



IASBABA'S MONTHLY MAGAZINE

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PREFACE

With the present shift in examination pattern of UPSC Civil Services Examination, 'General Studies – II and General Studies III' can safely be replaced with 'Current Affairs'. Moreover, following the recent trend of UPSC, almost all the questions are issue-based rather than news-based. Therefore, the right approach to preparation is to prepare issues, rather than just reading news.

Taking this into account, our website www.iasbaba.com will cover current affairs focusing more on 'issues' on a daily basis. This will help you pick up relevant news items of the day from various national dailies such as The Hindu, Indian Express, Business Standard, LiveMint, Business Line and other important Online sources. Over time, some of these news items will become important issues.

UPSC has the knack of picking such issues and asking general opinion based questions. Answering such questions will require general awareness and an overall understanding of the issue. Therefore, we intend to create the right understanding among aspirants – 'How to cover these issues?

This is the **29th edition** of IASbaba's Monthly Magazine. This edition covers all important issues that were in news in the month of **October 2017**.

Value add's from IASbaba- Must Read and Connecting the dots.

'Must Read' section, will give you important links to be read from exam perspective. This will make sure that, you don't miss out on any important news/editorials from various newspapers on daily basis.

Under each news article, **'Connecting the dots'** facilitates your thinking to connect and ponder over various aspects of an issue. Basically, it helps you in understanding an issue from multi-dimensional view-point. You will understand its importance while giving Mains or Interview.

Must Read Articles: We have not included them in the magazine. Those following DNA on daily basis may follow it- <http://iasbaba.com/babas-daily-news-analysis/>

"If you don't sacrifice for WHAT YOU WANT, WHAT YOU WANT becomes the sacrifice"

All the Best ☺

INDEX

NATIONAL

- [A four-point agenda for farm revival](#)
- [A low learning trap](#)
- [Involving States in foreign diplomacy](#)
- [Simultaneous Elections: Possible Logistically](#)
- [Strengthening departmentally related standing committees\(DRSCs\)](#)
- [Striking down of Section 375\(2\) of the IPC](#)
- [Ban on sale of firecrackers in Delhi-NCR](#)
- [Indian Railways- Analyzing Debroy committee's recommendations](#)
- [Universal Basic Income: Is it the best way to eradicate poverty?](#)
- [Strengthening the position of Speaker](#)
- [Tackling hunger in India](#)
- [Solving the problem of garbage in India](#)
- [Solving the issue of burning crop residue](#)
- [Maintaining the prominence of High Courts](#)
- [Remembering Sardar Vallabhbhai Patel's contribution](#)

INTERNATIONAL

- [Nuclear deal with Iran: In question](#)
- [India-EU relationship](#)
- [Promoting deep sea fishing in the Palk Bay](#)
- [Nuclear agreement with Iran: Objection from U.S.](#)
- [India-U.S. relations: A welcome change](#)
- [India soon to be a major player in Afghanistan](#)
- [An alternative to Belt and Road Initiative](#)

INFRASTRUCTURE

- [Fixing Infrastructure gaps](#)

SECURITY

- [Defence reforms- Important guidelines to be followed](#)
- [Strengthening Border Management System](#)
- [Kashmir Issue](#)

ECONOMY

- [Revitalizing PPPs](#)
- [Reviving Economy- Recapitalising Banks](#)

- [Making service sector one of our strength](#)
- [An argument against Bitcoins](#)
- [Creating Jobs](#)
- [Recalibrating Industrial Policy](#)
- [Strengthening state level enterprises](#)
- [Avoiding demographic crisis](#)
- [Making Indian an innovation hub: Protecting IP rights](#)
- ["Ease of doing business" rankings: Critical analysis](#)
- [Recapitalisation of banks: With caution](#)
- [Comprehensive banking policy reforms needed](#)

GOVERNANCE

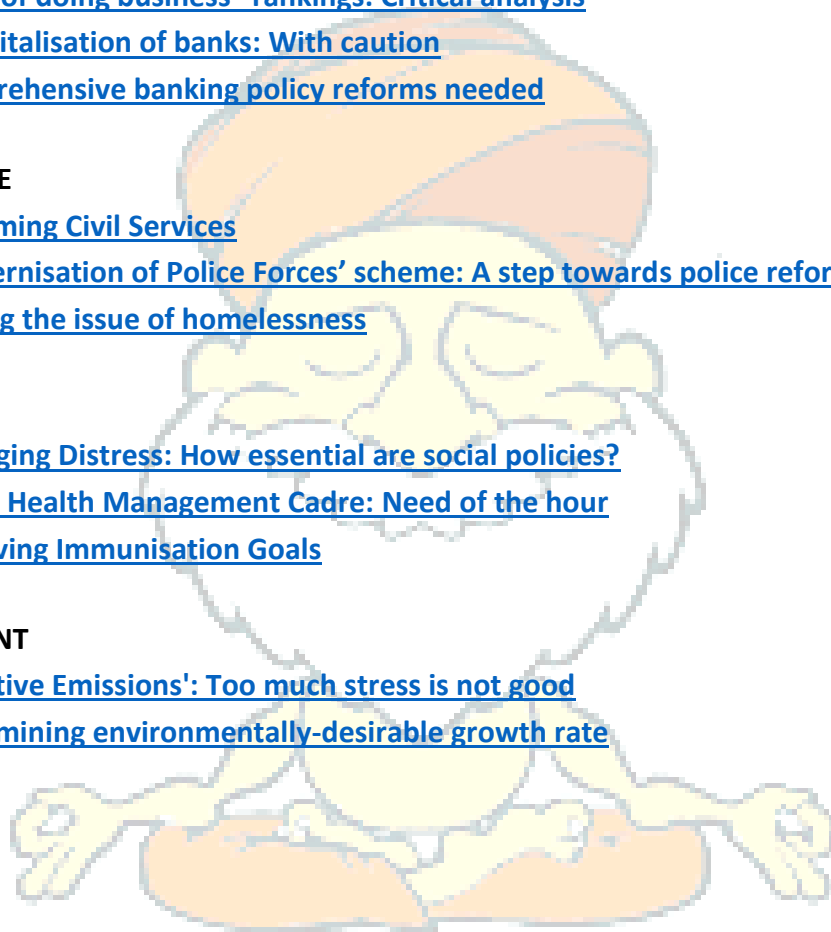
- [Reforming Civil Services](#)
- ['Modernisation of Police Forces' scheme: A step towards police reforms](#)
- [Solving the issue of homelessness](#)

HEALTH

- [Managing Distress: How essential are social policies?](#)
- [Public Health Management Cadre: Need of the hour](#)
- [Achieving Immunisation Goals](#)

ENVIRONMENT

- ['Negative Emissions': Too much stress is not good](#)
- [Determining environmentally-desirable growth rate](#)



NATIONAL

TOPIC:

General Studies 2

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

General Studies 3

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*
- *Major crops cropping patterns in various parts of the country, different types of irrigation and irrigation systems storage, transport and marketing of agricultural produce and issues and related constraints; e-technology in the aid of farmers.*

A four-point agenda for farm revival

Need of agriculture reform:

Private sector is yet to harness the business potential of agriculture and allied sectors in India. The dilemma arises in the absence of enough policy enablers to ensure private participation despite the promising potential. Land fragmentation has resulted in poor yields and productivity, making the sector unviable for small farmers.

What needs to be done?

Solving this crisis and reforming the sector will involve re-organisation of key factors of farm production — land, labour, capital and technology. What makes such a comprehensive relook at agriculture imperative is the **fact that 49 per cent of the national workforce and 64 per cent of the rural work force still depend on the sector for a living, even though the share of the sector in the overall GDP has shrunk massively from around 45 per cent in the 1950s to about 16 per cent today.**

Long-term leasing laws:

The primary challenge is low productivity due to *fragmented land holdings*. Today, about 85 per cent of all land holdings belong to small and marginal farm categories of less than 2 hectares. This has hindered *infusion of technology* (use of hybrid varieties and farming techniques) and *discouraged capital investment* (in irrigation and mechanisation).

The only way to overcome this challenge is by facilitating a *legal framework to consolidate these holdings* in to larger operational units through “*long term leasing of farmland without alienating the land ownership* — as has been introduced by Rajasthan, Haryana, Madhya Pradesh and Punjab. This policy reform can be a game changer as also suggested by Niti Aayog in the **Model Land Leasing Act** — no change in ownership and no tenancy rights, land reverts back upon expiry of lease.

Long-term leasing can facilitate the entry of the private sector into agriculture to infuse much needed energy in the form of:

1. Crop diversification
2. Introduction of high-value crops
3. Increased mechanisation and
4. Introduction of new farming techniques and technologies.

