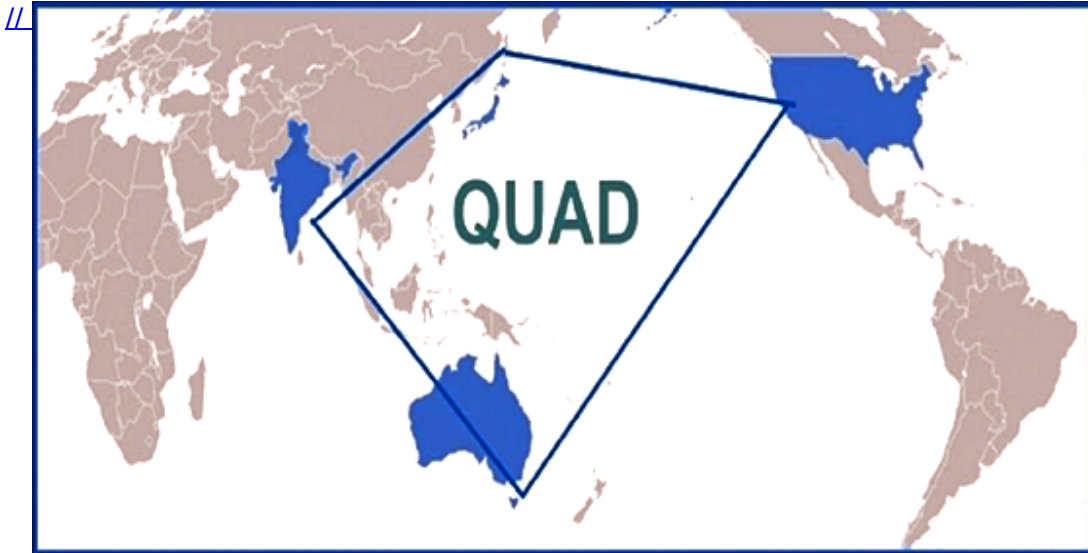
Why in News?

Foreign Ministers of the [Quad \(India, the U.S., Australia, and Japan\)](#) met on the fringes of the [United Nations General Assembly \(UNGA\)](#) to sign a **Humanitarian Assistance and Disaster Relief (HADR) partnership** into effect.

- Under the HADR, **the member countries will coordinate their disaster response operations** in the [Indo-Pacific region](#) with other National and International agencies, private non-governmental organizations.

What is QUAD?

- It is the grouping of four **democracies -India, Australia, the US, and Japan.**
- All four nations find a common ground of being democratic nations and also support the common interest of unhindered maritime trade and security.
- It aims to ensure and support a **“free, open and prosperous” Indo-Pacific region.**
- The idea of Quad was first mooted by Japanese Prime Minister Shinzo Abe in 2007. However, the idea couldn't move ahead with Australia pulling out of it, apparently due to Chinese pressure.
- Finally in 2017, India, Australia, the US and Japan, came together and formed this “quadrilateral” coalition.



What are the Opportunities for India Under Quad Arrangement?

- **Countering China:**
 - The maritime space is a lot more **important to China than engaging in opportunistic land grab attempts** in the Himalayas.
 - A huge chunk of Chinese trade happens via the Indian oceanic routes that pass through maritime chokepoints.
 - In the event of any Chinese aggression on borders, India by cooperating with Quad countries can potentially disrupt Chinese trade.
 - Hence, unlike in the continental sphere where India seems facing a ‘nutcracker like situation’ due to China-Pakistan collusion, the maritime sphere is wide open to India to undertake coalition building, rule setting, and other forms of strategic exploration.
- **Emerging as a Net Security Provider:**
 - There is a growing **great power interest in the maritime sphere**, especially with the arrival of the concept of ‘Indo-Pacific’. For instance, many European countries have recently released their Indo-Pacific strategies.
 - With India, located right at the centre of the Indo-Pacific geopolitical imagination can realise **the vision of a ‘broader Asia’ that can extend its influence away from geographical boundaries.**
 - Moreover, India can build around **collective action in humanitarian assistance and disaster relief, monitoring shipping** for search and rescue or anti-piracy operations, infrastructure assistance to climatically vulnerable states, connectivity initiatives and similar activities.
 - Further, India with **Quad countries can check imperialist policies** of China in Indian ocean region and ensure Security and growth for all in the region.

