





# **I N D E X**

## **EPW JULY 2019**

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SHANKAR IAS ACADEMY



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### 1. NUDGE TO FUDGE

#### *Why in news?*

Economic Survey 2018–19 proposed , “behavioural change” principles to the public policies of a government

#### *What does it emphasise?*

- It is based on the idea that the commoners are not some “rational” entities called “economic men”.
- It deals them with as “human beings” of flesh, blood and folly, and that they need encouragement/interventions or “nudges” for making choices for positive socio-economic changes in the country.
- The underlying objective is to increase citizens’ participation in various state-led programmes/schemes and policies by nudging positive behavioural changes among them.
- However, the beneficiary-level evidences of impact are highly contentious.

#### *What is the actual impact?*

- An assessment of SBM by the 2018–19 National Annual Rural Sanitation Survey (NARSS) states that of the 93% rural households having access to toilets, 96.5% use these.

- This had resulted in 90.7% villages in the country being open defecation free (ODF).
- On the contrary, the 2017–18 report by the CAG clearly questions the tenability of the ODF parameters in assessing the success of the SBM in terms of household-level access and usage of the toilets constructed with financial assistance.
- As per the SBM guidelines, ODF is defined in terms of termination of faecal-oral transmission which in turn means the absence of visible faeces and the use of safe technology options for the disposal of faeces by households and public/community institutions.
- Nowhere in the guidelines is any explicit mention of the use of toilets for attaining an ODF status.
- Similar confounding evidences abound in the case of the BBBP.
- With such evidences at hand, one is left wondering about the authenticity of the claim of “behavioural change” made in the Economic Survey or by the government from time to time.
- Changes, if any, are largely restricted to a superficial change of perception, rather than any measures for initiating real changes at the ground level.



### **What is the inference?**

- In a country like India where an individual's behavioural pattern is deeply entrenched in sociocultural norms, financial assistances are least likely to bring about any fundamental changes in behaviour.
- On the contrary, such incentives might further corrupt public conduct with beneficiaries demonstrating a prima facie change in perception for receiving the aids, while their intrinsic behaviour remains intact.

## **2. A PREVENTABLE LOSS**

### **What is the issue?**

A sense of urgency must infuse measures in dealing with acute encephalitis syndrome.

### **What happened?**

- 153 children died due to acute encephalitis syndrome (AES) in Bihar's Muzaffarpur district in the past few months.
- According to reports, this disease has afflicted the district since 1995, and between 2010 and 2014 has killed nearly 1,000 children.
- Doctors who have visited the district over the years and medical researchers have repeatedly pointed out that it is not difficult to prevent the deaths.
- Yet, it has been no different this time around.

### **What is the real reason?**

- The consumption of lychees by the children is being blamed for the deaths.
- But the consumption of this fruit per se by those who do not suffer malnutrition is not seen to be a health issue.
- It has been shown that this is so only in the case of children who suffer severe malnutrition.
- It has also been found that the administration of glucose in the first four hours of the onset of the symptoms is a crucial factor in saving lives.
- However, on both these counts—malnutrition and the availability of glucose and trained doctors in the primary health centres (PHCs)—the state government has hardly shown any sense of urgency over the years.

### **What is the common factor?**

- Similar tragedies occur in different states.
- Over 70 deaths of babies in Uttar Pradesh's Gorakhpur district in 2017.
- There were reports that the babies had suffocated due to lack of oxygen cylinders resulting from the bills not having been paid to the supplier.
- The common factors across states where children die in large numbers even after being admitted to hospitals



are: the nutritional status of the patients, the poverty of their families and the pathetic level of facilities available in these hospitals.

#### ***What should be done?***

- There is an urgent need to equip PHCs with life-saving medicines, medical machinery, and doctors and nurses.
- It follows that this can happen when there is allied infrastructure to support this state of affairs, including basic decent living conditions for the medical staff.
- Apart from this, more importantly, it calls for special and particular strategies to deal with the malnutrition of the impoverished families.

### **3. A NEW DEVELOPMENT MODEL FOR THE NEW ECONOMY**

#### ***What is the issue?***

- The world's most pressing problems, from climate change to the future of work are all manifestations of inequality.
- The role of government is to not only be a more effective provider of learning and health, but also to be an agent for greater access to opportunity and changing patterns of ownership at all levels.

