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MONTHLY MAINSTORMING

SEPTEMBER 2018

Shankar IAS Academy™

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G.S PAPER I

1. SOCIETY

Alcohol consumption is rising in India. What steps can the governments' take to prevent this serious threat?

KEY POINTS

- According to WHO, in just over a decade (2005-2016), per capita alcohol consumption in India more than doubled from 2.4 litres to 5.7 litres.
- Easy availability of liquor, access to alcohol at home, curiosity, peer pressure and its association with a certain kind of lifestyle have contributed to this shift in drinking patterns.
- Although the Indian constitution includes the prohibition of alcohol among its directive principles, alcohol policy is devolved to individual states.
- Since most states derive huge revenue from alcohol taxation, they are generally ambivalent towards stemming its flow.
- The harmful use of alcohol is a primary causal factor in more than 200 diseases.
- There are also significant social costs, in terms of violence against women, and economic costs, in terms of public healthcare burden arising out of alcohol dependence, lost productivity, etc.

Suggestions

- Alcohol consumption as a habit is more likely to be taken up at a younger age and targeting such age groups is regarded as an important step to reduce the harm of alcohol abuse.
- To prevent them from being addicted –
 1. Make students aware about alcohol and its effects on their body as a part of their curriculum.
 2. Increase the age at which alcohols can be purchased
- Given the paucity of de-addiction centres, the states must work to create more de-addiction centres.
- Ban or restrict advertising of alcohol.
- Credible, evidence based educational campaigns in the mass media about the consequences of alcohol abuse.
- Provide guidelines for parents to prevent alcohol abuse amongst adolescents.

In India, the share of elderly living alone or only with a spouse is increasing rapidly. Examine the factors responsible for such rise and discuss the problems faced by them.

KEY POINTS

- The share of the elderly in India living alone or only with a spouse increased from 9 per cent in 1992 to 19 per cent in 2006.

Causes

- Growing life expectancy and lower fertility rates mean an increasing share of elderly in the population, putting additional pressure on a smaller number of children.
- Better economic opportunities mean that children are leaving home earlier than they used to, migrating not to the neighbouring town, but across states and countries.
- Direct or indirect exposure to the Western way of life has given this generation an alternative idea of family responsibility and how to organise care.



Problems faced by them

- **Financial hurdles** – The GoI in 2007 enacted the Maintenance and Welfare of Parents and Senior Citizens Act, which made it a legal obligation for children to provide maintenance to parents in the form of a monthly allowance.
- While financial needs are met, social ones remain.
- Nearly half the elderly felt sad and neglected, 36 per cent felt they were a burden to the family.
- **Psychological problems** – Loneliness has resulted in depression and psychiatric disorders among the elderly persons.
- 43 out of 100 elderly people in India are victims of psychological problems due to loneliness and other relationship issues.
- Unlike most developed countries, emergency response infrastructure for lonely senior citizens is ill-developed in India.

Suggestions

- Strengthening financial inclusion of the elderly, in order to make every individual above the age of 60 financially independent, was important.
- Free health counsellors for those elderly people who are living alone.
- Establishment of a national institute for aged on the lines of AIIMS for treatment and research in age-related ailments.
- Setting up of a national fund for the aged (on the lines of national fund for rural development).
- A national commission for the aged, along with a prime minister's self-employment scheme for old people, would help in offering gainful engagement opportunities to retired older persons.

Road to future

- Today there is an urgent need to include elderly-friendly provisions in all governmental schemes and programmes because their lifespan and their share in national population have increased remarkably.
- Ignoring their needs and rights and leaving them unaddressed can pose a great threat to our social development agenda.

G.S PAPER II

2. POLITY

Even though both the Legislative council and the Rajya Sabha are second chambers, the constitution has given the council much lesser importance than the Rajya Sabha. Justify the statement and examine the reasons why?

KEY POINTS

- **Over riding powers** – The Lok Sabha cannot override the Rajya Sabha by passing the bill for the second time and vice versa. A joint sitting is the only way to resolve a deadlock between the two Houses.
- But, the legislative assembly can override the legislative council by passing the bill for the second time and not vice versa.
- In other words, the council is not a revising body like the Rajya Sabha; it is only a dilatory chamber or an advisory body.
- **Electing powers** – Unlike Rajya Sabha MPs, MLCs cannot vote in elections for the President and Vice President.

- **Existence** – The very existence of the council depends on the will of the assembly.
- The council can be abolished by the Parliament on the recommendation of the assembly. But, Rajya Sabha cannot be abolished.

Reasons

- **Federal significance** – The Rajya Sabha consists of the representatives of the states and thus reflects the federal element of the polity.
- It maintains the federal equilibrium by protecting the interests of the states against the undue interference of the Centre
- Therefore, it has to be an effective revising body and not just an advisory body or dilatory body like that of the council.
- On the other hand, the issue of federal significance does not arise in the case of a council.
- **Structure** – The council is heterogeneously constituted. It represents different interests and consists of differently elected members and also includes some nominated members.
- On the other hand, the Rajya Sabha is homogeneously constituted. It represents only the states and consists of mainly elected members (only 12 out of 250 are nominated).
- **British model** – The position accorded to the council is in accordance with the principles of democracy: The council should yield to the assembly, which is a popular house.
- This pattern of relationship between the two Houses of the state legislature is adopted from the British model.

Rapid criminalisation of politics cannot be arrested by merely disqualifying tainted legislators but should begin by cleansing political parties. Discuss

KEY POINTS

- Political parties play a central role in Indian democracy – **the life blood of the entire constitutional scheme.**
- In other words, it is the Political Parties that form the Government, man the Parliament and run the governance of the country.
- Political parties act as a conduit through which interests and issues of the people get represented in Parliament.
- But, they have also been chiefly responsible for the growing criminalisation of politics.
- Though the RPA 1951, disqualifies a sitting legislator or a candidate on certain grounds, there is nothing regulating the appointments to offices within the party.
- Therefore, a politician may be disqualified from being a legislator, but may continue to hold high positions within his party, thus also continuing to play an important public role which he has been deemed unfit for by the law.
- Convicted politicians may continue to influence law-making by controlling the party and fielding proxy candidates in legislature.
- In a democracy essentially based on parties being controlled by a high-command, the process of breaking crime-politics nexus extends much beyond purity of legislators and encompasses purity of political parties as well.
- Thus, the crime-politics nexus demands a range of solutions much broader than disqualification or any other sanctions on elected representatives.



Broader solution

- It is necessary to introduce internal democracy, financial transparency and accountability in the working of the Political Parties.
- Draft a separate law for regulating some of the internal affairs of political parties in order to deal with the crime-politics nexus.
- In case of conviction on a criminal charge, apart from disqualification of the representative, a political party should be held responsible and be sanctioned in some way, for example, by de-recognition of the party.
- Political parties should refrain from appointing or allowing a person to continue holding any office within the party organization if the person has been deemed to lack the qualities necessary to be a public official.
- Therefore, the legal disqualifications that prevent a person from holding office outside a party should operate within the party as well.

The recent Supreme Court ruling on Sabarimala Temple entry case establishes the legal principle that individual freedom prevails over purported group rights, even in matters of religion. Discuss

KEY POINTS

- The Kerala Hindu Places of Public Worship Rules, 1965 banned women between the age of 10 and 50 from entering the Sabarimala temple.
- The Sabarimala temple case represented a conflict between the two
 1. the **group rights** of the temple authorities in enforcing the presiding deity's strict celibate status
 2. the **individual rights** of women in 10-50 age group to offer worship there
- Traditionally, to resolve such issues, the Supreme Court has relied on the "essential religious practice" doctrine.
- The SC has applied this doctrine in this case also and concludes that the ban was not an essential practice of the Hindu religion and struck down the discriminatory rule.
- Historically, such exclusionary policies have been defended as extensions of faith, being **rooted in culture and tradition**.
- But favouring the autonomy of the group over that of an individual would endanger the rights of socially subordinate members.
- The SC said that the fundamental rights claimed by worshippers based on 'custom and usage' must yield to the fundamental right of women to practise religion.
- It would be impossible to conceive of the preservation of liberal constitutional values while at the same time allowing group rights to defy those values.
- It thus established the primacy of individual freedom over group rights.
- In the past, the Supreme Court in its judgment on section 377 clearly mentions that the social morality cannot trump constitutional morality.
- Here, through the Sabarimala case it again establishes the legal principle that individual freedom prevails over purported group rights, this time **even in matters of religion**.

Thoroughly overhauling Section 124-A is good, but repealing it is much better. Discuss in the light of the recent consultation paper on sedition by the Law commission.

KEY POINTS

- Sec 124 A deals with sedition and it says that the act of Sedition is to bring hatred or contempt towards the Government established by law in India.



- The Law Commission in its recent consultation paper calls for a thorough reconsideration.
- A thorough overhaul of Section 124-A is good because,
- **Purpose** – It is an irony to retain a provision that was used extensively to suppress the freedom struggle, when Britain itself abolished it 10 years ago.
- **Misuse** – There have been repeated instances of misuse of the Section.
- **Definition** – The definition of sedition remains too wide.
- Under the present law strong criticism against government policies and personalities, slogans voicing disapprobation of leaders and depictions of an unresponsive or insensitive regime are all likely to be treated as 'seditious', and not merely those that overtly threaten public order or constitute actual incitement to violence.
- The core principle enunciated by the Supreme Court in recent times that incitement to violence or tendency to create public disorder is the essential ingredients of the offence have been forgotten.

