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# MONTHLY MAINSTORMING

**MAY 2020**

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**MAY 2020****INDEX**

<b>G.S PAPER I.....</b>	<b>3</b>
1. <i>History</i> .....	3
2. <i>Social Justice</i> .....	5
<b>GS PAPER II.....</b>	<b>6</b>
3. <i>Health</i> .....	6
4. <i>Governance</i> .....	7
5. <i>Government Policies</i> .....	10
6. <i>International Relations</i> .....	18
<b>G.S PAPER III .....</b>	<b>22</b>
7. <i>Indian Economy</i> .....	22
8. <i>Agriculture</i> .....	26
9. <i>Energy</i> .....	29
10. <i>S&amp;T</i> .....	29
11. <i>Disaster Management</i> .....	32
12. <i>Environment</i> .....	33

**MAY 2020**

## **G.S PAPER I**

### **1. HISTORY**

***Without the Poona pact of 1932, existing comprehensive Indian constitution would never happen. Do you agree with this view? Comment***

#### **KEY POINTS**

- In late September 1932, B.R. Ambedkar negotiated the Poona Pact with Mahatma Gandhi. The background to the Poona Pact was the Communal Award of August 1932, which, among other things, reserved 71 seats in the central legislature for the depressed classes.

#### **Fair representation**

- In a settlement negotiated with Gandhi, Ambedkar agreed for depressed class candidates to be elected by a joint electorate. However, on his insistence, slightly over twice as many seats (147) were reserved for the depressed classes in the legislature than what had been allotted under the Communal Award.
- In addition, the Poona Pact assured a fair representation of the depressed classes in the public services while earmarking a portion of the educational grant for their uplift.
- It was also conceded that something concrete had to be done to give them a political voice as well as a leg-up to lift them from a backwardness they could not otherwise overcome.
- The concessions agreed to in the Poona Pact were precursors to the world's largest affirmative programme launched much later in independent India. A slew of measures were initiated later to uplift Scheduled Castes and Scheduled Tribes.

#### **Positive outcomes**

- The Poona Pact had several positive outcomes for Ambedkar. It emphatically sealed his leadership of the depressed classes across India. He made the entire country, and not just the Congress Party, morally responsible for the uplift of the depressed classes. Most of all he succeeded in making the depressed classes a formidable political force for the first time in history.
- It is very much in this spirit that he affixed his signature to the Poona Pact saving Gandhi's life as well as that of the Congress Party's while giving a big voice to the depressed classes.

***The current crisis is an apt time to revisit Buddhist philosophy, which can be a guiding light for a world looking for peace, harmony and sustainability. Discuss***

#### **KEY POINTS**

- "Buddha" denotes one who has attained enlightenment and had a sense of awakening to build a peaceful, harmonious and just society.
- The ongoing COVID pandemic bears testimony to the fact that the complexities of the modern world carry with them more uncertainties and crises.
- The influence of Buddhist ideas and symbols on our democracy is both profound and visible. The Preamble of the Constitution enshrines the principles of liberty, equality and fraternity, whose roots can be traced to Buddhist teachings.

- The Buddhist approach of righteous behaviour, wisdom, compassion, and the reduction of trishna (greed) offers a set of building blocks for a new world order where violence and conflict are minimised and development takes place without degrading the natural resources.
- The adoption of the “middle path” by avoiding extreme positions as taught by Buddha leads to realising the truth which further leads to avoiding conflict, reconciliation of different viewpoints, and achieving consensus.
- In the ongoing global fight against the corona pandemic, India is leading from the front. India has emerged as the pharmacy of the world by helping out the 123 needy countries by supplying hydroxychloroquine and other medical assistance.

**Nehru-Liaquat pact is not only a landmark agreement in the history of independent India, but also inherited frameworks of international relations. Discuss**

#### KEY POINTS

##### A landmark agreement

- The Liaquat–Nehru Pact was a bilateral treaty between India and Pakistan, where refugees were allowed to return to dispose of their property, abducted women and looted property were to be returned, forced conversions were unrecognized, and minority rights were confirmed.
- The need for such a pact was felt by minorities in both countries following Partition, which was accompanied by massive communal rioting.
- In 1950, as per some estimates, over a million Hindus and Muslims migrated from and to East Pakistan amid communal tension and riots such as the 1950 East Pakistan riots and the Noakhali riots.

##### Frame work of international relations

- This period saw India and Pakistan facilitating a transfer of populations, rationalising bilateral relations after the violence of Partition, sorting out canal-water issues and evacuee property disputes without the venom you see between them today.
- Prime Minister Jawaharlal Nehru wanted a no-war pact with Prime Minister Liaquat Ali Khan. The mere fact that it was actually discussed measures for us the “normal” goodwill that existed despite the years of quarrelling during the Pakistan Movement.
- The most remarkable achievement was the Indus Waters Treaty of 1960 India did extract from it the advantage of using some water from Pakistan’s three “exclusive” western rivers, Sindh, Chenab and Jhelum, for consumptive use, that is, agriculture.

**Core Gandhian ideals are still applicable to the present situation in the country. Justify with examples**

#### KEY POINTS

- Gandhian ideals include swadeshi, self-reliance at the individual and village community levels, an abhorrence of mass production and mindless industrialization, a dislike for the amoral extremes of capitalism and communism, and a reduction of mutual antagonisms between the rich and poor.
- Gandhi's vision did not materialize during his lifetime, and his instincts on technology were overly negative. But today, as we adopt work-from-home norms and refocus on basics, we find that digital technology has enabled what Gandhi envisioned: empowerment at the individual and village level.
- While we are unlikely to revert to the village republics he would have liked, we can see that web-linked villages can indeed earn enough for themselves by offering goods and services from remote places.

- If you can work from home, you can work from your village too. As the world de-globalizes partially, countries are going for self-sufficiency; local supply chains are less likely to be disrupted by global events.
- As renewable energy sources grow, a country endowed with sun and wind can produce power locally; today, even housing colonies feed solar power to grids. Much else can be decentralized.
- Today's digital economy and remote-working would not have been possible if we had remained village republics and millions had not congregated in cities to earn and innovate. Nor would food and energy have been available in plenty without opting for polluting technologies (inorganic fertilisers, solar photo-voltaics, storage batteries, and so on).

## **2. SOCIAL JUSTICE**

***In the middle of the pandemic, the FCI holds the key to warding off a looming crisis of hunger and starvation. Elaborate***

### **KEY POINTS**

- The FCI had already moved 3 million tonnes (post-lockdown), to States, including Uttar Pradesh, Bihar, West Bengal and Karnataka and those in the Northeast, where demand outstrips within State procurement and/or stocks.
- The FCI has also enabled purchases by States and non-governmental organisations directly from FCI depots, doing away with e-auctions typically conducted for the Open Market Sale Scheme (OMSS).
- Given the extended lockdown, the FCI is uniquely positioned to move grain across State borders where private sector players continue to face formidable challenges. With passenger rail and road traffic suspended, grain can move quickly without bottlenecks. Yet, there is a widespread sense that the FCI is simply not moving fast enough and could do much more.
- The FCI already has a decentralised network of godowns. In the current context, it would be useful for the State government and the FCI to maintain stocks at block headquarters or panchayats in food insecure or remote areas, in small hermetic silos or containers.
- There is a strong case for the central government to look beyond the PDS and the Pradhan Mantri Garib Kalyan Yojana and release stocks over and above existing allocations, but at its own expenses rather than by transferring the fiscal burden to States.
- Along with a prepositioning strategy, this would provide flexibility to local governments to access grains for contextually appropriate interventions at short notice, including feeding programmes, free distribution to vulnerable and marginalised sections, those who are excluded from the PDS, etc.
- It also allows freedom to panchayats, for example, to sell grain locally at pre-specified prices until supply is restored. In many States, there is a vibrant network of self-help groups formed under the National Rural Livelihoods Mission (NRLM) which can be tasked with last mile distribution of food aid other than the PDS.
- In many places, farmer producer organisations (FPOs) have been at forefront of rebuilding these broken supply chains.
- The FCI along with the National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), is well placed to rope in expertise to manage the logistics to support these efforts. NAFED has already taken the initiative to procure and transport horticultural crops.
- The relevance of an organisation such as the FCI or of public stockholding, common to most Asian countries, has never been more strongly established than now, even as we contemplate its new role in a post-pandemic world.

## GS PAPER II

### 3. HEALTH

***Greater investment in developing an indigenous vaccine is necessary to protect our people and safeguard the country's interests. Analyse***

#### KEY POINTS

- The first country to have full immunity to the coronavirus will enjoy a tremendous economic and geopolitical advantage, a once-in-a-century window of opportunity till other countries catch up.
- China promised to declare the vaccine a "global public good" once it is available, hinting that China would share it with all countries. This posturing is understandable, given that Beijing is facing global criticism for having caused the pandemic.
- Being both excludable rivalrous, in economic terms, it is a private good. While universal, equitable and affordable access to one is highly desirable, it is inevitable that supply will, at least initially, be much lower than demand, and some way of allocating it will have to be found.
- India is a world leader in vaccine manufacturing, but lags in vaccine development. While it has six companies—or 30 "attempts"—in the race for a vaccine, the world's current front runners are Chinese, US and European companies.
- Pure manufacturing partnerships are desirable, but won't secure us. If Beijing or Washington demand that their populations be served first, New Delhi will be put in a position where it would have to decide whether to allow contract obligations to prevail or provoke a powerful foreign government.
- The implication of all this is clear: India must accelerate efforts to develop an indigenous vaccine. We should be prepared to manufacture sufficient doses for our own population and export large volumes to the rest of the world.
- Both the West and China are pouring billions of dollars into fast-tracking vaccines. India's investment is minuscule in comparison—an Atma-nirbhar Bharat needs substantial public investment in research and development grants to both private biotech firms and government research laboratories.

***The Indian healthcare system needs to go through a radical overhauling, where it can be more sustainable as well as responsive to the citizens. Examine***

#### KEY POINTS

- Global efforts to develop a vaccine against COVID-19 are progressing at an unprecedented pace, but a quick-fix solution is not yet around the corner and we have to be prepared for myriad outcomes.
- Approximately 70 per cent of the healthcare services in India are provided by private players. If private healthcare crumbles due to economic constraints or other factors, India's entire healthcare system can crumble.
- India has a doctor-to-population ratio well below the level recommended by the WHO — 1:1,445, which adds up to a total of roughly 1,159,000 doctors.
- If only government hospital doctors are included, India has one allopathic government doctor for every 10,926 people, according to the National Health Profile 2019 of the Central Bureau of Health Intelligence (CBHI).