What are the Issues Related to Quad?

- **Undefined Vision:** Although there is potential for cooperation, the **Quad remains a mechanism without a defined strategic mission.**

- **Maritime Dominated:** The entire focus on the Indo-Pacific makes the **Quad a maritime, rather than a land-based grouping**, raising questions whether the cooperation extends to the Asia-Pacific and Eurasian regions.
- **India's Aversion of Alliance System:** The fact that India is the only member that is averse to a **treaty alliance system**, has slowed down the progress of building a stronger **Quadrilateral engagement**.

Way Forward

- The Quad nations need to **better explain the Indo-Pacific Vision in an overarching framework** with the objective of advancing everyone's economic and security interests.
- India has many other partners in the Indo-Pacific; therefore, **India should pitch for countries like Indonesia, Singapore** to be invited to join in the future.
- India should develop **a comprehensive vision on the Indo-Pacific** which would ideate on the current and future maritime challenges, **consolidate its military and non-military tools, engage its strategic partners**.

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. Quadrilateral Security Dialogue (Quad) is transforming itself into a trade bloc from a military alliance, in present times Discuss. **(2020)**

[Source: TH](#)

Group of Four (G-4) Countries

For Prelims: UN General Assembly, G-4 countries, United Nations Security Council (UNSC).

For Mains: Significance of UN Security Council's Permanent Membership.

Why in News?

On the sidelines of the [76th session of the UN General Assembly](#), the **G-4 countries** highlight 'urgent need' for reform in [U.N. Security Council \(UNSC\)](#).

Who are the Group of Four(G-4) Countries?

- The G4 is a grouping of **Brazil, Germany, India and Japan** which are **aspiring to become permanent members of the UNSC**.
- The G4 countries are supporting each other's bids for permanent membership of the UNSC.
- The G4 nations traditionally meet on the sidelines of the annual high-level UN General Assembly session.

What are the Key Highlights of the G-4 Meeting?

- They felt that the UN decision-making bodies **needed to be urgently reformed as global issues were increasingly complex and interconnected**.

- Further, they reiterated their **joint commitment to work toward text-based negotiations that lead to Reformed Multilateralism.**
- They highlighted that General Assembly **did not make “meaningful progress” in the Inter-Governmental Negotiations (IGN) and lacked transparency.**
- They reiterated their support for African countries being represented in a permanent and non-permanent capacity.
- The Ministers agreed on the need for **enhanced role and presence of developing countries and of major contributors** to the United Nations to enhance the capacity of the Council to respond effectively to the complex and evolving challenges on questions of international peace and security.

Why is there a Need for UNSC Reforms?

- **UN represents a larger world** and the irony is that it has **only 5 permanent members** in its important body.
- The current composition of the Security Council represents the post-World War II realities and thus is **not in pace with the changing balance of power** in the world.
- At the time of the formation of the UNSC, big powers were given privileges to make them part of the council. This was necessary for its proper functioning as well as to avoid failure like that of the organization 'League of Nations.
- The **regions like far East Asia, South America, and Africa have no representation in the permanent membership** of the council.

Why is India Demanding the Permanent Membership of the UNSC?

- **Overview:**
 - For the first 40 years of the UN Security Council's formation, India **never asked for permanent membership.**
 - Even in 1993 when India submitted its written proposal to the UN in response to the General Assembly resolution related to reforms, it did not specifically state that it wants permanent membership for itself.
 - It is only from the last few years that India has started asking for permanent membership in the council.
 - India deserves a permanent place in the council **considering the size of its economy, population and the fact that it is the largest democracy** in the world.
 - India has become a major player not only in Asia but also in the world.
 - The Security Council would be a more representative body if India would be there in it as a permanent member.
- **Need:**
 - By having veto power, one can enjoy **enormous powers.**
 - Since 2009, India was trying to designate Masood Azhar as a global terrorist. One veto power of China kept delaying it.
 - India will be able to **work better for its interests.**
 - There was a time when the USSR actually started boycotting the UNSC and that was the time when US managed to get the resolution passed for the Korean War. From that time onwards USSR realized that it doesn't make sense to boycott the UN. It **needs to keep veto if at all resolution is against them.**
 - India's presence as a permanent member will be an **acknowledgement of its rise as a global power**, ready to play a key role in the council's objectives of international peace and security.
 - India will be able to enjoy the '**prestige**' associated with the permanent membership of the council.

