

# Current Affairs MONTHLY



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**Mains**

# Contents

<b>CULTURE</b>	<b>0</b>	Airtel Payments Bank designated as scheduled bank	56
Kathak	0		
<b>SOCIETY</b>	<b>1</b>	<b>ENVIRONMENT</b>	<b>59</b>
National Commission for Safai Karamcharis	1	Green Hydrogen	59
Universal Accessibility?	2	<b>SCIENCE AND TECHNOLOGY</b>	<b>61</b>
<b>INTERNATION</b>	<b>5</b>	The operations of the Pegasus spyware	61
India-Myanmar ties	5	DRONE TECHNOLOGY	63
At the Centre: On India-Central Asia summit	6	<b>SECURITY</b>	<b>67</b>
Pravasi Bharat Diwas:	8	Why India needs a single agency to guard its borders	67
<b>POLITY AND GOVERNANCE</b>	<b>10</b>	Recent Nagaland killings have rekindled debate on AFSPA.	69
Federalism	10		
Pandemic impact on classroom learning	12		
Electoral Bond Scheme	13		
Why the Personal Data Protection Bill is bad news for business	14		
To the poll booth, with no donor knowledge	16		
Dam Safety BILL	19		
Defections	20		
Election Commission	23		
Lok Adalat	25		
Padhe Bharat	28		
Swachh Bharat Mission	28		
<b>DISASTER MANAGEMENT</b>	<b>32</b>		
National Disaster Response Force	32		
<b>ECONOMY</b>	<b>33</b>		
A budget that includes	33		
How India's tariff policy could be hurting its manufacturing aspirations	34		
Infrastructure growth ahead	36		
One District One Product Scheme	37		
Unlock India's food processing potential	38		
Taxing drama: On retroactive tax disputes	40		
Understanding the formulation of the Budget	41		
India's economy and the challenge of informality	44		
The DLI scheme and the chip making industry in India	47		
India is trying to seal a free trade agreement with UK	49		
Green Energy Corridor	52		
GST Council defers tax rate increase on textiles	53		
MSMEs-Engines of growth for new India	54		

# GENERAL STUDIES 1.

## CULTURE

### Kathak

#### Context

- Kathak maestro Pandit Birju Maharaj passed away recently.

#### About Kathak

- The word Kathak has been derived from the word Katha which means a story.
- It is one of India's classical dances.
- It was mostly a temple or village entertainment in which the dancers told stories from ancient scriptures.
- The Vaishnavite cult which swept North India in the 15th century and the resultant bhakti movement contributed to a whole new range of lyrics and musical forms, including Kathak.
- **Radha-Krishna tales** were portrayed in rasa lila folk plays, which merged folk dance with the basic gestures of kathak story-tellers.
- Kathak was performed in the **court of the Mughal emperors** and their nobility, where it gained its current characteristics and developed into a type of dance with a specific style.
- It became a notable art form under the patronage of Wajid Ali Shah, the last Nawab of Awadh.

#### About the Dance

- Typically a **solo performance**, the dancer frequently pauses to read verses before executing them via movement. The dance is performed by **both men and women**.
- Because Kathak is **popular in both Hindu and Muslim populations**, the costumes for this dance style are constructed in accordance with the respective cultures' customs.
- The emphasis is on footwork, with dancers wearing ankle-bells doing straight-legged motions that are skilfully managed.
- Being the only classical dance of India having links with Muslim culture, it represents a unique synthesis of Hindu and Muslim genius in art. Further, Kathak is the **only** form of classical dance **wedded to Hindustani** or the North Indian music.

#### The Indian Express Link

<https://indianexpress.com/article/india/kathak-pandit-birju-maharaj-dies-7726966/>

<http://ccrtindia.gov.in/kathak.php>

**Question-** Write a short note on classical dances of India and give out features of Kathak.

## SOCIETY

### National Commission for Safai Karamcharis

#### Context

- The union cabinet has approved the extension of the National Commission for Safai Karamcharis (NCSK) for three years with effect from April 1, 2022.

#### About NCSK

- The National Commission for Safai Karamcharis (NCSK) was established in **1993** as per the provisions of the **National Commission for Safai Karamcharis Act, 1993**, initially for the period upto March 31, 1997. Later the validity of the Act was extended for five years and then again for two years i.e up to February 29, 2004.
- After that it was lapsed and the tenure of the commission was extended as a **non-statutory body** under the **Ministry of Social Justice and Empowerment**. The tenure of the Commission was being extended from time to time through government resolutions. The present tenure is valid upto March 31, 2022.
- The major beneficiaries under the commission are the **Safai Karamcharis and identified manual scavengers** in the country. According to the government data, there were 58,098 manual scavengers identified in the country as on December 31, 2021.

#### Mandate

- With the enactment of "The Prohibition of Employment as Manual Scavengers and Their Rehabilitation Act, 2013", the mandate and scope of the Commission has also been enlarged. As per Section 31(1) of the said Act, the Commission shall perform the following functions, namely:-
- To monitor the implementation of the Act.
- To enquire into complaints regarding contravention of the provisions of the Act, and to convey its findings to the concerned authorities with recommendations requiring further action.
- To advise the Central and the State Governments for effective implementation of the provisions of the Act.
- To take suo motu notice of matter relating to non-implementation of the Act.
- In the discharge of its functions, the Commission have the powers to call for information with respect to any matter specified above from any Government or local or other authority.

#### Composition

- The National Commission for Safai Karamcharis comprises one Chairman (in the rank and status of the Union Minister for States) and four members, including a lady member (in the rank and status of the Secretary to the Government of India) and the Secretary (in the rank of Joint Secretary to the Govt. of India) along with other supporting staff.

#### Significance



- Though the Government has taken many steps for the upliftment of the Safai Karamcharis, the deprivation suffered by them in socio-economic and educational terms is still far from being eliminated.
- Although manual scavenging has been almost eradicated, sporadic instances do occur. Hazardous cleaning of sewer/septic tanks continues to be an area of the highest priority for the Government.
- Hence, the Government feels that there is a continued need to monitor the various interventions and initiatives of the Government for welfare of Safai Karamcharis and to achieve the goal of complete mechanization of sewer/septic tanks cleaning in the country and rehabilitation of manual scavengers.

#### The Hindu Link

<https://www.thehindu.com/news/national/national-commission-for-safai-karamcharis-gets-3-year-extension/article38292221.ece>

<https://ncsk.nic.in/about-us/about-ncsk>

**Question-** Highlighting the causes of prevalence of manual scavenging, discuss the mandate and functioning of National Commission for safai karamcharis.

## Universal Accessibility?

### Context:

**The Central Public Works Department (CPWD) recently released revised universal accessibility guidelines**

### What is Universal Accessibility?

- Universal Accessibility can be defined as the conditions for easy access.
- It would allow any individual (even those with reduced mobility, communicative ability, or understanding) to access and enjoy a place, product, or service, and to do so freely and independently.
- Universal design is so important because if a space is accessible, usable, and convenient for everyone regardless of age or ability, it's inclusive for all.

### About CPWD

- CPWD came into existence in July, 1854 when Lord Dalhousie established a central agency for execution of public works and set up Ajmer Provincial Division.
- Through the professional expertise in disciplines including Architecture, Engineering, Project Management coupled with comprehensive experience in building construction and maintenance CPWD has been serving the nation for the last 164 years.
- **It comes under the Ministry of Housing and Urban Affairs (MoHUA).**
- It is headed by DG who is also the Principal Technical Advisor to the Government of India.

### About the New Guidelines:

- The new guidelines are a step towards a progressive and an inclusive approach to build environments and **sustainable urban futures** of India.
- It anchors the idea of keeping human diversity including **persons with disabilities and their needs at the centre of all developments** of built environments.
- The **external features of buildings** such as parking, walkways, ramps are required to be planned with coherence and understanding in enhancing accessibility to all.
- The guidelines call for **accessibility symbols** for PwD, family-friendly facilities and transgender to be inclusively incorporated among the symbols for other user groups.
- Every built environment, be it transportation based, education, healthcare or recreational requires to develop **their contextual information system designs** to ensure access for all including persons with visual, hearing or cognitive impairments.
- Enforcing a universal design approach with standard format for technology, manpower training and capacity building along with **constructive reforms in transforming the accessibility culture** of our built environments.
- All built environments should require to get themselves assessed and **evaluated for accessibility** in three broad domains viz. Information Systems, Infrastructure systems and Building Management Systems.

#### **Policy measures for Persons with Disabilities (PwDs)**

- **India is a signatory to the UN Convention the Right of Persons with Disabilities**, which came into force in 2007.
- The 'Accessible India **Campaign**' (**Sugamya Bharat Abhiyan**) was launched in 2015 to enable Persons with disabilities to gain universal access, equal opportunity for development.
- The Union Minister for Social justice and Empowerment has also launched the "Sugamya Bharat App" to ease accessibility for PwDs.
- India has dedicated the Rights of Persons with Disabilities Act, 2016, which is the principal and comprehensive legislation concerning persons with disability.

#### **Challenges to Accessible India**

- Poor accountability of private entities in offering all aspects of accessibility for persons with disabilities in their facilities and services to the public.
- Lack of training for stakeholders on accessibility issues facing persons with disabilities.
- Very few buildings and other facilities open to the public provide signage in Braille and other support forms.
- Absence of sufficient forms of live assistance and intermediaries, including guidelines, readers and professional sign language interpreters.
- Lack of other appropriate forms of assistance and support to persons with disabilities to ensure their access to information
- Very few avenues to promote access for persons with disabilities to new information and communications technologies and systems, including the Internet.

#### **Way forward:**

- **Campaigns on equity-** Restaurants and small organisations including some corporates have made it a point to recruit those with physical disabilities. This has offered an impetus for those with disabilities to pursue their dream careers. Ministries running campaigns and schemes for maintaining equity have proved to be beneficial for those with physical impairments.
- **Footbridges, footpaths and vehicles:** In the urban parts of India, various civil engineers and architects have suggested creating transport infrastructure for the differently-abled. By creating accessible footbridges, footpaths and vehicles have tremendously helped the differently-abled in their mobility.
- **Indian Road Congress (IRC) 2012 guidelines:** Footpaths in residential areas must be adequately widened up to (1.8 m) to permit at least two wheelchairs to travel.
- **Local leader involvement:** In rural India, political leaders and with local Government's involvement can change the face of this situation. As persons with disabilities face stigma from home, school, health and public transport, prioritised social campaigns must be launched to influence the mindsets of people.
- **Local Participation:** Political leaders must make it a point to have a physically impaired person as a local representative to address certain issues. This creates a direct connection amongst those suffering from disabilities even at the grassroots level and allows them to raise and share challenges faced by them with ease. Local bodies such as Panchayats and Sarpanch committees must have involvement of a differently-abled representative to reach out to maximum people who can address their issues and challenges with ease.  
Thus, social participation, active involvement and small infrastructure changes would help the physically impaired overcome challenges allowing social inclusion.

[Reference- The Hindu Link](#)

## GENERAL STUDIES 2.

### INTERNATION

#### India-Myanmar ties

##### Context

- The military takeover in Myanmar last February, just days before the newly elected democratic government was to be sworn in, stymied the country's tenuous transition to democracy, for which a beginning had been made in 2015.
- The **purported reason** for the coup d'état was that the **elections were rigged**, in which the National League for Democracy, under the stewardship of Aung San Suu Kyi had secured a majority for another term.

##### India's policy

- Notwithstanding the unfortunate developments since the military took over, **India should implement an unbiased and proactive "Neighbourhood First" strategy that facilitates the Act East policy crucial for India's long-term security and economic interests.**
- A recalibration exercise for developing a robust relationship with Naypyidaw is the need of the hour.
- India, in all its wisdom, should find ways to support Naypyidaw for its **critical requirements of systems and platforms** like UAVs, surveillance systems and communication equipment.
- In addition, there is a need for dynamic **economic engagement** with Myanmar, to expedite the completion of the earlier agreement on the operationalisation of the **Sittwe port**, the establishment of an **oil refinery** and **joint vaccine production** facilities at a cost of \$6 billion.
- Myanmar — regardless of who governs its polity — is a **decisive lynchpin** for India's **Act East policy** and critical for the **economic development and security of India's Northeast**. The latter aspect has become even more imperative as earlier operations that were conducted against Indian insurgent groups (IIGs) have experienced a reversal, with many valley-based insurgent groups of Manipur forging an agreement with the Myanmar army.

##### Way Forward

- India has the **singular advantage of acceptability from both factions in Myanmar** and it is, therefore, imperative that it takes the lead in **engaging with the ruling military leadership**, and also **kick-start the process of peace and stability** in the country.



- India also needs to proactively **employ the existing “people-to-people” goodwill and proximate ties between the two armies**. The joint operations that were undertaken by the security forces to flush out the IIGs billeted in Myanmar’s Sagaing division attest to the fact.
- **China could, in collusion** with its all-weather ally, Pakistan’s ISI, sow seeds of discord in a milieu that is gradually transforming itself into India’s growth engine. **Ill-fated episodes**, such as the killings of civilians in Mon, Nagaland, could be raked up in order to retard the integration process that is actively underway in the region.
- It is, therefore, of the utmost importance for India to positively engage Naypyidaw and stave off attempts to exploit Myanmar by countries inimical to India’s growth. Any ambiguity or delay in India’s constructive engagement with Myanmar would only serve the interests of anti-India forces.

#### The Indian Express Link

<https://indianexpress.com/article/opinion/columns/why-india-must-engage-with-myanmar-7739864/>

**Question-** Given the fragile political situation in Myanmar, India needs to recalibrate its policy in view of internal security concerns. Explain.

### At the Centre: On India-Central Asia summit

#### Context

- The **first India-Central Asia Summit** hosted by Prime Minister Narendra Modi with the Presidents of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, officials said on Thursday.
- As the joint statement at the end of the India-Central Asia virtual summit noted, ties between India and the region have been historically close, with “civilisational, cultural, trade and people-to-people linkages”, but the lack of access to land routes, and the situation in Afghanistan are among the biggest challenges.
- It was a first dialogue held with the Presidents of the 5 CARs(Central Asian Republics), building on years of dialogue.
- The summit also came after the meeting of NSAs in Delhi, where they built on **several common themes** of concern and priority.

#### Challenges for India:

- **Small trade volume** — a paltry \$2 billion, spent mostly on Kazakhstan’s energy exports to India. In comparison, China’s CAR trade figures have exceeded \$41 billion — they could double by 2030 — apart from the billions of dollars invested in the Belt and Road Initiative.
- **There is the problem of routing trade:** With Pakistan denying India transit trade,
- **US Sanctions on Iran:** New Delhi’s other option is to smoothen the route through Iran’s Chabahar port, but that will involve greater investment in rail and road routes to Iran’s northern boundaries with the CARs, something India is hesitant to do in the face of U.S. sanctions.

- **INSTC not complete:** A third option is to use the Russia-Iran International North-South Transport Corridor via Bandar Abbas port, but this is not fully operational and at least two CARs (Uzbekistan and Turkmenistan) are not members.
- **The TAPI Challenge:** India too, has dragged its feet over TAPI gas pipeline plans (Turkmenistan-Afghanistan-Pakistan-India), due to supply guarantees, given the tensions with Pakistan.
- **The Afghanistan Challenge:** the tenuous link between Central Asia and South Asia, where after the Taliban takeover, there is no official government, a humanitarian crisis is building, and there are worries of terrorism and radicalism spilling over its boundaries

#### Discussion themes:

- Each theme has been outlined in the summit joint statement as areas to work upon. They have also agreed to more structured engagement, including the setting up of joint working groups, on Afghanistan and Chabahar, and more educational and cultural opportunities.
- **Overcoming the lack of land connectivity** between India and Central Asia's landlocked countries.
- **Concerns over Afghanistan:** sharing the "same concerns and same objectives" in broader terms and agreed to setting up a **Joint Working Group (JWG) of senior officials**, said Reenat Sandhu, Secretary (West) in the Ministry of External Affairs.
- Listing those concerns as the **need for immediate humanitarian assistance**, ensuring the formation of a truly representative and inclusive government, combating terrorism and drug trafficking, and preserving the rights of women, children and minorities.

#### Competition from other nations-

- While the attempt by India to institutionalise exchanges and press the pedal on trade, investment and development partnerships with the CARs is timely, it is by no means the only country strengthening its ties here.
- While **Russia is the most strategic player**, **China** is now the biggest development and infrastructure partner to the countries. The CAR Presidents held a similar virtual summit with Chinese President Xi Jinping earlier.
- **Pakistan** has also increased its outreach to the CARs, signing transit trade agreements, offering trade access to the Indian Ocean at Gwadar and Karachi.
- **India** will need to move nimbly to **ensure it stays in step with the changes**, and to make certain the future of ties more closely resembles the deep ties of the distant past.

#### Outcome:

- **Proposal of more meetings:** Mr. Modi also proposed a number of high-level exchanges between the two sides, including **biannual summits** and **annual meetings of the Foreign, Trade and Cultural Ministers** and **Secretaries of Security** (National Security Advisers) to "strengthen cooperation in the areas of political and development, partnership, trade and connectivity, culture and tourism and security".
- They also announced **two "Joint Working Groups" on Afghanistan** and the **Chabahar port project**.
- **Delhi Declaration:** the "**Delhi Declaration**" **joint statement** issued at the end of the 90-minute summit emphasised that "**Further development of mutual connectivity** is essential for enhanced trade and commerce between India and Central Asian countries in the context of their landlocked nature and lack of overland connectivity with India."

**The Hindu link**

<https://www.thehindu.com/opinion/editorial/at-the-centre-the-hindu-editorial-on-india-central-asia-summit/article38341179.ece>

**Question-** Describe the significance of Central Asian republics for India in terms of trade, connectivity and security.

**Pravasi Bharat Diwas:****Context:**

On January 9, India celebrated the 17th Pravasi Bhartiya Divas (PBD).