- India has handled the COVID-19 pandemic exceptionally well. However, considering the rise in the number of infections, India is in dire need of more medical staff and amenities. According to the health ministry, India has 9,50,000 active doctors.
- Since the health ministry has predicted the number of cases would peak at 8,26,000, the number of doctors seems absurdly low. If the government wants to stay successful in fighting the COVID-19 pandemic, it needs to rapidly build medical institutions and increase the number of doctors.
- The army that India needs is a large private health sector that can sustain the battle against the coronavirus as well as other threats that we might face in the 21st century.
- If India wants to achieve a 1:1,000 ratio, it will need an additional 2.07 million doctors by 2030. For this, the government needs to increase its spending on the health sector. It needs to aid attempts at constructing new medical institutes.
- The arrangement can be a semi-private or public-private partnership. Encouraging private parties to profit from their institutes while providing India with doctors will have two effects: The doctor deficit that India is facing will be eradicated and the economy will get a much-needed boost from an almost untapped market.
- If the government wants to achieve an ideal ratio of healthcare workers to the country's population and create adequate health infrastructure, it is of utmost importance to bring in FDI to the sector.
- We need to further strengthen biomedical research and invest in cutting edge "made in India" health technologies. We must make it easier for health technology start-ups by giving them tax cuts. Scientific innovation is the key and the private sector can contribute to this area.

#### **4. GOVERNANCE**

***Panchayat and municipalities should be brought together in the district planning committee, envisaged in the constitution to fight COVID-19. Justify***

##### **KEY POINTS**

- The COVID-19 situation can be tackled except through a measure of cooperation between the Centre and the states, with the Centre acknowledging the need to evolve solutions through a consultative process involving the states.
- The starting point could best be Entry 23 of the Eleventh Schedule that reads, "Health, sanitation, including hospitals, primary health centres and dispensaries" among the list of 29 subjects illustratively set out for devolution to the panchayats, subject to conformity legislation being enacted by state legislatures.
- If the logic of "cooperative federalism" is that states must function not as implementation arms of the central government but as autonomous units within the federation, then panchayats too must be conceived not as an extension of state governments but as "units of self-government".
- A principal reason for Kerala's amazing performance in "flattening the curve" is their robust system of effective devolution that has enabled the Kudumbashree programme to function in association with the panchayats.
- Indeed, unless cooperative federalism is extended to the third tier of government, little will be achieved as it is at the grassroots that the campaign has to be planned and implemented.
- They constitute the largest body of democratically elected women in the world. About a lakh of them are office-bearers in their respective panchayats and municipalities.

- The most important requirement is planning to receive the migrant labour influx, including testing, quarantine, isolation, social distancing to the extent possible, and ensuring that all without exception are fed and housed and receive the monetary grants that are essential to keep body and soul together.
- Planning for withstanding the ingress of COVID-19 requires the full deployment of the mechanisms for district planning envisaged in Article 243 ZD involving all three tiers of the panchayats and the municipalities brought together in the district planning committee.

***Do you think additional allocation must be supplemented with appropriate measures to make it MGNREGA more effective during the crisis? Comment***

#### **KEY POINTS**

- The lockdown has resulted in a massive loss of livelihoods, and the 400-million strong unorganised workforce is the worst hit. A significant part of this workforce has migrated to cities from rural areas. With the allocation of an additional Rs 40,000 crore as part of the stimulus package, the Union government has finally acknowledged the importance of MGNREGA.
- The most important part of MGNREGA's design is its legally-backed guarantee for any rural adult to get work within 15 days of demanding it. This demand-based trigger enables the self-selection of workers and gives them an assurance of at least 100 days of wage employment.
- Given the scale and depth of the current crisis, this additional allocation too will be under stress, as both the number of people demanding work and the number of days of work they demand will go up dramatically.
- State governments must ensure that public works are opened in every village. Workers turning up at the worksite should be provided work immediately, without imposing on them the requirement of demanding work in advance.
- Local bodies must proactively reach out to returned and quarantined migrant workers and help those in need to get job cards.
- The pandemic has demonstrated the importance of decentralised governance. Gram panchayats and elected representatives need to be provided with adequate resources, powers, and responsibilities to sanction works, provide work on demand, and authorise wage payments to ensure there are no delays in payments.
- There needs to be flexibility in the kinds of work to be undertaken, while ensuring that the community and the workers are the primary beneficiaries. While many governments will possibly prioritise individual land-based works to comply with instructions of physical distancing, it is important to also keep community works going to ensure that landless workers are not crowded out of the programme
- With very little autonomy, gram panchayats had begun to find implementation cumbersome. Barring a few exceptions, state governments were only interested in running the programme to the extent funds were made available from the Centre.
- With nearly eight crore migrant workers returning to their villages, and with an additional allocation for the year, this could be a moment for the true revival of MGNREGA. A revival led by workers themselves.

***An 'invisible class' of citizens exposed by India's lockdown needs a support system based on Aadhaar. Do you agree with this view? Critically Examine***

#### **KEY POINTS**

- India's decennial census tracks international emigrants, intra-district, intra-state and inter-state migrants. The estimate for total domestic migrants from the 2011 census extrapolated to now is about 500 million people.

- While there is a logistics crisis, the country needs policy thinking on both inter-state and intra-state labour migrants. This is a job that requires collaboration between the Centre and the states, as well as between states.
- **Data:** A non-political agency reporting to Parliament should be created to track all labour-related data in India with a focus on migrants. It has become clear in recent months that India's data collection with respect to its labour market is abysmal.
- **Technology for services:** The most effective way to deliver services would be to use the Aadhaar-based technology stack, after obtaining legislative sanction for this specific purpose. Since the stack stays off individual bio-metric identification, it will have to be adapted to add household clusters.
- **Employment structure:** Employers and governments should, thus, focus on creating the enabling urban infrastructure—affordable flexible rental housing, clean hygienic communities, portable affordable healthcare access and technology stack for delivery of in-kind and cash transfers—rather than on formalizing contracts between employers and migrant workers.

### Criticisms of the services

- There is some section of the population who didn't receive the Aadhar card and still unknown about it.
- Frequent corrections, faults in biometrics, inefficient machines etc, hampered the efficiency of Aadhar.
- Lack of centralized database collection from the government agencies.
- Presence of more informal workers, lacking social security to employees.

**How can a backward state in the country maximize its opportunity for transforming policymaking framework? Explain**

### KEY POINTS

- In a pre-covid world, urbanization, as a process, was seen concentrated in economic centers, projected as hotspots for attracting capital and becoming destinations for exports. This generated employment, attracting millions to migrate to these places from far-away rural corners.
- This is critical at a time when supply-chains of commodities, and even labour movements, are likely to disengage from far metropolises, and move much closer for production-distribution-consumption needs, "Vocal for Local".
- There are at least five areas that states with low gross state domestic product and per capita incomes must focus on. Carry out deeper structural reforms in factor markets (land, labour, enterprise, capital, tech-penetration) to crowd-in private investors and bring long-term investments.
- At a time when almost 28-30% of the organized workforce is unemployed, and millions within the unorganized, contractual workforce have lost jobs and lack adequate social safety nets, a reorientation of existing labour laws needs to safeguard worker-interests as against abandoning them.
- For example, if a state produces the best quality textile-products in apparel, or manufactures the best quality carpets for exports and has micro, small and medium enterprises engaged in them, there is a strong case to be made for viable firms to provided more advantages of scale through targeted fiscal incentives and credit lines from financial institutions. This can help these firms scale up production as demand picks up.
- States need three-to-five-year employment policies to ensure that everyone within the respective states who wishes to work has a job with a basic social-safety net. This helps bring rates of involuntarily unemployment down.

- Imbibe lessons of effective decentralization and building social capital from Kerala. This is vital particularly for poorly-developed states that need sustained public investments in building their human capital through greater spending in healthcare, education, social service delivery.
- Decentralizing governance, allowing greater decision-making power and financial autonomy to local communities and women-led groups. States where this has been done have seen improvement in administrative governance at local levels, more efficient micro-finance institutions and self-help groups, among others.

## **5. GOVERNMENT POLICIES**

***Discuss the various ways in which the government can scale up the existing fiscal relief package and contribute to income sustenance for the poor.***

### **KEY POINTS**

#### **Various ways for the sustenance of the poor**

- Direct Benefit transfer can strengthen the minimum living sustenance income guarantee, announced in the initial fiscal Covid policy response. It is indeed significant to combine food security with basic income. National Food Security Act, 2013 makes the right to food a justiciable right.
- DBT can leverage the JAM and IT technology, and transfer benefits in a timely, cashless, leak-proof, and targeted manner. We can deal with sustenance issues without distorting market prices.
- Disaster Support Schemes need to be designed to support the needy during this period. The beneficiaries could be state/region-specific, or whatever the deserving category as declared by the government. A good example can be the migrants or other deserving poor unable to work owing to the lockdown.
- Strengthen social insurance payments for sickness, including provisions for PPE during Covid. The significant issues would be to firm up social security based on contributions. The monetary policy has limitations in triggering the economy through credit policy instruments.
- Design appropriate conditional cash transfers, contingent upon citizens fulfilling certain government-targeted social goals such as vaccinations for children, or volunteering during emergencies.
- Strengthen “Payment for Work” programmes, like MGNREGA. When the environment is more conducive, the government can roll out work programmes. In the post-Covid era, the government acting as “employer of last resort” is very relevant.
- “Nudge Payments”, which make it more likely for an individual/family to make benevolent choices or behave in a particular way. An example is rewarding people to follow health guidelines.
- It is vital to strengthen the existing fiscal package, by tweaking existing “means-tested policies” with a more effective exercise of morally required equity.

***The Inter-State Migrant Workmen Act, 1979 needs to be rationalised to remove requirements that disincentivise formalization and ensure fair and decent conditions of employment. Explain***

### **KEY POINTS**

- A key piece of legislation governing inter-state migrants in India is the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- The Act was enacted to prevent the exploitation of inter-state migrant workmen by contractors, and to ensure fair and decent conditions of employment.