Road to future

- As long as sedition is seen as a reasonable restriction on free speech on the ground of preserving public order, it will be difficult to contain its mischief.
- There are thus two ways of undoing the harm that sedition provision does to citizens' fundamental rights:
 1. It can be amended so that there is a much narrower definition of what constitutes sedition
 2. The second and **best** course is to repeal the section altogether

Recently, the Law Commission has recommended doing away with the system of Hindu Undivided Family (HUF) altogether all over India. Are suggestions to abolish HUF justified? Discuss

KEY POINTS

Hindu Undivided Family (HUF)

- An HUF is a family which consists of all persons lineally descended from a common ancestor, and also the wives and daughters of the male descendants
- It entails a variety of joint property relations among the members.
- It consists of the karta, who is typically the eldest person or head of the family, while other family members are coparceners.
- Recently, the Law Commission has recommended abolishing the system of HUF citing justification of institutions on grounds of deep-rooted sentiments at the cost of country's revenues may not be judicious.

Rationale cited by Law Commission

- The reasons for such recommendations are that there are various lacunae, anomalies and inconsistencies in the Hindu Succession Act, 1956 as amended to grant equal rights to daughters of coparceners as to sons, and that the institution of HUF was being used for tax avoidance.

Is the decision justified?

- If one examines the basis for the Law Commission's views, these are reports of various committees of the 1940s to 1970s.
- Only one report is the 174th Report of the Law Commission in 2000, on the proposed reforms in Kerala relating to property rights of women.
- After each of these reports, there have been various amendments to the Hindu Succession Act.
- The basis of the conclusion that HUFs are used for tax avoidance is the Direct Taxes Enquiry Committee Report, 1971.



- After this report, the tax laws were amended to derecognise partial partitions of HUFs, which was the primary means of tax avoidance.
- The impact of these amendments on the conclusions arrived at by those committee reports does not seem to have been considered by the Law Commission.
- Today, as any tax practitioner will testify, **HUFs are hardly ever used for tax avoidance.**
- The tax savings through an HUF is minimal, as it is only incomes up to Rs.10 lakh which give a tax benefit of only Rs. 1,95,000.
- As against this, one has to factor in the time and effort of maintenance of separate records, accounts and of compliance. In most cases, it is just not worth the effort.
- Also, the complexity of Hindu law after the amendments has ensured that most families prefer to steer clear of HUFs.
- They, in fact, prefer to partition existing HUFs, particularly as the younger generation does not want the complexity and uncertainty which goes with an HUF, more so if some of the family members are non-residents.
- Therefore, the concern about the tax revenues does not seem justified, as abolition of HUFs will hardly result in any increase in tax collection.

3. GOVERNANCE

Even the most well-intentioned policies of the government have often remained ineffective due to public perception, collective social norms and behaviour. In this context, discuss the significance of including behavioural insights in public policymaking.

KEY POINTS

- In last few years, even the most well-intentioned public policy programmes fail to be adopted by people who would benefit from them the most.
- This is mostly due to public perception, collective social norms and behavioural pattern.
- Given their bounded capacity, people gravitate towards the status quo, which often results in a gap between the policy's intent and action.
- For example, Swachh Bharat Abhiyan (SBA) has increased the access to toilets, but still open defecation remains a huge challenge in India.
- Though India has a fixed legal age for marriage, girls are still married young.
- Savings plan remain unused, immunisation initiatives even when offered free has no takers.

Behavioural Insights in policy making

- It is an inductive approach to policy making that combines insights from psychology, cognitive science, and social science with empirically-tested results to discover how humans actually make choices.
- A good understanding about the behavioural pattern of the people, for whom the policy is designed for, will help in identifying the ways in which the people will ignore the scheme.
- A policy can then be made to be better complied by including “nudges”- small, easy and timely suggestions to influence behaviour.
- For example, an immunisation programme in Rajasthan village shows, incentivising mothers with lentils as free gift nudged more children from benefiting from the programme.

Significance

- A better understanding of behaviour leads to better-designed policies.

- Better designed policies will yield better compliance.
- It will
 1. Reduce the policies intent-to-action gap.
 2. Make policies cost effective and easy to understand and help people make better choices for themselves.
 3. Reduce resource wastage and helps in building a better social capital.
 4. Act as an inexpensive and creative tool in the hands of government.
 5. Act as a tool for including bottom-up approach where the ground reality gets resembled in the policy.

India cannot transform with new ideas without having a paradigm of planning for development. In this context, discuss the relevance of NITI Aayog.

KEY POINTS

- The GoI replaced the Planning Commission with NITI Aayog as a means to better serve the needs and aspirations of the people of India.
- The NITI Aayog was formed to bring **fresh ideas** to the government. Its first mandate is to act as a think tank.
- It can be visualised as a funnel through which new and innovative ideas come from all possible sources and flow into the government system for implementation.
- By collecting fresh ideas and sharing them with the governments, it pushes frontiers and ensures that there is no inactivity, which is quite natural in any organisation or institution.
- But, India cannot transform with new ideas without having a paradigm of planning for development.
- India requires planning that addresses social justice, reduces regional and gender inequalities, and ensures environmental sustainability.
- The implication for a complex country like India that became an industrial economy late is that, **planning would, and should, remain a central function of the state in the medium run.**

Global experience

- The Chinese state ensured that after its market-oriented economic reforms began, its State Planning Commission became more powerful in the state apparatus.
- The result was growth and poverty reduction on a scale unprecedented in history.
- Similarly, in all East Asian and Southeast Asian countries, industrial policy was planned and executed as part of five-year or longer-term plans.
- It was precisely because these countries had planning institutions which went hand in hand with industrial policy that they managed to steer policies through turbulent times in the global economy, thus sustaining growth.

Suggestions

- If NITI Aayog is to implement such a strategy within a planning framework in India, two major changes in governance structures are needed.
 1. Planning will have to become more decentralised, but within a five-year plan framework.
 2. Bureaucracy will need to change from generalist to specialist, and its accountability will have to be based on outcomes achieved, not inputs or funds spent.

4. GOVERNMENT POLICIES & INTERVENTIONS

India has recently launched a National Database of Sexual Offenders. To what extent such a database would help in curbing crimes against women and children? Discuss

KEY POINTS

- India has launched a National Database of Sex Offenders', which will have records of about 4.4 lakh people convicted of various sexual offences from 2005 onwards.

Effectiveness of the database

- The registry contains the name, address, photograph, fingerprint details, DNA samples, PAN and Aadhaar number of the offender.
- The National Crime Records Bureau will maintain the database, which will be shared with states and union territories for tracking, monitoring and investigating, including verification of antecedents by police.
- For instance, before hiring a domestic help, a prospective employer can get his antecedents verified by the police.
- It will be very helpful in limiting the rampant growth of sex crimes, including those against children.
- It will act as a deterrent against the perpetrator and also helps in sorting out and solving cases.
- It will be very much useful to investigators when offenders who commit a crime in one state migrate to another.
- It ensures less opportunity for repeated offenders.

Limitations

- **Under-reporting** – As per the NCRB data for 2016, in 94.6% of reported cases of rape against women and children, the perpetrator is known to the victim.
- This had resulted in frequent under-reporting of the crimes. Thus, the registry missed many of the real offenders already.
- The fear of the offender being included in the registry may further exacerbate the problem of underreporting.
- **Low conviction rate** – The database will include offenders **convicted** under charges of rape, gang rape, POCSO and eve teasing.
- According to NCRB, in 2016, courts across the country completed trial in 18,552 rape cases.
- However, accused in 13,813 cases were acquitted. This means that conviction rate in rape cases was just 25.5%.
- This again reiterates the failure of the database to include the potential offenders.
- **Updated registry** – The criminal justice system is already under-staffed and under-resourced.
- At this juncture, it would be very difficult to keep the registry updated.
- **Disincentivises reform** – The database is graded, retaining data on “low danger” offenders for 15 years, those offering “moderate danger” for 25 years, and habitual offenders for their lifetime.
- It gives no option for the offender to reform.

Innovative model

- The Canadian National Sex Offender Registry, which offers an opt-out option – after paying the debt to society, offenders can be delisted if they convince a judge that they no longer present a threat, would be a great model to emulate for India.



- Also, the focus needs to be shifted to tackling barriers to reporting, training law enforcement officials and providing support to survivors.

The recent ordinance on criminalising instant triple talaq is neither perfect nor necessary. Discuss

KEY POINTS

- The central government has recently passed an Ordinance making talaq-e-biddat (or) instant triple talaq a criminal offence.
- It makes all forms of declaration of instant talaq to be void.
- Also, Instant triple talaq will now attract a maximum jail term of three years.

