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Shankar IAS Academy™

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EPW AUGUST 2019

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1. DECLINING FERTILITY AND DEMOGRAPHIC DIVIDEND

What is the issue?

A concerted policy to harness the demographic dividend is the need of the hour.

What is Demographic transition?

- TFR is an indicator of the average number of children expected to be born to a woman during her reproductive span.
- It has two components
 1. Fertility &
 2. Mortality Transition
- However, it is fertility transition that plays a decisive role in determining the demographic dividend of any population.
- The steady decline in the TFR has been the main driver of the slowing down of population growth in India in the recent decades.
- Consequently, this has several implications for policy.
- The factors that contributed to a fall in the TFR include increasing mobility, delayed marriage, access to higher education, and greater financial independence of women.
- While in the rural areas the fertility rates in the higher age groups, that is, among mothers aged above 35 has fallen, fertility of older women has grown in urban areas.
- However, the overall trend is that of falling female fertility rates.
- The population parameters also indicate that the demographic transition in India has not been uniform.

What are the reasons?

- It was found that education too had a role to play with regard to fertility rates among women.
- Although in general, fertility is lower among educated women, in urban areas, fertility rates among women in their 30s are higher among the better educated than the less educated women.
- This is because better educated women have been able to delay marriage and childbirth.
- However, in the urban areas fertility has been falling faster than expected.
- As of 2017, the TFR of urban India has fallen to 1.7, which is lower than the replacement level.
- Although the population growth is set for a slowdown, an increase in the share of the working age population points to the advantage of the demographic dividend in India.

What should be done?

- An improvement in the dependency ratio due to the demographic dividend leads to the hypothesis that the increase in the working age population would lead to acceleration in growth.
- But, there is no concerted effort to build human capital to take advantage of the demographic dividend on the part of policymakers.
- The benefits of the demographic dividend can be reaped only if sufficient investments are made for basic infrastructure, health, educational attainment, and skill upgradation of the workforce, apart from the creation of sufficient numbers of suitable jobs to provide employment to the burgeoning workforce.



- This is because the available workers would not be absorbed spontaneously to deliver high growth.
- To harness the demographic dividend, therefore, it is necessary that people in the working age are gainfully employed and that those working have proper education and skills so that they are productive in the workplace.

2. DESIGNATING INDIVIDUALS AS TERRORISTS

What is the issue?

The amendment to the UAPA has the potential to impinge on fundamental rights of individuals.

What is the draconian amendment?

- The UAPA permits the union government to designate any organisation as a “terrorist organisation,” allowing the government to prosecute members and active supporters of such an organisation.
- This is not preceded by any hearing or procedure, but the organisation in question is given a post-decisional hearing by a review committee to determine whether the designation should be continued or not.
- The latest amendment confers on the power of the union government to declare any individual a “terrorist” for the purposes of the Unlawful Activities (Prevention) Act (UAPA), 1967.

What is the justification?

- The government has said in the Rajya Sabha that terrorist acts are committed not by organisations, but by individuals.
- It stated that designating individuals as terrorists, would give them an opportunity to circumvent the law.

- Another reason offered is that the UNSC now designates individuals as such, and India as a signatory of the United Nations Charter is bound to treat such individuals as terrorists.

What are the problems with the provision?

- The amendment adopts the same procedure used to designate organisations as “terrorist organisations,” without any concern for the fact that an individual, unlike an organisation, has their fundamental rights protected under the Constitution.
- One does not even need to have been convicted of terrorism or even be facing trial for the commission of the offence of terrorism in order to be designated as such.
- The excuse that the amendments were necessary in light of “difficulties” in investigation and prosecution falls apart when examined seriously.
- The law’s passage was also worrying. It was not referred to any select committee, underwent little or no real scrutiny and was not the subject matter of much serious debate.

3. MISDIAGNOSIS OF THE LYNCHING PROBLEM

What is the issue?

The six accused of lynching Pehlu Khan were acquitted by the Additional Sessions Judge.

What are the shortcomings?

- The criminal laws are not retroactive.
- The Supreme Court cannot actually run the police force.
- There is a danger of misdiagnosing a problem and then seeking to apply a solution on the basis of the misdiagnosis.