- In the immediate aftermath of the lockdown, state governments were taken unawares by inter-state migrants who were desperate to return home. Many had lost jobs, would not be able to afford rent and were afraid of falling seriously ill away from their families.
- Since the Act is barely implemented, it exists as another law that potentially provides rent-seeking opportunities to enterprising government inspectors while failing in its main objective.
- To implement this law alone, government inspectors would not only have to maintain records of inter-state workmen, but also verify whether all the other requirements regarding wages, allowances, accommodation and health care are complied with.
- The consequences of the lockdown are already proving to be disastrous for migrant labour. One of the lessons from this episode is to not let aspirational requirements become a hindrance to the effective protection of the very groups these requirements are designed for.
- This will require a principled distinction between formalisation and ostensible social-welfare. While the former seeks to make people or activities visible or “legible”, the latter goes a step further.
- Those in the formal tier — fewer than 10 percent of the workforce — enjoy considerable protections, while those in the informal tier get almost no protections. Since welfare schemes are also predicated on the visibility of those getting the benefits, informal workers, especially in urban areas, fall through cracks in the system.
- The lack of any welfare net for informal workers in urban areas reflects the consequences of formalisation on paper — while farmers get cash transfers, and labourers in rural areas have MGNREGA, there are hardly any schemes for informal workers in urban areas.

***For effective cash relief in response to the COVID-19 crisis, the government must think beyond the Jan Dhan Yojana. Analyse***

#### **KEY POINTS**

- In the early days of the corona crisis, JAM was often invoked (sometimes along with UBI) as a possible tool of emergency relief.
- But when the time actually came to make cash transfers to the poor, JAM turned out to be of little use. For all the excitement it had generated, JAM had not gone beyond some fancy digital-payment systems for the privileged.
- JDY accounts are a mighty mess — the NREGA job-cards list is far more transparent and well-organised. During the frantic initial JDY wave, in 2014-15, banks opened JDY accounts en masse to meet the targets.
- Banking norms went for a toss: many accounts were opened without informed consent, duplicate accounts flourished, Aadhaar numbers were seeded without any safeguards, and so on. Later on, a large proportion of JDY accounts (40% in March 2017, down to 19% in January 2020) went “dormant” as customers were unable or unwilling to use them.
- In fact, as far as effective payment is concerned, there is a further argument in favour of the NREGA job-cards list: unlike JDY accounts, it lends itself to the “cash-in-hand” method (on-the-spot payment in cash, instead of bank payments) as a possible fallback. The reason is that the job-cards list is a transparent, recursive household list with village and gram panchayat identifiers, while the list of JDY accounts is an opaque list of individual bank accounts.
- Cash-in-hand may seem like the antithesis of JAM, but this option may become important in the near future if the banking system comes under further stress. Several states (including Andhra Pradesh, Odisha and Tamil Nadu) have already resorted to cash-in-hand for relief payments during the lockdown.

- In short, there is nothing compelling about the use of women's JDY accounts for cash relief. In fact, it is a bit of a shot in the dark. The central government is unlikely to make a U-turn on this before the end of the Pradhan Mantri Garib Kalyan Yojana's initial three-month period. It would do well, however, to consider other options after that, including a switch to the NREGA job-cards list in rural areas. As for the JAM trinity, it should come down to earth for a reality check.

### ***Will the credit guarantees provided recently under Atmanirbhar abhiyan help overcome the constraints in MSME sector? Critically examine***

#### **KEY POINTS**

- Instead of directly infusing money into the economy or giving it directly to MSMEs in terms of a bailout package, the government has resorted to taking over the credit risk of MSMEs should they want to remain in business.
- A credit guarantee by the government helps as it assures the bank that its loan will be repaid by the government in case the MSME falters.

#### **Why credit guarantees?**

- Efforts to pump liquidity via the banks have been a non-starter because banks simply do not want to lend any new money. Banks, quite justifiably, suspect that any new loans will only add to their growing mountain of non-performing assets (NPAs).
- Banks had the money but were not willing to lend to the credit-starved sections of the economy, while the government itself did not have enough money to directly help the economy.

#### **What are the other measures?**

- There is a subordinate debt scheme, worth Rs 20,000 crore, which will allow loans to MSMEs that were already categorised as "stressed", or struggling to pay back. In this case, the government's guarantee is not full, but partial.
- The third measure is the creation of a fund with a corpus of Rs 50,000 crore to infuse equity into "viable" MSMEs, thus helping them to expand and grow.
- The government intends to put in Rs 10,000 crore and get others, possibly institutions like LIC and SBI, to fund the remaining amount.

#### **Are there any downsides to resorting to credit guarantees?**

There are, especially if it is a 100% credit guarantee. That's because such a guarantee leaves no incentive for either borrower to pay back, he/she has nothing to lose or for the lender the banker is assured of payback from the government so why should he bother to check if the borrower is deserving or not.

### ***One Nation One Ration Card system will enable migrant workers and their family members to access PDS benefits from any Fair Price Shop in the country. Elaborate***

#### **KEY POINTS**

- Under the National Food Security Act, 2013, about 81 crore persons are entitled to buy subsidized foodgrain – rice at Rs 3/kg, wheat at Rs 2/kg, and coarse grains at Re 1/kg – from their designated Fair Price Shops (FPS) of the Targeted Public Distribution System (TPDS).
- In the present system, a ration cardholder can buy foodgrains only from an FPS that has been assigned to her in the locality in which she lives. However, this will change once the 'One Nation, One Ration Card' system becomes operational nationally. This is how it will work:

- The new system, based on a technological solution, will identify a beneficiary through biometric authentication on electronic Point of Sale (ePoS) devices installed at the FPSs, and enable that person to purchase the quantity of foodgrains to which she is entitled under the NFSA.
- The PDS system was marred with inefficiency leading to leakages in the system. To plug the leakages and make the system better, the government started the reform process.
- For, this purpose it used a technological solution involving the use of Aadhaar to identify beneficiaries. Under the scheme, the seeding of ration cards with Aadhaar is being done.
- Simultaneously, PoS machines are being installed at all FPSs across the country. Once 100 per cent of Aadhaar seeding and 100 per cent installation of PoS devices is achieved, the national portability of ration cards will become a reality.
- It will enable migrant workers to buy foodgrains from any FPS by using their existing/same ration card.
- The facility of inter-state ration card portability is available in 20 states as of now but the number of transactions done through using this facility has been low so far.
- According to data available on the IMPDS portal, only 275 transactions have been done until May 14. However, the number of transactions in intra-state ration card portability is quite high.

***Do you think the reform proposals in farm sector under the ambit of atmanirbhar abhiyan ensure better price realization for farmers? Comment***

#### **KEY POINTS**

- In Atmanirbhar Bharat, on farm sector reforms, the centrepiece was a ₹ 1-lakh crore fund to finance agriculture infrastructure projects at the farm gate and produce aggregation points.
- Given that the lack of adequate cold-storage facilities continues to extract a high price on farmers and the agrarian economy by way of post-harvest losses, especially in perishables, the targeted outlay is a welcome step.
- Amendments to the 1955-vintage Essential Commodities Act that would effectively hollow out the legislation by deregulating cereals, pulses, oilseeds, edible oils, onions and potato.
- While the Economic Survey, had recommended repealing the “anachronistic” Act, the law has nonetheless remained a vital tool in the government’s armoury for protecting consumers from irrational volatility in the prices of essentials by tamping down on black marketeers and hoarders.
- While the Act’s provisions do have scope for an overzealous bureaucracy to harass even an honest exporter, who may have paid a fair price to the farmer and stocked produce for shipment overseas, total deregulation for foodgrains is fraught with the risk of future inflationary food price spikes.
- While one seeks to bypass the APMC regime through a central law that would allow farmers the freedom to sell across State borders, the other proposes a framework for farmers to enter into pre-sowing contracts that would purportedly help assure them of offtake volumes and prices.
- Controlled deregulation is the need of the hour for the government to ensure better price realisation.

***Do you think that the amendments to the Electricity act 2003 will burden States and erode the concurrent status given to electricity? Critically examine***

#### **KEY POINTS**

##### **Viability of Electricity Distribution companies (Discoms)**

- **Cost reflective Tariff:** The Commissions shall determine tariffs that are reflective of cost so as to enable Discoms to recover their costs.
- **Direct Benefit Transfer:** It is proposed that tariff be determined by Commissions without taking into account the subsidy, which will be given directly by the government to the consumers.

##### **Sanctity of Contracts**

- **Establishment of Electricity Contract Enforcement Authority:** A Central Enforcement Authority headed by a retired Judge of the High Court is proposed to be set-up with powers of the Civil Court to enforce performance of contracts related to purchase or sale or transmission of power between a generating, distribution or transmission companies.
- **Establishment of adequate Payment Security Mechanism for scheduling of electricity** - Load Dispatch Centres to oversee the establishment of adequate payment security mechanism before scheduling dispatch of electricity, as per contracts.
- **Doing away with multiple Selection Committees:** It is proposed to have one Selection Committee for selection of Chairpersons and Members of the Central and State Commissions and uniform qualifications for appointments of Chairperson and Members of Central and State Electricity Regulatory Commissions.

#### **Criticism**

- The Electricity Bill 2020 containing the proposed amendments is silent on whether a private sub-franchisee would be required to buy the expensive power (averaging out the idle fixed costs) from the DISCOM or procure cheaper power directly from power exchanges.
- The amendment proposes even greater concessions to renewable power developers, with its cascading impact on idling fixed charges, impacting the viability of DISCOMs even more.
- State regulators will henceforth be appointed by a central selection committee, the composition of which inspires little confidence in its objectivity, jeopardising not only regulatory autonomy and independence but also the concurrent status of the electricity sector.
- The establishment of a centralised Electricity Contract Enforcement Authority whose members and chairman will again be selected by the same selection committee referred to above.
- The power to adjudicate upon disputes relating to contracts will be taken away from State Electricity Regulatory Commissions and vested in this new authority, ostensibly to protect and foster the sanctity of contracts.

***Government need to intervene in publicity of local products to strengthen rural-urban linkages and promote much needed non-farm employment. Elaborate***

#### **KEY POINTS**

- Local products strengthen rural-urban linkages and promote much needed non-farm employment. While a variety of strategies are required for promoting the local products from every region, there are about 361 products (foreign plus Indian) recognised for their uniqueness and registered with the Geographical Indications (GI) registry.

- As the Indian economy is slowly opening up its activities, it is time to think of ways to promote these GI recognised unique local products among the consumers by popularising the GI logo.
- This logo, when adopted, would serve to demarcate the GI registered products in the market from similar products and help protect the interests of the genuine GI product producers and consumers who want to consume authentic products.
- GIIs are community intellectual property rights, where small artisans/farmers produce most of the GI products. Keeping this in the background, the logo guidelines are simple. There are no user charges.

Three main obstacles to adopting the logo.

- The lack of awareness about GI in general and the common logo in particular among producers and consumers.
- Identifying the authorised users of the GI products.
- The lack of collective organisation of the producers.