What is the United Nations Security Council (UNSC)?

- Established by the United Nations charter in 1945, the Security Council has primary responsibility of maintaining international peace and security.
- The Security Council has **15 members.**

- There are **five permanent members**: the United States, the Russian Federation, France, China and the United Kingdom.
- The non-permanent members of the Security Council are elected for a term of two years.
- **Each member of the Security Council has one vote. Decisions** of the Security Council on matters are made by an **affirmative vote of nine members including the concurring votes of the permanent members. A "No" vote from one of the five permanent members blocks the passage of the resolution.**
- Any member of the United Nations which is not a member of the Security Council may participate, without vote, in the discussion of any question brought before the Security Council whenever the latter considers that the interests of that member are specially affected.

What is Intergovernmental Negotiations (IGN)?

- IGN is a group of nation-states working within the United Nations to further reform of the United Nations Security Council (UNSC)
- The IGN is composed of several different international organizations, namely:
 - African Union
 - G4 nations
 - Uniting for Consensus Group (UfC)
 - L.69 Group of Developing Countries
 - Arab League
 - Caribbean Community (CARICOM).

Way Forward

- **Global power hierarchies** are changing and the P5 needs to realize that this is high time to initiate **UNSC reforms**. The declining powers should either give away their membership or should expand the size of the UNSC, opening the doors for new emerging powers.
- Other reforms might succeed earlier than the expansion of P5. None of the so-called powerful nations wants to expand the table and share their pie with another nation.
- India needs to focus on strengthening itself **economically, militarily & diplomatically** in order to participate in major conversations and groupings. Steadily, the UNSC will itself deem India fit to become a part of the UNSC.

[Source: TH](#)

Banking System Liquidity

For Prelims: RBI, Liquidity Adjustment Facility, Call Money

For Mains: Banking System Liquidity surplus and deficit and its Impact

Why in News?

For the first time Liquidity in the banking system has moved into deficit mode after remaining in surplus mode for almost 40 months for the first time since May 2019.

What is Banking System Liquidity?

- Liquidity in the banking system refers to **readily available cash that banks need to meet short-term business** and financial needs.
- On a given day, if the banking system is a net borrower from the RBI under **Liquidity Adjustment Facility (LAF)**, the system liquidity can be said to be in deficit and if the banking system is a net lender to the RBI, the system liquidity **can be said to be in surplus**.
 - The LAF refers to the RBI's operations through which **it injects or absorbs liquidity into or from the banking system**.

What has Triggered this Deficit?

- The change in the liquidity situation has come due to **advance tax outflows**. This also increases the **call money rate temporarily above** the repo rate.
 - **Call money rate** is the rate at which **short term funds are borrowed** and lent in the money market.
 - Banks resort to these types of loans to fill the asset liability mismatch, comply with the statutory **CRR (Cash Reserve Ratio)** and **SLR (Statutory Liquidity Ratio)** requirements and to meet the sudden demand of funds. RBI, banks, primary dealers etc are the participants of the call money market.
- Besides, there is the continuous intervention of the **RBI to stem the fall in the [rupee against the US dollar](#)**.
- The deficit in the liquidity situation has been caused by **an uptick in bank credit, intervention of the RBI into the forex market**, and also incremental deposit growth not keeping pace with credit demand.

How can a Tight Liquidity Condition Impact Consumers?

- A tight liquidity condition could lead to **a rise in the [government securities](#) yields** and subsequently lead to a **rise in interest rates** for consumers too.
- RBI may increase Repo Rate, which can lead to a **higher cost of funds**.
- Banks will increase their repo-linked lending rates and the **marginal cost of funds-based lending rate (MCLR)**, to which all loans are linked to. This rise **will result in higher interest rates for consumers**.
 - The MCLR is the minimum interest rate that a bank can lend at.