- The first misdiagnosis was by the Supreme Court in the guidelines it laid down in Poonawalla's petition.
- The guidelines prefer to treat this as a pure law and order problem that can be addressed without taking into account the political motives of such murders.
- Consequently, not only do lynchings of Muslim, Dalit and Adivasi men continue unabated, but convicting those accused of these lynchings is proving hard in a polarised and poisoned political atmosphere.
- The second misdiagnosis was also committed when the government sought to address the same through changes to the law, believing that it was the lack of deterrence in some way which was responsible for the lynchings taking place.
- What this approach misses is that lynching was always punishable under various provisions of the Indian Penal Code, 1860 up to the imposition of the death penalty.
- It needs to be restated that lynchings are motivated by prejudice and a need to assert dominance over an oppressed group.
- It also needs to be reaffirmed that addressing this cannot be a "fix" of the criminal justice system only, while allowing the rest of the system to merrily continue on in a dysfunctional way.
- The death certificate and the post-mortem report seemed to be contradicting each other, with the prosecution unable to string together a coherent story of the sequence of events that led to Khan's death.
- Given that the assault was captured on video and widely circulated, one would have assumed that it would form the linchpin of the prosecution.
- Yet, no effort is made to document how the video was obtained, where from, or through which device it was recorded.
- The conflicting and confusing testimony on the videos by multiple witnesses left the court with no option but to hold that the video was suspect and that the screenshots which formed the basis of identifying the accused were not legally admissible.

4. THE BURNING QUESTION OF AMAZON FIRES

What is the issue?

Jair Bolsonaro's denial of climate crisis and assault on indigenous communities intensifies the calamity.

What is the present situation?

- Brazil's National Institute for Space Research (INPE) says that there has been an 84% increase in the number of fires compared to 2018, with more than 74,000 fires tearing through one of the world's most biodiverse regions.
- Fires occur regularly in the dry season.
- But this year's fires are extreme, which is why there has been global concern about them.
- Scientists at the Amazon Environmental Research Institute (IPAM) say that the fires this year have been most devastating in the 10 Amazon municipalities.

What are the reasons?

- The drought of 2016 certainly plays some role in the fires.
- But, despite being the dry season, moisture levels in the Amazon are currently above average compared to the last three years.
- Based on the work of IPAM and the Deforestation Alert System, the only plausible



explanation is that deforestation is fanning the flames.

- The logging, mining, and agrobusiness industries have perceived the presence of the indigenous communities inside the Amazon as a major obstacle.
- They have resisted turning the forest into commodities.

What is Bolsonaro's stand?

- The 1988 Constitution of Brazil created vast reserves—mostly in the Amazon—that are for the indigenous communities.
- Bolsonaro blamed the fires on conservationist non-governmental organisations.
- There is no evidence to sustain his claim. #
- The impact of the Amazon fires, Bolsonaro's unscientific reaction, and the protests have put pressure on the government.

5. CRISIS IN THE AUTOMOBILE INDUSTRY

What is the issue?

The slump in automotive sales points to a deepening structural crisis facing the industry.

What is the current situation?

- The automotive industry has been facing a slowdown worldwide.
- In the Indian case, the automotive industry was one of the fastest growing industries as well as an important driver of the manufacturing sector.
- Contributing 7% to India's gross domestic product (GDP) in 2018, it provided direct and indirect employment due to its forward and backward linkages with other sectors.
- A slump in automotive sales—due to the cascading effect—thus, also affects sectors such as tyre, steel and steering manufacturers.

- The current sales of vehicles have been the lowest in the last 19 years, due to a drop in the domestic demand.
- There was a 26% dip in car sales in May 2019 versus last year, and consequently a nearly 8% fall in overall vehicle production.
- Carmakers have been halting production to clear inventories.
- The effect of low demand has hit the domestic component manufacturers the worst, with many reported operating at around 70% of their potential efficiency level.

What are the implications?

- The crisis in the shadow banking sector has also been adversely affecting credit flows to dealers and consumers.
- With over 3/5th of the vehicles sold in the country being financed through loans, a squeeze in the supply of finance in the country since the last one and half years is bound to keep the growth rate of sales at lower levels.
- The challenges facing the sector today include not only that of declining demand concomitant with the overall slowdown in the economy.
- It also changes in regulatory and technological norms, and that of higher input prices.
- The environment has been aggravated by the implementation of various regulations, which include the Supreme Court's order of extending insurances over a span of three years, or more importantly, the forthcoming shift to the new emission standards under the Bharat Stage (BS) VI in April 2020.
- The cumulative impact of these factors has been taking a toll on jobs lately, especially contract and casual jobs.
- It is estimated that automakers, auto part manufacturers, and dealers taken together have laid off about 3,50,000 workers in the last three months.



What should be done?

- This demands innovative processes, especially when there is a policy push towards a transition to electric vehicles. A related problem is of acquiring and developing new skill sets for those manning the novel methods along with redeployment or creation of new earning opportunities for the replaced workforce.

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