Given that GI products are heritage and cultural assets of a region, the State governments concerned will have to take the responsibility of publicising the application at the very first stage and later when it is granted.

Similarly, the logo will have to be publicised widely to reach both the producers and the consumers. As the logo is for all the registered GI products, wide promotion of logos like Hallmark/Agmark/ISI would help the consumers to associate the logo with the authenticity of the products.

### Other concerns

- The logo guidelines do not prescribe any timelines for the use of logos. This defeats the very purpose of the certification mark.
- Yet another concern is the legal framework governing enforcement of the use of logos. Since there are no charges for using the logo and the tagline, DPIIT should make it compulsory for all the GI producers and other stakeholders to adopt the logo and check the free-riding in the use of the logo by non-GI producers.

***Do you think that National Pension scheme can be a better solution for the current migrant exodus issue? Comment***

### KEY POINTS

- The real problem is that most of migrants had near-zero savings. With little or no money to fall back on, they just couldn't afford food or rent, even for a few days, under lockdown.
- If their current savings behaviour remains unchanged, we will witness an exponentially larger and more sustained social and fiscal crisis—when they permanently drop out of the workforce in their old age.
- If on the other hand, a 25-year old migrant in Delhi had opened a National Pension Scheme (NPS) account in 2010, and begun saving just Rs 20 a day, she could have accumulated nearly Rs 120,000 by March 2020.
- When the lockdown was announced, she could have simply withdrawn Rs 30,000 from her NPS account (as per PFRDA rules). This would have allowed her to stay on in Delhi for another three to four months, wait for the lockdown to lift, and for her work to resume.
- Without experiencing any economic stress or depending on cash or food transfers. In the long run, she would have saved enough by age 60 for a secure and dignified old age, with a lifelong pension of around `10,000 a month.
- The government has already laid the foundation. We have universal Aadhaar coverage, nearly 400 million Jan-Dhan accounts, over 500 million smartphone users, around 100 million UPI users, and the NPS—one of the most efficient pension systems in the world.

- Ideally, any Indian with an Aadhaar, bank account and a mobile, should be able to easily open a digital NPS or liquid mutual fund account.
- A simple, convenient and flexible digital saving solution is both feasible and essential. Subcontinent-scale adoption will however require a gigantic effort on digital literacy. This will be challenging given modest literacy levels, diverse languages and low financial literacy. This will be even more difficult with social distancing.
- Even rural India is seeing a sharp rise in digital communications and payments. For example, Mission Shakti in Odisha uses WhatsApp to communicate directly with its 75,000 Anganwadi workers, who manage 7 million women SHG members in remote rural locations.
- This may be an especially powerful strategy for pension inclusion—given that over 80% of India's WhatsApp users are not eligible for a pension, and need to start saving for their retirement as soon as they resume work.

***Does merging the income benefit schemes of the Centre and state governments with programmes such as the MGNREGA address the issues of small farmers? Examine***

#### **KEY POINTS**

- India announced that relief-cum-stimulus package would be Rs 20 lakh crore, almost 10 per cent of India's GDP.
- Farmers too have suffered losses because of the fall in farm prices, especially perishables. The government did promise Rs 2,000 per farm family from the PM-KISAN scheme, but this is only a reiteration of an earlier commitment.
- In this context, the Chhattisgarh government deserves compliments for launching the Rajiv Gandhi Kisan Nyay Yojana (RGKNY), an income transfer scheme at Rs 10,000/acre for paddy farmers and Rs 13,000/acre for sugarcane farmers.
- The Odisha government launched the KALIA scheme (Krushak Assistance for Livelihood and Income Augmentation) on a somewhat similar pattern. West Bengal's Krishak Bandhu and Jharkhand's Mukhya Mantri Krishi Aashirwad Yojana are the other income support schemes worth mentioning.
- In large parts of the country, there is no record of tenancy. The government data shows only 10 per cent tenancy in the country while several micro-level studies indicate that it could be anywhere between 25-30 per cent.
- The other issue is identifying the landless labourers working on farms. Majority of them are temporary and seasonal workers, and leaving the task of identification to panchayats and patwaris can open doors for large leakages and corruption.
- The legal framework of the MGNREGA scheme does allow this on farms owned by people of SC/ST communities, and on the lands of marginal farmers.
- The time has come to think seriously about merging income support schemes, including the PM KISAN and state-level schemes, with the MGNREGA and price-subsidy schemes — food and fertiliser subsidies given by Centre and power subsidies given by state government.
- These schemes amount to Rs 5 lakh crore — that's a good sum of money to start a basic income cover for poor households. Markets could then be left to operate freely. This approach can cover landless labourers, farmers, and poor consumers — these categories overlap.
-

***Do you think that the Implementation of Smart cities mission neglected the dimension of health aspect? Analyse***

**KEY POINTS**

- The newest innovation for optimising spaces and communities for growth, the Smart Cities Mission, hasn't understood the foundational importance of health.
- Only 1.18 per cent of the 5,861 projects okayed since 2015 are for augmenting infrastructure and capability in health.
- This is even lower than the shamefully inadequate 1.6 per cent of GDP which the states and the Centre together set aside for health in 2019-20.
- Of the 30 municipal jurisdictions which account for 79 per cent of cases, 17 are smart cities – and, of them, only seven have invested Mission funds directly in health. Hotspots like Jaipur and Surat have no health projects at all under the Mission.
- As the Mission clarifies on its website, a smart city has no absolute definition. The term originated among Western planners to describe a city which uses Internet of Things data to optimise its services.
- The Indian ministry of housing and urban affairs mentions this aspect in only one of the eight features it lists for a smart city. The rest focus on urban planning strategies for quality of life, such as reducing pollution and improving land use.
- Health is mentioned only in one point, which discusses urban identity conferred through local economic activities like making sports goods and hosiery, and providing medical facilities.
- Health is an integral component of the governance and it should not be neglected. Government of India can order SPV created for the implementation of Smart cities to focus on health aspect.
- The strategy of Smart Health is based on the providing cheaper doctor consultation, reasonably priced medicines and affordable diagnostics. This can be done by converging different schemes.
- **Consultation through IT Platforms:** For instituting round-the-clock doctor consultations, a unique version of telemedicine can be designed by establishing an IT platform to match patients and doctors, bringing convenience to patient doorstep.
- **Delivering affordable quality medicines:** Pradhan Mantri Jan Aushadhi Yojana (PMJAY) scheme of Department of Pharmaceuticals, Ministry of Chemicals and Fertilizers can be used to provide affordable, quality generic medicines.
- **Delivering affordable Diagnostics:** Complementing the free medicine scheme, free diagnostic services can also be made available under a hub-and-spoke model, floated by the Ministry of Health under the Free Diagnostics Service Initiative (FDSI).

***The current crisis has given the Government of India, an opportunity to unleash the power of land reforms. Analyse***

**KEY POINTS**

- Land is the most preferred asset for individuals and lenders in the country. The 2017 data from the National Sample Survey Office suggests that an average Indian household keeps more than 65 per cent of its assets in land.
- Multiple issues distort land markets from functioning effectively today. Like agriculture, land is a state subject under our Constitution. Land use, master planning, development control regulations, zoning are all different across the country and their enforcement is also uneven.

- These values do not get updated often, leaving them as poor proxies for lenders and investors to follow. As a result, the states lose revenues from stamp duty and registration charges because of improper benchmarking.
- The Digital India Land Records Modernisation Programme, which was launched with the aim of digitising and modernising land records and the creation of a centralised land record management system, was a partial success.
- The SWAMITVA (Survey of Villages and Mapping with Improvised Technology in Village Areas) yojana has been launched by the Centre to “map rural inhabited lands using drones and latest survey methods.”

### Ideas for comprehensive land reforms

- Dematerialisation of stock records and creation of borrower credit profiles. Both were pushed by the government to ensure that our record-keeping does not come in the way of our economic growth.
- While the former was easier as only a few institutions were involved, the latter was a classic case of incentivising a broad array of financial institutions to seek such a record for reducing their risk. Dematerialisation has helped take risk off the table for owners and lenders (against shares) alike.
- Land register is similar to a securitised receipt of land and its ownership financial institutions would be comfortable to lend against. Like depositories in the stock market, there could be incentives for independent players to update these records for a fee.
- There is minimal state intervention needed since it does not infringe the sovereignty of the government over the land records. The current process of registering liens or mortgages could continue though their need would be reduced if such information is already available in this new record.
- The use of technology like block chain to ensure integrity through distributed responsibility becomes easier in this model as the records are clean and standardised to suit the purpose of the financial system.

## 6. INTERNATIONAL RELATIONS

***Despite hardships, India can take the lead in bringing the world together to practice a new multilateralism that places the common interests of humanity at the forefront. Discuss***

### KEY POINTS

- Multilateralism has suffered retrenchment. The UN Security Council (UNSC) must be faulted for its egregious lack of action in March 2020 when China held the rotating post of the president.
- Indian Prime Minister stood out with his initiatives to develop a joint response. In bringing SAARC together to fight the pandemic, “our neighbourhood collaboration should be a model for the world”.
- The need of the hour is to devise means that can deal more effectively with the illegal slaughter of exotic animals. Efforts must be made to strengthen the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), a multilateral treaty with more than 180 member countries.
- There should be renewed focus not only on the illegal international trade that is already covered by CITES, but also the hazardous exploitation of exotic wildlife species within national borders.
- The COVID-19 pandemic has brought across a home truth: Wealth is unable to protect even the most affluent people from a silent killer.
- The outline of the post-COVID-19 era, particularly in relation to economic recovery, healthcare, and food security, is far from clear. The pandemic may serve to accentuate the rift between the USA and China.

- With excellent long-term economic prospects in the decades ahead, a confident India appears fully capable of absorbing the shocks of the pandemic and striding forth to engage a world riven by trade wars and ideological contestation.

***In the context of foreign policy, India needs to strengthen its national security structures and introduce flexibility. Analyse***

#### **KEY POINTS**

- As China seeks primacy in a world so far dominated by the U.S., the world faces a destabilising power transition which may or may not be completed. It is a hinge moment in the international system.
- There is a common thread running through the foreign and security policies ,it has been the pursuit of strategic autonomy for India.
- This is a world that calls for creative diplomacy and flexibility, adjusting to the fast-changing balance of power and correlation of forces around us
- The Doklam crisis of 2017 is only the most recent example that shows that no one else is ready to deal with India's greatest strategic challenge — China.
- The more India rises, the more it must expect Chinese opposition, and it will have to also work with other powers to ensure that its interests are protected in the neighbourhood, the region and the world.
- The U.S. is an essential partner for India's transformation. But it is withdrawing from the world, less certain as to how it will choose to deal with China. India must work with other powers to ensure that its region stays multi-polar and that China behaves responsibly.
- Today, India is more dependent on the outside world than ever before. It relies on the world for energy, technology, essential goods like fertilizer and coal, commodities, access to markets, and capital.
- When you add the new security agenda and the contested global commons in outer and cyberspace and the high seas to India's traditional state-centred security concerns, you can see why there is greater worry or a sense of insecurity.