Way Forward

- RBI's actions will depend upon the nature of the liquidity situation. If the current liquidity deficit situation is temporary and is largely on account of advance tax flow, the RBI may not have to act, **as the funds should eventually come back into the system**.
- However, if it is long-term in nature then **the RBI may have to take measures** to improve the liquidity situation in the system.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Q. If the RBI decides to adopt an expansionist monetary policy, which of the following would it not do? (2020)

1. Cut and optimize the Statutory Liquidity Ratio
2. Increase the Marginal Standing Facility Rate
3. Cut the Bank Rate and Repo Rate

Select the correct answer using the code given below:

- (a)** 1 and 2 only
- (b)** 2 only
- (c)** 1 and 3 only

(d) 1, 2 and 3

Ans: (b)

Exp:

- **Expansionary monetary policy**, or easy monetary policy, is when a central bank uses its tools to stimulate the economy. It increases the money supply, lowers interest rates, and increases demand. It boosts economic growth.
- **Statutory Liquidity Ratio (SLR)** is a monetary policy tool that the Reserve Bank of India (RBI) uses to assess the liquidity at the banks' disposal. It is the **minimum percentage of deposits that a commercial bank has to maintain in the form of cash, gold or other securities**. It is basically the reserve requirement that banks are expected to keep before offering credit to customers. Raising SLR makes banks park more money in government securities and reduce the level of cash in the economy. Doing the opposite helps maintain cash flow in the economy. Reducing SLR leaves more liquidity with banks, which in turn can fuel growth and demand in the economy. **Hence, statement 1 is not correct.**
- **Marginal standing facility (MSF)** is a window for scheduled banks to borrow overnight from the RBI in an emergency situation when interbank liquidity dries up completely. With the increase of MSF Rate, cost of borrowing increases for banks resulting in reduced available resources to lend. **Hence, statement 2 is correct.**
- **Repo Rate, or repurchase rate**, is the key monetary policy rate of interest at which the central bank or the Reserve Bank of India (RBI) **lends short term money to banks, against the collateral of government** and other approved securities under the liquidity adjustment facility (LAF). **Bank Rate** is the interest rate which the **RBI charges on its long-term lendings**. Under expansionary monetary policy, RBI reduces repo rate and bank rate to increase liquidity in the banking sector. **Hence, statement 3 is not correct.**
- **Therefore, option (b) is the correct answer.**

[Source: IE](#)

Aliva: A Data-Driven Approach to Eradicate Child Marriage

For Prelims: Child Marriage, The Hindu Marriage Act 1955, Special Marriage act 1954, Prohibition of Child Marriage Act 2006, Convention on the Elimination of All Forms of Discrimination Against Women in 1993.

For Mains: Initiatives to Eradicate Child Marriage in India.

Why in News?

Recently, **Nayagarh, a district in Odisha**, has adopted a **unique initiative- Aliva to eradicate [child marriage](#)**.

- As per Odisha's child marriage prevention strategy, the State aims to **eradicate child marriage by 2030**.

What are the Key Highlights of the Initiative?

▪ **About:**

- The programme was **launched in January, 2022.**
- **Anganwadi workers** had been asked to **identify every adolescent girl in their jurisdiction** and keep tabs on them.
- **Details about adolescent girls-** birth registration date, Aadhaar, family details, skill training, etc., are **recorded in registers named - Aliva** available in the Aanganwadi centres of the district.
- The age of the girl is approved by the local school head master, father, supervisor and Child Marriage Prohibition Officer (CMPO).
- As of now, the district has **registered information of 48,642 adolescent girls in the Aliva registers.**
- When tipped off about child marriages, **district administration and the police refer to registers for ascertaining proof of girls' age.**
- The district has **decided to maintain the record for a period of 10 years-2020 to 2030.**

▪ **Significance:**

- The **Aliva registers are by far the most comprehensive ones** that keep tabs on girls' lives for 10 years.
 - The register has been **useful for law enforcement agencies, as parents attempt to lie about the age of their girls** to escape punishment.
- Though the register was conceptualised to prevent child marriages, it has been very **useful for tracking the health of girls especially if they are anaemic.**

What is the Current Status of Child Marriages in India?