Conclusion:

These partnerships may not just impact productivity but have a substantial influence on farmer income as well. Industry also stands to gain by getting access to ***assured supply of commodities*** for their processing and marketing operations.

Connecting the dots:

- Elaborate on what changes should be made in our agricultural policy so as to solve the challenges of land fragmentation and improve the livelihood of farmers.
- Discuss the associated advantages of long term leasing of farmland without alienating the land ownership. How does this augment rural farm income? Discuss.

TOPIC

General Studies 2:

- *Issues relating to development and management of Social sector or Services relating to Health, Education, Human Resources.*
- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections.*

A low learning trap

Background:

An unacceptably large number of Indian children are attending school but not learning enough. Now, research shows that this is not just an Indian problem but a global epidemic that threatens several low- and middle-income countries across the globe.

A global epidemic:

- New estimates from the Unesco Institute for Statistics (UIS) indicate that about 617 million children or six out of every 10 children are not achieving minimum proficiency levels in reading and mathematics.

- The numbers are the worst for sub-Saharan Africa where, according to UIS data, about 88% of children are not able to read properly or do simple math by the time they finish middle school.
- South and central Asia comes a close second, with 81% of children in the region not learning the basic minimum.
- In rural India, the latest edition of the “Annual State of Education Report” (Aser) shows that only 47.8% of class V students can read a class II-level text and only 43% of class VIII students can do class V-level arithmetic.

A moral crisis and not just learning crisis:

In its annual “World Development Report”, released late last month, the World Bank describes this as not just a “learning crisis” but a “moral crisis”—amplifying inequalities between and within nations. International assessments of literacy and numeracy have consistently shown that students from low-income countries perform worse than those from high-income countries. Even top performers from strong middle-income countries are ranked below their rich country peers, and are struggling to catch up. The World Bank report points to Indonesia, which has significantly improved its performance in the Programme for International Student Assessment (PISA) over the last 10-15 years—and yet, at its 2003-15 rate, will still take another five decades to reach the developed world’s average score for mathematics and another seven decades for reading.

Learning crisis despite high enrolment levels:

The learning crisis comes at a time when enrolment levels have increased across the board. India has achieved near-universal enrolment and, globally, the gap between children attending school in developed and developing countries is closing. So, access to education has improved but the quality of education hasn’t.

Why do some systems succeed while others fail?

Lack of resources may be one of the reason being such failure. But at the same time there are the success stories of post-war South Korea, or of Vietnam and Peru, Malaysia and Tanzania—which have only recently improved learning outcomes. Essentially, because the latter aren’t able to effectively integrate their key elements. The World Bank lists four such elements—students, teachers, school administration and school infrastructure. If any one malfunctions, the entire system is threatened. Fixing the ecosystem means tackling each element individually and collectively.

The students:

If children come to school sick or hungry, or if parents aren’t able to care for them, not just after birth but also in the womb, then their learning levels will be adversely affected.

Dealing with it:

Early interventions targeting pregnant women, new mothers and their infants can be particularly effective. India's integrated child development services scheme and the mid-day meal scheme are good examples.

The teachers:

The importance of teachers' skills and capabilities receive little attention.

- Most developing countries struggle to attract the best and the brightest to their schools even when pay is competitive.
- Teachers, once hired, are given almost no training or professional development support, leaving them ill-equipped in the classroom.
- Education systems also rarely offer incentives to improve pedagogical skills, and instead add non-teaching responsibilities.
- In Ethiopia and Guatemala, only one-third of the total instructional time was used for teaching.
- In India, teachers from government schools double up as census workers and election officers.

School administration:

School principals and school managements also suffer from similar problems. A 2015 study by Stanford University showed that better management produced better educational outcomes, and schools with greater autonomy did especially well (explaining at least in part the success of the UK academies and the US charter schools).

- In the developing world, school managements are rarely empowered or incentivized to improve learning outcomes.
- In terms of school infrastructure, the relationship between learning levels and learning aids and tools such as laptops and laboratories is often overemphasized.
- Several studies have shown that similar investments can produce vastly different outcomes, depending on how the investment is utilized. For example, one assessment of Brazil's One Laptop Per Child scheme showed that more than 40% of teachers rarely used the devices in classrooms.
- A disproportionate focus on such inputs, and, by extension, inadequate attention towards outcomes, is one of the most important reasons why India's right to education legislation has performed below potential.

Way ahead:

For there to be a shift in policy and practice, one has to start with assessing outcomes. This is the World Bank's top recommendation for making education systems more effective.

Conclusion:

The ASER survey has highlighted the issues and there's a long way to go. India finds itself at the bottom of the pile in any of the international assessments. Assessing, measuring and

benchmarking performance is the first step. Ultimately, breaking out of the low learning trap will require planned action and evidence-based policymaking.

Connecting the dots:

- An unacceptably large number of Indian children are attending school but not learning enough. The issue of low learning trap is not just with Indian but is a global epidemic. The need of the hour is planned action and evidence-based policymaking. Discuss.

TOPIC

General Studies 2:

- *Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.*
- *India and its International relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.*
- *Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.*

Involving States in foreign diplomacy

Background:

The concept of competitive federalism, particularly in matters of foreign affairs, was on display in Kerala during the five-day visit of the Sharjah ruler, Sultan bin Mohammed Al-Qasimi.

Apart from holding discussions with the Sultan on trade and commercial cooperation and presenting a road map on joint projects between Kerala and Sharjah, Chief Minister Pinarayi Vijayan announced at a convocation ceremony of the Calicut University to confer a D.Litt on the Sultan that the ruler had agreed to release 149 Indian prisoners from Sharjah jails. Although traditionalists may argue that foreign affairs are in the exclusive domain of the Union government, the successful outcome of the meet has been widely applauded.

Greater inclusion of States in policymaking:

- The optimal use of such linkages is what Mr. Modi envisaged in the BJP manifesto: "Team India shall not be limited to the Prime Minister-led team in Delhi, but will also include Chief Ministers and other functionaries as equal partners."
- Mr. Modi is acutely aware of the need for inclusion of State governments in foreign policymaking, particularly in matters relating to trade and investment. He had visited Japan, China and Singapore and seen for himself the potential for the

States to play a role in securing the best deals for themselves within the overall policy of the Central government.

- In his earlier stint as Andhra Pradesh Chief Minister, Chandrababu Naidu negotiated with foreign governments to make Hyderabad an IT capital, prompting even presidents and prime ministers to visit the city on state visits. Given his personal reputation, the Government of India invited Mr. Naidu to lead an Indian delegation on IT.
- The policy of countries like the U.S. and China to encourage their State governments to take economic delegations to foreign countries and even to establish their own trading offices abroad has been the model.

Government's policy encouraging State's involvement:

- The government claims that the basic mechanism for the States to play an important role in not only implementing foreign policy, but also in formulating it has been established.
- The Ministry of External Affairs now has a States division, which keeps in touch with the States to assist them in building bridges with the countries in which they have a special interest on account of proximity or the presence of diaspora from that State.
- IFS officers have been asked to choose a State each to understand its special requirements and to advise them.

States' leader's interest at the cost of national interest:

Pandit Nehru wrote letters to the Chief Ministers, explaining certain aspects of foreign policy, but did not solicit their views, though they could ask questions or make suggestions. As regional parties began to exert influence at the national level, States began to dictate terms even in foreign policy. The States exercised veto on crucial issues, making it difficult for the Prime Minister to have his way in formulating policy.

- The Chief Minister of West Bengal stopped then Prime Minister Manmohan Singh from signing an agreement on sharing of Teesta waters with Bangladesh after the agreement was negotiated.
- Political parties in Tamil Nadu not only insisted that India should support the U.S. resolution against Sri Lanka in the Human Rights Council, but also stopped the Prime Minister from attending a Commonwealth Heads of Government Meeting (CHOGM) on the ground that Sri Lanka was not safeguarding the interests of the Tamil minority.
- Kerala itself had insisted that the Italian marines who killed two fishermen should be tried in India and punished here, causing a rift in India's relations with the European Union.

In all these cases, the larger interests of India on the global scene were sacrificed to make life easier for the leaders of the States concerned. Even strategic and security issues were ignored in the process.

Half-hearted measures:

- The promise that States would be involved more in foreign affairs has not been kept as yet as the moves made so far are half-hearted.
- A State's division in the Ministry of External Affairs, by itself, cannot make a difference in policymaking.