***India's renewed engagement on Non-Alignment movement remains a critical forum for pursuing India's global interest. Analyse***

#### **KEY POINTS**

- Indian Prime Minister video address to a summit of the non-aligned nations has generated criticism as well as commendation. Both sides, however, miss the recent evolution of the Indian thinking on the NAM.
- The new interest is not a throwback to seeing the NAM as an anti-Western ideological crusade. Nor is it a pretence of valuing the movement but treating it as a ritual to be performed every three years.
- A closer look at the Modi government's foreign policy actions reveals a three-fold rationale for intensifying engagement with the NAM.
- As the conflict between the world's two most important powers envelops all dimensions of international society, India has every reason to try and preserve some political space in between the two .
- In the last few years, Delhi paid lip-service to the NAM but devoted a lot of diplomatic energy to forums like BRICS. Given the Russian and Chinese leadership of BRICS, Delhi inevitably began to tamely echo the international positions of Moscow and Beijing rather than represent voices of the Global South.
- Finally, as a nation seeking to become an independent pole in global affairs, India could do more with forums like the NAM in mobilising support on issues of interest to Delhi.

- An independent Indian line backed by strong support within the NAM can make a big difference to the outcomes of the impending contentions at the World Health Assembly later this month on reviewing the WHO's performance during the COVID crisis.

***India must realize that its Afghan policy needs changes and have to take corrective diplomatic action for better neighborhood. Analyse***

#### **KEY POINTS**

- If Indian policymakers had adequately pondered on Afghan President's stance they would have recalled his position on India in the immediate aftermath of assuming the leadership of the National Unity Government .
- India was moved to fourth concentric circle of five in importance to Afghan interests. Hence, it is not surprising that he did not bat adequately for India to become part of the meeting called by the UN.
- As the most significant power in the region, India should have ensured that it had a place on the table and should have devised ways to achieve that end. This is especially so because Afghanistan impacts on India's interests, especially its security concerns.
- It was essential for India to have maintained its strong links with the Afghan government, built and supported its traditional Afghan allies but also establish open lines of communication with the terrorist groups.
- This was especially because they were informally conveying that India should not consider them as Pakistan's puppets and also because they had gained international recognition.
- India needs to take corrective diplomatic action even at this late stage, and even in the time of COVID-19. It must begin openly talking to the Taliban and with all political groups in the country. It must realise that its Afghan policy needs changes.

***In the context of Kalapani region dispute, India and Nepal must not let their differences grow into a full-blown diplomatic crisis. Elaborate***

#### **KEY POINTS**

- The inauguration of a road from Dharchula to Lipu Lekh (China border) by India's Defence Minister has now been followed by Nepal's charge claiming that the stretch passes through Nepalese territory. This road follows the traditional pilgrim route for the Kailash-Mansarovar yatra.

#### **Explaining Nepal's stand**

- The controversy has given Nepal's Prime Minister an opportunity to hide his government's incompetence and failure to meet the basic needs of the people, and to divert attention away from the rising tide of opposition.
- The Indo-Tibetan Border Police is also located in Kalapani since it is close to the India-China border. Indian forces are not there because of Nepal.
- The Nepalese government has raised the stakes further and has made a negotiated settlement more complex by authorising a new map extending its territory across an area sensitive for India's defence.
- India did not exist in 1816 when the Treaty of Sugauli was concluded. And India's present borders, not just with Nepal, but with many of its other neighbours, were drawn by the erstwhile British regime. India inherited the boundaries of British India. It cannot now unravel the historic past.

#### **On the way to resolution**

- The Nepal-India Technical Level Joint Boundary Working Group was set up in 1981 to resolve boundary issues, to demarcate the international border, and to manage boundary pillars.

- The people-to-people relationship between India and Nepal is unmatched. In the far corners of India, sometimes locals turn against those from other Indian States, but seldom against the Nepalese. It is the government-to-government relationship that generally lags. There is nobody in India that wishes ill for Nepal.
- India and Nepal have an established mechanism to deal with all boundary matters. India is committed to resolving outstanding boundary issues through diplomatic dialogue, in the spirit of India's close and friendly bilateral relations with Nepal.

***As the response from the multilateral institutions are inadequate during crisis, there is a need to create global risk pooling fund to overcome it. Explain***

#### **KEY POINTS**

- According to the World Bank, 60 million people worldwide will fall back into extreme poverty (living on less than \$1.9 per day) as a result of the severe economic crisis unleashed by Sars-CoV-2.
- The Rapid Credit Facility by IMF is offering concessional loans to help with balance of payments of low-income countries (LICs). The Catastrophe Containment and Relief Trust, is giving grants for debt relief to the most vulnerable countries affected by natural disasters or public health crises.
- IMF debt relief so far (across all regions) is minuscule. Interest payments will keep accumulating and result in higher debt burdens next year. Further, IMF loans/grants to cover debt servicing, while necessary to prevent downgrading of sovereign ratings and currency devaluation, do not cover for the losses suffered due to a catastrophe.
- In order to be more inclusive of risks facing the most vulnerable countries, the principle of risk pooling offers clues. A Global Risk Pooling Reserve Fund\* would pool risks of environmental and health shocks across countries.
- In response to partial or entirely missing insurance safety nets for many vulnerable communities, a global reserve fund would rest on three premises. By pooling risks, peaks of risk curves could be lowered for individual countries.
- The reserve fund would not require initial payments of public money. The nominal capitalisation of the reserve fund could be based on a voluntary allocation of a share of a country's Special Drawing Rights (SDRs) at the IMF. There are already calls for more SDRs (at least \$500 billion) to be issued to deal with the liquidity crunch that developing countries are facing.
- The reserve fund would be drawn on only when disasters above a certain threshold strike. The risks and thresholds could be based on plotting a Climate Risk Atlas (and related risk indices) for developing countries.

***India can create fresh opportunities to reenergise the engagement with Africa in various ways. Explain***

#### **KEY POINTS**

- Africa's rich natural resources, long-term economic potential, youthful demography and influence as a bloc of 54 countries in multi-lateral organisations is apparent. In recent years, several extra-regional economies have strengthened their engagement with African states, with an eye to rising economic opportunities, including in energy, mining, infrastructure and connectivity.
- India-Africa trade reached \$62 billion in 2018 compared to \$39 billion during 2009-10. After South Asia, Africa is the second-largest recipient of Indian overseas assistance with Lines of Credit (LOC) worth nearly \$10 billion (42 per cent of the total) spread over 100 projects in 41 countries.
- Ties were boosted at the India Africa Forum Summit (IAFS) in 2015. Forty per cent of all training and capacity building slots under the ITEC programme have traditionally been reserved for Africa.

- There are several other ideas that could be pushed to deepen India's engagement with Africa. The Ministry of External Affairs has already extended the e-ITEC course on "COVID-19 Pandemic: Prevention and Management Guidelines for Healthcare Professionals" to healthcare workers in Africa.
- The Aarogya Setu App and the E-Gram Swaraj App for rural areas for mapping COVID-19 are technological achievements that could be shared with Africa. Since the movement of African students to India for higher education has been disrupted, India may expand the e-VidyaBharti (tele education) project to establish an India-Africa Virtual University.
- Agriculture and food security can also be a fulcrum for deepening ties. With the locust scourge devastating the Horn of Africa and the pandemic worsening the food crisis, India could ramp up its collaboration in this sector.
- India could also create a new fund for Africa and adapt its grant-in-aid assistance to reflect the current priorities. This could include support for new investment projects by Indian entrepreneurs especially in the pharmaceutical and healthcare sectors in Africa.

### G.S PAPER III

#### 7. INDIAN ECONOMY

***India has the potential to be self-sufficient and become a global manufacturing hub of aluminum, and can be a strong substitute to China. Analyse***

##### KEY POINTS

- Amid the ongoing slowdown, Covid-19 has pushed the world towards negative growth. IMF projects the global economy to contract by 3%.
- This will adversely impact the entire metal industry, especially the world's second most important metal, aluminium.
- With a gloomy global forecast and Chinese smelters continuing operations, there will be an inventory glut. End-users are cancelling contracts for primary aluminium in Europe and North America, contracting demand by 5 mn tonnes.
- India's GDP forecast falling to 2% (from 6%) will impact aluminium demand in the construction, transport, and electrical sectors. Aluminium demand will decelerate by 40-50% unless enough stimulus is given—an SOS call of the aluminium industry.
- Global recession, dumping from China, shrinking markets in the western hemisphere, and semi-finished products through FTA countries like Malaysia and Thailand spell trouble for Indian aluminium exports.

Aluminium is the most apt industry for creating livelihoods to achieve the coveted V-shaped recovery from ~2% to ~7% by next year.

- Industry, along with the government stimulus, should promote MSMEs and downstream industries. Aluminium parks developed by Nalco and Vedanta will increase value addition, mentor MSMEs, lending brand names to market end products.
- With all ingredients of competitive raw material availability (bauxite and coal), best-in-class manpower, and value addition through MSMEs, India has the potential to be self-sufficient and become a global manufacturing hub of aluminium, and can be a strong substitute to China.

***When the Indian economy is striving hard to recover, the focus on infrastructure investments should be more realistic and informed by feedback from the private sector and the states. Explain***

#### **KEY POINTS**

- Infrastructure investments also have a strong multiplier effect on growth. Going by the National Infrastructure Pipeline, an annual average infrastructure investment of over Rs 17 trillion for a period of six years would have certainly boosted India's economic growth. Financing such investments would have been a big challenge.
- With Covid-19 and the national lockdown for over 40 days having dealt a devastating blow to the economy.
- The report of the National Infrastructure Pipeline notes that annual infrastructure investments in the last few years have stayed within a range of Rs 8-10 trillion.
- Yet, the task force's revised break-up of investments by the Centre, the states and the private sector raises many questions.
- The Centre's share in such investments is retained at 39 per cent and the private sector's share is reduced to 21 per cent. But the states' share is raised to 40 per cent.
- From all available indications, the finances of the states after Covid-19 are in far worse shape than those of the Centre.
- The states had budgeted for a total capital outlay of about Rs 5.7 trillion, against the task force's infrastructure investment target of Rs 5.77 trillion.
- No estimates of the private sector's investments in the infrastructure sector are officially available. But the extent of the shortfall even for the first year of the plan is quite large and this happened in a year which was yet to be impacted by Covid-19.
- Now, consider the infrastructure investment projections for 2020-21 and 2021-22, and the impracticality of setting such targets will become obvious. The states will have to ramp up their investments in infrastructure to over Rs 8 trillion in 2020-21 and the Centre too will have to more than double its investments over what it had spent in 2019-20. The private sector also will have to raise them to over Rs 4.5 trillion in the current year.