**About Pravasi Bharat Diwas:**

- It is observed on the 9th of January every year to honour the contribution of non-resident Indians to the development of India. The event has been made biennial since 2015.
- January 9th of January is chosen to commemorate the day Mahatma Gandhi returned from South Africa to India in 1915.
- The theme of this year is '**Contributing to Atmanirbhar Bharat**'.

**Recent development in this context:****Vaibhav Summit:**

- Vaishwik Bhartiya Vaigyanik or Vaibhav summit is an event to bring together resident and overseas scientists of India at a common platform. **It is an initiative of the Ministry of Science and Technology, and Academic organisations of India.**
- The objective of the summit is to create a knowledge database and a culture of innovation through global outreach.

**Indian diaspora's contribution as an asset to the country:**

- Today Indian diaspora with its 18 million number across 136 countries is considered the largest diaspora community in the world.
- It brings the highest amount of remittance i.e. \$87 billion in 2021 in the world, of which the largest percentage comes from the Gulf countries.
- In other words, Indians contribute 13% of global remittances and the remittance sent by Indians back to India amounts to approximately 3.2% of the Indian GDP.
- Similarly, the Indian diaspora's contribution to the country of residence is also noteworthy. For e.g The Indian diaspora in the UK is almost 1.8% of the total population of the UK, but it contributes almost 6% of the total GDP of the UK.
- Global labour source: With one of the largest pools of relatively low wage semi-skilled and skilled labour, India can become a critical centre of global labour sources.
- Technological graduates: They are the engineering and management graduates, who are in high-value jobs majorly located in, but not limited to, the western countries like US and Europe.

- Diaspora acts as 'agents of change' facilitating and enhancing investment, accelerating industrial development, and boosting international trade and tourism.
- **Soft Power** - The spread of Yoga, Ayurveda, Indian spiritualism, Bollywood, Indian cuisine across the world has made India famous. It has even led to the revival of many lost relationships with many countries.
- **Striving towards 'Make in India'**: This source of capital can be tapped by encouraging efficient Indian diaspora to invest in India. Also, taking advantage of their corporate leadership positions in the Silicon Valley and other technological sectors, Indian diaspora can be facilitated to contribute to the Indian economy by investing in the Greenfield and brownfield projects, as well as, portfolio investments in India.
- The Indian diaspora is expected to guide the policy-makers in the required direction to extract maximum benefit out of the changing global scenario. For e.g., the Vaibhav conference (see inset) of Indian scientists abroad has yielded many ideas for the benefit of India.

#### **Recent developments made by Government of India:**

- **Merger of Person of Indian Origin (PIO) and Overseas Citizen of India (OCI) status**-The merger of PIO and OCI has been a long-standing demand of the Indian community, which has been accepted by the government. Along with that, the Indian government has accorded many advantages to the OCIs by including them in the definition of Indian management control, in the context of sensitive industries. This will create investment opportunities for the diaspora.
- **Launch of informative projects**-Indian government is in the process of launching awareness generation portals like the Global Pravasi Rishta portal, to provide an instrument of connecting with the diaspora. It will be a dynamic communication platform to connect the diaspora with the Ministry of foreign affairs, Indian missions and the Indian diaspora abroad.
- **Scope under Ease of Doing Business**-The government has facilitated the rules and regulations that have significantly improved Indian ranking in ease of doing business from 130 to 66 in 2020. This creates a favorable environment for businesses to invest in India and also gives an opportunity to the diaspora to confidently create an outreach strategy in their areas of influence.

#### **Way Forward:**

- **Increased investment**-Diaspora should be treated at par with other Indian citizens, including the right to work, both in the private and public sectors, and the right to buy and sell property to attract talented persons into the public sector.
- **An open window for Investments**- Indian diaspora can be expected to open the doors of foreign markets to India. However, in the end, only the products which are of better quality, despite being cost-competitive, are expected to thrive in the market. Therefore, it is important for Indian manufacturing to be technologically advanced and invest in achieving economies of scale.
- **Globalize migration**-The Indian migration is concentrated in English-speaking countries for obvious reasons. The EU, Japan, Latin America and Russia should also be targeted over the next few decades. Also, there is greater scope for jobs at all skill levels in global transportation, health and home care.
- **Communicating with the diaspora**- It is important to make the diaspora feel respected if we expect them to contribute to the development of the country.

**[Reference: The Big Picture \(Sansad TV\)](#)**



## POLITY AND GOVERNANCE

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### Federalism

#### Context

- The Republic Day is a reminder of the spirit of federalism – and why it is under strain.
- On January 26, 1950 when the Indian Constitution came into force, it was a big step for the nation that had longed to achieve the ideals of **justice, equality, liberty and fraternity**.
- Our Constitution tried to give a definite shape to the aspirations of the people for a **sovereign, socialist, secular democratic republic** through provisions like fundamental rights of all citizens. In a country of subcontinental proportions, it is necessary that the ideals mentioned in the Preamble to the Constitution should extend to all levels of governance. The overall emphasis on equality in the Constitution is visible in all arrangements made around the federal spirit and ideas.

#### Constitutional provisions and other institutions for federalism

- Conscious of the **differential needs of the populations of different states**, the drafters of the Constitution made provisions for an **equitable share of powers and responsibilities** among different levels of governments.
- The **lists in the 7th Schedule** of the Constitution — Union, state and concurrent — are an example of this division, wherein each level of government has its own sphere, enabling context-sensitive decision-making.
- Also, institutions for **local self government** were added through the **73rd and 74th amendments**, which strengthened grass roots democracy.
- **Article 246** and **Article 243 G** provide for this division of responsibilities.
- **Article 280** provided for the constitution of **Finance Commission** to define the financial relationship and terms between the Union and states.
- **Apart from these institutions** and the **Rajya Sabha**, the Constitution makers also left much scope for **consultative and deliberative bodies** so as to strengthen the spirit of cooperation and federalism.
- **Article 263** provided for the establishment of an **Inter-State Council** for smooth transition of business between the Union and states and resolution of disputes.
- The **Planning Commission** always had space for discussion on issues concerning the federal nature of the polity and was sensitive to the different developmental requirements of states.
- The **inter-state tribunals**, the **National Development Council** and **other informal bodies** have served as vehicles of consultations between the Union, states and UTs.
- These bodies have been instrumental in tackling difficult issues democratically through deliberations while upholding the cooperative spirit between the Union and states.

#### Recent trends

- Unfortunately, we are now witnessing the worst **assault on the federal system and on institutions**.
- The **Planning Commission** has been **scrapped**.
- The **Inter-State Council** has **met only once in the last seven years** while the **National Development Council has not met at all**.
- The **tenure of the 15th Finance Commission was mired in controversy** and many states expressed apprehensions about devolution.
- The **misconceived GST** has already taken away much of the autonomy available to states and has made the country's indirect tax regime unitary in nature.
- Many **important and politically sensitive decisions** are taken **without reference to**, and consultation with, the **concerned states**. Article 370 was removed without consulting the state legislature.
- Parliament legislated on "**agriculture**", **entry no. 14 in the state list, to enact the three contentious farm laws**, overstepping its jurisdiction and imposing a law on the states.
- Students in Tamil Nadu have committed suicide over the discriminatory nature of the **NEET examination**. Other **centralized examinations** are also indifferent to languages spoken in different parts of India and education boards of different states. The **New Education Policy** has been flagged as **encroaching on the federal nature** of the polity.
- The **BSF's jurisdiction was extended in Assam, West Bengal and Punjab without any consultation** with the concerned states.
- The **constitutional office of governor** has come **under scrutiny** several times for encroaching on the powers of state executive and legislature.
- Recently, the **rejection of the Republic Day tableaux of Kerala, Tamil Nadu and West Bengal** by the Centre prompted protests by the respective states.

## Conclusion

- The philosophy of uniformity and flattening out diversity has disastrous consequences for our republic, society and ways of life. The obsession with homogeneity can escalate and destroy the progressive ideals of secularism, tolerance and mutual respect. It should be underlined that Article 1 of our Constitution declares that "India that is Bharat is a union of states", and that devolution of powers is necessary in such a setting.
- A conscious recognition of the federal character of our polity is essential to protect our national character.

### The Indian express Link

<https://indianexpress.com/article/opinion/columns/republic-day-reminder-of-spirit-federalism-7734256/>

**Question-** The federal character of Indian polity has come under stress in recent times. Comment.

## Pandemic impact on classroom learning

### Context

- Impact on school education by the pandemic and induced lockdowns needs urgent attention.

### More on the news

- A recovery in the classroom also needs critical attention.
- India has seen one of the longest school closures in the world. The **pivot to digital learning** has **locked vast numbers of underprivileged schoolchildren out of the classroom**
- **Online classes have struggled to replace the experience and quality** of teaching in a physical classroom.
- This is adding up to a grave learning crisis.
- A study carried out in January 2021 in five states by a research group from **Azim Premji University** found not only clear evidence of learning loss, but an alarming regression in children's foundational abilities — to read, to understand what they are reading or do simple sums.
- A report in this newspaper has pointed to more evidence — over a third of Class X students in Gujarat needed grace marks to be promoted to the next class. Worryingly, this suggests that the deficit is not restricted to primary school, but is also showing up in higher classes.
- A field assessment carried out by Pratham-ASER in Karnataka in March 2021 had revealed, for instance, that only 66.4 per cent of Class VIII students could read a Class III textbook, compared to 70 per cent three years ago. If not arrested, the slide in learning, at this scale, has grim consequences for the young, and is likely to push them out of education entirely and stunt their future income opportunities significantly.
- All of this leads to an irrefutable conclusion — after the third wave abates, **schools and education departments, across the states, cannot slip back to business as usual**. This crisis demands a **radical reorientation of priorities and pedagogies** from all stakeholders.

### Way Forward

- The first step is to **acknowledge that students** are re-entering the classroom with **diminished skills**. And so, the **syllabus must be set aside**.
- The **task** for the school and the teachers must be reset and underlined
- To help children recoup their losses, to make sure that their learning journeys are only interrupted, not derailed.
- **Short and intense bridge courses**, a few months long, might not cut it. Much of this year, if needed the next 10-odd months, must be devoted to this goal.
- The **teacher must be given the freedom to teach students at different levels — within the same classroom**.
- It is possible only when the power to make academic decisions is decentralised to schools and teachers.
- **“Remedial” learning** often comes with added stigma for underperforming students. Care must be taken — at all times — that their confidence is not broken in this process.
- Finally, governments must prioritise keeping schools open, with closure as the last option only in cases of an immense spike in infections. Learning — with and without Covid — is an urgent imperative.

### The Indian express link

<https://indianexpress.com/article/opinion/editorials/learning-crisis-schools-demands-urgent-interventions-7734276/>

**Question-** How does pandemic induced lockdowns have impacted the school education in India? Suggest remedial measures for the same.

## Electoral Bond Scheme

### Context

- If a democracy is to thrive, the role of money in influencing politics ought to be limited. In many advanced countries, elections are funded publicly so as to guarantee a somewhat level playing field.

### About the scheme

- An electoral bond is like a promissory note that can be bought by any Indian citizen or company incorporated in India from select branches of State Bank of India.
- The citizen or corporate can then donate the same to any eligible political party of his/her choice.
- The bonds are similar to bank notes that are payable to the bearer on demand and are free of interest.
- An individual or party will be allowed to purchase these bonds digitally or through cheque.
- A bearer instrument **does not carry any information about the buyer or payee** and the holder of the instrument (which is the political party) is presumed to be its owner.
- The electoral bonds were introduced with the Finance Bill (2017).
- The bonds are **issued in multiples of Rs 1,000, Rs 10,000, Rs 100,000 and Rs 1 crore** (the range of a bond is between Rs 1,000 to Rs 1 crore). These would be available at some branches of SBI.
- These can be purchased by individuals and companies who have to disclose their identity through know your customer (KYC) norms to SBI, while political parties can encash these bonds within 15 days only in their specified bank accounts.
- Only those parties, which have got 1% of all votes polled in the last Lok Sabha or state assembly polls, are eligible for funding through these bonds.
- This makes it possible to give political contributions through a legitimate channel with tax-paid funds, while who gave how much to which party remains anonymous.
- **Benefits of the scheme till date:** for both the principal political parties, it seems that the quantum of political donations channelised through cash donations/non-identifiable sources has decreased substantially.
- Instead, today more funds are channeled through the formal banking system. This was not the case with the earlier system in which half of the political donations were not traceable as they were made in cash form.

### Issues and challenges



- **Removal of a cap on corporate donations:** removal of a cap on corporate donations that existed earlier that was 7.5% of three-year average net profit enables businesses to make unlimited political donations without disclosing the recipient's name.
- **Legalizes political corruption:** there is lack of transparency as we do not know who is giving what to whom and what they are getting in return and only the government, through ministries, has access to this information.
- **Transparency:** It is important for a functioning democracy to have a transparent system of political funding. The concerns have been raised about anonymous donations which challenges the very core of our democratic functioning.
- According to a report, 70% of the income of the political parties was coming through unknown sources, including electoral bonds.
- The report also said that such anonymous donations become possible since the political parties do not have to reveal names of individuals or organisations giving less than Rs 20,000 and neither do they have to disclose the names of those donating through electoral bonds.
- **Anonymity:** Through an amendment to the Finance Act 2017, the Union government has exempted political parties from disclosing donations received through electoral bonds.
- Hence, parties do not have to disclose details of those contributing by way of electoral bonds in their contribution reports filed mandatorily with the Election Commission every year.
- This means the voters would not know which individual, company, or organisation has funded which party, and to what extent.
- **Stand of the election commission:** The Election Commission, in its submission to the Standing Committee on Personnel, Public Grievances, Law and Justice in 2017, had objected to the amendments in the Representation of the People (RP) Act, which exempt political parties from disclosing donations received through electoral bonds.
- Section 29(b) of the RP Act prohibits the political parties from taking donations from government companies and foreign sources.

#### WAY FORWARD

- The solution to political funding as suggested by experts is setting up a national election fund where corporate houses and individual donors can contribute with a 100% tax-free fund. The Election Commission could be given the task of overseeing it. The money can then be divided among political parties mostly in kind and a part in cash.

#### **The Hindu Link**

<https://epaper.thehindu.com/Home/ShareArticle?OrgId=GPU9DKNGJ.1>

**Question-** Electoral bond scheme cannot be panacea to issues of money power and political funding. Comment.

### **Why the Personal Data Protection Bill is bad news for business**

#### **Context**

- The Joint Committee of Parliament has recently presented its recommendations on the **Personal Data Protection Bill, 2019**. The Bill principally seeks to regulate the use of our data and to foster a privacy protection framework in the country.

### Background

- The prime minister has recently said that **“innovation, aspiration and application of technology” will fuel the country to become a \$5-trillion economy.**
- The government’s stated goal is to grow the technology and electronics **manufacturing sector to \$300 billion by 2025.**

### Concerns

- There are several areas of concern-
- First, the framework under the Bill is premised on a **centralised Data Protection Authority** with a wide **discretionary remit** to formulate regulation.
- Second, the Bill has **broad-based restrictions on the transfer of data overseas** that are likely to splinter our market from the global digital economy.
- Third, it seeks to **impose onerous compliance obligations** that have little to do with data protection.
- Fourth, it sets forth **an inflexible framework** that is bereft of any formal consultative rule-making process.
- Lastly, substantial portions of the Bill are **out of sync with international data protection practices**, which could blunt India’s competitive advantage as a digital market. These aspects of the Bill require substantial changes for it to not only achieve its objective of privacy protection, but to also avoid stunting the growth of our digital economy.

### Implications

- However, the Bill as it stands imposes regulatory burdens on businesses without securing proportional gains in privacy protection.
- It **perpetuates an uncertain and onerous regulatory environment.**
- The burden of **onerous regulation will be fatal to new entrants**, while the costs will be absorbed by established incumbents.
- The Bill, if adopted, will ensure that the **start-up ideas of today** wouldn’t be able to become unicorns of tomorrow.
- The Bill imposes restrictions on the transfer of sensitive personal data outside India. The authority’s prior approval would be needed for any such transfer.
- Further, a narrower category of personal data that is considered “critical” would be entirely prohibited from transfer outside India. It is the authority who is to define “critical data” without even an indicative hint of its scope in the Bill.

- These requirements destroy the basic value of the digital economy — **connectivity beyond physical barriers**.
- The **Bill also requires large players to have data protection officers physically located within India**. These officers are required to be key managerial personnel. The outside world is likely to see these **measures as less about protection and more about protectionism**.
- The JPC has recommended that **all hardware must be monitored, tested, and certified by an authorised agency to ensure its “integrity and trustworthiness”**.
- This does not augur well for our goal for electronics manufacturing. In making this recommendation, the **JPC has ignored the existing testing requirements under the Bureau of Indian Standards and the mandatory testing of telecom equipment regimes**.
- This is **certain to result in delays and disruption in supply chains**. The premise of this requirement of a continuing liability on manufacturers after the sale of hardware products to ensure against “malicious software” is divorced from reality. **The Bill ignores the real threat posed by the insertion of such software clandestinely post the sale of hardware through other means**. The JPC report provides an insubstantial explanation of these means having even a chance of protecting users.
- Extensive compliance requirements have been included, such as the conduct of **audits and impact assessments to be filed with the authority**. The compliance burden is likely to act as a potent deterrent to fulsome participation in the Indian market as most digital businesses run on lean business structures. Also, **technology companies that thrive on acquiring a competitive advantage will be reluctant to share information on their processes and business models**.

## Conclusion

- The foundation of the framework is a domineering mandate to be given to a data regulator, structurally geared to intervene rather than facilitate. The provisions seek to regulate by fiat alone, with innovation and ease of doing business as the main casualties. **Value generation through technology requires an open and innovation-friendly regulatory environment**. The government, therefore, must closely consider each of the policy prescriptions in the Bill including the unintended but deleterious consequences of the regulatory regime mooted.

### The Indian Express link

<https://indianexpress.com/article/opinion/columns/why-the-personal-data-protection-bill-is-bad-news-for-business-7738351/>

**Question-** Personal data protection bill can have certain implications on electronics and technology driven sectors. Elucidate.