Way forward:

- A new structure, in which the States are fully represented, should be established and the Ministry of External Affairs should have offices in key States.
- Think tanks should be established in States to facilitate policy options and to provide inputs to the States and the Centre.
- A new architecture needs to be devised to involve the States in issues identified as crucial to them.
- A major change in mindset is necessary to accomplish it.
- The States must also develop expertise on foreign affairs to be able to take responsible decisions in their interaction with foreign lands

Conclusion:

States' diplomacy can be made successful by a deliberate allocation of responsibilities to the State and the Centre. The above-mentioned steps must be implemented on urgent basis.

Connecting the dots:

- Discuss how the concept of competitive federalism, particularly in matters of foreign affairs is evolving. What are the challenges being faced and what needs to be done given the benefits of such an engagement?

TOPIC***General Studies 2:***

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure.*
- *Important aspects of governance, transparency and accountability*

Simultaneous Elections: Possible Logistically**Background:**

The idea of simultaneous elections to Parliament and state assemblies has been around for some time now. It has been examined by the parliament standing committee and the Niti Aayog. NITI Aayog has made it an important item of its three-year action agenda report.

Prime Minister [Narendra Modi](#) has advocated it. Now, the Election Commission has said it would be possible, logistically, to hold simultaneous polls to the central and state legislatures by September 2018. The most critical questions pertaining to the debate, however, have less to do with logistics but political necessity, Constitutional validity and, indeed, multi-party democracy.

Debate:

The idea, however, remains a fundamentally contested one.

In favor:

- Reduction of expenditure- the growing sums of money spent by the candidates, political parties and government, and the routine flouting of all caps and limits on expenses will be curtailed.
- Improved governance- A price is also to be paid on the governance front, with ruling parties succumbing to the populist promise and scheme because of an impending election.
- Curtailing imposition of the Model Code of Conduct- Government slows to a standstill after the code of conduct comes into force ahead of over-long multi-phase polls.
- Minimising disruption of normal public life.
- Lessening pressure on crucial manpower deployed for prolonged periods in poll-bound States.

Concerns:

Yet, there are important concerns about imposing simultaneity on the election calendar.

- If simultaneous elections are to be held in 2018-19, what happens to assemblies in states that went to polls last year or this year?
- After simultaneous polls are held, what if a full five-year term is interrupted by political realignments in an assembly, or assemblies? In a vigorous and diverse democracy, there is no guarantee, either, that the Lok Sabha will run for its full term. Are State Assemblies, whose tenure is not coterminous with the Lok Sabha's, to be dissolved prematurely or extended? A conjoint reading of Articles 83(2) and 172(1) of the Constitution makes it clear that the tenure of the Lok Sabha and the State Assemblies cannot be extended beyond five years except in the case of proclamation of emergency. Democratic politics cannot be, it must not be, circumscribed by an artificial fixity of tenure of the legislature. Such an insistence on uniformity would only undermine the people's will by making politics more unresponsive and unrepresentative. Can fractured verdicts and unstable governments be avoided altogether in a multi-party democracy like India? Is the early dissolution of Assemblies desirable through proclamation of President's Rule under Article 356?

- Holding simultaneous elections is certain to influence voter behaviour in such a manner as to tilt the polls in favour of national issues and national parties. This could marginalise issues pertaining to States and regional parties. The federalisation of the polity, in particular, has deepened democracy in India, with every state evolving its own specific format and time-table of political competition, and throwing up its own set of priorities and issues.

The first election in independent India was held simultaneously at the Centre and in the states. But election cycles soon diverged once the realities of mid-term polls, a multi-party system, coalition politics and a federalising polity kicked in. The parliamentary, federal system has worked well for a country of diverse voices and many minorities. The idea of simultaneous polls — one nation, one polls — threatens to curb the plural and layered federal system by giving it a more presidential and unitary character. It must be resisted.

Conclusion:

All the measures required for holding simultaneous elections requires political consensus which has so far not been reached. The Congress, Left, TMC and the NCP have termed the move “impractical... and leading to a scenario where the necessary balance in Indian democracy given the diversity of the country is lost”. Clearly, this is too critical and nuanced an issue to be forced through the strength of numbers in Parliament. The present government must strive to evolve a consensus. Polls may be cumbersome or expensive, but any attempt at reforms must be weighed against whether they strengthen or erode democratic rights.

Connecting the dots:

- With present day government, NITI Aayog, Law Commission and now Election Commission in favor of holding simultaneous elections various concerns are being raised by other political parties especially the regional ones. What are these concerns. The need of the hour is to develop a consensus. Discuss.

TOPIC

General Studies 2:

- ***Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these.***

Strengthening departmentally related standing committees(DRSCs)

Background:

A democracy derives its legitimacy by functioning through its elected institutions. Parliament plays a central role in our democracy by performing several important functions. Both Lok Sabha and the Rajya Sabha scrutinise the work of the Government through several

procedures. Both have a role in making laws as well as the the power to amend the Constitution. However, only Lok Sabha needs to approve any expenditure of the Government or a tax proposal. The Houses typically meet for about 70 days a year to conduct their business. Beyond the visible work in the two Houses, a substantial part of the work is carried out by committees. Parliament has recently reconstituted the departmentally related standing committees (DRSCs), which perform three important functions: examine Bills referred to them; select specific topics related to the ministries and examine implementation by the Government; and examine the budgetary outlays of the departments.

Their performance affects the overall effectiveness of Parliament as an institution that makes laws, holds the Government accountable, and gives sanction for public spending.

Objectives of DRSCs:

These committees fulfil several objectives.

- They help Parliament manage its business better. It is easier to examine a topic in depth by a committee of 30 than by an assembly of 700.
- They enable input from experts and those who may be directly affected by a policy or legislation. For example, the DRSCs often invite comments from the public and call people to testify.
- Being outside direct public glare allows members to discuss issues and reach consensus without worrying about constituency pressures.
- An advantage in the Indian context is that the anti-defection law does not apply to committees — therefore, decisions are not usually made on party lines.
- These committees allow members to focus on some specific areas and build their expertise, which helps them scrutinise issues more thoroughly.

Brief:

The DRSCs were formed in 1993; prior to that, there was no systematic process to examine Bills, and select committees were formed from time to time for some important Bills. Other issues and budgetary demands were not examined in committees. Each DRSC focusses on a set of ministries and, therefore, helps its members build sector knowledge. Currently, there are 24 DRSCs such as the Committee on Finance or the Committee on Transport, Tourism and Culture. Each has 21 members from Lok Sabha and ten from Rajya Sabha.

Issues with DRSCs:

- All Bills are not referred to committees. Whereas during the period of the last two parliaments, 60 percent and 71 percent of all Bills were referred to committees, just 27 percent of Bills introduced in the current Parliament have been so referred. Though rules mention that the Speaker of Lok Sabha or Chairman of Rajya Sabha refers the Bill, this is usually done on the recommendation of the relevant minister.

The current government is in a minority in that House, and Rajya Sabha has, in a number of instances, formed a select committee to examine a Bill that has been passed by Lok Sabha. Even a Bill as important as the Constitution Amendment to enable the GST was passed by Lok Sabha without reference to the DRSC; Rajya Sabha formed a Select Committee and several of its recommendations were incorporated into the Bill that was passed.

- The recommendation of committees is not binding. It is for the Government or any other member to move the relevant amendments, which may then be voted upon by the House. The idea is, committees are a small part of Parliament which make recommendations, and the full House has the authority and responsibility to make the final decision.
- One major weakness of these committees is the lack of standing research support. They are backed by the general support staff of Parliament and do not have a dedicated set of researchers associated with them. While they can (and often do) reach out to outside experts, there is no internal expertise. A related issue is the high churn in parliamentary membership. In each of the last three Lok Sabhas, over 50 per cent of the members elected were first time MPs. As several of the experienced members become ministers, only a small pool of MPs gain subject knowledge by being in a committee for long. The DRSC usually invites experts while scrutinising Bills. However, this is not always the case, even for Bills with wide ramifications.
- Issue of transparency of the work of committees. All committees meet behind closed doors and only the final report is published, with summary minutes. There have been arguments that the meetings should be televised or at least the full transcripts be published. The counter-argument is committees work as discussion forums and often reach consensus, as there is no pressure on members to posture for their support base. This would be lost if detailed proceedings were made public. A middle path would be to publish the submissions and evidence given by various experts and members of the public so that any advocacy is made more transparent while keeping the members free from constituency pressures.

Conclusion:

In sum, The DRSC system has been a fairly successful experiment. It is important to further strengthen its ability for detailed scrutiny of issues so that it helps parliament work better in its lawmaking and accountability roles. These would include mandatory examination of all Bills, creating research teams, and improving the transparency of input from advocacy groups. Many MPs call these committees “mini-parliaments” and strengthening their working will improve Parliament’s overall effectiveness.