Issues with the ordinance

- The Supreme Court has already set aside instant triple talaq in Shayara Bano case (2017).
- Under this, a Muslim man can no longer use it to cause 'harm' to his wife.
- After rendering talaq-e-biddat inoperative, considering it a cognisable and non-bailable offence seems illogical.
- Thus, imprisonment of 3 years for triple talaq is excessive, arbitrary, irrational and thus violative of Article 14 of the Constitution.
- Also the core issue still remains – whether a marital wrong, essentially a civil matter, should lead to prosecutions and jail terms.

Concerns with the Ordinance route

- The Lok Sabha has passed the Muslim Women (Protection of Rights on Marriage) Bill, 2017.
- The Bill seeks to give statutory form to the Supreme Court ruling of 2017.
- But, it is pending in the Rajya Sabha due to lack of consensus driven by some controversial provisions.
- At this juncture, the use of ordinance route lends credence to accusations that the legislature was undemocratically circumvented to serve the political interests.
- Article 123 empowers the President to promulgate an ordinance only when urgent situations arise during the recess of Parliament.
- In the case of triple talaq, no such emergency came to light.
- Mere lack of consensus in the Rajya Sabha is not a good enough reason to promulgate an ordinance.

The Right to be forgotten proposed in the Data Protection Bill poses a severe threat to Right to Information (RTI) and freedom of press. Discuss

KEY POINTS

Right to be forgotten

- The right allows for the lawful removal of personal information of an individual if such request is made.
- It can determine the development of one's life in an autonomous way, without being perpetually or periodically stigmatised as a consequence of a specific action performed in the past.
- The right to privacy constitutes information that is not publicly known whereas, right to be forgotten involves removing information that was publicly known at a certain time and not allowing third parties to access the information.
- Section 27 of the draft personal data protection Bill 2018 offers an individual the "right to restrict or prevent continuing disclosure of personal data" or the right to be forgotten.

Concerns

- The right to be forgotten might spell a danger to press freedom.
- Though section 47 provides for journalistic exemptions, it applies only where the journalist demonstrates that the processing is in compliance with any code of ethics issued by -
 1. the Press Council of India (or)
 2. any media self-regulatory organisation
- These will create additional **pre-publication restrictions** on citizens and the media, as journalistic publication will be dependent upon the opinion of an adjudicating officer.
- Besides, freedom to criticise the public personalities for their public policies based on their past statements and activities will be in jeopardy.
- Also, both CIC (Central Information Commission) and DPA (Data Protection Authority) deals with information disclosure.
- So a citizen seeking access to such information will be confused on whom to approach.

Every time India does well at a multi-sport event, there is a chorus that we have arrived on the world stage. Has India finally arrived on such a platform? In this context, assess the level of government support in making India a true sporting nation.

KEY POINTS

Arguments in favour

- A nation doesn't become a sporting nation overnight. There are more people watching and more and more children playing.
- More importantly, there has been a major cultural change in our basic belief system.
- Athletes no longer feel as though they are inferior to their international counterparts, and that is probably the most heartening aspect of Indian sport.
- More and more parents started to have faith that sports can provide the platform for a healthy and decent future and are encouraging their children to play and seek a career in sports.
- Our boys and girls are constantly improving their personal bests and are very motivated.
- India is begun to offer competition in games which are not big at home.
- There are several Indian athletes now who are in the forefront of various disciplines.

Arguments against

- India's progress in joining the elite sports powers in the world has been excruciatingly slow.
- Over the last decade, India has won more medals than the previous four decades put together.
- But, international medals are not the best parameter to decide whether a country as a sporting nation or not.
- A sporting nation is one that has sustainable systems, societal interest in sport, which links sport and entertainment, which has large numbers across disciplines, both amateur and professional.
- There are several Indian athletes now who are in the forefront of various disciplines, but a critical factor on the assessment of the health of a sport is to measure how many players are waiting in the pipeline to knock him/her off that perch. That bench strength is weak in India.



Government support

- In India, the Union Budget for 2018-19 provided 2196.35 crore for sports, out of which 520.09 crore went to Khelo India, the government's flagship programme to unearth talent.
- The Sports Authority of India's budget was cut by 66 crore, thereby curtailing its freedom to be liberal with proposals from national sports federations.
- Our management systems of sport are archaic. The certifying authority in India for nurturing coaches and trainers, the National Institute of Sports, Patiala, has an outdated curriculum.
- Our national federations still struggle to take their various disciplines to the masses.
- They have monumentally failed in creating an overall interest in the sport because they do not plan, let alone think, long term outside the proverbial box for the growth of the sport.
- But, if one sees the size of the country, the facilities provided by the government are second to none.
- There is a need to concentrate on creating new infrastructure facilities and providing adequate foreign exposure to our front-line sportspersons.

In multinational balance sheets, value placed on Indian lives has always been a bit lower when compared to their developed counterparts. Discuss the loopholes in the existing framework leading to this, in the light of Johnson & Johnson ASR implant case.

KEY POINTS

- DePuy, a subsidiary of Johnson & Johnson (J&J), engineered a hip replacement device that used metal in both the ball and the socket.
- Commonly called the "Articular Surface Replacement or ASR hip implant", this device soon turned toxic, owing to the release of metal debris, resulting in inflammation, tissue damage and profound pain.

Loopholes

- There are no specific legal provisions in the existing Drugs and Cosmetics Act (DCA), 1940, and rules to provide compensation to the patients in such cases.
- The Act problematically presumes even a "device" to be a drug.
- It penalises all those who sell adulterated, spurious or sub-standard drugs.
- Public health experts say the legal compulsion for compensation can come through a court case invoking tort law, product liability law and consumer protection law.
- Unfortunately India does not have a body of well developed tort law and compensatory jurisprudence.
- India needs to send out a clear message to multinationals that the lives of Indian patients matter as much, if not more.

5. REGULATORY BODIES

Discuss why Pension Fund Regulatory Development Authority (PFRDA) is crucial for India and examine the shortcomings in the regulatory framework.

KEY POINTS

Significance of PFRDA

- In the past few decades, burgeoning populations and increasing life expectancies have led to an unprecedented rise in the elder population.

- India with the elder population, projected to reach 19% of the total population by 2050.
- A significant part of this group will be unable to work for a living, and also simultaneously incur higher medical and other expenses.
- Not only does the lack of a financial security net for this group leave it vulnerable to a number of exigencies, it also increases the likelihood of inter-generational continuity of debt and a higher fiscal burden for the government of the day.
- Given these factors, the presence of a sound, efficient and reliable pension system is indispensable to the economy.
- The Pension Fund Regulatory and Development Authority of India (PFRDA), set up in 2003, is responsible for establishing, developing and regulating pension funds in India.
- It regulates the functioning of key intermediaries under the NPS framework.
- It includes the NPS Trust and the Pension Funds and Points of Presence.

Shortcomings

- **NPS** – Being a regulator of the pensions sector, PFRDA is also responsible for promoting and developing the NPS. This gives rise to concerns of a potential conflict of interest.
- **NPS Trust** – At present, the NPS Trust and the PFRDA possess overlapping and concurrent powers.
- This lacks clarity, leading to accountability and conflict of interests concerns.
- **Act** – The foreign shareholding limits for Indian insurance companies are currently 49%.
- Also, the foreign exchange regulations, cap foreign shareholding in the pensions sector at 49%.
- But, PFRDA Act caps foreign shareholding in Indian pension funds to be the higher of 26 per cent of the pension fund's paid-up capital or the limits specified for Indian insurance companies.
- The choice from dual percentages as specified in the Act creates unnecessary confusion.
- **Consumer protection** – The web-based grievance portal for NPS subscribers allows complaints registration only in English.
- Similarly the PFRDA (Redressal of Subscriber Grievance) Regulations, 2015 fails to specify clear grounds for approaching the office of the Ombudsman.

6. SOCIAL JUSTICE

Discuss the recent judgment by the Supreme Court which decriminalises adultery and its implications.

KEY POINTS

Adultery law

- Under Section 497 of the IPC, a man had the right to initiate criminal proceedings against his wife's lover.
- Under Section 198(2) of the CrPC, the husband alone could complain against adultery.
- The Supreme Court has now struck down both these provisions and has decriminalised adultery.

Rationale behind the judgment

- **Anomalies in law** – An adulterous relationship did not constitute an offence if a married woman had her husband's consent.
- A wife could not prosecute her husband or his lover for violating the "sanctity of the matrimonial home".
- **Rights** – The ability to make choices is a fundamental facet of human liberty and dignity.

- Autonomy in matters of sexuality is intrinsic to a dignified human existence.
- But, section 497 restricts women of the ability to make these fundamental choices.
- It is also violative of Article 14 (equality) and Article 15 as it discriminated on grounds of sex and punishes just men.
- **Attitude** – The “ancient notions” of the man being the seducer and woman being the victim is no longer the case today.
- The court observed that the husband is neither master of his wife, nor does he have legal sovereignty over her.

Implications

- The Court did not equalise the right to file a criminal complaint, by allowing a woman to act against her husband’s lover.
- It instead preferred putting an end to the Victorian-era morality itself.
- The SC judgment in this regard strikes a blow for individual rights.
- It is thus a significant step towards **rights-based social relations**, instead of a **state-imposed moral order**.
- Taking forward the judicial precedents, the law makers should now play a proactive role in amending such regressive laws.

Discuss the role of women Self Help Groups (SHGs) in transforming the rural landscape in India.