## To the poll booth, with no donor knowledge

### Context

- Late last year, the Union government authorised the SBI to issue and encash a new tranche of electoral bonds, the 19th such parcel since the scheme's notification in 2018.
- The timing of the announcement was predictable, with elections slated to be held to five different State Assemblies beginning next month.
- Now, as a result, voters in those States will go to the ballot box with no knowledge about the donors backing the various contestants.

#### Electoral bond Scheme:

- It is designed to allow an individual, or any "artificial juridical person", including body corporates, to purchase bonds issued by the State Bank of India during notified periods of time.
- These instruments are issued in the form of promissory notes, and in denominations ranging from ₹1,000 to ₹1 crore.
- Once purchased, the buyer can donate the bond to any political party of their choice and the party can then encash it on demand.
- The purchasers are not obliged to disclose to whom they presented the bond, and a political party encashing a bond is compelled to keep the donor's identity secret.

#### Anything but transparent

- **Electoral bonds are Opaque.**
- **Transparency** is an essential feature of a democracy.
- In this time, the Supreme Court of India has paid scant attention to the issue. It has allowed the scheme to continue unabated and has denied an interim stay on its operation without so much as conducting a full-fledged hearing.
- **But Bonds are not fully anonymous according to the court:** Voters interested in finding out the identity of political donors, the Bench said, could simply perform what the order described as "match the following."
- **Parties have no obligation:** There is no attendant obligation on political parties to provide details to the public on each donation received by them through electoral bonds.
- **Companies are also under no obligation** to disclose the name of the party to whom they made the donation.
- Therefore, this "match the following" exercise apart, from being impossible to perform, will also do nothing to pierce the veil concealing the bonds.

#### Other dubious provisions-

- What is more, a series of restrictions that were in place before the scheme's introduction have now been done away with. For example,
- Amendments have been made removing a previous prohibition that disallowed a company from donating anything more than 7.5% of its net profits over the course of the preceding three years.
- Similarly, a mandate that a company had to have been in existence for at least three years before it could make donations (a requirement that was aimed at discouraging persons from using shell corporations to funnel money into politics) was also lifted.
- Thus, through its very architecture, the electoral bond scheme permits unlimited and anonymous corporate funding of political parties.



- In its defence, the Government says two things:
- Voters have no fundamental right to know how political parties are funded and
- The scheme helps eliminate the role of black money in funding elections.
- Both these arguments are not tenable:
- The Supreme Court has consistently held that voters have a right to freely express themselves during an election and that they are entitled to all pieces of information that give purpose and vigour to this right. Surely, to participate in the electoral process in a meaningful manner and to choose one's votes carefully, a citizen must know the identity of those backing the candidates.
- As affidavits filed by the Election Commission of India in the Supreme Court have demonstrated, the scheme, if anything, augments the potential role of black money in elections — it does so by, among other things, removing existing barriers against shell entities and dying concerns from donating to political parties.
- Moreover, even if the bonds were meant to eliminate the presence of unaccounted currency, it is difficult to see what nexus the decision to provide complete anonymity of the donor bears to this objective. Indeed, it is for this reason that the RBI reportedly advised the Government against the scheme's introduction.

### Major concerns

- The worries over the electoral bond scheme, however, go beyond its patent unconstitutionality.
- This is because in allowing anonymity it befouls the basis of our democracy and prevents our elections from being truly free and fair.
- A delay in adjudication by the SC, invariably presents a fait accompli. There are, therefore, few issues of greater moral urgency than this that are awaiting the Supreme Court's consideration. Yet, despite challenges to the scheme having been launched quickly on the heels of its notification in 2018, the Court has failed to hear and decide on the programme's validity.

### Conclusion

- Justice P.B. Mukharji of the Calcutta High Court used language that was stronger still. "To induce the Government of the day by contributing money to the political funds of political parties, is to adopt the most sinister principle fraught with grave dangers to commercial as well as public standards of administration," he wrote. "...The individual citizens although in name equal will be gravely handicapped in their voice because the length of their contribution cannot ever hope to equal the length of the contribution of the big companies."

#### The Hindu link

<https://www.thehindu.com/opinion/lead/to-the-poll-booth-with-no-donor-knowledge/article38341198.ece>

**Question-** Electoral Bond scheme has made the electoral financing more opaque than before. Describe the controversial provisions of the scheme and methods to improve upon them.

## Dam Safety BILL

### In News:

- DMK Lok Sabha member has moved the Madras High Court challenging the constitutional validity of Dam Safety Act, 2021 on the grounds that it goes against federalism and is beyond the legislative competence of the Centre.

### What is the Dam Safety Bill?

- The Bill proposes to help all states and Union Territories adopt uniform dam safety procedures. It aims to **“provide for surveillance, inspection, operation and maintenance of the specified dam for prevention of dam failure-related disasters, and to provide for institutional mechanism to ensure their safe functioning and for matters connected therewith or incidental thereto.”**

### Context of Dam Safety Bill

- Most of the dams in India are constructed and maintained by the states, while some of the bigger dams are managed by autonomous bodies such as Damodar Valley Corporation or Bhakra Beas Management Board of Bhakra-Nangal Project.
- The Centre has presented the Dam Safety Bill, 2018 against the backdrop of over 5,200 large dams in India and about 450 dams under construction right now. “Due to the lack of legal and institutional architecture for dam safety in India, dam safety is an issue of concern. Unsafe dams are a hazard and dam break may cause disasters, leading to huge loss of life and property.

### Highlights of Dam Safety Bill, 2019

- A National Committee on Dam Safety with a three-year tenure, comprising: The chairman of the Central Water Commission, A maximum of 10 representatives of the central government in the ranks of joint secretary, A maximum of seven representatives of the state governments, and three experts, will be formed as part of the Act.
- A state dam safety organisation will be formed as well, which will be responsible for the dam safety. This organisation is empowered to investigate and gather data for proper review and study of the various features of the design, construction, repair and enlargement of dams, reservoirs and appurtenant structures.
- The National Dam Safety Authority, to be headquartered in Delhi, will be formed under the Act. It will be headed by an officer not below the rank of Additional Secretary to the Government of India to deal with problems relating to dam engineering and dam safety management
- It lays the onus of dam safety on the dam owner and provides for penal provisions for commission and omission of certain acts.
- The Bill provides for the establishment of the National Dam Safety Authority as a regulatory body which shall discharge functions to implement the policy, guidelines and standards for dam safety in the country.
- The Bill provides for the constitution of a State Committee on Dam Safety by the State Government.

### Significance of the bill:

- The Bill will help all the States and Union Territories of India to adopt uniform dam safety procedures which shall ensure safety of dams and safeguard benefits from such dams.
- It addresses all issues concerning dam safety including regular inspection of dams, Emergency Action Plan, comprehensive dam safety review, adequate repair and maintenance funds for dam safety, Instrumentation and Safety Manuals.

### **Why is the Bill being criticised?**

- Several states, including Karnataka, Kerala, Tamil Nadu, and Odisha, have opposed the legislation in the last decade on the grounds that it infringes on the sovereignty of states to manage their dams, as the states are concerned about retaining control over the dams, autonomy, and ownership of the assets.
- Experts also questioned the legislation's constitutionality, pointing out that water is a state subject. Another shortcoming cited was the failure to pay compensation to people affected by dam projects.

### **Conclusion**

- After independence, India has invested substantially in dams, and ranks third after the US and China in the number of large dams.
- There has been a long felt need for a uniform law and administrative structure for ensuring dam safety. Many efforts have been made by The Central Water Commission, through the National Committee on Dam Safety (NCDS), Central Dam Safety Organization (CDSO) and State Dam Safety Organizations (SDSO) in this direction but these organisations lack statutory powers and are only advisory in nature.
- This can be a matter of concern, especially since about 75 percent of the large dams in India are more than 25 years old and about 164 dams are more than 100 years old.
- A badly maintained, unsafe dam can be a hazard to human life, public and private assets, flora and fauna, and the environment.

[Reference-The Hindu Link](#)

## **Defections**

### **Context:**

- Defection means floor-crossing or switching sides by a member of one political party to another party. To control increasing instances of political defection in India, the government through Constitution 52nd Amendment, added Tenth Schedule in the Indian Constitution.

### **What is the anti-defection law, and what is its purpose?**

- The anti-defection law punishes individual MPs/MLAs for leaving one party for another. It allows a group of MP/MLAs to join (i.e. merge with) another political party without inviting the penalty for defection. And it does not penalise political parties for encouraging or accepting defecting legislators.
- Parliament added it to the Constitution as the Tenth Schedule in 1985. Its purpose was to bring stability to governments by discouraging legislators from changing parties. It was a response to the toppling of multiple state governments by party-hopping MLAs after the general elections of 1967.

### **What constitutes defection? Who is the deciding authority?**

- The law covers three kinds of scenarios:

1. **One is when legislators elected on the ticket of one political party “voluntarily give up” membership of that party or vote in the legislature against the party’s wishes.** A legislator’s speech and conduct inside and outside the legislature can lead to deciding to voluntarily give up membership.
2. **The second scenario arises when an MP/MLA who has been elected as an independent joins a party later.** The third scenario relates to nominated legislators. In their case, the law specifies that they can join a political party within six months of being appointed to the House, and not after such time.
3. **Violation of the law in any of these scenarios can lead to a legislator being penalised for defection.**
4. **The Presiding Officers of the Legislature (Speaker, Chairman) are the deciding authorities in such cases.** The Supreme Court has held legislators can challenge their decisions before the higher judiciary.

### Constitutional Provisions

- **Article 102(2)** - A person shall be disqualified for being a member of either House of Parliament if he is so disqualified under the Tenth Schedule.
- **Article 191(2)** - A person shall be disqualified for being a member of the Legislative Assembly or Legislative Council of a State if he is so disqualified under the Tenth Schedule.

### Defection under Tenth Schedule

- A member of a House belonging to any political party shall be disqualified for being a member of the House:
- If he has voluntarily given up his membership of such a political party.
- If he votes or abstains from voting in such House contrary to any direction issued by the political party to which he belongs and such voting or abstention has not been condoned by such political party, person or authority within fifteen days from the date of such voting or abstention.

### Disqualification of Independent Member

- An elected member of a House who has been elected as such otherwise than as a candidate set up by any political party shall be disqualified for being a member of the House if he joins any political party after the election.

### Disqualification of Nominated Member

- A nominated member of a House shall be disqualified for being a member of the House if he joins any political party **after the expiry of six months** from the date on which he takes his seat.
- **Disqualification on grounds of defection does not apply in case of merger** - the merger of the original political party of a member of a House shall be deemed to have taken place if - not less than two-thirds of the members of the legislature party concerned have agreed to such merger.



- A special provision has been included in the 52nd Constitution Amendment to enable a person who has been elected as the presiding officer of a House to sever his connections with his political party.
- A person who has been elected to the office of the Speaker or the Deputy Speaker of the House of the People or the Deputy Chairman of the Council of States or the Chairman or the Deputy Chairman of the Legislative Council of a State or the Speaker or the Deputy Speaker of the Legislative Assembly of a State, shall not be disqualified under this Schedule.

#### **Time taken for deciding cases of defection**

- **The law does not provide a time-frame within which the presiding officer has to decide a defection case.**
- There have been many instances when a Speaker has not determined the case of a defecting MLA until the end of the legislature term. There have also been instances of defecting MLAs become ministers while a defection petition against them has been pending before the Speaker.
- Last year, the Supreme Court dismissed a minister in Manipur when the Speaker did not decide the defection petition against him even after three years. The court held that ideally, Speakers should take a decision on a defection petition within three months.

#### **Important Recommendations of The National Commission to review the working of the Constitution (NCRWC), Dinesh Goswami Committee**

- Amending Tenth Schedule - to ban all kinds of Defections – individual or group defections and protection granted to members in case of split should be scrapped.
- Contesting Fresh Elections by Defectors as defecting by members would result in loss of membership of the House concerned.
- Defectors should be debarred from holding Public Office or any other remunerative political post for the remaining term.
- Vote to topple government as Invalid - The vote cast by a defector to topple a government should be treated as invalid unless supported by confidence vote (eg: Germany)
- Speaker not to decide matters on Defection - questions as to disqualification on ground of defection should vest in the Election Commission – also supported by Dinesh Goswami Committee and 170th Law Commission Report.
- The Anti-Defection Law has created a democracy of parties and numbers in India, rather than a democracy of debate and discussion. Hence a change is long overdue.

#### **Adverse Impact of Defection Politics on Indian Democracy**

- Undermining Electoral Democracy by shifting political allegiance mid-term.
- Defectors Betray Electoral Mandate.
- Promotes Horse Trading through bribery and corruption.

- Impacts stability of government.
- Greed overtakes Constitutional Morality.

### **Shortcomings in the defection law**

- The law does not provide a time-frame within which the presiding officer has to decide a defection case.
- There have been many instances where a Speaker has misused this in not determining the case of a defecting MLA until the end of the legislature term.
- Parties often sequester MLAs in resorts to prevent them from changing their allegiance or getting poached by a rival party.

### **Suggestions been made to improve the law**

- Former Vice President Hamid Ansari has suggested that it applies only to save governments in no-confidence motions.
- The Election Commission has suggested it should be the deciding authority in defection cases.
- Others have argued that the President and Governors should hear defection petitions. And last year, the Supreme Court said Parliament should set up an independent tribunal headed by a retired judge of the higher judiciary to decide defection cases swiftly and impartially.

[Reference- The Hindu Link](#)

## **Election Commission**

- Recently, the attendance of the Chief Election Commissioner (CEC) and his Election Commissioner (EC) colleagues at an “informal” meeting with the Principal Secretary to the Prime Minister has brought renewed focus on the independence and impartiality of the Election Commission of India (ECI).

### **Appointment & Tenure of Commissioners**

- The Chief Election Commissioner and the Election Commissioner are appointed by the President of India.
- Each of them holds their offices for a period of 6 years or up to the age of 65 years, whichever comes first.
- They receive the same perks and pay as Supreme Court Judges.
- The only way a Chief Election Commissioner can be removed from office is upon an order of the President supported by the Parliament.
- The Election Commissioner or Regional Commissioner can only be removed from office by the Chief Election Commissioner.

### **Advisory and Quasi-Judiciary Powers**

- The Election Commission of India has advisory jurisdiction in terms of post-election ineligibility of sitting members of the Parliament and State Legislature.

- Cases, where an individual is found guilty of malpractice at elections by the Supreme Court or High Courts, are referred to the ECI for its opinion of the said person's disqualification. In such cases, the judgement passed by the ECI is final and binding on the President of India or the Governor as per jurisdiction.
- The Election Commission of India also has the power to ban any candidate who has not lodged an account of election expenses by the deadline and as per the law.
- ECI can also remove or reduce the period of disqualification as per the law.

### **Administrative Powers**

- Allotting territorial areas for electoral constituencies in the country
- Organise and amend electoral rolls and register eligible voters
- Inform dates and schedule of elections and scrutinize nomination papers
- Give recognition to political parties and assign election symbols to them.
- ECI appoints the following seats:
  - Chief Electoral Officer
  - District Election Officer
  - Returning Officer
  - Electoral Registration Officer
- Role of Election Commission of India

### **Functions of the Election Commission of India**

- ECI plays a crucial role in organising elections. The most significant role of the Election Commission of India is to ensure free and fair elections as per the norms and the Model Code of Conduct. It is in charge of monitoring the actions and activities of the political parties and candidates.
- ECI is responsible for a free and reasonable election
- It ensures that political parties and candidates adhere to the Model Code of Conduct
- Regulates parties and registers them as per eligibility to contest in elections
- Proposes the limit of campaign expenditure per candidate to all parties and monitors the same.
- It is mandatory for all political parties to submit annual reports to the ECI in order to be able to claim the tax benefit on the contributions.
- Guarantees that all political parties regularly submit audited financial reports.

### **The main duties of the Election Commission are:**

- Supervise, control and conduct all elections to Parliament and State Legislatures
- Set general rules for election.
- Prepare electoral rolls
- Determine the territorial distribution of constituencies
- Give credit to political parties.
- Allot election symbols to political parties or candidates
- Appoint tribunals for the decision of doubts and disputes arising out of an election to Parliament and State Legislatures.

### **Constitutional and legal Issues with ECI**

#### **(1.) Appointment of ECs**

- Currently ECs (Including CEC) are appointed by the President on the recommendation of the PM.
- This is important because the Election Commission is not only responsible for conducting free and fair elections, but it also serves a quasi judicial function between the various political parties including the ruling government and other parties.
- **In such circumstances the Executive cannot be the sole participant in the appointment of members of the Election Commission** as it gives unfettered discretion to the ruling party to choose someone whose loyalty to it is ensured and thereby renders the selection process vulnerable to manipulation.

**(2.) Election commissioners do not get the same protection as CEC.**

- Article 324(5) of the Constitution protects only CEC from removal, except if the manner and grounds of removal are the same as a judge of the Supreme Court. (Judges of High Courts and SC, CEC, Comptroller and Auditor General (CAG) may be removed from office through a motion adopted by Parliament on grounds of '**proved misbehaviour or incapacity**'). However, **ECs can be removed by the government** on the recommendation of the Chief Election Commissioner.

**(3.) Lack of legal enactment envisaged under Article 324.**

- The appointment of CEC and other ECs according to the Article 324, shall be done as per the law made by the Parliament in this regard. However, no such law has yet been made which leaves a "gap" and leaves the appointment of such a crucial post solely to the executives.

**(4.) Other loopholes in the constitutional mechanisms:**

- **The constitution has not prescribed the qualifications** (legal, educational, administrative, or judicial) of the members of the election commission.
- The constitution has **not debarred the retiring Election commissioner from any further appointment** by the government.
- **There is no clarity regarding the power division** between the Chief Election Commissioner and other Election Commissioners.
- **RP Act empowers the Central Government to make rules after consultation with ECI.** However, the Central Government is not bound to accept. Thus, impacting various reforms such as power to de-register political parties, insertion of new clause '58 B' be inserted in the RPA Act 1951 to give power to postpone or countermand polls based on evidence that money power was used to influence voters.