#### ***What is the best development model?***

- What is needed is a people-centric development model, not production-centred development.
- A people-centric development model recognises that a country can only gain wealth sustainably by increasing the amount its citizens can charge the world's for their skills.
- So education is at the heart of this development.
- Beyond formal schooling, education in this sense embraces skills training, on-the-job experience, exposure, travel and lifelong learning.
- It should also empower citizens with the ability to adapt as demand changes.
- It should also prevent diminishing returns.
- To break out of the middle-income trap, ownership also matters.
- The average person has no real assets and is just one natural disaster, one illness, one lost job away from tipping into poverty.
- So to grasp opportunities and take risks, most need safety nets, buffers and assets to fall back on.
- Ownership also matters to a country's development.

#### ***How is inequality the biggest problem of all?***

- Those on the front line of climate change, at risk of weather extremes



destroying their livelihoods on marginal lands, are the poor.

- The wealthy live on high ground, in fresh air.
- So climate change is not just a problem of progress or a challenge of science.
- It is just the most current, devastating manifestation of inequality.
- It is political economy, like so much else.

#### ***What should be done?***

- The government can support access by requiring all companies who win a government contract to have some element of common ownership, such as a proportion of shares owned by peer-to-peer lenders, credit unions, small shareholders or employees.
- Labour and ordinary savers should pool their savings to acquire ownership in the commanding heights of the new world economy.
- Technology should also be used to improve access to economic opportunity.
- Government should also take swift, predictable and transparent decisions and access, investment and growth will follow.

#### **4. MOCKERY OF A WAGE FLOOR**

##### ***What is the issue?***

The current national floor level minimum wage defeats the purpose of setting a wage floor.

##### ***What is the purpose of a minimum wage?***

- Minimum wage and collective bargaining systems are labour market institutions that also exert an influence on the level and distribution of wages.
- Therefore, the purpose of setting a national minimum wage is to enable workers to overcome poverty and to reduce income and labour market inequality.
- The general level of wages and its distribution, the cost of living, levels of labour productivity, and the rate of economic growth are some of the indicators used to guide the discussions on setting of a minimum wage, apart from the needs of a worker's family.
- This is because minimum wage is usually set at a level that covers the needs of workers and their families.
- It also taking into account the rate of inflation.

##### ***What is the problem with the rate?***

- The national floor level minimum wage (NFLMW) of ₹ 178 was announced by the labour minister.



- The last revision, made in June 2017, had set the minimum wage at ₹ 176 per day, increasing it by 10% from ₹ 160 per day fixed in 2015 on the basis of the rise in the consumer price index of industrial workers(CPI-IW).
- By not taking into account the rate of inflation in the past two years, the current NFLMW, in real terms, would actually be a decline.
- It is also a blatant violation of the recommendations of successive sessions of the Labour Conferences as well as the Supreme Court guidelines of 1992.
- Further, the government has also gone against the recommendation of its own expert committee regarding the level of the minimum wage that had suggested ₹ 375–₹ 447 per day as the national minimum wage.
- This, even after the committee had reduced the minimum calorific intake norm from the approved 2,700 to 2,400 calories and calculated the requirements on the basis of 2012 prices.
- Furthermore, the current NFLMW comes only to about one-fourth of the norm recommended by the Seventh Pay Commission in 2016.

## 5. AMENDED RTI VS PARTICIPATORY DEMOCRACY

### *Why in news?*

The Right to Information (Amendment) Bill was passed by Parliament recently.

### *What is the purpose of RTI?*

- The RTI Act, 2005 empowers the citizen to question the secrecy and abuse of power practised in governance.
- It is through the information commissions at the central and state levels that access to such information is provided.
- This information can be regarded as a public good, for it is relevant to the interests of citizens and is a crucial pillar for the functioning of a transparent and vibrant democracy.
- Every year, around six million applications are filed under the RTI Act, making it the most extensively used sunshine legislation globally.
- These applications seek information on a range of issues, from holding the government accountable for delivery of basic rights and entitlements to questioning the highest offices of the country.

### *What is the amendments?*

- The Bill amends Sections 13, 15 and 27 of the RTI Act, 2005 to empower the central government to prescribe through rules the tenure, salaries,



allowances and other terms of service of the chief and other information commissioners at the central and state levels.

***What are the problems with the amendments?***

- It would undermine the autonomy and independence of the institution of the information commissions and hinder the effective implementation of the RTI as enshrined in the act.
- Further, the amendment also appears to be another manifestation of the form of “coercive federalism” seemingly practised by the central government by infringing upon the powers of the respective states, and is therefore undemocratic.
- It threatens to strike at the core of the right to information (RTI).
- It undermines the institution of the Central Information Commission (CIC).
- The hurried manner in which it was introduced without following the pre-legislative consultation policy creates serious doubts about the intentions of the government.
- This would have serious implications for the credibility of the institution of the information commissioner in the future, which is crucial to removing information asymmetries between the citizen and the state, and is vital to making governance in a democracy accountable and transparent in its functioning.