Connecting the dots:

- The departmentally related standing committees are rightly called as “mini-parliaments”. Strengthening their working will improve Parliament’s overall effectiveness. Analyze. Also discuss ways to strengthen these committees.

TOPIC

General Studies 1

- *Social Issues*

General Studies 2

- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.*

Striking down of Section 375(2) of the IPC

In news:

A two-judge bench of the Supreme Court in **Independent Thought v. Union of India**, WP (C) 382 of 2013, has struck down a clause in Section 375 when it ruled that sexual intercourse with a minor wife is rape and a case can be registered against the husband on her complaint.

Background:

- In the aftermath of the December 16, 2012 Delhi gang-rape, India’s laws on sexual assault were overhauled. The legal reform, however, left one area untouched: Marital rape.
- Exception 2 to Section 375 of the IPC, says if a girl child between 15 and 18 years of age is married, her husband can have non-consensual sexual intercourse with her, without being penalised under the IPC.
- In 2013, the Criminal Law Amendment Act raised the age of consent for sexual intercourse for girls, from 16 to 18 years. However, the exception clause retained the age of consent for married girls as 15 years, depriving married girls between the ages of 15 to 18 of legal protection against forced sexual intercourse.

Conflict between Section 375(2) and other laws:

These include the Prohibition of Child Marriage Act, 2006 (18 years), Prevention of Children from Sexual Offences Act, 2012 (18 years), Juvenile Justice Act, 2015 (18 years).

- The clause was against the Protection of Children from Sexual Offences Act which considers sex with children — those below 18 — as rape.
- The discrepancies have created an unnecessary and artificial distinction between a married girl child and an unmarried girl child.

The government's stand:

- The government had argued that the exception clause was necessary to “protect the institution of marriage”. “Otherwise, the children from such marriages will suffer,” claiming that the country’s socio-economic realities cannot be ignored.
- "Economic and educational development in the country is still uneven and child marriages are still taking place. It has been therefore decided to retain the age of 15 years under Exception 2 so as to give protection to husband and wife against criminalising the sexual activity between them. It is also estimated that there are 23 million child brides in the country. Hence, criminalising the consummation of a marriage with such a serious offence such as rape would not be appropriate and practical," the Centre had said.

SC verdict:

- The apex court held that the exception clause will henceforth be “meaningfully” read as: “Sexual intercourse or sexual acts by a man with his own wife, the wife not being under 18 years of age, is not rape.”
- It found that the age of consent being 15 years for a married female, was inconsistent with existing laws as well as arbitrary, unfair, and violative of the right to life of the minor under Article 21 of the Constitution.
- The court held that the exception clause to rape took away the right of a girl child to bodily integrity and reproductive choice. It had even the effect of turning a blind eye to trafficking of the minor girl children in the guise of marriage.
- The court slammed the government for trying to “somehow legitimise” the exception clause. Instead of attempting to effectively implement and enforce the anti-child marriage law, the government diluted it by creating artificial distinctions. The government had urged the court not to tinker with the exception clause as it was introduced keeping in view the age-old traditions and evolving social norms.

Significance of the verdict:

- The court ended the decades-old disparity between Exception 2 to Section 375 IPC and other child protection laws.
- Focusing on the right of health and choice of young girls (between 15 to 18) the Court has corrected a legislative gap which had nullified Parliament’s 1978 move to protect young girls by making the age of consent to marry 18 years.

Issue of marital rape- Still not resolved:

The Supreme Court was categorical that its verdict does not pertain to the other contentious aspect of the exception clause: Marital rape of women above 18 years. The Court did not address the issue of marital rape. It restricted itself to reading the second exception to Section 375, IPC.

Conclusion:

The judgment must be seen as landmark one as it strikes a blow in favour of the rights of an adolescent and sends the welcome message of equality across the various contradictory laws on this subject. It is high time a similar progressive step is taken to solve the issue of marital rapes.

Connecting the dots:

- By striking down Section 375(2) of the IPC, the Supreme Court has ended the decades-old disparity between Exception 2 to Section 375 IPC and other child protection laws. Discuss.

TOPIC***General Studies 2:***

- *Separation of powers between various organs , dispute redressal mechanisms and institution*
- *Structure, organization and functioning of Executive and Judiciary.*

General Studies 3:

- *Conservation, environmental pollution and degradation*

Ban on sale of firecrackers in Delhi-NCR**In news:**

The Supreme Court has banned the sale of firecrackers in the National Capital Region (NCR) till November 1 to assess the impact on air quality and curb pollution. This means that firecrackers won't be legally sold in Delhi and its surrounding areas during and after Diwali. The period of the ban—till 31 October—covers the festival of Diwali, which is celebrated with elaborate fireworks.

Reason behind ban:

The bursting of firecrackers releases a heavy dose of carcinogens in the atmosphere, presenting a public health challenge for the entire city. This is similar to smoking at public places—a regulated activity—but different from consumption of liquor, which harms the individual. A regulation is thus required as it is clear that bursting of firecrackers by one person presents a health challenge to another.

Concerns raised:

- The decision behind ban requires weighing trade-offs, which would depend on numerous inputs from scientific organizations, regulatory institutions, public policy experts and civil society. Since a court of law does not have in-house expertise in these domains, it should leave such matters to the executive.

- The Supreme Court delivered its arguments in the broader framework of the “right to breathe clean air” and the “right to health.” It would hurt the right to livelihoods of thousands who depend heavily on the sale of firecrackers during Diwali.
- Bans are rarely effective. It is difficult to imagine that no firecracker sale will happen in the entire territory of Delhi and NCR as a result of the Supreme Court order. A Supreme Court ban which cannot be implemented in spirit would have the unfortunate effect of undermining the authority of the apex court in the eyes of the people.
- Given that it came just about 10 days before the festival, it will be tough to impose the ban on an industry that has already produced stocks to order.
- It offers too piecemeal a solution, akin to the even-odd licence number scheme of the Delhi government in 2015.
- Besides, while the court has admitted that other factors like stubble burning contribute to the disastrous air quality of Delhi, the focus on fireworks makes its response seem unequal.

Way ahead:

- North India needs a more holistic solution to the toxic air that residents breathe at the onset of winter. The major sources of pollution in the NCR have been clear enough to drive policy changes. While their relative contributions are still indeterminate, these include construction dust, vehicular pollution, waste burning, generators and crop residue burning in the Indo-Gangetic plains. To tackle each of these will take decisive and persistent policy actions, not panic-driven and ill-considered bans.
- The elected government is in the best position to elicit scientific and economic inputs and take a call, even if it involves expending political capital. The governments at the Centre and the states should involve different agencies like the Petroleum and Explosives Safety Organisation and the pollution control boards and invest in setting regulatory standards for the medium to long term.

Conclusion:

In the absence of more feasible solutions, it is unlikely a firecracker sale ban will avert the kind of health emergency that struck Delhi last year. Matters of policy and implementation are ideally left to the legislature and executive. The court has a moral obligation to step in if they are in complete dereliction of their duty to the people. Instead, the Supreme Court could have urged government to intensify its efforts to influence the public will, and the process could have played out under its cautionary eye. That would have been a better solution than to impose a ban which may be observed more in the breach.

Connecting the dots:

- The ban on fire-cracker sale by Supreme Court in the month of November is a welcome step but falls short of providing a holistic solution to environmental problem of the capital Discuss.

TOPIC

General Studies 3:

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*
- *Infrastructure: Energy, Ports, Roads, Airports, Railways etc*

Indian Railways- Analyzing Debroy committee's recommendations

Introduction:

Derailments on the tracks of Indian Railways have always been a big technical and management challenge. In recent years, there have been a spate of “derailments”. On August 19, there was an unusually bad case of the derailment of Uttaranchal Express at Khatauli. In the absence of a permitted block by the traffic department, the track repairing staff took the unacceptable risk of going ahead with the track repair instead of putting a restriction on the movement of trains in the interest of safety of passengers. The responsibility was rightly fixed on the civil engineering department staff and officials.

Background:

Over 90,000 km of railway track in India is, perhaps, the most sensitive asset of the railway network. Hundreds of trains hurtle across, carrying millions of passengers. The “braking distance” is no more than about two-thirds of a kilometre (against only about 200 ft on the highways). Every inch of this track is to be watched meticulously. The traffic load on the Indian Railways is ever increasing and the saturation level on its important routes is unduly high, leaving little cushion for maintenance. Furthermore, the track is under greater pressure after the increase, in 2005, of the permissible loading capacity of each wagon based on wagon axle loads. Large projects to relieve the pressure, like the construction of dedicated freight corridors, will take time. The question, at this stage is: In which direction should safety measures head?