KEY POINTS

Self Help Groups (SHGs)

- SHGs are voluntary associations of people formed to attain certain collective goals that could be economic, social or both.
- A SHG is a small economically homogeneous affinity group of the rural poor voluntarily coming together to save small amount regularly, which are deposited in a common fund to meet members emergency needs and to provide collateral free loans decided by the group.
- They consist of 10-15 members.

Role in transformation

- Women suffer a vast range of socioeconomic disadvantages in India.
- This includes being denied basic rights that range from the freedom to engage in economic activities to the right to choose their calling in life.
- However, the access to credit through the SHG channel helps women to break through these barriers.
- SHGs act as a powerful institution of participation and can contribute to India’s growth trajectory.
- Women SHGs can be an avenue for achieving the goal of financial inclusion by making women’s access to the banking system easier and hassle-free.
- By bringing women into the financial net, SHGs act as potent agents of change that go a long way in empowering them and, consequently, their families as well.
- Financially empowered, they find themselves in a better position to assert themselves in family matters such as family planning, child education, financial investments and everything in between.
- SHGs enhance the equality of status of women as participants, decision-makers and beneficiaries in the democratic, economic, social and cultural spheres of life.



- SHGs have the potential to address multitude of issues such as menstrual hygiene, sanitation, domestic violence and higher education.

Road to future

- SHGs are a realistic, viable and sustainable option for achieving rural development objectives.
- A greater push for the creation of more SHGs in rural India is needed.
- This will help reduce the dependence of women borrowers on informal sources of credit and help work towards their continual inclusion into the formal financial system.

Moral indignation, howsoever strong, is not a valid basis for overriding individuals' fundamental rights of dignity and privacy. Discuss in the light of the apex court judgment decriminalising Section 377 of IPC.

KEY POINTS

- Section 377 criminalises sexual activities “against the order of nature”, including homosexual activities.
- It typecasts LGBTQ individuals as sex-offenders and categorises their consensual conduct on par with sexual offences like rape and child molestation.

Social Morality

- Section 377 is based on deep-rooted gender stereotypes ingrained in the society.
- It speaks not just about non-procreative sex but also about forms of intimacy that the prevailing social order finds ‘disturbing’.
- This tendency arises from the limits imposed on individuals by social structures such as gender, caste, class, religion and community.
- These perceptions and attitudes prescribe a code of life to which the majority adhere to.
- It has thus received a social acclaim and has eventually become the social order and social morality which are justifiable within the existing social context.
- However there are **concerns** associated with it:
- It is a majoritarian impulse to subjugate a sexual minority to live in silence.
- It has led to stigmatisation and condemnation of LGBTQ persons in society, who are equal individuals.

Individual rights

- Homosexuals, as individuals, have a fundamental right to live with dignity and possess full range of constitutional rights.
- These include sexual orientation, partner choice, equal citizenship and equal protection of laws.
- Sexual orientation is biological and innate as an individual has no control over who they get attracted to.
- Certainly, the State cannot decide the boundaries between what is permissible and what is not.
- Any repression of this by the state will be a violation of free expression.
- Given these, the judgment underlines the fact that societal morality cannot override constitutional morality and fundamental rights of an individual.

The Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome (Prevention and Control) Act, 2017 recently came into force. Discuss how far the act would strengthen the rights of patients and cracks down on discrimination.



KEY POINTS

- **To end discrimination** – The Bill lists the various grounds on which discrimination against HIV positive persons and those living with them are prohibited.
- These include the denial, termination, discontinuation or unfair treatment with regard to: employment, educational establishments, health care services, residing or renting property, standing for public or private office, and provision of insurance.
- The requirement for HIV testing as a pre-requisite for obtaining employment or accessing health care or education is also prohibited.
- Every HIV infected or affected person below the age of 18 years has the right to reside in a shared household and enjoy the facilities of the household.
- It also prohibits any individual from publishing information or advocating feelings of hatred against HIV positive persons and those living with them.
- **To strengthen rights** – The act requires that no HIV test, medical treatment, or research will be conducted on a person without his informed consent.
- No person shall be compelled to disclose his HIV status except with his informed consent, and if required by a court order.
- An ombudsman shall be appointed by each state government to inquire into complaints related to the violation of the Act and the provision of health care services.
- The state and Centre must make diagnostic facilities, anti-retroviral therapy and opportunistic infection management available to all HIV-infected people, and ensure wide dissemination of the same.

Limitations

- The biggest concern is that the Act requires the State to provide diagnostics and treatment for HIV ‘**as far as possible**’.
- This dilutes state responsibility, and is contrary to the rights-based spirit of the Act.
- Also, the Act **does not clearly define** the functions and powers of ombudsman and complaints officers.

7. HEALTH

Discuss the significance of Pradhan Mantri Jan Arogya Yojana (PMJAY) and the probable challenges it is going to face in its operation.

KEY POINTS

- PMJAY will provide insurance up to Rs. 5,00,000 per family per year for in-patient secondary and tertiary treatment.
- It will cover over 100 million vulnerable families, which is about 500 million people, the poorest 40% of India’s population.

Significance

- It is the most ambitious and world’s largest social health insurance (SHI) programme.
- Catastrophic illness will have a high cost of treatment and such expenditures are unaffordable for most Indians, especially the most vulnerable.
- PMJAY rightly addresses this problem and safeguards poor families from impoverishing due to high treatment costs.
- The benefits of the scheme are portable across the country.

- To ensure that nobody from the vulnerable group is left out of the benefit cover, there will be no cap on family size and age in the scheme.
- A performance-linked payment system has also been designed to incentivise hospitals to improve service quality and patient safety.
- The insurance scheme will cover pre and post-hospitalisation expenses, including pre-existing illnesses.
- Given the existing health conditions and health service delivery systems, PMJAY plays a significant role in altering the health care landscape in India.

Challenges

- **Funding** – The allocation of just Rs. 2,000 crore during the current year to the PMJAY cannot provide the promised cover to the large population sought to be included.
- **Profit motive** – Private providers might push high cost treatments not covered by SHI to enhance their profit margins, thereby further raising the OOP burden on patients.
- **Lack of infrastructure and trained personnel** will make success of PMJAY even more challenging.
- **Unknown financial cost** – No actuarial database is available to yield a probability distribution of the expected number of different health episodes requiring different treatments at varying costs.
- Without such a database, insurance agencies cannot estimate the required premium to adequately cover the pooled risk –the ultimate cost of the programme.
- **Missing people** – PMJAY will protect the poorest 40%. Those at the top from the organised sector, government also have access to insurance.
- But this excludes the 500 million people or so of the middle segment dependent on the unorganized sector.

Road to future

- These challenges do not imply that PMJAY will fail but that it is only a first step on the road to universal SHI.
- The Thailand model with excellent SHI coverage and OOP spending down to 18% is increasingly seen as global best practice.
- As a follower country India can learn from the experiences of others.

India is facing a possible “mental health epidemic”. What causes such a situation and discuss the challenges in addressing the issue.

KEY POINTS

- **Mental health** is a state of well-being in which the individual realizes his or her own abilities, can cope with the normal stresses of life, can work productively and is able to make a contribution to his or her community.
- In India, burden of mental disorders had risen over last few decades.
- Our honourable Indian President Mr. Ram Nath Kovind had also recently warned that the country is facing a possible mental health epidemic.

Causes

- **Deprivation and poverty** – Individuals with lower levels of education, low household income, and lack of access to basic amenities are at **high risk** of mental disorder.
- Meanwhile, suicide death rates (SDRs) are higher in the more developed states of the south.
- Higher literacy, a better reporting system and higher expectations are the possible explanations for the higher suicide rates in the southern states.



- **Burden on female** – Females are more predisposed to mental disorders due to rapid social change, gender discrimination, social exclusion, gender disadvantage like marrying at young age, concern about the husband's substance misuse habits, and **domestic violence**.
- Divorced and widowed women are at slightly elevated risk of mental disorders.
- Work environment, school environment and family environment plays important role in pathogenesis of mental disorders.

Challenges

1. Stigma related to mental disorders
 2. Lack of awareness in common people
 3. Delayed treatment seeking behaviour
 4. Lack of low cost diagnostic test
 5. Lack of easily available treatment
 6. lack of adequate funding
 7. Lack of trained manpower
 8. Low priority of mental health in the health policy
- In addition factors pertaining to traditional medicine and beliefs in supernatural powers in community delays diagnosis and treatment.

Road to future

- There have been some positive developments over the past few years.
- The decriminalization of suicide last year was long overdue and welcome.
- The same holds true for the Insurance Regulatory and Development Authority of India's mandating that insurance companies are to make provisions to cover mental illnesses in their policies along with physical illnesses.
- But it remains to be seen how well this will be implemented, given that a standard health insurance policy covers in-patient hospitalization, while mental illnesses more often require **out-patient care like counselling and psychotherapy**.

8. EDUCATION

Nearly 10 years after the enactment of the RTE Act and 16 years after the right to education was elevated to a fundamental right, still a large number of children are out of schools. Examine the reasons and suggest measures to overcome such obstacles.