**Way Forward**

- EC should be given the power to make rules under the electoral law, instead of the Centre.
- ECI sought an urgent amendment to the Contempt of Courts Act, 1971, to empower it to punish anyone being disobedient or discourteous towards its authority.
- Establishing a multi-institutional, bipartisan committee for fair and transparent selection of ECs can enhance the perceived and actual independence of ECI.

[Reference- The Hindu Link](#)

## Lok Adalat

**What are Lok Adalats?**

- Lok Adalat (People's Court) is one of India's alternate dispute resolution mechanisms.



- It is where the cases that are pending or at the pre-litigation stage in a court of law are settled.
- This system, based on Gandhian principles, aims to settle disputes through arbitration at the grass-root level.

#### **Reason for establishment of Lok Adalats:**

- **Equal justice and free legal aid:** The Parliament enacted the Legal Services Authorities Act, 1987 to create national, state and district level authorities to establish Lok Adalats. (Article 39A of the Constitution states that citizens of India are entitled to equal justice and free legal aid.)
- **Speedy trial of the disputes:** The basic features of Lok Adalat are the procedural flexibility and speedy trial of the disputes. There is no strict application of procedural laws like the Civil Procedure Code.
- **Reducing backlog:** To clear the huge backlog of pending cases in the Indian judicial system and to bring speedy justice to all. The matters in Lok Adalat are settled within a day.

#### **Legislation pertaining to Lok Adalats**

- The Legal Services Authorities Act, 1987 gave a statutory status to Lok Adalats.
- It is an Act to constitute legal services authorities to provide free and competent legal services to the weaker sections of the society to ensure that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities, and to organize Lok Adalats to secure that the operation of the legal system promotes justice on a basis of equal opportunity.

#### **Salient features of Lok Adalat**

- It is based on settlement or compromise reached through systematic negotiations.
- It is one among the Alternate Dispute Resolution (ADR) systems. It is an alternative to "Judicial Justice".
- No court fee is payable. If any court fee is paid, it will be refunded. Hence it is economical.
- The parties to a dispute can interact directly with the presiding officer, which is not possible in the case of a court proceeding.
- Lok Adalat is deemed to be a civil court for certain purposes.
- Lok Adalat has certain powers of a civil court.
- The award passed by the Lok Adalat is deemed to be a decree of a civil court.
- An award passed by the Lok Adalat is final and no appeal is maintainable from it.
- An award passed by the Lok Adalat can be executed in a court.
- The award can be passed by Lok Adalat, only after obtaining the assent of all the parties to dispute.
- Code of Civil Procedure and Indian Evidence Act are not applicable to the proceedings of Lok Adalat.
- A Permanent Lok Adalat can pass an award on merits, even without the consent of parties. Such an award is final and binding. From that no appeal is possible.
- The appearance of lawyers on behalf of the parties, at the Lok Adalat is not barred. (Regulation 39 of the Kerala State Legal Services Authority Regulations, 1998.

#### **Role of Lok Adalats:**

- **Dispute settlement:** To hear and settle long pending cases, which are disposed through compromise and settlement. It can hear both civil and criminal cases.

- **Justice:** The aim of Lok Adalats is to bring justice to poor and underprivileged people of India. It ensures that opportunities for securing justice are not denied to any citizen by reason of economic or other disabilities.
- **Alternate dispute resolution:** The system of Lok Adalat, which is an innovative mechanism for alternate dispute resolution, has proved effective for resolving disputes in a spirit of conciliation outside the courts.
- **Reducing litigation:** It can take up pending cases as well as those that are in the pre litigation stage. The verdict given by the Lok Adalat is final and binding, and there is no provision for appeal. But the party is free to initiate a new litigation in court.

#### **Limitations of Lok Adalats:**

- **Complexity:** The biggest disadvantage with Lok Adalats is that repeated sittings at short intervals with the same judge are almost not possible which breaks the continuity of the deliberations.
- **Lack of confidentiality:** Lok Adalat proceedings are held in the open court and any member of the public may witness these proceedings. Thus, the element of confidentiality is also lacking. This also impedes the process of exploration of various resolution options and ultimately the success rate in matters where parties desire confidentiality.
- **Forced injustice:** Lok Adalats are fora where voluntary efforts intended to bring about settlement of disputes between the parties are made through conciliatory and persuasive efforts. Many times victims are forced to settle at lower compensation.
- **Diminished party autonomy:** It cannot be said that the parties remain in absolute control of the proceedings in contradistinction to what happens in mediation.

#### **Recent Developments and Performance of Lok Adalats**

- In June 2020, the Legal Services Authorities integrated technology with the conventional modes of dispute settlement and introduced virtual Lok Adalats also called as '**E-Lok Adalats**'. Since then, all the Lok Adalats including National Lok Adalats are organized through virtual and hybrid modes. To provide an unhindered experience during the proceedings, the Legal Services Authorities across the country are continuously upgrading their digital infrastructure.
- Due to technological advancements, Lok Adalats have reached to the doorsteps of the parties. The parties are now able to join the Lok Adalat proceedings from their homes or workplaces, saving them the hassle of travelling and reserving a full day for an affair, which gets over within minutes.
- The other major factor in the success of Lok Adalats is the formulation of decisive strategies at the National level. Under these strategies, the State Legal Services Authorities were instructed to conduct meetings with various stakeholders across every level with an objective to ensure their full cooperation and coordination. The authorities were guided to follow a litigant friendly approach as well as to persuade such litigants to settle the cases involving settled propositions of law.
- A large number of disposals through Lok Adalats, was created by the Legal Services Authorities in the judicial administration of the country and it has settled greater number of cases than any other dispute resolution mechanism and has emerged as the most efficacious tool of Alternative Dispute Resolution Mechanism even during the pandemic.

#### **Way Forward:**

- Legal literacy and legal aid programmes should be provided, awareness camps must be conducted at the grass-root levels and mass media can be utilised for this purpose. This is to encourage people to participate in the proceedings of Lok Adalat voluntarily.
- The jurisdiction of permanent Lok Adalats can be expanded to include areas like business disputes or conflicts where the public at large are involved and matters where the government is involved either directly or indirectly.
- Culturally, there should be a balance between a formal and informal forum so that people are encouraged to seek redressal from Lok Adalats. Specialists of the concerned disputes can also be incorporated into this mechanism.
- The social workers must be provided with free legal training so that they can help the needy from being exploited by the lawyers.

[Reference- The PIB link](#)

## Padhe Bharat

### Context:

- The Union Education Minister launched a 100 days reading campaign 'Padhe Bharat' today.
- The launch of 100 Days Reading Campaign is in alignment with the National Education Policy (NEP) 2020 which emphasises on promotion of joyful reading culture for children by ensuring availability of age appropriate reading books for children in local/mother tongue/regional/tribal Language.

### About the campaign:

- Padhe Bharat campaign will focus on children studying in Balvatika to Grade 8. The reading campaign will be organised for 100 days (14 weeks) starting from 1st January 2022 to 10th April 2022.
- The reading campaign aims to have participation of all stakeholders at national and state level including children, teachers, parents, community, educational administrators etc.
- One activity per week per group has been designed with the focus on making reading enjoyable and building lifelong association with the joy of reading.
- The 100 days reading campaign will also focus on Indian languages including mother tongue/local/regional languages. This will help in promoting the local language and culture of our society.

### Objective of the campaign

- The 100 days Reading Campaign is envisaged to support and encourage students, along with their schools, teachers, parents, and communities, in every possible way and encourage children to read for joyful learning experience.

### Implementing agency

- The Department of School Education & Literacy invites all stakeholders to participate wholeheartedly in this campaign to build a strong foundation for our children.

[The Indian Express link](#)

## Swachh Bharat Mission

### Context:

- Telangana stood first in the country in the list of highest number of open defecation free (ODF Plus) villages under the Swachh Bharat Mission (Grameen) Phase-II programme till December 31, 2021.

**Factors considered in the Household Survey for ODF declaration:**

- Access to toilet facility
- 100 per cent usage
- Fly-proofing of toilet
- Safe septage disposal
- Hand-washing before meals
- Hand-washing with soap after defecation
- Availability of soap and water in or near the toilet

**Factors considered in the Village Survey for ODF declaration:**

- No visible faeces found in the environment/village
- Proper usage of school toilet
- Safe confinement of excreta in school toilet
- Proper usage of Anganwadi toilet
- Safe confinement of excreta in Anganwadi toilet

**About Swachh Bharat Mission (SBM):**

- The Swachh Bharat Mission - Urban (SBM-U), launched on 2nd October 2014 aims at making urban India free from open defecation and achieving 100% scientific management of municipal solid waste in 4,041 statutory towns in the country.

**The objectives of the mission are mentioned below:**

- Elimination of open defecation
- Eradication of Manual Scavenging
- Modern and Scientific Municipal Solid Waste Management
- To effect behavioural change regarding healthy sanitation practices
- Generate awareness about sanitation and its linkage with public health
- Capacity Augmentation for ULB's
- To create an enabling environment for private sector participation in Capex (capital expenditure) and Opex (operation and maintenance)

**The Mission has the following components:**

- Household toilets, including conversion of insanitary latrines into pour-flush latrines;
- Community toilets
- Public toilets
- Solid waste management
- IEC & Public Awareness
- Capacity building and Administrative & Office Expenses (A&OE)

**Phase 1 of the Swachh Bharat mission lasted till October 2019.**



- The objectives of the first phase of the mission also included eradication of manual scavenging, generating awareness and bringing about a behaviour change regarding sanitation practices, and augmentation of capacity at the local level.

### **Phase 2 will be implemented between 2020–21 and 2024-25.**

- The second phase will be implemented on a mission mode between 2020-21 and 2024-25.
- The second phase will focus on Open Defecation Free Plus (ODF Plus), which includes ODF sustainability and solid and liquid waste management (SLWM).
- The ODF Plus programme will converge with MGNREGA, especially for grey water management, and will complement the newly launched Jal Jeevan Mission.
- The programme will also work towards ensuring that no one is left behind and everyone uses a toilet.
- The fund sharing pattern between the Centre and States will be 90:10 for North-Eastern States and Himalayan States and UT of J&K; 60:40 for other States; and 100:0 for other Union Territories, for all the components.

### **Objectives of Swachh Bharat Mission- Urban:**

- Eradication of open defecation in all statutory towns
- 100% scientific management of municipal solid waste in all statutory towns
- Effecting behaviour change through Jan Andolan

### **Key Components under Swachh Bharat Mission-Urban 2.0**

- The following will be the key components for implementation under SBM-U 2.0:

#### **Sustainable Sanitation:**

- The Mission will focus on ensuring **complete access to sanitation facilities** to serve additional population migrating from rural to urban areas in search of employment and better opportunities over the next 5 years.
- **Complete liquid waste management in cities in less than 1 lakh population.**

#### **Sustainable Solid Waste Management:**

- **100 percent source segregation of waste** along with **functional Material Recovery Facilities (MRFs) in every city**, with a focus on phasing out single use plastic.
- Setting up of **construction & demolition (C&D)** waste processing facilities and deployment of **mechanical sweepers** in National Clean Air Programme (NCAP) cities and in cities with more than 5 lakh population
- **Remediation of all legacy dumpsites**, so that 14,000 acres of locked up land lying under 15 crore tonnes of legacy waste are freed up.

### **Challenges for SBM**

- The massive task is to include people who still lack toilets, overcome partial toilet use, and retrofit toilets which are not yet sustainably safe.
- The quality of toilets constructed left much to be desired, and local level malpractice.
- Rural and small town faecal sludge management as tanks and single pits fill up and are difficult to empty.

- Overemphasis on toilet construction rather than focussing on all parameters.
- The ODF status has been mainly awarded to the village, district or state only based on the number of toilets built without mention of termination of fecal-oral transmission and absence of visible feces in the environment as major parameters in the SBM guidelines.
- Waste Treatment: Despite considerable progress in the door to door waste collection, only one-third of the waste being generated is being processed.
- Manual Scavenging

#### **Need of the hour**

- **Creating demand for toilets:** higher proportion of funds should be directed towards educating people about hygiene and the social marketing of toilets.
- **Ground-level verification:** To resolve the issue of over/under reporting of government set targets, verification of facts on the ground with the help of local and village governments.
- **Disposal of feces:** proper facilities for the disposal of excreta should be established which goes untreated and harms the environment.
- Sewage Treatment and solid waste management: Different cost-effective technologies must be adopted for sewage treatments and proper disposal of waste from toilets.
- Manual scavenging: Use of technology in eradicating the practice of manual scavenging. Educating and empowering the lower castes through laws by encouraging them to pursue alternative jobs and possibly providing them with subsidies to build latrine facilities can also be a step in this direction.

## General studies 3.

### DISASTER MANAGEMENT

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#### National Disaster Response Force

##### Context

- The National Disaster Response Force (NDRF) Raising Day was marked on January 19. The NDRF was formed on this day in 2006.

##### About NDRF

- The National Disaster Response Force is a specialised, multi-skilled, humanitarian force in India, which has been playing a crucial role in the country's disaster management and community awareness for Disaster Risk Reduction (DRR).

##### Formation

- The successive natural calamities from 1990 to 2004 led to the enactment of the **Disaster Management Act** on December 26, 2005. The result was the formation of the National Disaster Response Force. This was set up to lay down the plans, policies, and guidelines for disaster management.

##### Structure

- The **National Disaster Management Authority (NDMA)** is the parent body of NDRF.
- At present, National Disaster Response Force consist of 15 battalions from the BSF, CISF, CRPF, ITBP, SSB and Assam Rifles. Each battalion have 18 self-contained specialist search and rescue teams of 45 personnel each including engineers, technicians, electricians, dog squads and medical/paramedics. The total strength of each battalion is 1,149. All the 15 battalions have been equipped and trained to respond natural as well as man-made disasters. Battalions are also trained and equipped for response during chemical, biological, radiological and nuclear (CBRN) emergencies.
- With more than 13,000 personnel, the battalions of the NDRF have been equipped to respond to **natural as well as man-made disasters**. They are also trained to respond during **chemical, biological, radiological and nuclear (CBRN) emergencies**.

##### Roles

- The role of the NDRF is disaster management and community awareness for Disaster Risk Reduction (DRR) in India.
- The personnel in NDRF are trained in flood rescue, rope rescue, collapsed structure search and rescue, and other activities to support people during any calamities.

#### The PIB Link

<https://pib.gov.in/PressReleasePage.aspx?PRID=1790837>

<http://www.ndrf.gov.in/about-us>

**Question-** Describe the structure and functioning of National Disaster Response Force.

## ECONOMY

### A budget that includes

#### Context

- The last two quarters have seen a substantive recovery in the Indian economy per major indicators
- **Corporate profitability** of our largest firms has hit a new record this year.
- **GST collections**, another indicator of the formal economy, **with an average monthly collection of Rs 1.2 trillion** in the second and third quarters.
- The **budget deficit** is expected to be well the forecast from last year.

#### On the flip side

- The **informal economy** was badly hit by Covid and its associated lockdowns. **Small enterprises, retail, hospitality, and construction were all hammered**. These were our main source of recent employment growth.
- Agricultural employment has risen in the last year-and-a-half, while manufacturing and services employment has fallen — this is the opposite of development.
- **Informal urban employment** has led to first-time buyers of everything from toothpaste to two-wheelers. This consumption story has driven our economic growth for the last 30 years.
- **Covid and its associated restrictions** have been a **perfect storm for the informally employed**.
- A study by researchers from Azim Premji University tells us that **both earnings and employment fell** for those at the bottom of the urban employment pyramid.

#### What should be done?

- There is a need to **insure the most vulnerable against such shocks by creating good job opportunities for the unskilled, equip people at all levels to participate more fully in the modern economy, and systemically promote wider policies of inclusion**.

#### Budget should consider-



- **Create good jobs for the unskilled by focusing on infrastructure.** The National Infrastructure Pipeline has identified a good set of projects. The government's **intention and ambition** should be followed by implementation.
- To have a bigger impact on the economy, there is a need to **invest quickly and at scale**.
- Most countries developed by putting millions to work in **labour-intensive manufacturing**.
- Millions of the unskilled and less-educated can be employed in good manufacturing jobs where average productivity is 15 times the national average. **We do not have the huge firms in export-oriented labour-intensive sectors that employ millions in China, Vietnam, and Bangladesh.**
- **Labour reforms**-In 2020, the government passed **four labour laws** that are **a major step forward** in helping **balance flexibility with protection for labour, formal and informal**. These laws have since been left dormant. The budget should announce a **time frame for implementation**, notification by the Union government and then by the states.
- The budget must also look at **investments in education and skilling**.
- India has among the least skilled workforces in the world. Under **5 per cent of our workforce is formally skilled**, compared to **96 per cent in South Korea**, 75 per cent in Germany and 52 per cent in the US. That is why the work of the **National Skills Development Corporation** is so important and must go much further and faster.
- Education is even more important, especially **primary education**.
- Pratham's education reports says that just 44 per cent of children in Class V can read a text meant for Class II. And just 23 per cent of children in Class V can do division. With schools closed for the last year-and-a-half in most states, education outcomes have fallen further. The **New Education Policy** has a proposal that every second standard child should be able to read and do arithmetic at the second standard level as a foundation for further education. This welcome initiative must receive greater dedication and focus from both government and industry.
- **School education is a state subject**, so the Union **budget should incentivise states** by linking the flow of additional funds with improved second standard learning outcomes.
- **CSR funds** can be utilized for education sector as well.
- **Other policies** for economic inclusion must go beyond social inclusion. These include measures like
- Reducing tariffs to **benefit millions of consumers instead of thousands of firms**. Industrial policies that help all firms such as the **ease of doing business**, instead of incentivising a selected few.