Recommendations of Debroy committee: In 2014, the government set up the Debroy Committee, whose primary terms of reference appeared to be to suggest measures to reduce the alleged phenomenon in the Indian Railway management system of “thinking in silos”. In its report of 2015, wholesale structural changes were suggested, introducing what may be called “management generalism”.

Issues:

- The recommendations, if accepted, will remove “professionalism” from the top management level of the Indian Railways. On the other hand, this is their unique strength as this enables the views of the railway ministry to be articulated effectively by the chairman and railway board members based on their specialised experience. Incidentally, fixing of accountability, as in the case of the Khatauli accident, would not have been possible in the new system, as in that there may not be any chief civil engineer, chief operating manager or even a member civil engineering or member traffic etc available for fixing accountability and responsibility. They would be replaced by “generalists” or “quasi generalists”.
- **Specialists versus generalists:** The present “professional oriented” system for the Indian Railways was adopted from the very outset because of the size of its operations and its unique role in the economy of the country. Sometimes, there have been problems. But the question is whether these have been because of the system or despite it. A theory often propounded is that professionals are likely to have less vision. This is repudiated by various examples in science and technology management structures. The theory that specialist organisations like the Indian Railways lead to “managerial inbreeding” is also fallacious. As is well known, inbreeding — biological or managerial — takes place in small groups of similar people. The Indian Railways are a huge group of dissimilar persons in nearly 20 disciplines interacting with each other.

Reducing departmentalism:

The answer to the issue of departmentalism does not lie in merger of services and de-professionalisation of the Ministry of Railways. Departments must not be gagged or demolished.

They must be allowed to flourish and have their say for they may be giving expression to a genuinely valid factor, which may clash with equally valid points of view of other departments.

It is for the DRM, GM or the Railway Board to arrive at what may be called the “Balance of Advantage Position” (BAP), which will be in the best overall interest of the organisation. What is required is that major efforts be made towards improving the machinery for arriving at a BAP, including the use of new techniques for assessing aptitudes, capabilities etc.

Connecting the dots:

- One of the recommendations of Debroy committee has been to remove departmentalism and introduce generalism. The idea is to solve the problem of 'thinking in silos' in Indian railways. Discuss the issue with the recommendation and why we need to encourage professionalism instead.

TOPIC**General Studies 2:**

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections*

Universal Basic Income: Is it the best way to eradicate poverty?**In news:**

Universal Basic Income is seen by many as an alternative to the existing system of subsidies, which is often associated with systemic inefficiencies. The latest Fiscal Monitor of the IMF, in its analysis, showed that the available fiscal space can finance an annual Universal Basic Income of Rs. 2,600 per person, with the estimated cost at about 3% of the gross domestic product (GDP).

Background:

Although the basic idea of Universal Basic Income is not new for India—the erstwhile Planning Commission had worked on it in the early 1960s—it has attracted significant attention in the recent past.

- A large proportion of the population in India still lives below the poverty line and a number of government programmes providing subsidies and support to the poor are marred by inefficiencies. There are leakages in the system, and often, people who actually need government support are left out. Therefore, it is argued that Universal Basic Income will overcome these problems by providing a basic income to all citizens.
- The 2016-17 Economic Survey argued that Universal Basic Income is “...more feasible in a country like India, where it can be pegged at relatively low levels of income but still yield immense welfare gains”.

Is Universal Basic Income the best way to eradicate poverty in India?

There are strong economic and political reasons why India cannot opt for Universal Basic Income, at least in the present circumstances.

- The biggest issue is that India doesn't have the fiscal capacity to implement Universal Basic Income. The Economic Survey calculations showed that a 75% universality rate with an annual Universal Basic Income of Rs7,620 per year at 2016-17 prices will cost about 5% of the GDP. It is often assumed that resources can be raised by rationalizing subsidies and capturing a part of the revenue forgone on account of various tax exemptions,

including in the personal income tax. These may not happen. Further, politically, it will be extremely difficult to roll back subsidies in order to create fiscal space for Universal Basic Income. It is always advisable for the government to work on reducing non-merit subsidies, but the gains should be used to increase capital spending, which will help boost growth in the medium-to-long term.

- Universal Basic Income can create distortions in the labour market. A steady, permanent and guaranteed income without any work is likely to affect labour mobility and participation. It is also likely to increase wages, as has been witnessed after the implementation of the Mahatma Gandhi National Rural Employment Guarantee Act. Higher wages without a commensurate increase in productivity will affect India's competitiveness. This could also have longer-term implications in terms of higher inflation and lower growth.
- The nature of Indian politics can create complications. It is highly likely that political parties, in order to improve their chances in elections, would want to increase the amount of Universal Basic Income or try to bring back subsidies in some form or the other, which will have fiscal implications.

Way ahead:

What India needs is not Universal Basic Income.

- Steps like rationalization of subsidies, better targeting and operational efficiency are needed.
- We need to move to cash transfers at an accelerated pace with the use of Jan-Dhan, Aadhaar and mobile.

This will help reduce costs and spare resources for capital spending to augment growth.

Conclusion:

As history has shown, the best way to pull people out of poverty is sustained higher growth. Therefore, rather than creating permanent doles like Universal Basic Income for the entire population, which will be impossible to reverse in the future, the idea should be to save costs with better targeting. This will help create the necessary conditions for higher growth which will decisively lift people out of poverty.

Connecting the dots:

- There are several constraints in adoption of universal basic income in India. Discuss these constraints and also outline how other steps like rationalization of subsidies, better targeting, cash transfers etc can go a long way in eradication of poverty.

TOPIC

General studies 2:

- ***Parliament and State Legislatures – structure, functioning, conduct of business, powers & privileges and issues arising out of these.***

Strengthening the position of Speaker

Background:

The position of Speaker has been brought into question at various instances in recent times. G.S. Dhillon, Speaker of the Lok Sabha (for two terms), was asked to step down by the Prime Minister in 1975, and made Union Minister for Shipping — a precedent that has allowed future holders of the position to harbour political ambitions.

Issues:

- There have been numerous such instances in our polity where the Speaker of the Assembly has precipitated a political crisis by seemingly political decisions. For example, the Anti-Defection Law. The determination of whether a representative has become subject to disqualification, post their defection, is made by the presiding officer of the House, offering ample scope for Speakers to exercise discretion. Sixteen MLAs in the Arunachal Pradesh Assembly (out of a total of 41 of the ruling party) were disqualified by the Speaker, Nabam Rebia, in 2016 despite not officially leaving the party or defying its directives. Similarly, the Uttarakhand Assembly Speaker, Govind Singh Kunjwal, disqualified nine MLAs from the ruling party in 2016, despite the MLAs not leaving the Congress or voting against it in the Assembly.
- The position of the Indian Speaker is paradoxical. The holder of the position, whether in Parliament or in State Assemblies, contests the election for the post on a party ticket, and yet is expected to conduct himself or herself in a non-partisan manner, all the while being beholden to the party for a ticket for the next election. The need for reelection skews incentives for the Speaker.
- The absoluteness of the Speaker's decisions can also be an incentive for potential abuse. Instances of suspension of almost all the MLAs of the Tamil Nadu Assembly in 2016, where members of the Dravida Munnetra Kazhagam were evicted en masse from the House while protesting, raise crucial questions about the health of our democracy. Such suspensions are increasingly becoming common across State Assemblies, with a partisan Speaker taking such decisions.

Comparison with other constitutions:

- In Ireland, a parliamentary system close to ours, the position of Speaker is given to someone who has built up credibility by relinquishing his or her political ambitions.
- The Westminster system considers it a taboo to induct a Speaker into the cabinet.
- The British Parliament automatically elevates the Speaker to the House of Lords.

Way ahead:

- Establishing conventions:

Taking partisanship out of the post will require establishing other conventions. Until 1996, the Speaker of the Lok Sabha always belonged to the ruling party. The election of P.A. Sangma of the Congress, on a unanimous basis, set another convention – with the Speaker belonging to a party other than the ruling party.

- Promoting neutrality:

As a democracy, we must condition ourselves to expecting and promoting neutrality in the Speaker. Instances where the Speaker is named on a list of MPs who withdraw support from the government (as was the case with Somnath Chatterjee in mid-2008; he subsequently defied his party) must be avoided, to prevent encroachment on the Speaker's neutrality. Such neutrality should not be accompanied by political banishment. The CPI(M)'s expulsion of Somnath Chatterjee in July 2008, after the United Progressive Alliance government survived a no-confidence motion, for violation of party discipline, is a sad example of this.