KEY POINTS

Reasons

- Prevailing prejudice against educating girls
- Socio-economic conditions of the parents.
- A key reason for boys to drop out of school was to take up jobs to supplement the family earning.
- For girls, it was the compulsion to participate in household work.
- The shortfalls in implementing all the provisions of the RTE Act within the time limit are a key reason.

- E.g. the Act provided for the availability of a school
 1. at a distance of 1 km from the child's residence at the primary level
 2. at 3 km from the child's residence at the upper primary level
- If implemented, a major reason for drop-out (distance of school) would have been eliminated.
- If all the infrastructure facilities prescribed in the Act had been put in place during the period of implementation, another reason for drop-out (environment not friendly) would have disappeared.

Suggestions

- Implementation of provisions of the RTE Act in its true spirit
- Financial support to poor parents
- Creating awareness about the importance of education

9. INTERNATIONAL RELATIONS

The idea of establishing Free Trade Agreements (FTAs) is gaining ground in the recent times especially among the developing countries. Examine what drives such a desire for FTAs among developing countries.

KEY POINTS

- Under FTA any two or more countries can establish a free trade area where commerce in goods and services can be conducted across their common borders, without tariffs or hindrances.

Driving factors

- FTAs can benefit member countries in various ways, like slowly boosting global free trade by allowing member countries to intensify their level of competition.
- Under FTA, if a country is not yet ready for global competition, it can pick and choose trading partners with which it feels relatively more comfortable.
- This may help raise a country's confidence and competitiveness, and pave the way for eventual free trade at the global level.
- It provides time to the domestic industry to adjust, and creating an arena to tackle difficult issues like agricultural subsidies and trade in services.
- The circles of trade that are created through FTA can help converge to form expansive multilateral agreements.
- Long-term political and ethnic hostility among various member countries can be minimised to an extent with the signing of FTAs.
- Formation of FTAs can be seen as a strategic move to consolidate peace and increase regional security among member countries.
- Setting up of FTAs can promote the spirit of open regionalism which would be complementary to a non-discriminatory multilateral system, as espoused by the WTO.
- **Existing realities** – Erratic and inconsistent stand of the US has sent out confusing signals to the world economy and thwarts the very existence of both the WTO and multilateralism.
- Under such uncertainties, many developing countries are left with a limited option of signing regional trade agreements with their emerging and comfortable trade partners.

What is COMCASA Agreement? Discuss its significance for India.

KEY POINTS

COMCASA

- Communications Compatibility and Security Agreement (COMCASA) is an India-specific version of the Communication and Information on Security Memorandum of Agreement (CISMOA).
- India and the US have signed the COMCASA agreement during the first ever '2+2' talks between the two countries.

Significance

- It provides the legal framework for the US to part with its sensitive communication equipment and codes to enable transfer of real-time operational information.
- This equipment is largely used for ground-to-air communication, on installed US-origin military aircraft, to enable best battle situation awareness.
- The US data link is considered the most secure communication platform, which will also allow India access to big data base of American intelligence, including real-time imagery.
- It will allow both sides to operate on the same communication systems, enabling an "interoperable" environment for militaries.
- Without this agreement, the US cannot part with highly coded communication equipment with the military platforms they sell to India.
- India has to depend on commercially available less secure systems on, otherwise, high-end platforms like C-130Js and the P8I maritime surveillance aircraft, among others.
- COMCASA will change that. Now the US government will be able to give the go-ahead to install the best communication equipment on relevant platforms such as aircraft being sold to India.
- It will effectively mean India sharing the real-time American intelligence on military deployments by China and Pakistan.
- It will also help India obtain the armed version of the Sea Guardian drones.
- The US could not part with the weapon systems on the drone without COMCASA which will now allow installation of data and communication systems.

While both India and the U.S. have covered a lot of grounds in their bilateral equations in the recent 2+2 dialogue, some sticking points still remain. Analyse

KEY POINTS

Key areas covered

- **COMCASA**
- **Hotlines**
- **Tri-services exercise**
- **U.S. support to India's entry into NSG**
- **Free, open and inclusive Indo-Pacific region**

- **Afghanistan** – The two sides expressed support for an Afghan-led, Afghan-owned peace and reconciliation process.
- **Pakistan** – Both called on Pakistan to ensure that its territory is not used to launch terrorist attacks on other countries.

Issues still unclear

- India did not receive a clear-cut assurance of its GSP (Generalised System of Preferences) status being restored.
- It neither received any waivers on steel and aluminium tariffs imposed by the U.S.
- No public statement was made on U.S.'s actions on India's investment in the Chabahar port once U.S.'s full sanctions begin in November.
- U.S. officials gave no firm commitment that India would receive a waiver to purchase Russian hardware, beginning with the S-400 missile system.
- Still no clarity on the issues of proposed changes in America's H-1B visa policy that could affect the people-to-people links that are crucial for energising bilateral ties.
- **Afghan strategy** – While the U.S is open to holding direct talks with the Taliban, India is cautious in this front.
- It will definitely not want talks with groups that it believes are backed by Pakistan.

What are the challenges posed by Regional Comprehensive Economic Partnership (RCEP) agreement for India and discuss how it could cope with such challenges.

KEY POINTS

Challenges

- **Competition** – India has a massive trade deficit with China and hence lowering or eliminating import duties may flood the Indian markets with Chinese goods.
- **Flexible Tariff** – WTO allows increase in actual applied tariffs on particular products as long as they remain its bound rates.
- India's applied tariffs were usually lower than the bounded tariffs for most products, hence it effects tariff hikes within WTO rules.
- Such flexibilities are not allowed in any of the free trade agreements (FTAs), like the RCEP.
- **Concerns on the lines of FTA** – India concluded negotiations on three FTAs, with ASEAN, Japan and Korea a decade back.
- However, India's agriculture and manufacturing sectors are not in a position to compete against their counterparts from the FTA-partner countries.
- As a result, India has faced an ever-increasing **trade imbalance**, with the deficit stood at just over \$31 billion in 2017-18.
- The situation is no different under RCEP as trade deficit with the RCEP participating countries (RPCs) was \$104 billion out of India's total trade deficit of \$162 billion the same year.

What should India do?

- India must try to extract meaningful concessions for enhancing market access for its services sector.



- It should also ensure the economic viability of small farmers and small-scale industries in the face of relentless import competition.
- With possible conclusions on negotiations by next year, the RCEP would become the largest FTA opening market for over 3 billion people.

G.S PAPER III

10. ECONOMY

Bank mergers have been becoming a new normal in India. Discuss the need for such mergers and implications arising out of it. Also discuss whether such mergers would be seen as a solution to India's NPA crisis?

KEY POINTS

- The government recently proposed the amalgamation of state-owned, Bank of Baroda (BoB), Dena Bank and Vijaya Bank.
- It comes after the government let SBI's associate banks merge with their parent last year and the LIC take over the troubled IDBI Bank this year.

Needs

- It has been recognised for long that having several banks that are majority-owned by the government was not a sensible strategy.
- It's because they virtually do the same business, and compete for the same set of customers.
- It also meant a lower return on the capital employed by the government.
- There are other factors as well to be taken into account, including -
 1. changing face of banking marked by technological changes
 2. challenges to raising capital that the owner (the government) has to provide periodically
 3. the need for consolidation in the sector
 4. putting an end to fragmentation
- To address the humongous NPA problem of Indian banking sector.
- It is also a part of India's 4R strategy in banking sector (Recognise, Resolution, Recapitalisation, Reform)

Implications

- **Manpower rationalisation** (loss of employment opportunities)
- **Impacts minority Shareholder interest** (they are left with no say in the merger)
- More consolidation will follow (as there are too many PSBs in India)

Merger as a solution

- Asking healthy banks to take over weak banks appears to be the strategy to handle the bad loans crisis.
- But they are less likely to solve the bad loan crisis.
- Weaker banks would make an unhealthy impact on the operations of the stronger one.
- The forced mergers of New Bank of India with Punjab National Bank and that of Global Trust Bank with Oriental Bank of Commerce show that they help neither the acquirer, nor the acquired.
- The SBI merger is yet another example.

- PSB boards suffer from poor governance standards.
- Merely merging the laggards with those which are comparatively better off does nothing to change matters on the ground.

In recent years, GDP growth in India has been consumption-led rather than investment-led. Is consumption-led expansion sustainable? Discuss

KEY POINTS

Consumption-led growth

- It relies on higher consumer spending to raise aggregate demand and lead to higher investment and faster economic growth.

Investment-led growth

- It in contrast, relies on investment to create new capacity.
- This, in turn, creates **more employment** and hence higher demand, while simultaneously, **increasing productive capacity**.
- As **supply rises in tandem with higher demand**, growth picks up.

In recent years, India's GDP growth continues to be powered by consumption, not investments.

Is Consumption led growth sustainable?

- Consumption led growth is sustainable up to a point, especially if it is financed by expanding the government (centre plus states' cumulative fiscal) deficit.
- In the short term, Consumption-led demand could result in an **increase in imports** (in response to higher demand) and, possibly, a **higher current account deficit** as well.
- In the long term, demand pressures from rising incomes, in the absence of an adequate supply response, could lead to overheating of the economy and **inflation**.
- Consumption-led growth can arguably lead to a **slackening of future growth** if it entails growing imbalances due to limits to capacity creation, and **rising debt burdens**, particularly for households.