#### The Indian Express Link

<https://indianexpress.com/article/opinion/columns/naushad-forbes-writes-indian-economy-budget-gst-budget-deficit-7730640/>

**Question-** Covid pandemic and associated lockdowns impacted the informal economy disproportionately. Why? Describe the efforts needed to insure the vulnerable groups against such economic shocks.

### How India's tariff policy could be hurting its manufacturing aspirations

#### Context

- **A report** by the **Indian Cellular and Electronics Association** (ICEA) has said that India's policy of adopting high tariffs on the import of electronics components to reduce risks from global competition

and save domestic companies may prove to be counterproductive to its schemes aimed at increasing domestic production of electronic products.

### How does India compare to other electronics manufacturing nations?

- **Comparison** of India's performance with that of **China, Vietnam, Mexico and Thailand**, shows that all the countries have tried to encourage the domestic production of electronic goods in their geographies by adopting almost **similar strategies** such as
  - Attracting foreign direct investment,
  - Improving domestic capabilities and competitiveness,
  - Increasing exports and
  - Linking their markets with global value chains.
- **Improvement in rank electronics exports since 1980-**
- **China from 35<sup>th</sup> to 1<sup>st</sup>, Mexico from 37<sup>th</sup> to 11<sup>th</sup>.**
- **India from 40<sup>th</sup> in 1980s to 28<sup>th</sup> in 1980.**

### How do high import tariffs hurt India's domestic electronics industry?

- Compared to others **one major difference** between Indian and rest of the countries was **heavy reliance on tariffs**.
- Due to high tariffs, investors and electronic component makers from global markets shy away from India as a market since the participation of the country in global value chains has remained low.
- Further, despite the size of the Indian economy, its participation in exports and international trade has remained low.
- Even for the domestic markets, the assumption that it will be beneficial to most companies since it is large and growing is wrong, the ICEA report noted. For example, in the case of mobile phones, where one of the largest **PLI schemes** is currently operational, the size of the domestic market is expected to increase to \$55 billion by 2025-26, whereas the global market is expected to reach \$625 billion by the same time.
- Thus, at present, the Indian **domestic market share** is about 6.5 per cent of the global market which is **not attractive enough for FDI** to choose India as a location primarily on the basis of its domestic market per se.

### How high import tariffs are counterproductive to PLI schemes?

- There are several reasons why a high tariff on the import of electronic components may end up undoing the gains of PLI schemes-
- One of the major reason is that companies which have extensive global value chains are reluctant to enter India when tariffs for components are high.
- The large **electronics markets of India** may look attractive, but they are **very small in global terms**.
- Moreover, **India does not produce about 50% of the components** on which tariff has been increased.
- Hence the impact of tariffs is likely to be adverse on India's competitiveness.

### **Conclusion**

- The ICEA report noted that although globally companies such as the US are increasing tariffs on the import of electronic components, India must keep its tariff at a bare minimum to ensure it remains competitive among its peers in the Asian neighbourhood.

#### The IE Link

<https://indianexpress.com/article/explained/india-import-tariff-electronic-components-7731125/>

**Question-** With respect to electronics sector, describe how high tariffs on imports impact domestic manufacturing?

## Infrastructure growth ahead

### Context

- As India draws closer to being a \$5 trillion economy, the government's strategic initiatives to encourage the infrastructure sector is providing a boost to collective growth of the Indian economy.

### Developing infrastructure

- The upgradation of real estate and infrastructure development to assist the allied industries is necessary to achieve the required momentum of economic growth in these difficult times.
- These industries play a significant role in enhancing the employment generation along with upliftment of the small and medium businesses.
- However, delays in large-scale infrastructure projects due to multiple waves of COVID-19, coupled with a nationwide lockdown, have hindered the infrastructure projects
- The vulnerability of infrastructure projects to market volatility arises from the industry's normal protracted gestation period.
- Governments are today partnering with private players to ensure a robust approach and seamless execution of some of the marquee infrastructure projects across the country.

### Further steps needed

- **Comprehensive mechanism for revalidating costs and schedules:** The vulnerability of infrastructure projects to market volatility arises from the industry's normal protracted gestation period, hence the Infrastructure firms nowadays must have a very comprehensive mechanism for revalidating costs and schedules every quarter.
- **Use of latest technology:** Infrastructure companies need to institutionalise pull planning/ equivalent tools to review, monitor, and push the progress of the projects.
- As the world progresses digitally, there is a need to adapt to modern technology for seamless execution. For instance, geospatial mapping; Building Information Modelling, video monitoring; 3D modelling etc.

- **Robust strategy:** The priority of EPC companies should be to keep track of commodity pricing, consolidate procurement across several projects, and engage in pre-bid tie-ups for niche as well as high-end supplies and services.
- **Digitalisation of processes:** After the pandemic, the business dynamics across sectors have been shifted to digital for the better, paving the way for a brighter digital future.
- **Managing supply chain disruptions:** supply chain is a major issue for construction companies due to the vast variety and quantum of raw materials and supplies required. It requires proper planning and a crisis management plan to tackle sudden uncertainties.

## Conclusion

- India is bound to witness a larger infrastructure growth, with the government making infrastructure a priority for overall economic development.
- The steps like Gati Shakti initiatives would act as a significant productivity booster for the infrastructure sector.
- It would help in overcoming the multiplicity of approvals and delayed clearances which have been big bottle necks.
- The multiplier effect from the same would lead to faster project implementation and control cost.
- The initiative would be as transformative for the infrastructure sector as liberalisation was in the 1990s.
- The involvement of private companies in the national infrastructure projects has the potential to help infrastructure of India to reach international standards as the possibilities are infinite.
- The priorities should be balanced and fair contracts structured across the complete execution chain.

### The Hindu Link

<https://www.thehindu.com/real-estate/watch-out-infrastructure-growth-ahead/article38303563.ece>

**Question-** How can infrastructure development help put India on fast paced economic growth trajectory. Explain.

## One District One Product Scheme

### Context

- As a major boost to Centre and State collaboration in promoting products under the One District One Product (ODOP) Initiative – a State Conference was held recently by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry.

### About the scheme



- One District One Product One District One Product (ODOP) scheme was launched by the **Ministry of Commerce and Industry**.
- The objective is to **convert each District of the country into an Export Hub** by
- Identifying products with export potential in the District,
- Addressing bottlenecks for exporting these products,
- Supporting local exporters/manufacturers to scale up manufacturing, and
- Find potential buyers outside India with the aim of promoting exports,
- Promoting the manufacturing & services industry in the District and generating employment in the District.
- The programme aims to **promote local indigenous specialised products and the crafts of each district** through various development initiatives, including providing loans to local production units, artisans, and farmers; establishing common facility centres; helping market these products at a global level; etc.
- Under the initial phase of the ODOP programme, **106 Products have been identified from 103 districts across 27 States**.
- There may be more than one cluster of ODOP products in one district. There may be a cluster of ODOP products consisting of more than one adjacent district in a State.

#### Significance of the initiative

- ODOP is seen as a transformational step forward towards realizing the true potential of a district, fuel economic growth and generate employment and rural entrepreneurship, taking us to the goal of AtmaNirbhar Bharat.
- It will increase income and local employment at the bottom of the value chain and can empower the craftsmen, artisans, and farmers to improve their product quality and attain newer skills to produce better products.

#### The PIB Link

<https://pib.gov.in/PressReleasePage.aspx?PRID=1792258>

<https://www.mofpi.gov.in/pmfme/one-district-one-product>

**Question-** Write a short note on One District One Product Scheme.

### Unlock India's food processing potential

#### Context

- One of the largest producers of fruits and vegetables in the world to boost processed food in large quantities, India has formulated a unique **Production-Linked Incentive Scheme (PLIS) which aims to incentivize incremental sales**.
- However, the challenge to feed the 10 billion population by mid-century is therefore being deliberated on several fronts. It demands efficient ways of production that are both economically viable and ecologically sustainable.

- Fortunately, technologies are emerging that revamp the traditional approach of farm to fork and with a lower environmental footprint.

#### Progress so far in the food processing industry:

- **Production-Linked Incentive Scheme (PLIS):** A sum of ₹10,900 crore has been earmarked for the scheme and to date, 60 applicants have already been selected under Category 1 which incentivizes firms for incremental sales and branding/marketing initiatives taken abroad.
- Beneficiaries have been obliged to commit a minimum investment while applying for the scheme.
- Assuming the committed investment as a fixed ratio of their sales and undertaking execution of at least 75% of the projects, the sector is **likely to witness at least ₹6,500 crores worth of investment over the next two years.**

#### Importance of this investment:

- A study in the United States concluded that a **1% increase in public infrastructure** increased the **food manufacturing output by 0.06% in the longer run.**
- This correlation holds good for India too as a higher investment is being concentrated in States such as Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu and Uttar Pradesh.
- These States as reported by the **Good Governance Index 2020-21**, ranked among the **highest in the 'Public Infrastructure and Utilities' parameter with 'Connectivity to Rural Habitations'** showing the highest improvement.
- **For the exports market**, it is now established that **sales promotion is positively related to increased sales volume**, but inversely related to profitability.
- To bridge this gap, of the **13 key sectors announced under the PLIS**, the **'Food Processing PLIS'** earmarks a dedicated Category 3 for supporting branding and marketing activities in foreign markets.
- This ensures that **India's share of value-added products in the exports basket is improved**, and it may leverage on its unique geographical proximity to the untapped markets of Europe, the Middle East/West Asia, Africa, Oceania and Japan.
- However, **access of MSMEs to finance** is a **perennial problem in the country**, predominating due to a lack of proper credit history mechanism for MSMEs.

#### Improved environment for food processing industry

- **Accelerated the demand for products** from the ready-to-eat market which saw a rise of approximately 170% in sales volume between March-June 2020, due to the pandemic, as stated by Netscribes (global data and insights firm).
- **Improved awareness:** The pandemic has bolstered consumer awareness of functional foods, which is expected to provide a launchpad for health-orientated start-ups and micro-food processing units.
- **Smart financing alternatives such as peer-to-peer (P2P) lending** hold potential for micro-food processors as can be observed by the United Kingdom Government-owned British Business Bank (akin to India's MUDRA Bank, or Micro Units Development and Refinance Agency Bank) which has helped more than 1,18,000 small businesses get access to more than U.S.\$17.88 billion.
- **TReDS System:** Access to working capital has in theory been addressed by the **Trade Receivables Discounting System (TReDS)**, a platform for facilitating the financing/discounting of trade receivables

of MSMEs through multiple financiers. However, the platform requires considerable scaling-up and simultaneous enforcement of stringent measures for corporates to comply with.

- **Potential to integrate GST & TReDS sytem:** Integrating the TReDS platform with the Goods and Service Tax Network's e-invoicing portal will make TReDS more attractive and give relief to financiers.
- **A sustainable food ecosystem:** With growing populations, changing food habits and unrestricted use of natural resources, nations must come together and lay out a road map for a common efficient food value chain.
- **Focus on nutrients consumption:** New alternatives are being explored which have immense potential in replacing the staples of rice and wheat in the form of Nutri-cereals, plant-based proteins, fermented foods, health bars and even fresh fortified foods for pets.

#### Way Forward:

- By welcoming the new brands in the category, PLIS aims to create an enabling ecosystem for innovation in both food products and processes.

#### The Hindu Link

<https://www.thehindu.com/opinion/op-ed/unlock-indias-food-processing-potential/article38330560.ece>

**Question-** How Production-Linked Incentive (PLI) Scheme can help boost the food processing industry in India. Explain.

## Taxing drama: On retroactive tax disputes

### Context

- The British firm Cairn Energy has said it has concluded all steps prescribed by the Indian government in order to be eligible for the refund of a contentious retroactive tax levy.
- This **should be the last act of a long and winding tax dispute** drama.
- It should be the last act of a long and winding tax dispute drama.
- The firm, now rechristened as Capricorn Energy, **expects to get back ₹7,900 crore.**

### The Dispute

- Cairn Energy was the second major firm pursued by the I-T Department for taxes it believed had accrued in the past, using **retro-active legislative changes introduced in the 2012 Budget** by then Finance Minister Pranab Mukherjee.
- The original target for this move, that **has sharply dented India's credibility**, was **Vodafone**, which had secured a Supreme Court verdict against the tax department's demands for past transactions.
- Empowered to dig up similar transactions, involving the indirect transfer of assets situated in India, the I-T Department had, since 2014, pursued Cairn over a group restructuring undertaken in 2006, culminating in a tax demand of as much as ₹24,500 crore.

- Cairn and Vodafone had initiated arbitration proceedings against the Indian tax authorities' actions, and won in late 2020.
- But in **Cairn's case**, the **taxman had recovered part of its 'dues'** by forcibly selling its shares even as arbitration proceedings were pending — an action that led to The **Hague awarding it penal damages of \$1.2 billion**.

#### A compromise formula in these cases:

- As part of the Government's compromise formula worked out belatedly last August through amendments in the tax law, Cairn had to **drop all legal proceedings seeking to enforce the arbitration award against India, forgo the damages and indemnify the Government against all future claims or liabilities**. Last month, Vodafone also availed these provisions.
- The **Government should**, on its part, **work swiftly to process their paperwork and preferably remit their dues** before the financial year concludes.
- Even in the eight months following the loss of the Cairn arbitration, the government shuffled its feet, from denial and obfuscation to working out legal amendments to fix the mess.
- The only **ostensible trigger for the change was global courts approving seizure of Indian assets** as Cairn sought to enforce the arbitration award.

#### Way Forward in the context of tax terrorism

- While this will be a necessary first step towards restoring some of the **damage caused to Brand India**, it may not be immediately sufficient — **from labelling it as tax terrorism while in the Opposition, this government dithered on corrective action** till its eighth year in office.
- Whether this was an outcome of bureaucratic bravado, official obstinacy, political paralysis or a combination of all three, **India needs to abandon such fickleness and demonstrate greater certainty and predictability across economic policy, be it about GST or global trade engagement**, in order to bolster its credentials as an **ideal investment destination**.

#### The Hindu Link

<https://www.thehindu.com/opinion/editorial/taxing-drama-the-hindu-editorial-on-retroactive-tax-disputes/article38330541.ece>

**Question-** Economic policies of a country should show consistency and predictability. Explain in context of retrospective taxation and its fallout.

## Understanding the formulation of the Budget

### Context

- With the economy still hurting from the pandemic, the Budget on February 1 is likely to address concerns around growth, inflation and spending. The Budget, which will be tabled in Parliament by



Finance Minister Nirmala Sitharaman, is the Government's blueprint on expenditure, taxes it plans to levy, and other transactions which affect the economy and the lives of citizens.

### Major Components of the Budget:

- **There are three major components — expenditure, receipts and deficit indicators.** Depending on the manner in which they are defined, there can be many classifications and indicators of expenditure, receipts and deficits.

### The Expenditure component:

- **Based on their impact on assets and liabilities,** total expenditure can be divided into **capital** and **revenue expenditure**.
- **Capital expenditure** is incurred with the purpose of increasing assets of a durable nature or of reducing recurring liabilities. For example, expenditure incurred for constructing new schools or new hospitals, which is a creation of assets.
- **Revenue expenditure** involves any expenditure that does not add to assets or reduce liabilities. Expenditure on the payment of wages and salaries, subsidies or interest payments would be typically classified as revenue expenditure.
- **Depending on the manner in which it affects different sectors,** expenditure is also classified into:
  - **General services**
  - **Economic services:** It includes expenditure on transport, communication, rural development, agricultural and allied sectors.
  - **Social services:** It includes education or health is categorised as social services.
  - **Grants-in-aid and contribution.**
- The sum of expenditure on economic and social services together form the development expenditure.
- Again, depending on its effect on asset creation or liability reduction, development expenditure can be further classified as revenue and capital expenditure.
- **The Receipts of the Government have three components — revenue receipts, non-debt capital receipts and debt-creating capital receipts.**
- **Revenue receipts** involve receipts that are not associated with increase in liabilities and comprise revenue from taxes and non-tax sources.
- **Non-debt receipts** are part of **capital receipts** that do not generate additional liabilities. Recovery of loans and proceeds from disinvestments would be regarded as non-debt receipts since generating revenue from these sources does not directly increase liabilities, or future payment commitments.
- **Debt-creating capital receipts** are ones that involve higher liabilities and future payment commitments of the Government.
- **Deficit side:**
  - **Fiscal Deficit** is the **difference between total expenditure and the sum of revenue receipts** and non-debt receipts. It indicates how much the Government is spending in net terms.
  - Since **positive fiscal deficits** indicate the amount of expenditure over and above revenue and non-debt receipts, **it needs to be financed by a debt-creating capital receipt.**

- **Primary deficit** is the difference between fiscal deficit and interest payments.
- **Revenue deficit** is derived by deducting capital expenditure from fiscal deficits.
- **Implications of the Budget on the economy:**
- **Generating Aggregate demand of an economy:** All Government expenditure generates aggregate demand in the economy since it involves purchase of private goods and services by the Government sector.
- **All tax and non-tax revenue reduces net income of the private sector** and thereby leads to reduction in private and aggregate demand.
- But except for exceptional circumstances, the GDP, revenue receipt and expenditure typically show a tendency to rise over time.
- Thus, the trend in absolute value of expenditure and receipts in themselves has little use for meaningful analysis of the Budget. The trend in expenditures and revenue is analysed either by the GDP or as growth rates after accounting for the inflation rate.
- **Reduction in expenditure GDP ratio or increase in revenue receipt-GDP ratio** indicates the Government's policy to reduce aggregate demand and vice-versa. For similar reasons, reduction in fiscal deficit-GDP ratio and primary deficit-GDP ratios indicate Government policy of reducing demand and vice versa.
- **Implications for income distribution.** For example –
- Revenue expenditure such as employment guarantee schemes or food subsidies can directly boost the income of the poor.
- Concession in corporate tax may directly and positively affect corporate incomes.
- Though both a rise in expenditure for employment guarantee schemes or reduction in the corporate tax would widen the fiscal deficit, its implications for income distribution would be different.