- There is a need for greater clarity in the interpretations associated with the Anti-Defection Law. It might be better for such critical decisions, associated with representative disqualification, to be determined by the President instead, with inputs from the Election Commission.
- The Page Committee, headed by V.S. Page, suggested that if the Speaker had conducted himself or herself in an impartial and efficient manner during the tenure of his or her office, he or she should be allowed to continue in the next Parliament. This would help maintain neutrality of Speaker as no political decisions, keeping in mind the need for re-election, would then be taken.

Conclusion:

The Indian Constitution is supreme. The political party constitution should not be allowed to superseded. Maintaining neutrality of Speaker is essential for our democratic polity to function smoothly.

Connecting the dots:

- There are numerous such instances in our polity where the position of Speaker has come into question. Discuss some of these instances. Also suggest remedial steps.

TOPIC

General Studies 2:

- *Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.*

General Studies 1:

- *Social empowerment*
- *Population and associated issues, poverty and developmental issues*

Tackling hunger in India

In news:

This year's report of Global Hunger Index shows that India has slipped three positions from last year — it ties with Djibouti and war-ravaged Rwanda for the 100th rank among 119 nations.

The report does mention that India has scaled up its Integrated Child Development Services (ICDS) Scheme and the National Health Mission but also notes that they are yet to achieve adequate coverage.

What is GHI?

Published by the International Food Policy Research Institute, Concern Worldwide, an Irish aid agency, and Welthungerhilfe, a German private aid organisation, the Global Hunger Index tracks hunger worldwide.

The GHI score is a multidimensional index composed of four indicators—proportion of undernourished in the population, prevalence of child mortality, child stunting, and child wasting. On the severity scale, a GHI score of less than 10 means “low” prevalence of hunger while a score of more than 50 implies an “extremely alarming” situation.

Where does India stands?

- India has a “serious” hunger problem and ranks 100 among 119 developing countries, lagging behind countries such as North Korea and Iraq
- With a global hunger index (GHI) score of 31.4, India is at the high end of the “serious” category
- With more than a fifth of the country's children under five suffering from “wasting” — low weight for height — India is among the very few countries that have made no progress, over the past 20 years, in arresting the problem. The report draws on India's National Family Health Survey to show that the proportion of children in the country suffering the problem has increased from 17 per cent in 1998-2002 to 21 per cent in 2012-2016. This is way above the global prevalence — less than 10 per cent of under-five children suffer from wasting. Only three other countries— Djibouti, Sri Lanka, and South Sudan — have a child-wasting rate of over 20 per cent.
- India has considerably improved its child stunting rate, down 29% since 2000, but even that progress leaves India with a relatively high stunting rate of 38.4%.
- More than one-fifth of Indian children under five weigh too little for their height and over a third are too short for their age.

Why does India always score poorly on the Global Hunger Index?

It should be a pressing question for the country's policymakers.

- The Centre and the states do have several schemes to improve the nutritional status of people in the country. But confronting the country's nutritional problems has never acquired adequate urgency.

- Many of India's social welfare schemes — including those related to food security — have been facing challenges related to identifying and reaching targeted groups.
- As the report highlighted, the country's top 1% own more than 50% of its wealth, India is the world's second largest food producer, yet it is also home to the second highest population of under-nourished in the world.

Way forward:

- The continued poor performance in the Global Hunger Index should make the government think on the shortcomings with various schemes and steps taken in this regard.
- The report also carries an important message for the Swachh Bharat Mission (SBM): The project should not lose sight of the links between sanitation and nutrition. Water-borne diseases like diarrhoea, for example, are known to result in poor absorption of nutrients, especially in children under five.
- With a GHI score that is near the high end of the serious category, it is obvious that a high GDP growth rate alone is no guarantee of food and nutrition security for India's vast majority. Growing inequality in Indian society needs to be checked.
- The ability to access food items needs to be improved by seeing exclusions from BPL category is reduced.
- Household/family knowledge and information about good nutrition is must. This includes knowledge about locally available foods that are good from the nutrition perspective. This can be based on. In this regard access to media such as newspapers, radio and TV, coupled with propagation of such information on radio and through programmes like the ICDS that directly educate mothers about child rearing and nutrition should be ensured.
- The state of health needs to be improved. Public health measures like clean drinking water, sanitation, sewerage, control of communicable and epidemic diseases and public health education play an important role in reducing mortality rates at every age and across gender. In the Indian environment, access to water and toilets, breastfeeding (to impart immunity in an unhealthy environment), access to sound health advice/treatment, the prevalence of vaccination and availability of vitamin supplements are possible indicators are the basics that should be availed on priority basis.
- The government's initiative of resolving this issue by linking targeted welfare schemes to instruments such as Aadhaar is a welcome step and should be taken forward.

Connecting the dots:

- What do you mean by Global Hunger Index? India comes under the serious category in the report. This is despite multiple schemes launched by the government. Critically discuss the reasons behind.

TOPIC**General Studies 1:**

- *Urbanization, their problems and their remedies.*

General Studies 2:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

Solving the problem of garbage in India**In news:****Garbage slide: Ghazipur case study**

In East Delhi's garbage dump at Ghazipur last September, a garbage slide from the steep mountain of mixed solid waste (50 metres high, about the height of a 16 storey building and more than twice the permissible height for landfills) killed 2 people, as heaps of garbage full of slippery wet plastic slid into the canal, creating giant waves which hit the road, disrupted traffic and caused damage to life and property.

A massive fire broke out at the same place in Ghazipur from where the garbage had collapsed, adding to the air pollution woes of the city. Minor and major fires in these dumpsites occur because of the methane trapped in the accumulated heaps and combustibles in the mixed waste.

The NGT directive:

The National Green Tribunal (NGT) issued an order to reduce the mound height by at least 10 feet and use the material for highway construction. The NGT directed the NHAI (National Highway Authority of India) to lay a trial 2-km stretch of NH-24 using the Ghazipur waste for its widening.

Usage of technology: Plastic roads

Bringing down the height of tall garbage hills is not difficult, but it requires careful bio-remediation and bio-mining before the recovered material can be put to productive use.

- The first step is to reduce the volume of waste and to dry it out through bio-remediation using composting bio-cultures.
- Then comes the second step of screening the waste, which is called bio-mining.

The different fractions obtained from the stabilised waste (bio-remediated and bio-mined) after it is bio-mined, and the light thin plastics which are collected are useful material for compost, road building, refuse derived fuel (RDF). Thin-film plastics including metallised multafilms are finely shredded to 2-4 mm size (like tea leaves) and used in hot-mix plants that supply ready asphalt/bitumen mixes which are spread and compacted for road-making. In such plants, stone aggregates of various sizes are blended and sent by conveyor into a heating chamber, where tar is poured onto the hot stones and mixed for three to four minutes before loading onto a vehicle for transport to the road laying site.

Benefits of plastic roads:

- The bitumen adheres so much more strongly to these coated stones that potholes do not form during rains and road edges remain straight and firm.
- Such “plastic roads” withstand breakup in snowy regions and far outlast normal roads.
- With their capacity to handle tanks and heavy vehicle traffic, such roads are ideal for border roads.
- Plastic roads will not only withstand future monsoon damage but will also solve the city’s problem of disposing of non-recyclable plastic.

States on forefront:

The good news is that Tamil Nadu, Himachal Pradesh and some other states are regularly laying plastic roads. In Tamil Nadu, 1,400 km of rural tar roads used plastic in 2003-2004 alone.

The Central Pollution Control Board has put out guidelines for making such roads (PROBES/101/2005-06) and the results of comparative testing (PROBES/122/2008-09) after three years of laying. The results have been so good that on November 9, 2015 the Central Road Research Institute mandated plastic roads for all National Highways up to 50 km from cities that have a population over five lakh.

Bengaluru has resolved to spend Rs 2,220 crore for fixing rain-battered roads in the next four months.

Way ahead:

The Ghazipur crisis should be seen as an opportunity to urgently implement a sustainable strategy of solid waste management. We should not be looking for more land to create a new “landfill”. This is not just a bad idea; it is an idea that will not work.

- Building awareness at the household level for not mixing biodegradable waste with dry waste, and to enable the recycling of dry waste like paper, plastic, glass, and metal. Communicating to all citizens the reasons why a sustainable strategy of waste management is crucial for their own health and safety.
- There is a need to increase the capacity of waste to energy plants. Since the Solid Waste Rules clearly mandate the use of high calorie non-recyclables for waste to energy plants, these plants cannot use mixed waste without pre-sorting

Conclusion:

If salvaged waste from dumpsite hills can be thus consumed nationwide at the bottoms and tops of our highways, that will be a wonderful way to usefully manage waste and save scarce land. We do not need rocket science to correct the issue of mounting garbage, nor too much additional finance, but only civic engagement, better governance and a diligent search for least-cost technical solutions, which do exist.