- United Nations Children's Fund (UNICEF) estimates suggest that **each year, at least 1.5 million girls under 18 get married in India**, which makes it home to the largest number of child brides in the world - accounting for a third of the global total.
 - According to **NFHS-5**, **23.3% women surveyed got married before attaining the legal age of 18 years**, down from 26.8% reported in NFHS-4. The figure for underage marriage among men is 17.7% (NFHS-5) and 20.3% (NFHS-4).
 - **West Bengal and Bihar**, with around 41% such women each, had the **highest prevalence of girl child marriage.**
 - Underage marriages are **lowest in J&K, Lakshadweep, Ladakh, Himachal Pradesh, Goa, Nagaland, Kerala, Puducherry and Tamil Nadu**, according to NFHS-5.
 - The share of **women aged 20-24 who married before turning 18 has declined from 27% to 23%** in the last five years.
 - **The maximum reduction** in the proportion of underage marriages was observed in **Rajasthan, Madhya Pradesh, and Haryana.**

What are the Government Laws and Initiatives to Prevent Child Marriage?

▪ **Minimum Age for Marriage:**

- For Hindus, **[The Hindu Marriage Act, 1955](#)**, sets **18 years as the minimum age of marriage for the bride and 21 years as the minimum age for the groom.**
 - **In Islam**, the marriage of a minor **who has attained puberty is considered valid.**
 - The **[Special Marriage Act, 1954](#)** also prescribes **18 and 21 years as the minimum age of consent** for marriage for **women and men respectively.**

▪ **[Prohibition of Child Marriage Act, 2006](#)** replaced the **Child Marriage Restraint Act, 1929** which was enacted during the British era.

- It defines a **child to mean a male below 21 years and female below 18 years.**
 - **"Minor"** is defined as a person **who has not attained the age of majority as per the Majority Act.**
- The **legal status of Child Marriage is voidable if so desired** by one of the parties.
 - However, **if the consent is obtained by fraud**, deceit or if the child is enticed away from his/her lawful guardians, and if the sole purpose is to use the child for trafficking or other immoral purposes, **marriage would be void.**
- There is also a **provision for maintenance of girl child. Husband is liable to pay**

maintenance if **he is a major**.

- In case, the **husband is also a minor, his parents would be liable to pay maintenance**.
- It envisages preventing child marriage with punishments of **rigorous imprisonment for two years and/ or fine of Rs. 1 lakh**.
- The Act also provides for the **appointment of CPMO whose duties are to prevent child marriages and spread awareness** regarding the same.
- **India's Efforts for Reducing Gender Gap:**
 - India had ratified the [Convention on the Elimination of All Forms of Discrimination Against Women in 1993](#).
 - **Article 16** of this Convention strictly **forbids child marriage** and asks governments to identify and enforce the minimum marriage age for women.
 - Since 1998, India has had **national legislation exclusively on human rights protections** drafted in consonance with international instruments such as the [Universal Declaration of Human Rights, 1948](#).

UPSC Civil Services Examination, Previous Year Question (PYQ)

Q. In the context of Indian history, the Rakhmabai case of 1884 revolved around (2020)

1. women's right to gain education
2. age of consent
3. restitution of conjugal rights

Select the correct answer using the code given below:

- (a)** 1 and 2 only
- (b)** 2 and 3 only
- (c)** 1 and 3 only
- (d)** 1, 2 and 3

Ans: (b)

Exp:

- Rakhmabai (1864 - 1955) made her mark in history due to the legal case she was involved in, which contributed to the enactment of the Age of Consent Act, 1891.
- In 1885, after 12 years of marriage, her husband sought "restitution of conjugal rights", Rakhmabai was ordered to go live with her husband or spend six months in jail. **Hence, 3 is correct.**
- Rakhmabai refused to live with the man she was married to as a child, as she had no say in the marriage. Rakhmabai wrote to Queen Victoria. The Queen overruled the court's verdict and dissolved the marriage.
- The ripples that the case created led to the influence on the passage of the Age of Consent Act, 1891, which made child marriages illegal across the British Empire. **Hence, 2 is correct.**
- Though Rakhmabai became the first women doctor to practice medicine in British India, the case was not related to the women's right to gain education. **Hence, 1 is not correct.**
- **Therefore, option B is the correct answer.**

[Source: IE](#)

Tribal Forest Rights

For Prelims: Community Forest Resource, Forest Rights Act, Reserve Forest, Protected Forest, Sanctuary and National Parks

For Mains: Forest Rights Act, Community Forest Resource Rights and Significance of the Recognition

Why in News?

Recently, residents of Karipani and Budra villages in Chhattisgarh carried out a **massive afforestation drive over 100 acres**, as it was the last-ditch effort of the villagers to **secure rights over their forest land**.

- As many as 10 villages in protected areas of the state received the **Community Forest Resource Rights (CFRR)** titles on [Adivasi Divas observed on August 9, 2022](#) but Karipani and Budra were not among them.

What are Community Forest Resource Rights?

- The Community Forest Resource rights under Section 3(1)(i) of the [Scheduled Tribes and Other Traditional Forest Dwellers \(Recognition of Forest Rights\) Act, 2006](#) (Commonly referred to as the Forest Rights Act) provides for **recognition of the right to “protect, regenerate or conserve or manage”** the community forest resource.
- These rights allow the **community to formulate rules for forest** use by itself and others and thereby discharge its responsibilities under **Section 5 of the Forest Rights Act**.
- CFR rights, along with Community Rights (CRs) under Sections 3(1)(b) and 3(1)(c), which include nistar rights and rights over non-timber forest products, **ensure sustainable livelihoods of the community**.
- **Once CFRR is recognised by a community, the ownership of the forest passes into the hands of the Gram Sabha instead of the forest department.**
- Effectively, the Gram Sabha has become the nodal body for management of the forests.
- These rights give authority **to the Gram Sabha adopt local traditional practices of forest conservation and management** within the community forest resource boundary.
- Chhattisgarh is only the second state to have recognised CFR rights inside a national park i.e., [Kanger Ghati National Park](#).
- In 2016, the Odisha government was the first to recognise Community Forest Resources (CFRs) inside the [Simlipal National Park](#).

What is the Forest Rights Act, 2006?

- The Act recognizes and vests the forest rights and occupation in Forest land in **Forest Dwelling Scheduled Tribes (FDST)** and **Other Traditional Forest Dwellers (OTFD)** who have been residing in such forests for generations.
- Forest rights can also be claimed by any member or community who has **for at least three generations (75 years) prior to the 13th day of December, 2005 primarily resided in forest land** for bona fide livelihood needs.
- It strengthens the **conservation regime** of the forests while ensuring livelihood and food security of the FDST and OTFD.
- The **Gram Sabha** is the authority to initiate the process for determining the nature and extent of **Individual Forest Rights (IFR)** or **Community Forest Rights (CFR)** or both that may be given to FDST and OTFD.
- The Act identifies **four types of rights**:
 - **Title rights:** It gives FDST and OTFD the **right to ownership** to land farmed by tribals or forest dwellers subject to a maximum of **4 hectares**. Ownership is only for land that is actually being cultivated by the concerned family and no new lands will be granted.

- **Use rights:** The rights of the dwellers extend to **extracting** [Minor Forest Produce](#), **grazing areas etc.**
- **Relief and development rights:** To **rehabilitate** in case of illegal eviction or forced displacement and to basic amenities, subject to restrictions for forest protection.
- **Forest management rights:** It includes the right to **protect, regenerate or conserve** or manage any community forest resource which they have been traditionally protecting and conserving for sustainable use.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. At the national level, which ministry is the nodal agency to ensure effective implementation of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006?