#### **Fiscal rules and how do they affect policy:**

- **Fiscal rules** provide specific policy targets on the basis of which fiscal policy is formed. Policy targets can be met by using different policy instruments.
- There exists no unique fiscal rule that is applied to all countries. Rather, policy targets are sensitive to the nature of economic theory and depend on the specificity of an economy.
- **Recommendations of the N.K. Singh Committee Report.** Allowing for some deviations under exceptional times, it has three policy targets — maintaining a specific level of debt-GDP ratio (stock target), fiscal deficit-GDP ratio (flow target) and revenue deficit-GDP ratio (composition target).
- In India, it is primarily the expenditure which is adjusted to meet the fiscal rules at given tax-ratios.
- **Such an adjustment mechanism has at least two related, but analytically distinct, implications for fiscal policy.**
- Independent of the extent of expenditure needed to stimulate the economy or boost labour income, existing fiscal rules provide a cap on expenditure by imposing the three policy targets.
- Under any situation when the debt-ratio or deficit ratio is greater than the targeted level, expenditure is adjusted in order to meet the policy targets.

- By implication, independent of the state of the economy and the need for expansionary fiscal policy, existing policy targets may lead the Government to reduce expenditure. In the midst of the inadequacies of fiscal policy to address the contemporary challenges of unemployment and low output growth rate, the nature and objective of fiscal rules in India would have to be re-examined

#### The Hindu Link

<https://www.thehindu.com/business/Economy/understanding-the-formulation-of-the-budget/article38338054.ece#:~:text=The%20trend%20in%20expenditures%20and,accounting%20for%20the%20inflation%20rate.&text=Since%20different%20components%20of%20expenditure,has%20implications%20for%20income%20distribution.>

**Question-** Discuss the basic components of budget and its implications on the economy.

### India's economy and the challenge of informality

#### Context

- Since 2016, the Government has made several efforts to formalise the economy. Currency demonetisation, introduction of the Goods and Services Tax (GST), digitalisation of financial transactions and enrolment of informal sector workers on numerous government Internet portals are all meant to encourage the formalisation of the economy.

#### Benefits of a formal economy:

- The formal sector is **more productive** than the informal sector, and
- Formal workers have **access to social security benefits**.

#### Reasons for informalization:

- International Financial institutions like IMF that informal sector exists **due to excessive state regulation of enterprises and labour** which drives genuine economic activity outside the regulatory ambit. Arguably, excessive regulation and taxation ensure the endurance of informal activities.
- It underplays informality as an **outcome of structural and historical factors of economic backwardness**.
- **Hence**
- Simplifying registration processes,
- Easing rules for business conduct, and
- Lowering the standards of protection of formal sector workers
- Will bring informal enterprises and their workers into the fold of formality.

**Approach taken by the government in this regard till now –**

- **Tax reforms:** Early on, in an attempt to promote employment, India **protected small enterprises engaged in labour intensive manufacturing** by providing them with **fiscal concessions and regulating large-scale industry** by licensing.
- Such measures led to many labour-intensive industries getting diffused into the informal/unorganised sectors.
- Further, they led to the **formation of dense output and labour market** inter-linkages between the informal and formal sectors via sub-contracting and outsourcing arrangements (quite like in labour abundant Asian economies).
- **Widening the tax net and reducing tax evasion** are necessary.

#### Challenges to dealing with the situation from fiscal side alone:

- **Administrative challenge:** Bringing the enterprises which benefited from the policy into the tax net has been a challenge.
- **Political and economic reasons** operating at the regional/local level in a competitive electoral democracy are responsible for this phenomenon, too.
- **Sign of underdevelopment:** A well-regarded study, **'Informality and Development'**, argues that the persistence of informality is, in fact, a **sign of underdevelopment**. Across countries, the paper finds a negative association between informality (as measured by the share of self-employed in total workers) and per capita income. The finding suggests that informality decreases with economic growth, albeit slowly.
- A similar association is also evident across major States in India, based on official PLFS data.
- Hence, the persistence of a high share of informal employment in total employment seems nothing but a lack of adequate growth or continuation of underdevelopment.

#### Transformation in Asia

- The defining characteristic of economic development is a movement of low-productivity informal (traditional) sector workers to the formal or modern (or organised) sector — known as **structural transformation**.
- **East Asia witnessed rapid structural change in the second half of the 20th century** as poor agrarian economies rapidly industrialised, drawing labour from traditional agriculture.

#### Scenario in India:

- However, in many parts of the developing world, including **India, informality has reduced at a very sluggish pace**, manifesting itself most visibly in urban squalor, poverty and (open and disguised) unemployment.
- Despite witnessing rapid economic growth over the last two decades, 90% of workers in India have remained informally employed, producing about half of GDP.



- **India's official definition** (of formal jobs as those providing at least one social security benefit — such as EPF), the share of formal workers in India **stood at 9.7% (47.5 million)**.
- Official PLFS data shows that **75% of informal workers are self-employed and casual wage workers** with average earnings lower than regular salaried workers.
- Significantly, the prevalence of informal employment is also widespread in the non-agriculture sector. About half of informal workers are engaged in non-agriculture sectors which spread across urban and rural areas.

### Layers of informality

- **It has many layers:** It needs to be appreciated that informality is now differentiated and multi-layered.
- Industries thriving without paying taxes are only the tip of the informal sector's iceberg.
- **Challenge of "petty production"** - a the household level.
- To conflate the two distinct segments of the informal sector would be a serious conceptual error.
- **The novel coronavirus pandemic** has only exacerbated this challenge.
- Research by the SBI recently reported the economy formalised rapidly during the pandemic year of 2020-21, with the informal sector's GDP share shrinking to less than 20%, from about 50% a few years ago — close to the figure for developed countries. These findings of a sharp contraction of the informal sector during the pandemic year (2020-21) do not represent a sustained structural transformation of the low productive informal sector into a more productive formal sector.

### The necessary elements:

- Policy efforts directed at bringing in the tip of the informal sector's iceberg into the fold of formality by alleviating legal and regulatory hurdles are laudable.
- These initiatives fail to appreciate that the bulk of the informal units and their workers are essentially petty producers (self-employed and casual workers) eking their subsistence out of minimal resources. Therefore, these attempts will yield limited results.
- The continued dominance of informality defines under-development. Policy-induced restrictions are minor irritants, at best. The economy will get formalised when informal enterprises become more productive through greater capital investment and increased education and skills are imparted to its workers. A mere registration under numerous official portals will not ensure access to social security, considering the poor record of implementation of labour laws.

### The Hindu Link

<https://www.thehindu.com/opinion/op-ed/indias-economy-and-the-challenge-of-informality/article38335803.ece>

**Question-** How does informality of Indian economy hurts the socio-economic objectives of India. Discuss methods for increasing formalisation of Indian economy.

## The DLI scheme and the chip making industry in India

### Context

- India has invited applications from 100 domestic companies, startups and small and medium enterprises to become a part of the design-linked incentive (DLI) scheme.
- Along with it the IT ministry has sought proposals from academia, start-ups and MSMEs to train 85,000 qualified engineers on semiconductor design and manufacturing.

### About Design-linked incentive (DLI) scheme:

- Aim:** to provide financial and infrastructural support to companies setting up fabs or semiconductor making plants in India.
- It will offer **fiscal support of up to 50% of the total cost to eligible participants** who can set up these fabs in the country.
- It will also offer **fiscal support of 30% of the capital expenditure** to participants for building compound semiconductors, silicon photonics and sensors fabrication plants in India.
- An **incentive of 4% to 6% on net sales** will be provided for five years to companies of semiconductor design for integrated circuits, chipsets, system on chips, systems and IP cores.

### Importance of Semiconductor manufacturing:

- The **sudden surge in demand of chips and semiconductor components** has underpinned the need to establish a robust semiconductor ecosystem in India.
- Several sectors, including auto, telecom, and medical technology suffered due to the unexpected surge leading to the scarcity of chips manufactured by only a few countries.

### Importance of such a scheme:

- Economic progress:** It is expected to facilitate the **growth of at least 20 such companies** which can achieve a turnover of more than **₹1500 crore in the coming five years**, according to MeitY.
- Reduce dependencies on few countries or companies.**
- Help in Meeting demand & supply gap:** The inception of new companies will help in meeting the demand and supply and encourage innovation in India, NXP, a Dutch semiconductor multinational.
- Attracting existing and global players:** as it will support their expenditures related to design software, IP rights, development, testing and deployment.
- Boost domestic manufacturing capacities:** It will boost the domestic companies, start-ups, and MSMEs to develop and deploy the semiconductor design.
- It will also help **global investors to choose India** as their preferred investment destination.

### Similar steps taken by other countries:

- Currently, semiconductor manufacturing is dominated by companies in the **U.S., Japan, South Korea, Taiwan, Israel and the Netherlands**. They are also making efforts in solving the chip shortage problem.
- U.S President Joe Biden wants to bring manufacturing back to America** and reduce the country's reliance on a small number of chipmakers based largely in **Taiwan and South Korea**.

- These chipmakers produce up to **70% of the world's semiconductors**, according to estimates by NXP semiconductors.
- The **European Commission** has also announced a **public-private semiconductor alliance** with the goal of increasing Europe's chip production share to 20% by 2030.
- **South Korea** has offered various **incentives to attract \$450 billion** in investments by 2030.

#### The Present scenario In India:

- More than **90% of global companies already have their R&D and design centres for semiconductors** but never established their fabrication units. Although India has **semiconductor fabs in Mohali and Bangalore**, they are purely strategic for defence and space applications only.

#### Challenges in making semiconductors in India:

- **Setting up fabs is capital intensive** and needs investment in the range of \$5 billion to \$10 billion.
- Lack of investments and supportive government policies.
- **Government clearance:** New fabs use **sub 5 nano meter technology** that requires clearance from both the technology provider and the Government.
- **Geopolitical situation** comes into play to build new fabs.
- **Infrastructure needs** like connectivity to airports, seaports and **availability of gallons of pure water** as challenges to set up fabs in India.

#### Potential in India:

- **Back-end supply chains:** several gases and minerals which are a part of the global semiconductor supply chain are produced in India.
- **Human resources:** We also have excellent colleges which can produce highly skilled engineers for semiconductor manufacturing.
- **Pace of growth:** The semiconductor industry is growing fast and can reach \$1 trillion dollar in this decade. India can grow fast and reach \$64 billion by 2026 from \$27 billion today.
- **Domestic manufacturing has picked up already:** Mobiles, wearables, IT and industrial components are the leading segments in the Indian semiconductor industry contributing around 80% of the revenues in 2021.

#### Conclusion:

- The Design Linked Incentive (DLI) scheme along with the recent Production-Linked Incentive (PLI) scheme have become crucial in shaping India as an efficient, equitable, and resilient design and manufacturing hub.

#### The Hindu link

<https://www.thehindu.com/business/Industry/the-dli-scheme-and-the-chip-making-industry-in-india/article38352883.ece>

**Question-** Electronics manufacturing will prove to be a crucial sector to realise \$5 trillion economy goal. In this regard how Design-linked incentive (DLI) scheme can help in boosting semiconductor manufacturing?

## India is trying to seal a free trade agreement with UK

### Free Trade Agreement (FTA)

- Countries decide to **reduce or eliminate the customs duty** on commonly agreed goods. Usually, the list of goods on which the customs duty would not be reduced is part of **Negative list and on all other goods the customs duty is either reduced or eliminated**. Normally, the FTAs cover trade in goods or trade in services. Example: India-ASEAN FTA in Goods.

### Various FTAs and their working mechanisms:

- Trade integration refers to free movement of goods, services, investment and people across the countries. Such trade integration may take place through multiple phases:
- **Preferential Trade Agreement (PTA)**: Countries decide to **reduce the customs duty** on commonly agreed goods. Usually, the list of goods on which the customs duty is to be reduced is part of **Positive List**. In general PTAs do not cover substantially all goods. Example: India- Afghanistan PTA (2003).
- **Free Trade Agreement (FTA)**: Countries decide to **reduce or eliminate the customs duty** on commonly agreed goods. Usually, the list of goods on which the customs duty would not be reduced is part of **Negative list and on all other goods the customs duty is either reduced or eliminated**. Normally, the FTAs cover trade in goods or trade in services. Example: India-ASEAN FTA in Goods.
- **Comprehensive Economic Cooperation Agreement (CECA)/Comprehensive Economic Partnership Agreement (CEPA)**: Integrated package on goods, services and investment along with other areas including IPR, competition etc. Example: India Japan CEPA.
- **Custom Union**: Member countries may decide to trade at zero duty among themselves, however they maintain common customs duty against rest of the world. Example: Southern African Customs Union (SACU).
- **Common Market**: A common market is a Customs Union with provisions to facilitate free movements of labor and capital.
- **Economic Union**: Economic Union is a Common Market extended through harmonization of fiscal/monetary policies and shared executive, judicial and legislative institutions among the member countries. Example: European Union.

### The importance of FTAs

- **India's Experience during 1947-91**: The protectionist policies followed by India prior to 1991 LPG reforms adversely affected the economy in terms of lower exports, lower foreign investment, poor competitiveness of industries and overall reduced GDP growth rate. Need to learn from the past mistakes.
- **Learning from other economies**: Countries such as Japan, South Korea, Singapore etc. have been able to sustain higher economic growth by integrating with the global economy. In the recent times, such a export-led strategy has benefitted both bigger economies such as China as well as smaller economies such as Vietnam. In particular, FTAs signed by Vietnam with other countries has made it possible to attract foreign companies exiting from China.
- **Shift from consumption led to Investment and Export driven Model**: Consumption expenditure accounting for 60% of India's GDP is the major driver. To ensure \$ 5 trillion economy, we cannot rely only on domestic demand. Like China, we need to cater to global demand by boosting our exports.



- **Boost Make in India and Assemble in India:** By integrating “Assemble in India for the world” into Make in India, India can raise its export market share to about 3.5 percent by 2025 and 6 per cent by 2030. India would create about 4 crore well-paid jobs by 2025 and about 8 crore by 2030.
- **Innovation and Efficiency:** The FTAs would force domestic Industries to innovate, adapt and Exporters would be required to innovate and adopt new technologies to boost exports.
- **Trade Liberalisation with Flexibility:** The FTAs help reduce tariffs with a chosen trade partner in a calibrated manner with tariff reductions spread over time. Further, the partner country would also be required to reciprocate by reducing the tariffs.
- **Conducive environment** in terms of US-China Trade war, rising Labour costs in China, growing anti-china sentiment etc. India needs to fill up the vacuum which is slowly left by China.

#### What are the other important trade agreements of India?

- India and Mauritius have signed a Comprehensive Economic Cooperation and Partnership Agreement (CECPA).
- **The South Asia Preferential Trading Agreement (SAPTA)**  
It entered into force in 1995 to promote trade among member countries.
- **South Asian Free Trade Agreement (SAFTA)**  
A free trade agreement focusing on goods but excluding all services such as information technology. An agreement was signed to reduce customs duties on all traded goods to zero by 2016.
- **APTA (Asia Pacific Trade Agreement)**  
It was previously known as the Bangkok Agreement, and it is a preferential tariff arrangement aimed at promoting intra-regional trade through the exchange of mutually agreed-upon concessions by member countries.

#### Positive Impacts of FTAs

- **More Dynamic Business Climate:** Without free trade agreements, countries often protected their domestic industries and businesses. This protection often made them stagnant and non-competitive on the global market. With the protection removed, they became motivated to become true global competitors.
- **Lower Government Spending:** Many governments subsidize local industries. After the trade agreement removes subsidies, those funds can be put to better use.
- **Foreign Direct Investment:** Investors will flock to the country. This adds capital to expand local industries and boost domestic businesses.
- **Expertise:** Global companies have more expertise than domestic companies to develop local resources. That's especially true in mining, oil drilling, and manufacturing. Free trade agreements allow global firms access to these business opportunities.
- **Technology Transfer:** Local companies also receive access to the latest technologies from their multinational partners. As local economies grow, so do job opportunities. Multi-national companies provide job training to local employees.
- **India's Trade with FTA partners:** India's total trade has increased with each FTA partner in post-FTA phase.
- **Structure of Imports and Exports:** India's imports are primarily accounted for by non-consumer goods with respect to each FTA partner. This shows that the FTA partners have been able to provide for high

quality raw materials to our domestic Industries leading to a push to "Make in India". Further, India's exports are primarily accounted for by non-raw materials with respect to each FTA partner.

- **Trade in Services:** India's trade in services has increased with some of the FTA partners such as Japan, South Korea, Malaysia etc. Some of the sectors that have been benefitted include technology (Computer Software), telecommunication, finance, tourism etc.
- **FDI in FTA Partners:** Indian companies have been established in most of the major FTA partner countries of India. This Indian FDI outflow to major FTA partner countries not only generates employment opportunities in the partner countries but also lead to greater exports from India.

### Negative Impacts of FTAs

- The biggest criticism of free trade agreements is that they are responsible for job outsourcing.
- **Increased Job Outsourcing:** Why does that happen? Reducing tariffs on imports allows companies to expand to other countries. Without tariffs, imports from countries with a low cost of living cost less. It makes it difficult for Indian companies in those same industries to compete, so they may reduce their workforce.
- **Theft of Intellectual Property:** Many developing countries don't have laws to protect patents, inventions, and new processes. The laws they do have aren't always strictly enforced. As a result, corporations often have their ideas stolen. They must then compete with lower-priced domestic knock-offs.<sup>8</sup>
- **Crowd out Domestic Industries:** Many emerging markets are traditional economies that rely on farming for most employment eg. India. These small family farms can't compete with subsidized agri-businesses in the developed countries. As a result, they lose their farms and must look for work in the cities. This aggravates unemployment, crime, and poverty.
- **Poor Working Conditions:** Multi-national companies may outsource jobs to emerging market countries without adequate labour protections. As a result, women and children are often subjected to grueling factory jobs in sub-standard conditions.
- **Degradation of Natural Resources:** Emerging market countries often don't have many environmental protections. Free trade leads to depletion of timber, minerals, and other natural resources. Deforestation and strip-mining reduce their jungles and fields to wastelands.
- **Destruction of Native Cultures:** As development moves into isolated areas, indigenous cultures can be destroyed. Local peoples are uprooted. Many suffer disease and death when their resources are polluted.
- **Reduced Tax Revenue:** Many smaller countries struggle to replace revenue lost from import tariffs and fees.
- **Structure of Trade:** FTAs have led to increased imports and exports. However, imports are much higher than exports. For example, import of tea for re-exports has led adverse impact on domestic growers.
- **Widening Trade Deficit:** India's trade deficit with ASEAN, Korea and Japan has widened post-FTAs.
- **Sector-Wise Impact of FTAs:** Apart from the widening trade deficit, the quality of trade has also deteriorated after signing of FTAs. Out of 21 important sectors, 13 sectors have been adversely affected by higher imports as compared to exports. Some of these affected sectors are minerals, leather, textiles, gems and jewellery, metals, vehicles etc.