Road to future

- In India as well as globally, experience has shown that in the long term, economic growth is likely to be higher and more sustained if it is investment-rather than consumption led.

India Post Payments Bank (IPPB) is an ambitious idea ridden with huge challenges. Analyse

KEY POINTS

Significance of IPPB

- The primary rationale is to help in the goal of achieving **financial inclusion**.
- It can offer savings, remittance, and payments services to the **rural and unorganised sectors**.
- IPPB's digital services are expected to make financial services more accessible even from **remote locations**.
- There is also a hope that the payments bank idea will help **reinvigorate the postal system**.

Challenges

- A key challenge is if it can manage to earn the **profits** required to **survive** as a standalone business entity.
- **Dependence on Aadhaar** – From opening an account to withdrawing cash to making a deposit, it's necessary that the customer's fingerprints match the UIDAI database for each transaction.
- In the absence of matching fingerprints, users are likely to be locked out of their accounts.

- The problem is that the UIDAI told the Supreme Court that it can't ensure 100 per cent biometric matching.
- **Connectivity** – Lack of connectivity in remote parts is a major challenge for IPPB to be a success.
- **Training** – Postmen lack skills to provide such new services and need to be trained.
- **Stiff competition** from private companies.

What is a Public Credit Registry? Discuss how it could help India?

KEY POINTS

PCR

- A public credit registry is an information repository that collates all loan information of individuals and corporate borrowers.
- Credit information is now available across multiple systems in bits and pieces and not in one window.
- PCR will help capture all relevant information about a borrower, across different borrowing products in one place.
- The move is based on the recommendations of a committee, headed by Y.M. Deosthalee.

Significance for India

- PCR will address issues such as information asymmetry, improve access to credit and strengthen the credit culture among consumers.
- It can also address the bad loan problem, as corporate debtors will not be able to borrow across banks without disclosing existing debt.
- It helps banks distinguish between a bad and a good borrower and accordingly offer attractive interest rates to good borrowers and higher interest rates to bad borrowers.
- It can flag early warnings on asset quality by tracking performance on other credits.
- Access to credit information, including debt details and repayment history would drive innovation in lending.
- For example, currently most banks focus on large companies for loans and consequently the MSMEs are left with limited options for borrowing.
- With satisfactory payment history and validated debt details made available, it will increase the credit availability to MSME along with deepening of the financial markets.
- This will support the policy of financial inclusion.
- Setting up the PCR will help improve India's rankings in the World Bank's ease of doing business index.

Ending the race to the bottom on corporate tax rate is a matter of greater urgency. Discuss.

KEY POINTS

- In India, the government had reduced the corporate tax to 25 per cent from 30 per cent in the Union Budget of 2017-18 for most of the companies.
- Last year, U.S has slashed corporate tax rates from 35 to 21 per cent.
- The UK is also poised to press on with its one-percentage-point per year reduction in the statutory corporate tax rate, despite already boasting the lowest rate in the G7.

Need to stop decreasing rate

- Tax is not only the price we pay for a civilised society, or the quid pro quo levied on the private sector for the provision of public infrastructure and a healthy and well-educated workforce.

- Tax is also an essential safety valve which allows democratic governments to curb the power of unelected corporate leviathans.
- The race to the bottom on corporate tax robs governments not just of revenue, but also of one of the most powerful policy tools to reduce inequality and promote distributions of income and wealth that are fairer and more conducive to ongoing economic growth.
- By continuing their race to the bottom on corporate tax, governments run away from their democratic responsibilities and hurtle headlong into the next global crisis.
- Further blunting the potency of fiscal policy are ongoing efforts by multinational enterprises to aggressively minimise and altogether evade their corporate tax responsibilities by using tax havens.

Solutions

- The fairest and most effective approach is for multinationals to be taxed as single firms doing business across international borders.
- Global profits and associated taxes could then be allocated according to factors such as the sales, employment, and resources used by the company in each country, rather where they locate their head offices and claim their Intellectual Property.
- This global reform would strike a considerable blow for tax justice.

Policymakers, not courts, need to deal with the issues of stressed assets. Analyse

KEY POINTS

- Recently, the Supreme Court has ordered a stay on the implementation of RBI's February 12 circular dealing with insolvency proceedings.
- The RBI's circular is part of a revised RBI framework for resolution of stressed assets in the economy.
- It mandates insolvency proceedings under the new Insolvency and Bankruptcy Code (IBC) for a debt servicing default beyond 180 days.
- It also asks banks to recognise loans as non-performing even if repayment was delayed by just one day.
- The Allahabad High Court thus earlier refused to grant relief to troubled power companies facing action from the RBI.
- But the SC has ordered that insolvency proceedings should not commence against the defaulting power companies.

Concerns

- The troubles of power companies can be traced to structural issues such as the
 1. absence of meaningful price reforms
 2. unreliable fuel supply
 3. unsustainable finances of public sector power distribution companies
- So, banks are unlikely to make much money out of the stressed assets until these structural problems are addressed.
- Certainly, policymakers, and not courts, would have to take charge and resolve these issues.
- So the Court's decision to intervene will do very little good in the long run to either stressed power companies or their lenders.



Ad hoc steps to check the decline of the rupee must not end there. Analyse the statement in the context of the fundamental reasons behind depreciation and the recent interventions by the Union government to arrest the sharp decline in the currency value.

KEY POINTS

- The Union government has recently announced a list of measures to arrest the sharp decline in rupee.
- It includes –
 1. Steps to curb the import of non-essential goods and encourage the export of domestic goods to address the rising current account deficit.
 2. Removing restrictions on foreign portfolio investments.
 3. Encouraging Indian borrowers to issue rupee-denominated ‘Masala bonds’.
- Also, the manufacturing entities will be permitted to avail ECB facility with minimum maturity of one year, instead of the earlier limit of three years.
- These ad hoc steps to avoid an immediate crisis in the external sector, however, should not deflect attention from the more fundamental reasons behind the decline of the rupee.

Fundamental reasons

- Failure to boost exports over the years.
- Failure in finding sustainable domestic sources of energy to address the over-reliance on oil imports.
- The depreciating rupee is also a symptom of persistently higher domestic inflation in India.

Road to future

- A long-term plan to remove policy barriers in the promotion of export oriented sectors needs to be framed.
- Policymakers must look at more ways to reduce the dependence on crude oil imports and invest more on alternative energy.

Merely tinkering with import duties will not help in narrowing the current account deficit (CAD), but some more measures will. Analyse the statement in the light of the recent decision by the government to increase customs duty on imports of some items.

KEY POINTS

- Recently, the government raised import duties on 19 non-essential items.
- It is aimed at narrowing the current account deficit (CAD) in order to save Indian rupee from the incessant fall it has seen in the recent past.

Effectiveness of such move

- Using tariffs to curb imports of these items will not have a significant impact on narrowing the current account deficit (CAD).
- For instance, the total value of imports of those 19 non-essential items in the year 2017-18 was just Rs 86,000 crore.
- These imports constituted a little less than 3% of the country’s merchandise import bill in 2017-18.
- The first six months of the current fiscal have already been elapsed.
- Thus containing the CAD through this tariff increase is going to be short-term and marginal.



Measures to narrow CAD

- **Exports** – A more robust approach would be to institute measures to boost exports and simultaneously reduce the import-intensity of the economy.
- **Domestic supply chain** – Delay in getting GST refunds affects smaller exporters, where they have been badly hit by working capital shortfalls.
- Expediting the refunds on GST to them could help in the establishment of domestic labour-intensive supply chains in India.
- **Imports** – Despite the abundance of coal reserves, thermal coal is one of India's fastest-growing imports.
- This is a consequence of under-investment in modernising the entire coal production and utilisation chain and must be addressed expeditiously.

In recent times, petrol and diesel prices in India have remained on a steady upward trajectory. Examine the causes that are fuelling such trend and discuss the consequences of it. What can the government do to ease the situation?

KEY POINTS

Causes

- **Dynamic pricing** – In 2017, India's state-run oil marketing companies switched to a dynamic pricing approach to set prices of petrol and diesel on a daily basis.
- The move was aimed at helping ensure a market-driven approach to fuel pricing by enabling oil firms to factor in day-to-day fluctuations in crude oil prices as well as movements in the exchange rate of the U.S. dollar to the rupee.
- As a result, with both crude oil and the dollar becoming significantly dearer over the last six months, petrol and diesel prices have remained on a steady upward trajectory countrywide.
- Besides the cost of crude oil and the exchange rate, the incidence of Excise Duty (levied by the Centre) and VAT (charged by the respective States), along with a nominal dealer commission that the oil companies pay to fuel pump owners, ends up approximately doubling the final price consumers pay.

Consequences

- Diesel is used to transport goods and commuters and therefore has a direct pass-through impact on retail inflation.
- When consumers end up facing higher fuel bills for using their petrol-powered two-wheelers or cars, and are also unsure of how the overall increase in the cost of living is going to impact their monthly budgets, they are likely to curtail non-essential consumption expenditure.
- Thus, even as inflation accelerates, consumer spending, a key driver of economic growth, could start to soften.