- (a) Ministry of Environment, Forest and Climate Change
- (b) Ministry of Panchayati Raj
- (c) Ministry of Rural Development
- (d) Ministry of Tribal Affairs

Ans: (d)

Exp:

- The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, also referred to as the Forest Rights Act (FRA), 2006, **recognizes the rights of the forest-dwelling tribal communities and other traditional forest dwellers to forest resources.**
- The Act encompasses Rights of self-cultivation and habitation which are usually regarded as individual rights; and community rights as grazing, fishing and access to Water bodies in forests, habitat rights for PVTGs, etc.
- In conjunction with the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Settlement Act, 2013, FRA protects the tribal population from eviction without rehabilitation and settlement.
- As per the provisions of the Act and the rules framed thereunder, various schemes and projects are implemented under the Ministry of Tribal Affairs. **Therefore, option (d) is the correct answer.**

[Source: DTE](#)

Asian Palm Oil Alliance

Why in News?

The apex edible oil industry associations from five major palm oil importing countries of Asia -- **India, Pakistan, Sri Lanka, Bangladesh and Nepal** -- have come together to form the **Asian Palm Oil Alliance (APOA)**.

- APOA held its first general body meeting on the sidelines of the Globoil Summit being held at Agra, India and the next meeting is expected to be held **in Indonesia early next year 2023.**
- **Globoil Summit** is one of the World's Leading Edible Oils and Agri Trade Conference, Exhibitions

& Awards.

- 2022 also marks the 25th year celebration of Globoil India.

What is APOA?

- The APOA aims is safeguarding the **economic and business interests of the [palm oil consuming countries](#)** and will work towards increasing the consumption of palm oil in member countries.
- The alliance would work **towards ensuring that palm oil is recognised as a high-quality, economical, and healthy vegetable oil** and to change the negative image of palm oil.
- Membership of APOA would be **further expanded to include companies or industry bodies** associated with production or refining of palm oil across the continent.

What is Palm Oil?

- Palm oil is **currently the world's most consumed vegetable oil**.
- It is used extensively in the **production of detergents, plastics, cosmetics, and biofuels**.
- Indonesia and Malaysia together account for almost **90% of the global palm oil production**, with Indonesia producing the largest quantity at over 45 million tonnes in 2021.
- Top consumers of the commodity are India, China, and the [European Union \(EU\)](#).
- India's annual imports of edible oil is around **13-14 million tonne (MT)**.
- Around 8 MT of palm oil is imported from **Indonesia and Malaysia**, while other oils, such as soya and sunflower, come from Argentina, Brazil, Ukraine and Russia.
 - Asia accounts for **around 40% of the global palm oil consumption** while Europe accounts for 12% of palm oil trade. Indonesia and Malaysia are the biggest palm oil exporters in the world.
- India is the **largest importer of palm oil in Asia**, accounting for 15% of global imports, followed by China (9%), Pakistan (4%) and Bangladesh (2%).

UPSC Civil Services Examination, Previous Year Question (PYQ)

Q. With reference to 'palm oil', consider the following statements: (2021)

1. The palm oil tree is native to Southeast Asia.
2. The palm oil is a raw material for some industries producing lipstick and perfumes.
3. The palm oil can be used to produce biodiesel.

Which of the statements given above are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: (b)

[Source: FE](#)

Maharatna Status to REC

Why in News?

Recently, **Rural Electrification Corporation (REC)** has been accorded the status of a '[Maharatna](#)' **Central Public Sector Enterprise (CPSE)**.

What do we know about REC & Maharatna Status?

▪ About REC:

- REC is a [Non-Banking Financial Company \(NBFC\)](#), incorporated in 1969, focusing on **Power Sector Financing and Development** across India.
- It comes under the purview of the **Ministry of Power**.
- It has been appointed as a Nodal Agency for Government of India's flagship schemes as following:
 - [Pradhan Mantri Sahaj Bijli Har Ghar Yojana \(SAUBHAGAYA\)](#)
 - Deen Dayal Upadhaya Gram Jyoti Yojana (DDUGJY)
 - National Electricity Fund (NEF)
- REC also assists the Ministry of Power in monitoring the [Ujjwal Discom Assurance Yojana \(UDAY\)](#).
- **Benefits to Maharatna Status to REC:**
 - The Board of a 'Maharatna' CPSE can **make equity investments to undertake financial joint ventures** and **wholly-owned subsidiaries** and **undertake mergers and acquisitions** in India and abroad, subject to a **ceiling of 15% of the Net Worth** of the concerned CPSE, limited to **₹5,000 crores in one project**.
 - The Board can also **structure and implement schemes** relating to personnel and Human Resource Management and Training.
 - REC now can also enter into technology **Joint Ventures** or other strategic alliances among others.