### Way Forward

- Given that India is not a signatory party to any mega-trade agreements, this would be a critical component of a positive trade policy agenda.
- The economic reforms that result in an open, competitive, and technologically innovative Indian economy must underpin India's trade policy framework.
- People's sense of being left behind and excluded from the system is exploited by nationalism, populism and protectionism.
- As a result, we must prioritize ensuring universal inclusion in economic networks that enable individuals and families to achieve financial security and pursue opportunities for betterment.

[Reference: The IE link](#)

## Green Energy Corridor

### Context of the news

- The Cabinet Committee on Economic Affairs (CCAC) has approved the scheme on Green Energy Corridor (GEC) Phase-II for Intra-State Transmission System (InSTS).

### What is Green Energy Corridor Project?

- GEC is an alternative transmission system for renewable energy (RE) power projects. The Green Energy Corridor Project aims at synchronizing electricity produced from renewable sources, such as solar and wind, with conventional power stations in the grid.
- The scheme will facilitate grid integration and power evacuation of approximately 20 GW of Renewable Energy (RE) power projects in seven States namely, Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh.
- The scheme will also contribute to long term energy security of the country and promote ecologically sustainable growth by reducing carbon footprint. It will generate large direct & indirect employment opportunities for both skilled and unskilled personnel in power and other related sectors.
- The projects would be awarded through competitive bidding and open for private companies to participate.

### Phase I of the Project:

- It is being implemented by eight renewable-rich states of Tamil Nadu, Rajasthan, Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Himachal Pradesh, and Madhya Pradesh.
- The funding mechanism consists of a 40% Government of India Grant, 20% state equity and a 40% loan from KfW Bank, Germany.

### Phase II of the Project:

- It is being implemented in seven States namely, Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh.  
The Centre will provide assistance at 33% of the cost of the project.

### **Need for a Green Energy Corridor in India:**

- The project aims at integrating large-scale renewable generation capacity addition with the main grid.

- Last year the Prime Minister pledged to increase the country's non-fossil fuel power generation capacity to 500GW and meet 50% of its energy requirements from renewable sources by the end of this decade. So there is a need to integrate these energies.
- Grid stability and security are the main concerns for India presently. The country needs to prepare itself for greater penetration of renewable energy.
- Renewable Energy Management Centres centers to set up REMCs will be responsible for forecasting and scheduling renewable energy generation at state and regional levels, and coordinating with state load dispatch centers (SLDCs).

#### **Benefits of a Green Energy Corridor:**

- The scheme will help in achieving the target of 450 GW installed RE capacity by 2030.
- It will also contribute to long-term energy security of the country and promote ecologically sustainable growth by reducing the carbon footprint.
- Besides, it will generate large direct and indirect employment opportunities for both skilled and unskilled personnel in power and other related sectors, the statement said.
- The GEC will help in offsetting the intra-state transmission charges and keep the power costs down.
- It helps India pledged to increase the share of non-fossil fuels-based electricity to 40% by 2030.
- The project is expected to help India meet the climate commitments it made at the COP-26 summit in Glasgow contributing to the long term energy security of the country,
- The corridor is expected to help ensure that the huge injection of electricity into the national grid from intermittent energy sources such as solar and wind doesn't threaten the grid.

#### **Way forward:**

- The project is important for strengthening and creating a reliable transmission infrastructure, evacuation of power from renewable energy projects and renewable rich states, and increasing the share of renewable energy generation.
- The country ranks fourth globally, in terms of wind power installed capacity, after China, USA and Germany.
- It is, therefore, high-time that India prepares itself to absorb and transmit these huge renewable energy capacities.

[Reference- The Hindu Link](#)

### **GST Council defers tax rate increase on textiles**

#### **Context:**

- The GST Council recently decided to temporarily roll back the increase in tax rate for the textiles sector at an emergency meeting.

#### **About GST Council**

- GST (Goods and Services Tax) Council is a constitutional body under Article 279A. The Council makes recommendations to the Union and State Government on subjects related to Goods and Service Taxes in the country. It was introduced by the One Hundred and First Constitutional Amendment Act, 2016.

#### **Constitution of the Council**



- The GST council consists of the following members:  
**The Union Finance Minister will be the Chairperson as a member**, the Union Minister of State will be in charge of Revenue of Finance. The Minister in charge of finance or taxation or any other Minister nominated by each State government, as members.

#### Decision making in the GST Council

- Every decision of the Goods and Services Tax Council shall be taken at a meeting by a majority of not less than three-fourths of the weighted votes of the members present and voting, in accordance with the following principles:  
(1) the vote of the Central Government shall have a weightage of one-third of the total votes cast.  
(2) the votes of all the State Governments taken together shall have a weightage of two-thirds of the total votes cast, in that meeting.

[The Indian Express Link](#)

### MSMEs-Engines of growth for new India

Context:

Classification	Micro	Small	Medium
<b>Manufacturing Enterprises and Enterprises rendering Services</b>	Investment in Plant and Machinery or Equipment: Not more than Rs.1 crore and Annual Turnover ; not more than Rs. 5 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.10 crore and Annual Turnover ; not more than Rs. 50 crore	Investment in Plant and Machinery or Equipment: Not more than Rs.50 crore and Annual Turnover ; not more than Rs. 250 crore

#### Importance of MSME in Indian Economy

- The MSMEs contribute around 30 per cent to India's GDP.
- It employs about 11 crore people.
- MSMEs constitute nearly 40 per cent of total exports, and more than half of them are located in rural India.
- The MSME sector can immensely boost the Atmanirbhar Bharat initiative.
- By providing employment and income, SMEs can raise income, living standards and consumer spending.
- With global manufacturing moving out of China, Indian SMEs can play a key role in sustaining the manufacturing that is shifted to India.

#### Factors which led to the growth of MSME:

- Increasing internet penetration, customer's customisation with digital payments fuelled by B2C (business-to-consumer) ecommerce players facilitate MSME sector growth.

- Small industries and retail businesses in tier-II and tier-III cities create opportunities for people to use banking services and products.
- Campaigns like Digital India, Skill India, Startup India and Make in India aim to provide MSME players a definitive push towards enhanced productivity.
- Younger generation with the spirit of entrepreneurship and the changing trend targeting fields other than agriculture activities is creating job prospects for others.

### **Opportunity areas for MSMEs in India**

#### **(1.) Telecommunications**

- Domestic manufacturing of low-cost mobile phones, handsets, and devices.
- Manufacturing of telecom networking equipment, including routers and switches.
- Mobile customer data analytics – services oriented toward analytical solutions and development of value-added services.

#### **(2.) Healthcare**

- Manufacturing of personal protective equipment (PPE) and face masks.
- Manufacturing of low-cost medical devices and medical accessories.
- Telemedicine and diagnostic labs.

#### **(3.) Electronics**

- Domestic manufacturing of low-cost consumer electronics, consumer durables
- Electronic Systems Design and manufacturing including semiconductor design, electronic components.
- Strategic electronics, as the government is keen on encouraging the domestic manufacturing of products needed by the security forces.

### **Issues faced by MSMEs in India**

- Regulatory limits on their assets discourage MSMEs from further expanding their operations.
- Only after a gap of 14 years (2006 to 2020) the government revised the definition of MSMEs by factoring in inflation and depreciation. This made the MSMEs to operate at a low scale by creating subsidiaries/sister concerns with a view to receiving incentives from the government.
- Inadequate and untimely credit - 9/10 MSMEs depend on informal sources for their working capital and term loans.
- Non-registration of firms, technological obsolescence, negligible market linkages, information asymmetry.

### **Areas to improve in MSME sector:**

- Better access to efficient factors of production.
- Friendly labour reforms.
- Sustainable acquisition policy.
- Vibrant entrepreneurship culture.
- Enabling infrastructure.
- Simplified tax policy.
- Easy credit access and better return payment mechanisms.
- Redressal system on recovery of payments (such as PSUs).

- Scaling up the state support in establishing and marketing of SMEs.

#### **Way forward:**

- The Indian MSME sector is the mainstay of the country's economic structure and acts as a bulwark for the Indian economy, providing resilience to ward off global economic shocks and adversities.
- The issues faced by MSMEs must be addressed on an urgent basis to revive the economy thumped by the pandemic.
- Apart from the fiscal stimulus, the sector requires a political-economy approach that prioritizes MSME interests.
- India needs to ease the regulatory burden of small units and aid their survival through fiscal support. Above all, they need a level-playing field vis-à-vis big businesses.

**[Reference : The Hindu Link](#)**

### **Airtel Payments Bank designated as scheduled bank**

#### **Context:**

#### **What are 'Payments Banks'**

- **Definition:** A payments bank is like any other bank, but operating on a smaller scale without involving any credit risk. In simple words, it can carry out most banking operations but can't advance loans or issue credit cards.
- It can accept demand deposits (up to Rs 1 lakh), offer remittance services, mobile payments/transfers/purchases and other banking services like ATM/debit cards, net banking and third party fund transfers.

#### **History of Payment Banking:**

- In September 2013, the Reserve Bank of India constituted a committee headed by Dr Nachiket Mor to study 'Comprehensive financial services for small businesses and low income households'. The objective of the committee was to propose measures for achieving financial inclusion and increased access to financial services.
- The committee submitted its report to the RBI in January 2014. One of the key suggestions of the committee was to introduce specialised banks or 'payments banks' to cater to the lower income groups and small businesses so that by January 1, 2016 each Indian resident can have a global bank account.

#### **Why payments banks?**

- The main objective of payments banks is to widen the spread of payment and financial services to small business, low-income households, and the migrant labour workforce in a secured technology-driven environment.
- With payments banks, RBI seeks to increase the penetration level of financial services to the remote areas of the country.

#### **Limitations of Payment Banks:**

- They cannot issue credit cards.
- They are not allowed to give loans.
- They are only allowed to invest the money received from customers' deposits into government securities.

- They cannot accept NRI deposits.

### **Scope of Payment Banking**

- A payments bank account holder would be able to deposit and withdraw money through any ATM or other service providers.
- Payments licensees would be granted to mobile firms, supermarket chains and others to cater to individuals and small businesses.
- Existing prepaid payment instruments (PPI model) like Airtel Money do not pay any interest on deposits.
- **Benefits:** Expansion of rural banking, access to diversified services of banking and financial operations, social & financial inclusion.
- **Challenges:** Lack of customer awareness, lack of incentives for agents, lack of infrastructure, technological issues, lack of accountability in customer service.

### **Meaning of Scheduled Bank**

- The banks in the Indian banking system are sub categorized as Scheduled Banks, Non-Scheduled Banks, Private Banks and Public Banks. Scheduled banks are those banks that are listed under Schedule II of the Reserve Bank of India Act, 1934.
- The bank's paid-up capital and raised funds must be at least Rs. 5 lakh to qualify as a scheduled bank. These banks are liable for low interest loans from the RBI.
- They also have membership in clearing houses.
- They also have numerous obligations to fulfil such as maintaining an average daily Cash Reserve Ratio with the central bank.

### **Types of Scheduled Banks in India**

- The banks listed in Schedule II are further classified as –
- Scheduled Commercial Public Sector Banks
- SBI and its associates
- Scheduled Commercial Private Sector Banks
- Old Private Banks
- New Private Sector Banks
- Scheduled Foreign Banks in India

### **Main functions of Scheduled Banks**

- Acceptance of deposits from the public
- Provide demand withdrawal facility
- Lending facility
- Transfer of funds
- Issue of drafts
- Provide customers with locker facilities
- Dealing with foreign exchange

### **Differences between a Scheduled Bank and Non-Scheduled Bank**

#### **Scheduled Bank**

- They are listed in the second schedule of the RBI Act.
- These have a paid up capital of Rs. 5 lakhs or more and comply with all the requirements of the RBI.
- They maintain a cash reserve ratio with RBI.
- They are authorized to borrow funds from the Reserve Bank of India.
- They are comparatively more financially stable.



### **Non-Scheduled Bank**

- They are not listed in the second schedule of the RBI Act.
- There is no such condition that needs to be fulfilled for it to be considered a non-scheduled bank.
- They maintain the CRR amount with themselves.
- They are not allowed to borrow funds from the RBI.
- These banks are riskier.

**[Reference- The Hindu Link](#)**



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## ENVIRONMENT

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### Green Hydrogen

#### Context

- **Govt planning to blend 15 per cent green hydrogen with piped natural gas.**
- The government is planning to blend 15 per cent green hydrogen with piped natural gas (PNG) for domestic, commercial and industrial consumption. The move is in line with India's ambitious targets for reducing greenhouse gas emissions and becoming carbon neutral by 2070.

#### What is Green Hydrogen?

- Green hydrogen is defined as hydrogen produced by splitting water into hydrogen and oxygen using renewable electricity.
- This method uses an electrical current to separate hydrogen from oxygen in water. If the electricity needed for electrolysis is generated from renewable sources such as solar or wind, the production of hydrogen in this way emits no greenhouse gasses.

#### Advantages of Green Hydrogen

- **100 % sustainable:** green hydrogen does not emit polluting gases either during combustion or during production.
- **Storable:** hydrogen is easy to store, which allows it to be used subsequently for other purposes and at times other than immediately after its production.
- **Versatile:** green hydrogen can be transformed into electricity or synthetic gas and used for domestic, commercial, industrial or mobility purposes.
- **Transportable:** it can be mixed with natural gas at ratios of up to 20 % and travel through the same gas pipes and infrastructure - increasing this percentage would require changing different elements in the existing gas networks to make them compatible.

#### Disadvantages of Green Hydrogen

- **High cost:** Energy from renewable sources, which are key to generating green hydrogen through electrolysis, is more expensive to generate, which in turn makes hydrogen more expensive to obtain. According to The Energy and Resources Institute (TERI), the cost of green hydrogen production is \$5-\$6 per kg. At this rate, it is not easy for industries like steel, fertilizer and long-range shipping to adopt this fuel.
- **High energy consumption:** The production of hydrogen in general and green hydrogen in particular requires more energy than other fuels.
- **Safety issues:** Hydrogen is a highly volatile and flammable element and extensive safety measures are therefore required to prevent leakage and explosions.

#### Green Hydrogen initiatives in India

- National Hydrogen Energy Mission
- To keep pace with global companies, the National Hydrogen Mission was announced in the Budget Speech of FY 2021-22 to produce hydrogen from green energy sources. The scheme was announced putting Green Hydrogen at the heart of India's energy security and climate change.
- Recently, India's largest oil and gas sector company, Reliance Industries Ltd (RIL) has announced its plans to go green. The company has recently announced its plans to become a net zero carbon firm by 2035. RIL has plans to invest INR 600 billion to build a 5000-acre green energy complex in Jamnagar, Gujarat.5 The complex will house an electrolyser plant to produce green hydrogen.

[The Hindu link](#)



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## SCIENCE AND TECHNOLOGY

### The operations of the Pegasus spyware

#### Context

- Recently, the New York Times published an article extensively detailing how Pegasus, a spyware developed by Israel-based NSO Group, has been used as a tool to firm up Israel's interests across the globe.

#### Claims of the investigative article:

- Israel got countries that had historically been against it on the Palestine issue to switch sides** by offering this powerful spyware that can be deployed not only against drug traffickers and terrorists, but also against opposition activists and prying journalists.
- The tool is cited as one of the reasons why the **Abraham accords** between Israel and its neighbouring Arab countries fell into place and won the blessing of Saudi Arabia.
- Pegasus was part of a **\$2-billion "package of sophisticated weapons and intelligence gear"** transaction between India and Israel after Narendra Modi became the first Indian Prime Minister to visit Israel. It was after this deal that **India changed its historically pro-Palestine stance and voted in Israel's favour in 2019** "at the U.N.'s Economic and Social Council to deny observer status to a Palestinian human rights organization."

#### About Pegasus Spyware:

- Capabilities**-It can **mop up information stored** on phones such as photos and contacts, and also **activate a phone's cameras and microphones** to turn it into a spying device without the owner's knowledge.
- Mechanism:**
- The **earliest avatars of Pegasus used spear phishing** to enter phones, **utilising a message designed to entice the target to click on a malicious link**.
- However, it evolved into **"zero-click" attacks** with the phones being infected without any action from the target individual.
- Detection of the Pegasus system for the first time:**
- In **2019, WhatsApp** released a statement saying that **Pegasus could enter phones via calls made on the platform**, even if they were not attended.
- Pegasus used several such "exploits", or weaknesses, to enter Android and Apple phones; and **many of these exploits were reported "zero day"**, which means even the **device manufacturers were unaware of these weaknesses**.



- **Multiple channels:** Pegasus can also be delivered **over the air** from a nearby wireless transmitter, or manually inserted if the target phone is physically available. Once inside the phone, **Pegasus seeks “root privileges”**, a high level of control over the phone that enables the spyware to establish communications with its controllers through an anonymised network of internet addresses and servers.
- It can then start transmitting any data stored on the phone to its command-and-control centres.
- **Misuse of the Pegasus system(according to the article):**
- It was reportedly **used to entrap and murder Jamal Khashoggi**, a critic of the Saudi Arabian Crown Prince Mohammed Bin Salman.
- It was used by **UAE and Mexico** and others against government critics alongside drug traffickers.
- The U.S.’s **FBI also reportedly tested it out**, though it was not deployed in the country.
- **Accessibility of the system:** Since Pegasus is graded as a **cyberweapon** and can be sold only to authorized government entities as per Israeli law, most reports have suggested that the governments in these countries are the clients.