***Do you think that establishing bad banks help to deal with the fallout of the non-performing assets crisis? Critically examine***

#### **KEY POINTS**

- A "bad bank" is reportedly being planned to deal with the fallout of the non-performing assets crisis, which has constrained commercial bank credit growth for years.
- It is understandable why this idea is returning to the forefront of policy now — reviving credit growth is a necessary condition for emerging from the sudden sharp stop that the economy has been subjected to as a consequence of the pandemic and efforts to contain it.
- The plan now, is that banks will transfer about Rs 60,000 crore worth of stressed assets to a new asset reconstruction company (ARC), which will seek to turn them around. The ARC, having taken the troublesome assets off the balance sheets of the bank, would then allow them to resume normal operations and lending.
- Any state-controlled ARC would be forced to deal with the same questions that the heads of nationalised banks are asking themselves .
- The adherents of a bad bank are yet to answer why these issues will be solved differently by calling the new public-sector institution an ARC instead of a bank.

- Indeed, such an organisation would have less of an ability to deal with other creditors than the banks, since its bargaining power would be reduced.
- The very creation of a bad bank would require the banks to make decisions they have so far been unwilling to make — namely, decide a value for the assets that they will have to pass on to the bad bank.
- The pandemic must not be used as an excuse to brush the crisis of state-controlled banking under the carpet. Many in public-sector banks see a bad bank simply as another way to evade responsibility for the crisis.
- Reform of the banking system, and independence from the government, is the only way to revive effective banking and move on. The bad bank achieves neither of those goals.

***The country's economic vulnerability is critically linked to inadequacy of human capital rather than trade dependence. Examine***

#### **KEY POINTS**

- A step up in public spending and investment, promotes welfare and raises the investment rate;
- Policy reforms are aimed at making the domestic economy more globally competitive; a long-term structural shift making the economy more “self-reliant” and less dependent on the world economy.
- Increased public spending will certainly boost demand and generate employment in the short term and add to infrastructure capacity in the medium term.
- Policy reform, including changes in land, labour and other policies, could yield results in the medium term.
- Oil and gas account for a bulk of India’s imports. Whatever new sources of energy India may tap in the foreseeable future, it will remain import-dependent for energy.
- The dependence on foreign exchange inflows both in the form of remittances, mainly from the Gulf and the US, and financial flows into capital markets.

#### **The significance of the human capital**

##### **1. Better use of Capital Goods:**

Modern technology is becoming more and more complex. With the growth of science, machinery and equipment are becoming more sophisticated. Their efficient operation requires skill and technical knowledge. Strengthens economy and also exports from the country

##### **2. Better use of Improved Knowledge:**

Knowledge about production and management of economies is expanding at a very fast rate. The other developed countries are increasingly adopting the new methods of production and management techniques.

This improves the growth trajectory and employability and reduces the dependence on other countries.

##### **3. Modernization of Attitudes:**

More important still, human resources development is required to modernize attitude of the general masses. Backward social system and primitive attitudes and beliefs cannot go along with the growth. Thus, the study of human capital is very crucially.

**While banks are grappling with risk aversion, peer-peer(P2P) lending platform can be an alternative to revive the investment across various firms. Analyse**

#### KEY POINTS

- In the current crisis of Covid-19, Reserve Bank of India (RBI) has created many windows for liquidity and banks are under pressure to lend.
- This is the right time to push for the peer-to-peer (P2P) lending platform, which has not taken off as yet. The P2P business model entails collection of money from individuals and lending to individuals as well as micro and small enterprises.
- The P2P platform can be a win-win for both borrowers and lenders. Credit-starved individuals and small business units can get money to restart their businesses and investors can earn higher returns.
- All loans are collateral-free. Till recently, for a borrower, the amount of a loan was capped at Rs 10 lakh; it is Rs 50 lakh now. The same threshold is applicable to a lender too. Like any other entities in the financial sector, P2P lenders need to follow the normal disclosure norms, report every quarter and are subject to RBI audits.
- The RBI has probably issued 20 licences so far but around a dozen have gone live in different metros. Being digital, some of them are lending and raising resources across India.
- The entire process is digital. The borrowers come online to the P2P platform, fill an online form, upload documents such as PAN, Aadhaar, income tax and GST returns and bank statements.
- The default risk of a borrower is taken by the investor but all avenues are available to a P2P platform to collect the money, including tele-calling, field collection, and even legal action. All defaults are reported to the credit bureaus to block the defaulter's access to formal credit channels.
- This could be the right time to offer some incentives to the P2P industry at home. There could be tax incentives for individuals who lend in the P2P marketplace. They can be allowed to earn up to say, Rs 5 lakh a year tax-free income. This will encourage the savers to come forward and create the flow of credit.

**During the crisis period, the social security net of women in the informal economy needs to be addressed comprehensively by the government. Examine**

#### KEY POINTS

- Social security for all informal workers, including migrants, has been a long-standing demand of unions like the Self-Employed Women's Association, SEWA, and other national unions.
- The current pandemic has brought home the fact that those states with strong public health systems, decentralised planning and implementation through PRIs with active community participation, and, partnerships with civil society organisations — local cooperatives, unions, collectives and others — were able to meet the COVID-19 challenge and flatten the curve
- There is no getting away from re-committing ourselves to the investments outlined in the HLEG report of 2011 and the more recent NHP 2017—2.5 to 3 per cent of GDP has to be allocated for public health.
- If there is one thing we need to do to support increased female workforce participation, it is full-day child care. Our studies over the years have shown that women's incomes double as a result of full-day care for their young children.
- We can build on the already existing Integrated Child Development Scheme (ICDS) infrastructure and convert these into centres for overall child development with nutrition, health care, early childhood and value-based education.

- Local women, in our experience, are most suited to running such holistic childcare centres with proper capacity-building training and support, and fair remuneration at minimum wage level.
- Similarly, Mobile Creches has developed low-cost but high quality models of care, including for migrant construction workers. Universal childcare can easily be implemented: It is required now more than ever as we learn of possible declines in nutrition levels and increases in malnutrition in the wake of this pandemic, with families running out of food and cash.
- PMJAY may have made a solid start for some but there are still lakhs of workers who are not eligible due to the enrolment criteria or because they are still struggling to fully comprehend the system — where to go, whom to ask for help and more.
- Recently, the Insurance Regulatory and Development Authority of India (IRDAI) has developed an important set of recommendations to increase the spread of microinsurance, both bundled and unbundled products, in low-income populations. These can be taken forward easily in the current pandemic and post-pandemic period.
- We need to set up a small taskforce of those who have been thinking and working on this subject and have experience of what is required at the grassroots level. This could include trade union and cooperative representatives, those from various collectives like Self-Help Groups (SHGs).

## **8. AGRICULTURE**

***Farmers' cooperation, technological upgrading and favorable public policies can help India deal with the pandemic. Justify***

### **KEY POINTS**

- The current national lockdown to tackle the COVID-19 pandemic has highlighted the problems of food, nutrition and livelihood security confronting a large number of rural people, in particular, migrants to cities.
- The first is the availability of food in the market, and this is seen as a function of production. Fortunately, thanks to the Green Revolution, today we have enough food in the market and in government godowns.
- This is a great accomplishment by Indian farmers who converted a “ship to mouth” situation to a “right to food” commitment. Yet we cannot take farmers’ contributions in terms of sustaining production for granted.

### **Widen the food basket**

- The second dimension is the access to food, which is a function of purchasing power, as unless you are a farmer and grow your own food, others have to buy it, the government, through the National Food Security Act (NFSA) and the PDS, has assured some additional food to every individual during this crisis.
- This should be further strengthened and the food basket widened by including millets, pulses and oil. Steps should also be taken to avoid hidden hunger caused by the deficiency of micronutrients in the diet.

### **Work under MGNREGA**

- A second pathway to livelihood security for small and marginal farmers and landless households, and women within them, is strengthening the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).
- This is particularly important for women farmers and workers, who should not just be given tasks of carrying stones or digging mud. Apart from farming, they engage in a range of essential care tasks, including caring for children, the elderly and sick people. These tasks, often invisible, need to be recognised as work and supported with appropriate education, including on nutrition.

## Focus on non-food factors

- The third dimension of food security is absorption of food in the body or its utilisation, which is dependent importantly on sanitation, drinking water and other non-food factors, including public health services.
- Ensuring that these services are functional depends on the capacities of the local panchayats and their coordination with other local bodies. The lack of adequate clean water in particular has come to the fore in both rural areas and urban slums in the context of COVID-19, where one of the key measures for stopping transmission relates to frequent hand-washing.

***Do you think that that the Government's idea to divert rice for the production of ethanol is a rationale decision? Comment***

## KEY POINTS

- National Biofuel Coordination Committee (NBCC) chaired by the Union Minister of Petroleum and Natural Gas has decided to use “surplus” rice available with the Food Corporation of India (FCI) for conversion to ethanol.
- This is ostensibly for making alcohol-based hand-sanitisers and for the blending of ethanol with petrol. This decision is not only audacious but also an affront to the millions of people who are deeply affected by food insecurity.
- The images of exhausted migrants with their families trudging back from cities to villages are still vivid. Some have died on the way for the want of food and water.
- Distribution of food rations and cooked food is still far from adequate. The urgent priority is to transfer grain from godowns to ration shops and NGOs helping in food packet distribution — certainly not diverting rice to ethanol producers.
- Such diversion of food crops to produce biofuel was considered one of the reasons for the rise in food prices globally. Corn and other grain is also used in feedstock for poultry and cattle and is hence part of the food economy.
- This at a time when India’s position in the Global Hunger Index has slipped nine places. India was placed 102 among the 117 countries ranked in the index in 2019.
- The National Family Health Survey (NFHS-4) 2015-16, found that 38.4 per cent of children under five years are “stunted” (height for age), and 21 per cent are “wasted” (low weight for height). In fact, over a period of 10 years, wasting has increased from 19.8 per cent in NFHS-3 to 21 per cent in NFHS-4.
- The NBCC has decided to use sound quality rice, within FSSAI specifications, for ethanol. It is a bad policy in normal times and particularly unethical during a pandemic.
- It potentially deprives food to humans as well as livestock. At a time when there are fears of a steep fall in national income, a rise in unemployment, and an increase in food inflation due to supply bottlenecks, it is imperative that food security and food price stability be given the highest priority.
- Ethanol can be produced from other ingredients such as B and C heavy molasses, sugar, sugar syrup, and sugarcane juice. Ethanol has also been blessed with a low GST and enjoys relaxed conditions for inter-state movement if used for blending with petrol.
- Since the economy faces a bleak prospect due to the impact of COVID-19, the government should first use the food grains to meet the requirement of about 10 to 20 crore people without ration cards.
- It must provide rice to NGOs at PDS prices, for providing cooked food to migrant labour stuck in cities and it should provide an additional five kg food grains to the poor for six months instead of three months.