Options before government

- Given the extent to which Central and State taxes inflate the final fuel prices paid by consumers; the governments have the option of trimming excise duty and VAT, even if this would entail foregoing some revenue in the short-term.
- In the longer term, policymakers must look at more enduring structural solutions including ways to reduce the dependence on crude oil imports.



11. AGRICULTURE

Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-Aasha) intended to shore up the prices that farmers get for their produce will unlikely to be succeed with its current set-up. Analyse

KEY POINTS

- The three schemes that are part of PM-AASHA are –
 1. the Price Support Scheme (PSS)
 2. the Price Deficiency Payment Scheme (PDPS)
 3. the Pilot of Private Procurement and Stockist Scheme (PPPS)

Significance

- These different components would cover the gaps in the procurement and compensation mechanism for crops.
- It will also help revive the rural economy by assuring better income to farmers.
- With better prices across crops, the new scheme may ensure crop diversification and reduce the stress on soil and water.

Issues with PM-AASHA

- The additional budgetary allocation for the PM-Aasha is Rs. 150 billion, which is too meagre compared to the magnitude of the task.
- Notably, these schemes are meant to be operated through the existing mandis run by the APMCs which would run the risk of carrying their inherent deficiencies and trading malpractices.
- **PSS** – Its main bane is the limited resource availability and belated reimbursement of losses by the Centre.
- Though, it proposes to raise direct and indirect funding support to NAFED to Rs 450 billion that, too, seems inadequate to extend its coverage any further.
- **PDPS** – The experience of Madhya Pradesh which implemented the PDPS under the Bhavantar Bhugtan Yojana, shows that it can be easily manipulated.
- Ground level checks revealed that traders plotted with each other and depressed the prices at mandis.
- They forced farmers to sell at lower prices and pocketed the compensation from the government.
- Finally farmers face the double burden of lowered price and no compensation.
- **PPSS** – Under this, registered private entities are supposed to buy the selected commodities at the MSPs and undertake the post-procurement handling, storage and disposal of the stocks.
- For this, they are offered service charges, which are capped at just 15 per cent of the MSP of the particular crop.
- This commission, obviously, is too little to woo them to join this scheme.

Suggestions

- **PDPS** – The Centre first needs to break the trader lobbies at mandis.
- This could be done by widening the competition by inter-linking mandis.
- e-NAM promises to do so, but, States need to be proactive in undertaking regulatory reforms.
- **PSS** – The Centre needs to figure out how to handle procurement and disposal efficiently.



- **PPPS** – It looks the most promising, but for private players to show enthusiasm, the government should extend support through policy measures, which includes liberalised trade and exports.

Modern youth are disenchanted with agriculture and are shunning it as a profession. Examine the factors responsible for the situation and suggest measures to reverse the trend.

KEY POINTS

- Hardly 5 per cent of the youth are engaged in agriculture though over 60 per cent of the rural people derive their livelihood fully or partly from farming and its related activities.

Reasons

- Like their urban counterparts, the rural youth are also looking for better career and growth prospects which they do not foresee in rural areas.
- The failure of development programmes and policies to make farming profitable and adequately improve the quality of life in the rural belt.
- The other causes for the outmigration of youth are
 1. Shrinking land holdings
 2. Inadequate access to finance
 3. Absence of efficient marketing
 4. Paucity of innovative ideas and technical knowhow
 5. Limited involvement in decision-making processes and policy matters
 6. Poor image of farming as a profession

Suggestions

- Giving youth better access to agricultural inputs including land and financial resources; and link them effectively to re-organized output markets.
- Introducing training and capacity building, buttressed by ICT, social media, rural radio and other communication mechanisms.
- Conducive youth-friendly policies.
- Make agriculture more profitable.
- Improve agriculture's image by creating awareness in the society about the importance of agriculture.
- Utilising social media to promote agriculture and educate young people could go a long way in engaging new groups of people into the sector.

Most grain in India, which is procured from farmers by the government, is stored using the cover and plinth (CAP) method. Discuss the merit of Silo storage of food grains against the CAP method.

KEY POINTS

- Silo structures follow a scientific method of storing grains, which enables bulk preservation of produce for longer periods.
- Whereas, under CAP method of storing, grains are piled up on the floor and covered with a tarpaulin.
- This is very cheap and easy to make, but not healthy.
- It is vulnerable to fungal and insect attacks and eating such mouldy grain can cause a variety of illnesses.

Merits of Silo storage over CAP

- **Occupied space** – Silo storage method requires less ground space than conventional method.

- **Maintenance** – It is easy to keep **optimum storage conditions** for the grain, by controlling the temperature, insects, mould and birds.
- It reduces wastage of food grains due to fungal attacks and ensures food security.
- **Less expensive** – If land is taken into account, silos are cheaper than building conventional warehouses.
- **Lower operational costs**, as the loading and unloading of food grains can be easily automated.
- **Bulk handling capabilities** minimises losses due to theft, pilferage and transportation.

Road to future

- Silos are the ideal mode of storage, particularly for a nation such as India which depends on buffer stock for its food security.
- The concept also benefits all the stakeholders, be it farmers, government or procuring agencies.

Collectivisation of small farmers is key to sustained agriculture growth and food security. Analyse the statement and discuss how such groupings could be strengthened.

KEY POINTS

Challenges faced by Smallholder farmers

- They are forced to face a cycle of low investment, poor productivity, low value addition, weak market orientation and low margins.
- Decreasing landholdings due to fragmentation adds oil to burning fire.
- Further a post-harvest value chain coupled with inefficiencies, causes post-harvest losses (PHL) to stack up throughout the value chain.
- These stacking up or 'hoarding' causes inflationary effect on the economy and strikes a blow again upon the smallholder farmer as consumers.

Benefits of collectivisation

- Greater bargaining power
- Better market and price discovery
- Access to credit and insurance
- Sharing of assets and costs
- It encourages private sector interest and builds the ability of farmers to invest in storage, crop protection and value addition infrastructure.
- It also provides better access to market linkages and information through partnerships which enables farmers to reduce demand/supply imbalances and Post Harvest Losses.

Suggestions to strengthen

- Technical support facility
- Innovative capital infusion mechanisms
- Potential alternative financing structures
- Diagnostics and credit rating mechanism
- Apex body for such groupings



Recently, the government of Maharashtra (GoM) has made buying at MSP mandatory in the state for traders. Is such a move, a right approach to address prevailing farm distress in the state? Comment

KEY POINTS

- The Government of Maharashtra (GoM) has made buying at MSP mandatory in the state for traders.
- In case the order is not observed, the licence of the trader will be cancelled, a fine of Rs 50,000 imposed and he must serve a jail term of one year.

Challenges

- If supply exceeds demand, market prices will tend to fall, possibly below MSPs.
- Then, it would be very difficult for traders to sell the products and incurs huge losses.
- No rational businessman would do that unless the government promises to compensate losses.
- If the neighbouring states like Karnataka, Madhya Pradesh and Gujarat sell the same crops at prices below MSP, then Maharashtra's traders may move to the adjoining states and buy at market prices.
- In that case, the GoM becomes the buyer-of-last-resort, resulting in a de facto takeover of the wholesale trade.
- Also, if the GoM doesn't have ample resources and storage to buy all that comes to market of all MSP crops, farmers will be left in a lurch as traders will not be there to buy.
- It may lose the trust and patience of both the farmers and traders.

Road to future

- The best way to deliver a better deal to farmers is to "get the markets right".
- Treat farmers as businessmen and facilitate a conducive environment for them to flourish.
- Give them access to national markets. Reform archaic laws like the Essential Commodities Act (ECA) 1955 and APMC Act.

12. INFRASTRUCTURE

Discuss the merit of water based transportation against the road and railways. What are the steps the Government of India has taken to promote Indian waterways and what more needs to be done?

KEY POINTS

Merits of Water based transportation

- **Low Cost of transportation**
- **Less polluting**
- **Less expensive to build & expand**
- **India specific** – with its natural advantage of a 7,500 km coastline and 14,500 km of potentially navigable waterways, India can take a lot of pressure from the road and rail infrastructure.

Steps taken

- The Lok Sabha has recently passed an amendment to the **Central Road Fund Act, 2000**, proposing to allocate 2.5 per cent of the funds collected for development of waterways.
- Port led connectivity and modernisation programme – **Sagarmala** project.
- **Jal Marg Vikas** Project (National Waterway-I: River Ganga) – It envisages to develop a fairway between Varanasi and Haldia.
- Development of eight new National Waterways.



- The shipping ministry has recently eased the **Cabotage law** which specifies that only Indian flagged vessels are allowed to carry cargo between Indian ports.

Challenges

- The government has identified 106 more waterways for navigation apart from NW-1.
- But even NW-1 makes water transportation possible for only a few vessels and only during daytime.
- Also, only in monsoon months when the water levels are high, transportation could be made possible in such rivers.

Suggestions

- Dredging of rivers
- Building new ports
- Lower port charges
- Digital GPS for night navigation
- Need for better berthing facilities
- A proper river information system
- Ensuring quick evacuation of goods from the port
- Leveraging technology to offer single document for multi-modal transportation

13. ENVIRONMENT

Construction and demolition (C&D) waste is an environment and public health hazard. Explain the statement and discuss how government can tackle such problems?