### Impact of Pegasus in India

- In India, at least **40 journalists, Cabinet Ministers, and holders of constitutional positions** were possibly subjected to surveillance using Pegasus.
- The reports were based on a **database of about 50,000 phone numbers accessed by the Paris-based non-profit Forbidden Stories** and Amnesty International.
- According to The Guardian, Amnesty International’s Security Lab tested 67 of the phones linked to the Indian numbers in the database and found that “23 were successfully infected and 14 showed signs of attempted penetration”.

### The government response:

- The **Indian government has so far neither confirmed nor denied** that it has deployed Pegasus for any operation.
- In the wake of the Pegasus Project revelations, **several petitions were filed with the Supreme Court** alleging that the Government has indulged in mass surveillance in an attempt to muzzle free speech and to chill dissent. In this context, the Supreme Court asked the Centre to file a detailed affidavit regarding the use of Pegasus.
- **However, the Centre refused to comply**, arguing that such a public affidavit would compromise national security.
- Following this, the Supreme Court on **October 27, 2021 appointed an expert panel** monitored by retired Supreme Court judge **Justice R.V. Raveendran** to probe and file a report on the spying allegations. The panel is yet to file the report.

### The Supreme Court verdicts:

- In **PUCL vs Union of India case, 1996**, the Supreme Court said **telephonic conversations are covered by the right to privacy**, which can be breached only if there are established procedures.
- In the **K.S. Puttaswamy vs Union of India verdict of 2017**, the Supreme Court further reiterated the need for oversight of surveillance, stating that it should be legally valid and serve a legitimate aim of

the Government. The court also said the **means adopted should be proportional to the need for surveillance**, and there should be procedures to check any abuse of surveillance.

#### Legality of such surveillance in India:

- **Provisions of the Indian Telegraph Act, 1885 - Section 5(2)** states that the **Government can intercept a "message or class of messages" when it is "in the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign states or public order or for preventing incitement to the commission of an offence"**.
- **Rule 419A of the Indian Telegraph Rules, 1951** mentions the **Operational procedure**:
- It was added to the Telegraph Rules in **2007** after the verdict in the **PUCL vs Union of India case, 1996**, in which the Supreme Court said **telephonic conversations are covered by the right to privacy**, which can be breached only if there are established procedures.
- Such surveillance **needs the sanction of the Home Secretary at the Central or State level**, but in **"unavoidable circumstance"** can be cleared by a **Joint Secretary or officers above**, if they have the Home Secretary's authorisation.
- **Section 69 of the Information Technology Act, 2000**, which deals with **electronic surveillance**.
- It facilitates Government **"interception or monitoring or decryption of any information through any computer resource"** if it is in the interest of the **"sovereignty or integrity of India, defence of India, security of the State, friendly relations with foreign States or public order"** or for preventing or investigating any cognizable offence.
- **Procedure for electronic surveillance** as provided in **Information Technology (Procedure and Safeguards for Interception, Monitoring and Decryption of Information) Rules, 2009**.
- These rules are very broad and allow even the redirection of traffic to false websites or the **planting of any device to acquire any information**.
- **Section 66 of the Information Technology Act**: It prescribes punishment to anyone who gains unauthorised access and **"downloads, copies or extracts any data"**, or **"introduces or causes to be introduced any computer contaminant or computer virus,"** as laid down in Section 43.

#### The Hindu Link

<https://www.thehindu.com/news/national/explained-the-operations-of-the-pegasus-spyware/article38352757.ece>

**Question-** Describe the mechanism of Pegasus spying software and its implication on right to privacy.

## DRONE TECHNOLOGY

#### Context of the news:

- Recently, the Ministry of Civil Aviation has suggested to the other Ministries to promote effective use of Drone technology.

- This suggestion was made as part of the initiatives to make India a global hub for drones under the Atmanirbhar Bharat Abhiyan and in the backdrop of the Union Government rolling out the liberalised Drone Rules 2021.

### **Positive aspects of Drone technology**

- **Maintaining a safe environment**- With their remote control abilities, Drones monitor locations, communicate possible hazards, and notify threatening conditions such as oil and gas refineries, pipelines and flare stacks. Not only this, Drone Technology is employed in the military during high-risk periods as well. Their features allow them to obtain real-time data to create and preserve a safe environment.
- **Cost saving technology** - UAVs are no longer equipped only for the military, law authorities, or the elite. Since UAVs take over several workforces, vehicles, and operation activities in commercial uses, many costs are preserved. For example, a Drone is more economical to buy, sustain, and fuel than airplanes for inspections. In addition you don't need to hire a ladder, aerial lifts, and other heavy equipment.
- **Quality of Aerial imaging** -With their high-resolution cameras furnished with top-notch sensors, UAVs can take excellent Aerial Photographs, aerial videos and accumulate large volumes of accurate data. The data obtained is transformed into detailed 3D Maps and 3D Models for a complete analysis. 3D Mapping is particularly relevant to disclose cracks, damages, or other hazardous elements in disaster areas.
- **Precision**- UAVs appropriate GPS (the Global Positioning System) in their software, which is why they can be programmed and guided precisely to specific locations. For example, in Precision Agriculture, a Drone Aircraft is employed to perform many farming obligations like pesticide spraying, identification of weeds, monitoring crop health, crop damage, crop assessment, field soil analysis, Irrigation Monitoring etc. This feature of precision through the GPS conserves time and expenses for farmers.
- **Monitoring**: The drone technology in the SVAMITVA scheme launched by the Government of India, within less than a year, has helped about half a million village residents to get their property cards by mapping out the abadi (populous) areas.
- Drones can be used for real-time surveillance of assets and transmission lines, theft prevention, visual inspection/maintenance, construction planning and management, etc
- **Easily controlled or deployable**- Drones are open to a broad spectrum of operators. Unmanned aerial vehicles (UAVs) have a more comprehensive range of movement, fly lower in all directions, and can navigate effortlessly when contrasted to a crewed aircraft.
- **Security** -With relevant permissions and licenses, drone operators can utilize an Unmanned Aircraft System (UAS) to render safety and surveillance to private organizations, potential venues, and other expenses. Drones can also accumulate reliable information from natural catastrophes to support safety and recovery efforts.
- **Minimizes obvious danger and health risks**- The support of a Drone, numerous dangers like elevation, wind, weather, and radiation that were earlier suffered by crew members have been replaced with more viable and safer alternatives. Drones facilitate straightforward and secure inspections of towering and complicated constructions like oil and gas refineries, flare stacks, and pipelines.
- **In depth and detailed data in place** - They capture high-resolution images or 4K videos that explicitly reveal cracks, damages, displaced wires, and additional defects that we cannot detect through our naked eye. UAVs allow obtaining complete data without endangering inspection crew members of the company.

- **Flexibility for Quick inspections** - Drones are suitable for both regular and emergency scenarios, the Construction Industry abides by these advantages, especially building developers for Rooftop Inspections. Drones can carry out multiple roles, such as capturing high-quality photos, videos, thermal images, etc. This data is then transmitted and processed immediately, as opposed to the time-consuming conventional method.
- **Reach Hazardous Area** - UAVs make obtaining efficient data from hard-to-reach locations a cakewalk for industry professionals. It is the most suitable alternative to overcome limitations of traditional methods regarding worker's safety, especially in hazardous situations like radiation monitoring, inspecting high-voltage lines. Drones also allow a more cost-effective approach toward inspections of these locations.

### **Associated Issues of Drone technology**

- Incidents of arms being dropped by drones are also there such as the recent Jammu drone attacks.
- Increased Risk of Armed Attacks: Operation of drones without any adequate legal backing can pose several security threats.
- They can be put to destructive use, to slam into critical targets, destroy infrastructure and so on.
- Paramilitary Not Exempted from the Rules: The drone rules 2021 are not applicable to the army, navy or the airforce. However, it still includes paramilitary forces. BSF is suffering a lot of issues due to the drones coming across the lines.
- Cheaper Cost Enables a Larger Population to Procure Drones and easily launch its use for legal or illegal actions.
- Delivery of Mass Destruction Weapons: The threat of them being used to deliver weapons of mass destruction.
- Procurement of combat drones by non-state actors poses a serious threat to the internal and external security of the nation.

### **Need of the hour**

- Policing by government agencies using drones should be treated as data processing under India's upcoming personal data protection law, and accordingly, must only be conducted pursuant to a clear, specific, and lawful purpose.
- Further, government agencies that use drones for monitoring and surveillance should be classified as significant data fiduciaries, and should conduct a data protection impact assessment prior to commencing any policing activity using drones.
- Drone operations by government agencies must meet the requirements of legality, necessity, and proportionality to their objectives regardless of the exemptions obtained from any legislation.
- Government agencies must be prohibited from hiring and renting drones owned and/or operated by private citizens. Public procurement through the release of tenders and requests for proposals increase transparency on the specifications and abilities of drones being used by government agencies.

### **Way forward**

- Developing Anti-Drone System to counter unprecedented moves of the enemy across the borders or local use of drones for criminal/illegal operations.
- Training Programs: Professionals who train and teach drone pilots in India so that new aspects of the technology can be harnessed to its fullest.



- **Balancing Security and Benefits:** There is a need to ensure that the official guidelines are in such a manner that the security concerns are not at all compromised at any cost.
- **Increasing Investments:** India needs to invest in its own Unmanned Aerial Vehicle (UAV) systems and counter-drone technology to detect and track threats, especially around critical assets.

[Reference- The Hindu Link](#)



## SECURITY

### Why India needs a single agency to guard its borders

#### Context

- A national border guard, reporting to the army, will enhance border security.
- In recent times, along with usurping its **neighbours' territories**, starting with Doklam and followed by the Galwan crisis, China has escalated armed activities resulting in enhanced **cross-border infiltration** and **armed intrusions**. Similarly, the continued **Pakistan-backed infiltration of terrorists poses fresh challenges** to India.

#### Recent developments

- **Two recent developments** initiated by China have made our borders more vulnerable.
- China's **Land Border Law (LBL)** will enhance Beijing's aggressive posture and is aimed at resolving border disputes on its terms.
- Also the move to build 628 "**Xiaokang model border defence villages**" along the 3,488 km Line of Actual Control (LAC), is conceived as a tactic to consolidate Chinese claims over disputed areas and garner local support. Additionally, these **villages** are capable of acting as **forward assembly** and **administrative areas** during hostilities. Two villages have already come up in the disputed area across Arunachal Pradesh.
- These developments warrant a comprehensive review of border management to ensure the all-weather security of our borders.

#### India's borders

- India shares **land borders with Pakistan, China, Nepal, Bhutan, Bangladesh and Myanmar**, which stretch **approximately 15,106 km**.
- In addition, we have an approximately 3,323 km-long LoC with Pakistan, which further extends to the rechristened 110 km stretch of "Actual Ground Position Line" (AGPL) dividing the Siachen glacier region.
- Further east, we have the 3,488 km LAC with China.
- We share maritime boundaries with Sri Lanka, Maldives, Bangladesh, Pakistan, Myanmar and Indonesia; we have a 7,683 km coastline and an approximately 2 million sq km exclusive economic zone (EEZ).
- This makes **India's task more complex than most other countries**.

#### Multiple border guarding forces

- This **complexity is accentuated** by the fact that along with the **army**, we have **multiple other security agencies — the Central Armed Police Force (CAPF) and the Paramilitary Forces (PMF) — sharing the responsibility.**
- The army is deployed along the LoC and AGPL, the Border Security Force (BSF) looks after the international border with Pakistan and Bangladesh.
- Guarding the **LAC** has been assigned to the **Indo-Tibetan Border Police (ITBP)** and **Assam Rifles**.
- The **Sashastra Seema Bal (SSB)** is responsible for guarding the **borders with Nepal and Bhutan**.
- The **Assam Rifles** looks after our border with **Myanmar**.
- In a nutshell, in addition to the army, we have four agencies guarding borders with six neighbours. Conversely, **maritime borders** are guarded by a single agency — **the Coast Guard**.

#### International norms

- **Most countries have raised specialised and dedicated armed bodies** for border security.
- For example, **Iran** has the Border Guard Command, **Italy** has the Border Police Service, **Russia** has created a Border Guard Service, whereas in the **US**, it is under Homeland Security.
- Closer home, in **China**, it is the People's Armed Police, while **Pakistan** has a Frontier Corps for its western border and the Rangers looking after the Indo-Pak Border. Most of these countries, based on threat perception and for better combat cohesion, have placed these organisations under the command of the armed forces.

#### Indian setup

- In India, we have **unwieldy arrangements**.
- As a result, there is a **lack of a coherent policy on training, planning and the conduct of guarding operations** among various outfits. Overall coordination is also affected. Going by the instances along the **western border**, our adversary has often escalated violations by resorting to the prolonged use of military resources.
- Similarly, their modus operandi has also undergone a qualitative change whereby they have **buttressed border security by co-opting military battle drills and sub-unit tactics such as sniping, launching raids and ambushes** on the Loc/international border by deploying regular troops.
- Chinese provocations along the LAC are military operations. Clearly, the **peace-time scenario is now by and large militarised**.

#### Way forward

- In this scenario, India needs a **single security agency** adequately **equipped, suitably armed and trained in advanced military drills and sub-unit tactics** to guard our borders.
- The **manpower and infrastructure** should be created by pooling and merging the resources of the CAPF and Assam Rifles.
- Further, to **augment the battle efficiency**, a fixed percentage of manpower, including the officer cadre, should be drawn on deputation from the army.

- The **proposed outfit** should have the **explicit mandate to effectively retaliate against cross-border transgressions and stabilise the situation** till the operations are taken over by the armed forces.
- **Control** -To ensure the desired training and operational standards, such outfit should be designated as a paramilitary force under the Ministry of Defence and operate under the army.
- Finally, a collateral spin-off — an opportunity to prune the bulky CAPF into a cohesive, lean and efficient force. The ITBP and the SSB should be fully merged into the new outfit; the BSF and CRPF still have important internal security duties and can be partially merged. The reorganised Assam Rifles too should retain its role of conducting counter-insurgency operations and act as a reserve for the army for conventional operations.

#### The Indian express link

<https://indianexpress.com/article/opinion/columns/why-india-needs-a-single-agency-to-guard-its-borders-7735976/>

**Question-** Looking at various challenges it faces on different borders, India needs a single border guarding force. Comment.

### Recent Nagaland killings have rekindled debate on AFSPA.

#### Context:

#### What is AFSPA?

- AFSPA gives armed forces special powers to control “disturbed areas”, which are designated by the government when it is of the opinion that a region is in such a disturbed or dangerous condition that the use of armed forces in aid of civil power is necessary.
- Under its provisions, the armed forces have been empowered to open fire, enter and search without warrant, and arrest any person who has committed a cognisable offence, all while having immunity from being prosecuted.
- The Justice Jeevan Reddy Committee was set up in 2005 to review Afspa and make recommendations. It recommended that Afspa **should be repealed** and the **Unlawful Activities Protection Act should be strengthened to fight militancy**.

#### Where is AFSPA in effect now?

- AFSPA can be implemented in an area after it has been declared as “disturbed”.
- The power to declare a territory “disturbed” initially lay with the states, but passed to the Centre in 1972.



- Section 3 of AFSPA (in J&K) says that an area can be declared disturbed if it is the “opinion of the Governor of the state or the central government” which “makes the use of armed forces in aid of the civil power necessary”.
- Currently, AFSPA is in effect in Jammu and Kashmir, Nagaland, Assam, Manipur (excluding seven assembly constituencies of Imphal) and parts of Arunachal Pradesh.
- The law has been repealed where insurgencies have subsided, and when governments have gained confidence of managing the region using the police force. Thus, AFSPA was repealed in Tripura in 2015, and in 2018 the Centre also removed Meghalaya from the list, while also restricting its use in Arunachal Pradesh.

### **When was AFSPA enacted?**

- The law is based on the Armed Forces (Special Powers) Ordinance of 1942, which was issued during the Quit India movement.
- Enacted by Parliament on September 11, 1958, AFSPA was first implemented in the Northeast, and then in Punjab.
- On August 18, 1958, the Bill on measures to battle the Naga insurgency in the then state of Assam was introduced in Lok Sabha, and debated for two hours.
- Discussions followed in Rajya Sabha on the 25th, 27th and 28th of the same month. Home Minister Govind Ballabh Pant called the proposed law “a very simple measure” to control the “misguided Nagas indulging in mischievous activities”.
- The law was needed, Govind Ballabh Pant argued, as it was not feasible, “over such a vast area to depute civil magistrates to accompany the armed forces wherever there may be trouble, because (it) happens unexpectedly”. The Bill was passed without an amendment amid fierce opposition in the Lok Sabha.

### **Criticism**

- It provides absolute powers to the security personnel without being accounted for and the impunity that security personnel enjoy for their actions taken under the law. This leads to various atrocities and human rights violations by security agencies.
- Critics of the act calls it the undemocratic act which failed to contain terrorism and restore normalcy in disturbed areas, as the number of armed groups has gone up after the act was established.
- It has been a controversial one, with human rights groups opposing it as being aggressive.
- Terming the AFSPA as a "draconian law", renowned human rights activist Irom Chanu Sharmila of Manipur had fought for 16 long years till mid-2016, demanding its repeal.

### Way Forward

- AFSPA is required to counter insurgencies and lack of development in the Northeast region is also a major reason for the insurgency therefore the Government should take urgent steps to create new opportunities for growth and development of regions and necessary steps for skill development of the youth.
- AFSPA should be made more comprehensive, with elaborate rules with respect to the method of investigations of alleged human rights violations to reduce the possibility of misusing it.

[The Indian Express Link](#)



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