▪ Maharatna Status:

- **The Maharatna dispensation** was ushered in by the Union government for mega **Central Public Sector Enterprises (CPSEs)** to become global giants (introduced in 2010).
- CPSEs are those companies in **which the direct holding of the Central Government** or other CPSEs is 51% or more.
- "Maharatna" status is granted to a company which has recorded **more than Rs. 5,000 crores of net profit** for **three consecutive years**, an **average annual turnover of Rs. 25,000 crore** for three years or should have an **average annual net worth of Rs. 15,000 crore** for three years. It should also have global operations or footprints.
- A CPSE should also have a **Navratna status, be listed on an Indian stock exchange**.

Classification of CPSEs			
Category	Launch	Criteria	Examples
Maharatna	<ul style="list-style-type: none"> ○ Maharatna Scheme was introduced for CPSEs in May, 2010, in order to empower mega CPSEs to expand their operations and emerge as global giants. 	<ul style="list-style-type: none"> ○ Having Navratna status. ○ Listed on Indian stock exchange with minimum prescribed public shareholding under Securities and Exchange Board of India (SEBI) regulations. ○ An average annual turnover of more than Rs. 25,000 crore during the last 3 years. ○ An average annual net worth of more than Rs. 15,000 crore during the last 3 years. ○ An average annual net profit after tax of more than Rs. 5,000 crore during the last 3 years. ○ Should have significant global presence/international operations. 	<ul style="list-style-type: none"> ○ Bharat Heavy Electricals Limited, Bharat Petroleum Corporation Limited, Coal India Limited, GAIL (India) Limited, etc.
Navratna	<ul style="list-style-type: none"> ○ Navratna Scheme was introduced in 1997 in order to identify CPSEs that enjoy comparative advantages in their respective sectors and to support them in their drive to become global players. 	<ul style="list-style-type: none"> ○ The Miniratna Category – I and Schedule ‘A’ CPSEs, which have obtained ‘excellent’ or ‘very good’ rating under the Memorandum of Understanding system in three of the last five years, and have composite score of 60 or above in the six selected performance parameters, namely, <ul style="list-style-type: none"> ○ Net profit to net worth. ○ Manpower cost to total cost of production/services. ○ Profit before depreciation, interest and taxes to capital employed. ○ Profit before interest and taxes to turnover. ○ Earning per share. ○ Inter-sectoral performance. 	<ul style="list-style-type: none"> ○ Bharat Electronics Limited, Hindustan Aeronautics Limited, etc.
Miniratna	<ul style="list-style-type: none"> ○ Miniratna scheme was introduced in 1997 in pursuance of the policy objective to make the public sector more efficient and competitive and to grant enhanced autonomy and delegation of powers to the profit-making public sector enterprises. 	<ul style="list-style-type: none"> ○ Miniratna Category-I: The CPSEs which have made profit in the last three years continuously, pre-tax profit is Rs.30 crores or more in at least one of the three years and have a positive net worth are eligible to be considered for grant of Miniratna-I status. ○ Miniratna Category-II: The CPSEs which have made profit for the last three years continuously and have a positive net worth are eligible to be considered for grant of Miniratna-II status. ○ Miniratna CPSEs should have not defaulted in the repayment of loans/interest payment on any loans due to the Government. ○ Miniratna CPSEs shall not depend upon budgetary support or Government guarantees. 	<ul style="list-style-type: none"> ○ Category-I: Airports Authority of India, Antrix Corporation Limited, etc. ○ Category-II: Artificial Limbs Manufacturing Corporation of India, Bharat Pumps & Compressors Limited, etc.

Source: PIB