**The choice to move toward export-oriented agriculture strategy offers inclusive pathways towards the development of agricultural sector. Analyse**

**KEY POINTS**

- A bigger challenge from the ordinary farmer's perspective was the closure of local mandi across the majority of states, choking off the only real marketing platform available to them.
- Yet, all major cities across the country continued to receive supplies of fresh vegetables, fruits, and milk throughout the lockdown. Even as dozens of instances emerged of produce being dumped for lack of buyers or crashing prices, farmers as a community have kept the agri-engine running on a lower gear.
- To add to the many woes of agriculture, we also have the unprecedented reverse migration of lakhs of migrant labourers, fleeing locked-down cities, and closed factories and workshops. At the same time, domestic supply of all agri-goods, except oilseeds, is in surplus.
- We need a proactive agriculture export strategy, covering every category of agri-produce available in India: field crops, horticulture, dairy, livestock, poultry, and fisheries.
- It introduces an entirely new dimension to how investments in agriculture by farmers, cooperatives, and farmer producer organisation (FPOs), SHGs, supply chain agents, technology providers and value addition players—and, most of all, the government—will be viewed.
- This will lead to arrest of displacement of migrant laborers and offers them employment, at the same time Interstate migrant workers act 1979 should be amended to bring more benefits to the workers.
- The millions of family-run farms spread across the second largest arable area in the world, which is situated in 15 agro-climatic zones, has abundant labour, and a long tradition of farming that makes for quick adoption of new technologies.
- No other sector offers such an inclusive and pan-India potential for reviving growth, employment, and incomes in the next 18-24 months.

**Farmers are the cornerstone of the food security and they should deserve the freedom to market their produce at the place of their choice. Discuss**

**KEY POINTS**

- In our country farmers don't have the freedom of selling their produce even in their neighbourhood. Remunerative price is still a mirage for them.
- Despite increasing public investments in irrigation and other infrastructure, the steadily rising institutional credit given to farmers, and minimum support price due to the efforts of various governments over the years, farmers are shackled when it comes to selling their produce.
- This exploitation has its roots in the Bengal famine of 1943, World War II, and the droughts and food shortages of the 1960s. The Essential Commodities Act, 1955, and the Agricultural Produce Market Committee (APMC) Acts of the States are the principle sources of violation of the rights of farmers to sell their produce at a price of their choice.
- A study on agricultural policies in India by the Indian Council for Research on International Economic Relations-Organisation for Economic Co-operation and Development (2018), concluded that the restrictions on agricultural marketing amounted to 'implicit taxation' on farmers to the tune of ₹ 45 lakh crore from 2000-01 to 2016-17, indirectly goes against the crux of Indian constitution
- The most welcome feature of this Atmanirbhar package is the firm commitment to rewriting the Essential Commodities Act and the APMC laws. The revision of these restrictive laws is long overdue and will remove

the hurdles that farmers face in getting a remunerative price for their produce by giving them more options to sell.

- While allowing several buyers to directly access the produce from the farmers, a strong and effective network of Farm Producers' Organisations should be created to enhance the bargaining power of farmers.
- This will ensure that individual farmers are not exploited. An effective law on contract farming is also the need of the hour, to secure incomes of farmers besides enabling private investments.
- Despite the lockdown, they continue to sow wheat, paddy, pulses, etc. In fact, farm output is greater than what it was last year, they deserve the long-awaited freedom to market their produce at a place of their choice.

## 9. ENERGY

***Should the Indian government re-examine its strategy about the country's energy mix? In the context of current crisis, analyse***

### KEY POINTS

- The ongoing Covid-19 pandemic has shaken up global energy markets. Amid widespread demand destruction, the price of Brent crude oil has fallen to around \$30 a barrel, and was even lower for much of the time.
- While it is possible that the prices will recover, the pandemic is only enhancing trends in the market that had previously been observed. Major producers agreed on production cuts after considerable effort and expending political capital.
- One major strategic and economic criterion has always been a desire to use bountiful domestic reserves of coal. Oil and gas imports were seen as a dangerous drain on Indian foreign exchange resources as well as causing dependence upon a few exporters.
- In addition, many existing independent power producers are facing financial trouble; and few new plants will be built in the private sector, given the difficulties of obtaining financial closure.
- Given these concerns as also the impact of more coal mining in densely forested tracts and on local communities in those areas, as well as the public health costs to populations near thermal power plants it would be wise for the government to re-evaluate its energy plans.
- It already has ambitious renewable energy targets, and it should re-commit to those once the pandemic is over indeed, one framework for policy should be that thermal power plants should never receive any direct or hidden subsidies greater than those received by renewable power.
- It is sensible to re-examine natural gas-fired combined cycle plants in particular. Natural gas is cleaner than coal or oil, and its prices will also be lower in tandem with crude oil.
- Till a more extensive physical pipeline system comes into being, a flexible "virtual" pipeline system that flattens tariffs for natural gas transport across various mode might be considered.

## 10. S&T

***Technologies such as Artificial Intelligence and data science have become critical to helping societies effectively deal with the outbreak. Explain***

### KEY POINTS

With new technologies and concepts taking shape every day, is it safe to assume that artificial intelligence (AI) will take centrestage in controlling such pandemics in the future.

## The Indian tech story

- In India, the government has already launched an AI-enabled smartphone application called Aarogya Setu, which helps users check if they have crossed paths with patients who have tested positive for the coronavirus.
- The app uses the phone number of the user, along with the location data of the smartphone and matches his/her movements with the Indian Council of Medical Research (ICMR) data on the backend. The ICMR data already has the movements of patients who have tested positive for the virus.
- Staqu, a Gurugram-based startup, has launched a unique thermal camera that makes use of advanced technologies such as AI to track potential suspects. Using video analytics, Staqu's technology could be a risk-free way to help identify coronavirus suspects as it helps avoid human contact.

## AI leading the global fight

- According to research firm Gartner, by 2022, smart machines and robots may fill in for some of the highly trained professionals globally. While the report indicates the replacement of some human workforce by robotics, there seems to be a non-anticipated advantage for us in these difficult times where robots can be providing services to infected patients. Thereby, keeping humans away from contracting the dreaded coronavirus.
- Recently, Canadian AI firm Bluedot was gathering reports from around the world, tracking networks and air passengers to predict places where the virus can next spread. In the present scenario, the need for more secure, fast and efficient processes will merit the implementation of artificial intelligence.
- A tool built at Boston Children's Hospital called Healthmap keeps a close eye on social media, procuring informational reports and data about infected cases via online spaces and chatrooms.

***Rapid growth in use of cyber space necessitates a comprehensive security strategy to foster and sustain trust in digital ecosystem in India. Examine***

## KEY POINTS

- With the vision of a trillion-dollar digital component, accounting for one-fifth of the \$5-trillion national economy, the importance of cyberspace in India would only keep growing.
- Cybersecurity incidents observed by the Indian Computer Emergency Response Team (CERT-In) went up almost four times from 2017 to 2018, while cybercrimes went up by 77% from 2016 to 2017.
- Unsurprisingly, India's global rank on the cybersecurity index slipped to 47 in 2018 from 23 in 2017, according to the UN agency ITU (International Telecommunication Union).
- Criminals can defraud unsuspecting users in sharing their bank or credit card account details with the PIN and passwords, intimidate and bully others, indulge in cyberstalking.
- Data breaches can be mitigated if we all take care of basic cybersecurity like using licensed and updated software, using different and difficult passwords for different services and devices, multi-factor authentication and strong encryption.
- The government should share its own assessment back with the private sector to create incentive for the latter to proactively share their intelligence on threat vectors without jeopardising contractual obligations or intellectual property.
- Underlying principles must go along with the strategic objectives and provide sufficient guidance and flexibility to sector regulators within their respective ecosystem.

- For example, the cybersecurity guidelines or frameworks issued by RBI, SEBI, IRDAI and PFRDAI can be greatly synergised under the aegis of the Financial Stability and Development Council (FSDC), thereby bringing greater sanity for the regulators as well as the regulated entities.

***Do you think that the government's decision to open up private sector will result expansion of opportunities and a rapid development of capacity in this high-tech area? Comment***

#### **KEY POINTS**

- Permission to use the facilities of the Indian Space Research Organisation (Isro) will relieve companies of the burden of going overseas to test equipment, perform launches, and access geospatial data.
- In addition, Isro, which tenders out much of its equipment, will actively seek partnerships in projects across various areas. A careful delineation of regulations to ensure consistency and predictability will be required to provide a level playing field for private players in satellite launches and space-based services.
- Apart from access to facilities, access to the Isro team would be invaluable for any start-up. The government has also said that the repository of geospatial data from Isro satellites will be made available to private firms, although strict guidelines would be followed in releasing this data due to its sensitivity.
- Apart from space-focused start-ups, many established Indian firms are working with Isro to develop and build space-related equipment. The agency tenders out components, though it does design in-house.
- Godrej Space and L&T, for example, are contracted with Isro to build rocket systems, and by 2021, Isro intends to completely tender out its Polar Satellite Launch Vehicle (PSLV) rocket systems to a consortium of companies, instead of sourcing parts from 200-odd suppliers and doing assembly, as is the current practice.
- The opening up of the sector will deepen those relationships and help to overcome manpower and budgetary constraints. The demand for satellite launches is growing. Isro has estimated it must launch 15,000 satellites in the next six-nine years.
- The private sector could help meet shortfalls without placing extra burden on the exchequer. There has also been relatively little investment in space exploration.
- Legislation like the pending Space Activities Bill needs to be passed, however, before Indian companies can launch satellites. This Bill will also need amendments to clarify eligibility criteria for licensing commercial activity.
- Isro's commercial arm, The New Space India Ltd, may also have to rethink its role to ensure that it becomes a more efficient interface between the government and private sector.