Connecting the dots:

- The issue of mounting garbage can be solved only by civic engagement, better governance and a diligent search for least-cost technical solutions. Discuss.
- What do you mean by plastic roads? What are its benefits?

TOPIC***General Studies 3:***

- ***Conservation, environmental pollution and degradation***

Solving the issue of burning crop residue**Introduction:**

The issue of crop residue burning, mainly in Punjab, remains unsolved continuing the harm to environment and farmers' health.

Paddy is grown on an average area of around 30 lakh hectares in Punjab. After harvest, around 19.7 million tonnes of paddy straw is left in the fields and has to be disposed of to make way for wheat. Of this, 70-75% of paddy straw is burnt in open fields to clear the land for sowing wheat or other crops — it is the quickest and cheapest way of getting rid of the residue.

NGT directive:

In 2015, the NGT was forced to stop the practice of stubble burning after thick smog enveloped the northern skies with the onset of autumn yet again, and acute respiratory problems were reported to be worsening in the national capital.

The NGT banned the burning of paddy straw in four States — Punjab, Haryana, Rajasthan and Uttar Pradesh — and Delhi.

In its order, the tribunal fixed a penalty for burning paddy residue. The NGT also ordered State governments to take punitive action against persistent offenders.

It also directed the four States and Delhi to make arrangements to provide machinery free of cost to farmers with less than two acres of land, Rs. 5,000 to farmers with medium-sized land holdings, and Rs. 15,000 to those with large land holdings for residue management.

While the Punjab Pollution Control Board (PPCB) has been imposing penalties on farmers who have been found defying the ban, the farmers hardly seem deterred. As the government attempts to enforce the ban in the face of defiance, farmers have turned to guards to ensure that their work goes on unhindered.

Issues for farmers:

- Time and cost are both crucial. Farmers have to prepare land to sow wheat in less number of days. Both machine and labor are difficult to find, for clearing the paddy straw, and will be a time-consuming effort.

- To engage labour or machinery will cost somewhere between Rs. 4,000 and 5,000 per acre, which many farmers can't afford.
- Farmers in Punjab, especially small and marginal farmers, are already facing severe economic distress. To ask them to remove crop residue mechanically or through environment-friendly measures will only add to their misery.
- The State government has failed to arrange for the equipment and machinery required for ploughing paddy straw into the fields.
- Burning crop residue in the field kills friendly pests and damages soil fertility.
- Besides disregard for the ban, with the support of several farmers' unions, farmers have also cautioned the State government against taking stringent action against them. Several unions have made it clear that if police cases are registered against them, the government will have to face the consequences in the form of large-scale agitations.

Way ahead:

- Unless financial assistance is provided by the Centre for boosting farm mechanisation, it is difficult to completely stop stubble burning.
- States need to make alternative arrangements for consumption of paddy straw into the soil as per the directions of the NGT.
- The State government needs to focus on crop diversification. Instead of paddy (common rice), basmati varieties of rice should be encouraged. Basmati is manually harvested, so the problem of crop residue can be largely curtailed. Also, farming of sugar cane and vegetables needs to be promoted.
- Farmers need to understand that this practice will only damage their soil and farm in the long run and will result in loss of agriculture. While clearing the residue from the farm does add to the cost, benefits derived by not burning the crop residue are far more in the long run.
- Paddy residue can be used as composting, besides as dry fodder for cattle.

Possible solutions:

- To tackle the problem of paddy residue, the Ludhiana-based PAU is working on in situ decomposition of paddy (rice) straw, with microbial application and without mechanical effort. This approach will hold to reduce the cost of retaining the straw in the field for its benefits to the soil.
- One of the ways to resolve the problem of stubble burning would be by generating power through biomass energy plants. The government should promote the setting up of biomass power plants. They will not only solve the problem of stubble burning but also generate electricity for the State. Punjab has a substantial availability of agro-waste, which is sufficient to produce about 1,000 MW of electricity, but the State government's incentives for biomass-energy plants haven't been enough.
- The Happy Seeder- a machine developed by the Punjab Agricultural University (PAU) to plant wheat directly into harvested paddy fields without any other major operation, and to promote the use of straw baler and straw management machines for residue

management. In the machine, the straw is partly cut, chopped, and left as mulch. Mulch helps in reducing irrigation requirement and blocks the emergence of weeds. The crop planted with Happy Seeder is less prone to lodging. This is more profitable than conventional cultivation.

Conclusion:

Unless the State government offers financial incentives to farmers they are compelled to burn the harvested crop's residue. There are many ways to tackle the problem, but a ban is not one of them.

Connecting the dots:

- The ban on burning of crop residues in Punjab to solve the issue of environmental pollution is welcome but not feasible. Critically analyse.

TOPIC

General studies 2:

- ***Structure, organization and functioning of the Judiciary***

Maintaining the prominence of High Courts

Background:

For the framers of our Constitution, high courts, occupied a central position. They were conceived as a forum for adjudicating disputes under the Constitution, Central and State statutes before they moved to the Supreme Court; their jurisdiction was more extensive than the Supreme Court's.

In contrast to the American model of a bifurcated federal and state judiciary, our high courts resolve all disputes. In the initial years, several constitutional issues came to the Supreme Court after high courts grappled with those issues. The First Amendment to the Constitution was triggered by a Patna High Court ruling declaring a land reform law as unconstitutional. Increasingly, the jurisdiction of our 24 High Courts has been subject to relentless attack from Parliament, and, unfortunately, even the Supreme Court.

Rampant tribunalisation:

Parliament has inflicted damage on high courts with rampant tribunalisation. Tribunals have replaced high courts for disputes under the Companies Act, Competition Act, SEBI Act, Electricity Act, Consumer Protection Act among others.

Any person aggrieved by an order of an appellate tribunal can directly appeal to the Supreme Court, side-stepping the high court. This raises following institutional concerns:

- These tribunals do not enjoy the same constitutional protection as high courts. The appointment process and service conditions of high court judges are not under the control of the executive. The enormous institutional investment to protect the

independence of high courts is dispensed with when it comes to tribunals. Many tribunals still owe allegiance to their parent ministries.

- Tribunals are also not as accessible as high courts. For example, there are just four benches of the Green Tribunal for the whole country. In comparison, high courts were easily accessible for environmental matters. A shareholder in Kerala or the Northeast would have to travel to the Securities Appellate Tribunal in Mumbai to challenge any order by the Securities and Exchange Board of India. This makes justice expensive and difficult to access.
- When retired high court judges invariably preside over every tribunal, the justification of expert adjudication by tribunals disappears.
- Conferring a direct right of appeal to the Supreme Court from tribunals has changed the Supreme Court from being a constitutional court to a mere appellate court. It has become a final clearing house for every appeal under every statute. The Supreme Court should be a court of last resort deciding cases of the moment, and not a final forum with an all-embracing jurisdiction over disputes ranging from a custody battle to the scope of a municipal by-law.
- The high courts are the training grounds for future Supreme Court judges. When high court judges deal with several cases under a particular area of law, they carry with them the benefit of their experience and insights to the Supreme Court. When high courts are side-stepped in favour of tribunals, Supreme Court judges hearing appeals from tribunals would have to deal with the finer nuances of disputes under specialised areas of law for the very first time. This is not ideal for a court of last resort.

The rationale advanced for avoiding high courts is the colossal backlog. This is a problem of the government's making as it consciously chooses not to appoint judges of the sanctioned strength for each high court.

Way ahead:

- If high courts were to exercise appellate jurisdiction over orders of tribunals, they would act as filters, enabling the Supreme Court to confine itself to those substantial questions where there is divergence among high courts.
- The way ahead lies in the creation of specialised divisions in high courts for tax, company law and environmental disputes.

Original jurisdiction:

The jurisdiction of high courts is also undermined by the Supreme Court when it directly entertains various writ petitions. When the Supreme Court exercises original jurisdiction, it deprives the citizen and the state of the right to challenge potentially erroneous orders. A classic instance is the Supreme Court's ruling in the 2G case. To overcome this ruling, the President had to invoke the advisory jurisdiction of the Supreme Court. The ordinary citizen enjoys no such privilege.

Judicial legislation:

The difficulty becomes even more acute when the Supreme Court takes on a legislative role by framing guidelines in the larger public interest. Neither the individual nor the state has an effective remedy to challenge these norms.