KEY POINTS

Construction & Demolition waste

- According to Construction and Demolition Waste Management Rules 2016, it is the waste comprising of building materials, debris and rubble resulting from construction, re-modeling, repair and demolition of any civil structure.

Concerns with C&D wastes

Environment hazard

- **Fly-tipping** – It is dumped illegally on vacant sites, on the sides of highways, below fly-overs, beside lakes and rivers, in other low-lying areas and open storm water drains.
- **Encroachment** – C&D waste is increasingly being used to encroach on lake-bed land for construction.

Health hazard

- **Air pollution** – Construction debris will result in high presence of Particulate matter (PM 2.5 and PM 10).
- **Water logging** – Fly-tipping will result in water logging and further lead to rapid spread of numerous water borne diseases.
- Recognizing the importance of growing volumes of C&D waste and its related impacts, the C&D Waste Management Rules 2016 was notified by MOEFCC.

Suggestions

- The government has to appreciate the reuse and recycling of the waste into construction material.
- For example, recycled aggregate concrete, manufactured sand, etc.

- It has to build awareness of the value of recycled products and also provide standard codes to ensure adherence to quality of such products.
- It also has to set an example in its own construction activity by complying with the Rules.
- At the same time, the incentives also have to be aligned for the private sector.
- For example, the imposition of a reasonable charge for disposal at dumpsites can induce builders or owners to divert the C&D waste to recycling plants.
- An important additional step in this direction would be to reduce GST rates on products using recycled materials.

Road to future

- Effective management of C&D waste helps in curbing excessive consumption of natural resources and contributes to sustainable development.
- Since almost 60 per cent of the stock of buildings projected to be there in 2030 is yet to be built, sustainable construction and effective management of C&D waste assume even greater significance.

The Draft India Cooling Action Plan (ICAP), released recently by Union environment ministry, is grossly inadequate in its scope and ambition. Discuss

KEY POINTS

- India is the first country in the world to develop such a document – ICAP.
- It provides a 20-year perspective (2017-18 to 2037-38) to address the cooling requirements across sectors and ways and means to provide access to sustainable cooling for all.

Concerns with ICAP

- While the ICAP aims to provide sustainable cooling and thermal comfort for all, its actual intent is myopically focused on only the market for personal air conditioners, ignoring the fact that demand for cooling is driven by people.
- **Equity issue** – About 60 per cent of current space cooling energy consumption is by top 10 per cent of the population and over 96 per cent of transport cooling energy consumption is due to personal cars.
- This small minority skews electricity demand and locks in enormous carbon energy guzzling.
- If we are planning to provide 'Sustainable Cooling' and 'Thermal Comfort for All', we cannot ignore 90 per cent of the Indian population's need to have thermal comfort and also the requirements of a range of other services including agricultural cold chains, provision of safe vaccines, and many other services that require cooling to function. These have remained outside the scope of the ICAP.
- **Bench mark** – The ICAP has not indicated the benchmark for thermal comfort that needs to guide energy efficiency measures for all – users of active as well as passive cooling.
- This lack of planning can completely upset the energy budget of the country.

Suggestions

- India needs to define thermal comfort to guide interventions for energy efficiency in buildings.
- There is also a need to estimate cooling demand based on thermal comfort definition and not on sales of ACs.
- National building codes should be amended to ensure all buildings are designed in a way that indoor conditions do not get hotter than the national goal for majority of hours in the year using passive design.
- There is also a need for more robust standards, labelling and testing methodology for ACs.



The number of critically polluted segments of India's rivers has been considerably increasing. Examine why. Also suggest measures to revive India's dying rivers.

KEY POINTS

- The recent study by the Central Pollution and Control Board (CPCB) has highlighted that, the number of critically polluted segments of India's rivers has risen to 351 from 302 within a span of two years.

Reasons

- Poor infrastructure available in a large number of cities and towns located near rivers.
- The deficit between sewerage available and the volume generated along the polluted stretches.
- Rapid urbanisation is widening the gap, since infrastructure planning is not keeping pace with growth in housing.
- Low priority accorded to enforcement of laws by the SPCBs and Pollution Control Committees

Suggestions

- Expand the supply of treatment plants.
- Maintain steady funding and reliable power supply for treatment plants.
- Sustained civil society pressure on governments is vital to ensure that this is done in a time-bound manner.
- On the industrial side, the plan to bring all liquid effluent discharge from textile units and tanneries to zero has to be pursued vigorously.
- Giving industries the assistance to help them choose the best technologies for the recovery of waste water for reuse would help in a long way.

14. INTERNAL SECURITY

Given the destructive characteristics of nuclear weapons, do you agree with the view that nations should eliminate nuclear weapons? Justify

KEY POINTS**Arguments favouring nuclear weapons*****Nuclear weapons aren't weapons for offence, but for deterrence***

- Historically, it has been observed that when a nation state possesses nuclear weapons, it is less likely to go to a full scale war with another state.
- The reason being that these weapons have the capability to annihilate entire populations and the radioactive residue left behind leads to hazardous health consequences on future generations as well.
- As a result, no nation state takes the risk of going to a war with a nuclear weapon state.
- The power of a nuclear weapon state actually lies in not using the weapon, but in having it because once a state uses such weapons, it can risk the wrath of the entire international community.
- The biggest threat today about nuclear weapons is the fear of these going into the hands of non-state actors, like terrorist groups, who can exploit them, inflicting tremendous harm to the humanity at large.
- Thus the important thing that responsible nation states should keep in mind is that these weapons should not go into irresponsible hands that can put the global security at a great risk.



Arguments against nuclear weapons

The only device having the capacity to destroy all complex life forms on Earth.

- **Humanitarian necessity** – Any use of nuclear weapons would have catastrophic consequences.
- The effects of radiation on human beings would cause suffering and death many years after the initial explosion.
- **Security aspect** – It pose a direct and constant threat to people everywhere. Far from keeping the peace, they **breed fear and mistrust among nations**.
- The biggest threat today about nuclear weapons is the fear of these going into the hands of non-state actors, like terrorist groups, who can exploit them, inflicting tremendous harm to the humanity at large.
- **Environment aspect** – It would take less than 0.1% of the explosive yield of the current global nuclear arsenal to bring about devastating agricultural collapse and widespread famine.
- A small scale nuclear war between two countries would result in megatons of black carbon being released into the atmosphere, causing “Nuclear Winter”.
- The resulting smoke and dust would lead to an abrupt drop in global temperatures and rainfall.
- **Economic aspect** – Nuclear weapons programmes divert public funds from health care, education, disaster relief and other vital services.
- **Accidents** – This is the biggest disadvantage for Nuclear Weapons as it can accidentally lead to massive radiation disaster.

China’s development of an India-specific long-range rocket warrants a review of India’s No First Use Nuclear Policy. Discuss.

KEY POINTS

- China is developing an India-specific long-range rocket that can fly over the Himalayas from Tibet with an electromagnetic propulsion system.
- Countries around the world are developing even more potent conventional weapons that fly at hypersonic speed and can accurately strike targets.
- But, India only has a limited number of Agni series of missiles that too is intended for nuclear weapons delivery, not conventional warheads.
- It thus leaves nuclear weapons the only option for India.
- But India has pledged no first use (NFU) of nuclear weapons and will use them if it is attacked first with nuclear weapons.
- India’s NFU is, however, qualified. India’s nuclear doctrine says that if attacked with weapons of mass destruction, such as chemical and biological weapons, India will respond with nuclear weapons.
- However, it does not consider mass destruction by conventional weapons that strategic bombing can inflict as a reason to respond with nuclear weapons.
- Thus a review of India’s nuclear doctrine is necessary.



15. DISASTER MANAGEMENT

Over the past few years, flood-drought cycles are becoming both more common and pronounced in the country. Discuss measures to handle it.

KEY POINTS

- With climate change, extreme and erratic monsoon is becoming the new normal for India.
- Rainfall distribution within the country has traditionally been uneven, but severe droughts in certain parts of the country being coterminous with flooding in others have become more common now.
- While the country saw a 6% deficiency over the long period average, over 20% of the 718 districts in the country were flooded and nearly 40% are facing droughts with deficits of over 20%.

Suggestions

- **Proper water management** – While India gets around 2,600 billion cubic metres (bcm) of rain in even a bad year—and just 1,110 bcm is enough to meet all its needs—it has the capacity to store a mere 253 bcm.
- Creating more reservoir capacity—and at the right places—could help cut loss of water even as it checks flooding.
- Similarly, dams can be a solution, too, but dam construction in the country has been slowing in the recent times.
- Mitigating floods can help address droughts more effectively.
- A **network of connected water storage structures** should be built to drain off excess water in case of floods and act as storehouses for droughts.
- **Policy correction** – The need is also to rectify a host of bad agri-policies.
- For instance, the heavy power subsidies to farmers has led to reckless pumping out of groundwater in regions that are already water-scarce for cultivation of crops that demand a lot of water.
- This is exacerbated by a focus of public procurement of, say, rice in Punjab and Haryana where the water-table is falling while West Bengal and Odisha that see ample annual rainfall could do with increased public procurement.

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