***Greater investment in developing an indigenous vaccine is necessary to protect our people and safeguard the country's interests. Analyse***

#### **KEY POINTS**

- The first country to have full immunity to the coronavirus will enjoy a tremendous economic and geopolitical advantage, a once-in-a-century window of opportunity till other countries catch up.
- China promised to declare the vaccine a "global public good" once it is available, hinting that China would share it with all countries. This posturing is understandable, given that Beijing is facing global criticism for having caused the pandemic.
- Being both excludable rivalrous, in economic terms, it is a private good. While universal, equitable and affordable access to one is highly desirable, it is inevitable that supply will, at least initially, be much lower than demand, and some way of allocating it will have to be found.

- India is a world leader in vaccine manufacturing, but lags in vaccine development. While it has six companies—or 30 “attempts”—in the race for a vaccine, the world’s current front runners are Chinese, US and European companies.
- Pure manufacturing partnerships are desirable, but won’t secure us. If Beijing or Washington demand that their populations be served first, New Delhi will be put in a position where it would have to decide whether to allow contract obligations to prevail or provoke a powerful foreign government.
- The implication of all this is clear: India must accelerate efforts to develop an indigenous vaccine. We should be prepared to manufacture sufficient doses for our own population and export large volumes to the rest of the world.

Both the West and China are pouring billions of dollars into fast-tracking vaccines. India’s investment is minuscule in comparison—an Atma-nirbhar Bharat needs substantial public investment in research and development grants to both private biotech firms and go

## 11. DISASTER MANAGEMENT

***Do you think that Disaster management act 2005 doesn't suit the major economic law of the country while dealing with pandemic? Comment***

### KEY POINTS

- As the Indian economy had started out in early 2020 in reasonably poor shape, there was a lot of concern about this combination, of extreme measures impacting upon a weak economy.
- The Disaster Management Act, 2005, was envisioned for dealing with an earthquake or a cyclone: It is a poor vehicle for the conduct of economic policy on a nationwide scale.
- Economic policy works well when there is the slow, intellectual, consultative process of understanding problems, undertaking cost benefit analysis, finding the least coercive intervention, and making small moves.
- Such institutionalised application of mind is born of provisions in laws that establish formal processes for wielding coercive power. The Disaster Management Act, 2005, does not have these checks and balances, as it was never intended to be a key economic law.
- All too often, in the Indian bureaucratic culture, there is low accountability for good outcomes, and there is a great fear of getting into trouble when something goes wrong. This gives officials the incentive to be biased in favour of bans. As an example, all the major countries of the world are signatories to the Financial Action Task Force, but there is no country where its translation into ground reality (KYC and Aadhaar) is more unfriendly to the people.
- This problem affects the drafting and the implementation of rules about social distancing. All across the country, individuals face demeaning experiences with officials throwing their weight around. The market economy is an exquisitely complex ecosystem of myriad voluntary interactions between self-interested people.
- Policymakers need to recognise the complexities associated with major economic policy actions that are implemented at the level of the union government through the Disaster Management Act, and find solutions for these problems.

**Explain the various safeguards that are present against the chemical disasters in India.**

#### KEY POINTS

- At the time of the Bhopal gas tragedy, the Indian Penal Code (IPC) was the only relevant law specifying criminal liability for such incidents.
- The CBI had initially charged the accused in the case under Section 304 (culpable homicide not amounting to murder) of the Indian Penal Code (IPC).
- Bhopal Gas Leak (Processing of Claims) Act, 1985, which gives powers to the central government to secure the claims arising out of or connected with the Bhopal gas tragedy. Under the provisions of this Act, such claims are dealt with speedily and equitably.
- The Environment Protection Act, 1986, which gives powers to the central government to undertake measures for improving the environment and set standards and inspect industrial units.
- The Public Liability Insurance Act, 1991, which is an insurance meant to provide relief to persons affected by accidents that occur while handling hazardous substances.
- The National Environment Appellate Authority Act, 1997, under which the National Environment Appellate Authority can hear appeals regarding the restriction of areas in which any industries, operations or processes or class of industries, operations or processes shall not be carried out or shall be carried out subject to certain safeguards under the Environment (Protection) Act, 1986.
- 5. National Green Tribunal, 2010, provides for the establishment of a National Green Tribunal for effective and expeditious disposal of cases related to environmental protection and conservation of forests.

#### The state of chemical disaster risk in India

- According to the National Disaster Management Authority (NDMA), in the recent past, over 130 significant chemical accidents have been reported in the country, which have resulted in 259 deaths and caused major injuries to more than 560 people.
- There are over 1861 Major Accident Hazard (MAH) units spread across 301 districts and 25 states and three Union Territories in all zones of the country. Further, there are thousands of registered and hazardous factories and unorganised sectors dealing with numerous ranges of hazardous material posing serious and complex levels of disaster risks.

## 12. ENVIRONMENT

**The stunning growth in algal blooms has calamitous implications for the economies and societies that surround the Arabian Sea. Analyse**

#### KEY POINTS

- Algal blooms occupy an area that is very huge. And since they are not a preferred food for most higher trophic organisms, they mostly attract only salps, jellyfish and turtles, thereby short-circuiting the food chain in the Arabian Sea.
- At least 120 million people along these coasts are now at risk. Our countries have to act now, to escape the growing crisis.
- The new study, entitled Ecosystem state change in the Arabian Sea fuelled by the recent loss of snow over the Himalayan-Tibetan plateau region, is an unusually all-encompassing snapshot of the interconnected impacts of climate change.

- Global warming has exerted a disproportionately strong influence on the Eurasian land surface, causing a steady decline in snow cover [in the Himalayas].
- This has disrupted “winter convective mixing” which occurs when cold winter winds blow over the Arabian Sea, driving the surface waters down, which are in turn replaced by nutrient rich waters from below.
- That process allows photosynthetic phytoplankton – the basic building block of our ocean food chain – to thrive, along with all the fish species that eventually result in the seafood bounty so many of us rely on. The spectacular growth of Noctiluca demonstrates the scale of the threat to our nutritional security.
- “In Oman, desalination plants, oil refineries and natural gas plants are forced to scale down operations because they are choked by Noctiluca blooms, and the jellyfish that swarm to feed on them.”
- The resulting pressure on the marine food supply, and economic security may also have fueled the rise in piracy in countries like Yemen and Somalia.”
- We know that Ratnagiri and Vengurla in Maharashtra are already seeing these blooms.” He also shared an alarming video taken last month by a student researcher in coastal Kerala, that clearly shows “patches where the surface seemed to have a yellow hue full of Noctiluca like cells.”
- Tracking this spectacularly adaptable millimeter-sized organism has proven to be highly effective, because its presence is dead-certain indication of already-disrupted food chains.

***While the COVID-19 pandemic has temporarily reduced pollution in oceans, recovery efforts need to build a new reality, along with sustainability. Explain***

#### **KEY POINTS**

- For generations, the Asia-Pacific region has thrived on our seas. The seas provide food, livelihoods and a sense of identity, especially for coastal communities in the Pacific island states.
- Levels of overfishing have exponentially increased, leaving fish stocks and food systems vulnerable. Marine plastic pollution coursing through the region’s rivers has contributed to most of the debris flooding the ocean.
- Data are available for only two out of ten targets for the Sustainable Development Goal 14, ‘Life Below Water’. Due to limitations in methodology and national statistical systems, information gaps have persisted at uneven levels across countries.
- Asia and the Pacific produces nearly half of global plastic by volume, of which it consumes 38%. Plastics represent a double burden for the ocean: their production generates CO<sub>2</sub> absorbed by the ocean, and as a final product enters the ocean as pollution. Beating this challenge will hinge upon effective national policies and re-thinking production cycles.
- Environmental decline is also affecting fish stocks. Our region’s position as the world’s largest producer of fish has come at the cost of over-exploitation. The percentage of stocks fished at unsustainable levels has increased threefold from 10% in 1974 to 33% in 2015.
- The magnitude of our ocean and its challenges represent how extensive and collaborative our solutions must be. Trans-boundary ocean management and linking ocean data call for close cooperation among countries in the region.
- Harnessing ocean statistics through strong national statistical systems will serve as a compass guiding countries to monitor trends, devise timely responses and clear blind spots. Through the Ocean Accounts Partnership, ESCAP is working with countries to harmonise ocean data and provide a space for regular dialogue.

- We must fully equip countries and all ocean custodians to localise global agreements into tangible results. ESCAP is working with member states to implement International Maritime Organization (IMO) requirements.

***Do you think that electric vehicles are the only way to decarbonise the transport sector and achieve target of complete green mobility by 2030? Comment***

#### **KEY POINTS**

- The automobile industry had been battling against a host of issues—declining consumer demand, difficulty in transitioning into BS-VI technology, extinguishing inventories of left-over BS-IV vehicles, and credit crunch in the NBFC sector.

#### **Indian scenario**

- The EV industry in India managed to post a decent 20% increase in sales in FY20 compared to FY19.
- From a tax point of view, the GST council reduced the rates from 12% to 5% for vehicles, and from 18% to 5% for vehicle chargers. The Delhi 2019 e-Vehicle Policy aims at introducing more than 35,000 e-vehicles, and adding capacity of 250 charging and battery-swapping stations.
- The National Electric Mobility Mission plan 2020 (NEMP) is also aligned similarly. The Kerala government has brought in a major policy shift, instructing all its departments to purchase only e-vehicles from the next financial year.
- Schemes like FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) have certainly incentivised local manufacturing and the growth of domestic technology.
- As global supply chains have been disrupted due to the crisis, the requirements of lithium-ion cells will be addressed by the upcoming 40 GWH of installed Li-ion capacity plants in India, which itself is a great opportunity.
- Commercial advantages should lead to a surge in the usage of e-rickshaws and e-carts in short distance logistics, and last-mile connectivity in the e-commerce segment.
- Given that personal mobility is going to pick up again post-Covid, there should be a further policy push (beyond what has already been announced in successive budgets) for a visible shift towards increased EV adoption, particularly since consumers are seeing the benefits of a cleaner environment.
- Banks should devise innovative credit schemes (now that repo rate is low) to push for such a shift. Simultaneously, the government should focus on augmenting the charging infrastructure and have in place a scrappage policy that drives new-vehicle sale.

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