Conclusion:

There are several institutional benefits when a case travels from high court to the Supreme Court. The Supreme Court is wiser by a well-considered high court ruling. The Supreme Court is in a better position to resolve a dispute when it is confronted with two conflicting high court rulings on the same issue. In the triple talaq ruling, it benefited from prior high court decisions on the nuances of Muslim personal law. Notably, the U.S. Supreme Court takes up cases where there is a divergence of opinion among the Circuit Courts of Appeal. High courts need to remain in prominence if India's justice delivery system needs to remain successful.

Connecting the dots:

- Tribunalisation is affecting the prominence of high courts in Indian judicial system. Discuss the issues associated with it.

TOPIC

General Studies 1:

- *Modern Indian history from about the middle of the eighteenth century until the present significant events, personalities, issues*
- *The Freedom Struggle - its various stages and important contributors /contributions from different parts of the country.*
- *Post-independence consolidation and reorganization within the country.*

Remembering Sardar Vallabhbhai Patel's contribution

Introduction:

Vallabhbhai Patel (1875-1950), was the keel that the boat of the freedom struggle needed so as never to tip over, the ballast that the ship of state required to stay steady, move safe. No country can ignore its heroes, the ones who shaped its destiny. Sardar Vallabhbhai Patel was one such iconic personality who shaped India's destiny in a far-reaching manner.

Preventing balkanisation of the country:

After India attained Independence, Patel fashioned the country's political integration with the swiftness of a military commander and the deftness of a visionary leader. Present-day India owes immeasurable debt to the vision, tact, diplomacy and pragmatic approach of the Sardar in preventing the Balkanisation of the country.

He was instrumental in the merger of more than 560 princely states with the Union of India after the country's partition. What makes this achievement very remarkable is that it was achieved without any bloodshed.

Strategy adopted:

- Adopting different approaches, as warranted by the situation, Patel gave friendly advice in some cases, persuaded the rulers to see reason in others and even used force as in the case of Hyderabad. It is remarkable that he fashioned a unified country at a time when the rulers of the princely states were given the option of joining either India or Pakistan or remaining independent.
- The Nizam of Hyderabad nurtured ambitions of remaining independent of India and issued a firman to that effect. At the same time, he let loose razakars and even toyed with the idea of merging Hyderabad with Pakistan, although there was no geographical continuity between the two.
- Travancore also declared that it would remain independent and the Nawab of Junagarh announced accession to Pakistan. Sardar Patel secured the accession of Junagarh in a swift action code-named "Operation Polo". Hyderabad was integrated with the rest of India in just four days.
- In a masterful display of statesmanship, Patel ensured the smooth integration of the troubled domains by not allowing the situation to deteriorate into civil unrest. There was neither bloodshed nor rebellion as he went about the task of building a strong India with a missionary zeal. He said, "the safety and preservation of these states as well as of India demand unity and mutual cooperation between its different parts. By common endeavour we can raise the country to a new greatness while lack of unity will expose us to fresh calamities".

Patel was the greatest unifier of India. There is, perhaps, no parallel in modern history to this achievement. Acknowledging the monumental contribution of Patel in nation building, Jawaharlal Nehru said, "History will call him the builder and consolidator of new India."

Creator of All India Patel Administrative Service:

Patel was also instrumental in the creation of the All India Administrative Services which he described as the country's "Steel Frame".

In his address to the probationers of these services, he asked them to be guided by the spirit of service in day-to-day administration. He reminded them that the ICS was neither Indian, nor civil, nor imbued with any spirit of service.

His exhortation to the probationers to maintain utmost impartiality and incorruptibility of administration is as relevant today as it was then. "A civil servant cannot afford to, and must not, take part in politics. Nor must he involve himself in communal wrangles. To depart from the path of rectitude in either of these respects is to debase public service and to lower its dignity," he had cautioned them on April 21, 1947.

Leadership skills:

His biggest asset was his down-to-earth disposition. He exemplified what the Father of the Nation had said about leadership: “I suppose leadership at one time meant muscles. But today it means getting along with people”.

He was chosen by Gandhi to lead the Kheda campaign. “Many were prepared to follow me, but I could not make up my mind as to who should be my deputy commander. Then I thought of Vallabhbhai,” Gandhi said.

The trust that Gandhiji reposed in Patel was not misplaced. Gandhiji’s trusted lieutenant not only became an organiser par excellence but also a people’s leader.

- He earned the title of “Sardar” after spearheading a no-tax campaign by peasants at Bardoli in Gujarat.
- He also led the relief and rehabilitation operations when Gujarat was ravaged by floods and worked tirelessly during a plague outbreak in Ahmedabad.

Relevance today:

The remarks Patel made during the Quit India Movement are also relevant today. He said: “We have to shed mutual bickering, shed the difference of being high or low and develop the sense of equality and banish untouchability. We have to live like the children of the same father”.

It is unfortunate that there has been no proper recognition of Patel’s monumental contribution in unifying the country at its most critical juncture in history.

Conclusion:

The invaluable contribution of Sardar Patel in building a modern and unified India needs to be remembered by every Indian as the country marches ahead as one of the largest economies in the world.

Connecting the dots:

- Discuss the contribution of Sardar Patel from unification of the country to creation of all India services.

TOPIC

General Studies 3:

- *Infrastructure: Energy*
- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Saubhagya scheme: Critical analysis

Introduction:

The government recently announced 100% household electrification scheme, Saubhagya. It aims to tackle the next link for electrification, where until now most efforts focused at the village or hamlet level.

The objective of the Saubhagya scheme is to “provide energy access to all by last mile connectivity and electricity connections to all remaining un-electrified households in rural as well as urban areas to achieve universal household electrification in the country.”

The Pradhan Mantri Sahaj Bijli Har Ghar Yojana (‘Saubhagya’) launched recently claims to ensure electrification of all willing households in the country. It promises to provide a free electricity connection to all willing Below Poverty Line households and to all others on a payment of ₹500 (which shall be recovered by the power distribution companies/power departments in 10 instalments along with electricity bills).

Definition and the gap:

The [Deen Dayal Upadhyaya Gram Jyoti Yojana](#) (DDUGJY), launched in July 2015, aimed to electrify all un-electrified villages by May 2018. Under DDUGJY, the government managed to electrify 14,701 villages while 2,760 villages remain un-electrified; out of these, work is still in progress in a total of 2,611 villages. However, out of the 14,701 villages, only in 8%, i.e. 1,198 villages, do all households have connectivity. Even if we take into consideration the fact that so many villages have been “electrified”, the next point of contention is the definition used.

According to the definition, a village is considered to be electrified if 10% households have an electricity connection and related basic infrastructure. Furthermore, even in these 10% of households, there is no promise of minimum hours of supply. Given that 90% of households may not have power supply and of those 10% with electricity not having a regular supply, we can't consider such a village to be electrified in a meaningful way.

Benefits of Saubhagya scheme:

- Costs for wiring unconnected homes varies based on how far the user is from the grid, and, unfortunately, the last to be connected are likely to be the farthest away and most sparsely populated. Saubhagya averages at only about Rs4,000/home, inclusive of a metre and limited in-home wiring.
- The scheme can help plug the gaps and address the issues of entry barrier, last mile connectivity and release of connections.
- A free electricity connection may provide some relief as far as the financial burden is concerned.

Issues:

- It expects the poor to pay the bills without providing any subsidy to ease their burden. Even to the best of their abilities the poor would often not be in a position to pay regular electricity bills, which in turn could result in disconnection.

- It can guarantee neither regular electricity supply nor continuation of those connections in case of non-payment. However, expecting poor households to bear the recurring burden of bills as per the prevailing tariff of DISCOMs is unimaginable.
- Even if all households are provided a connection, there would still be the problem of regular supply. Industry estimates suggest that this scheme would potentially require an additional 28,000 MW and additional energy of about 80,000 million units per annum, which is roughly 7% of India's current installed power capacity. The problem is graver still in interior rural India. Considering the huge lapses as far as electricity availability is concerned, managing this additional demand would prove to be challenging.
- Such models of service provision, even for a public good, risk inefficient consumption. It also limits the provider's ability or appetite to scale and sustain.

Way ahead:

Adding a wire to the home, as the scheme proposes, is only part of the issue being addressed.

- What one really needs is quality service (ideally 24x7) for meaningful electrification. This means we have to either strengthen or change the distribution companies (discoms) to ensure we meet this part of the social contract of electricity.
- The first need is to execute the physical wire to the homes. Hopefully there are enough skilled contractors to handle the enormity of the task—India's 40 million unconnected homes is roughly triple the next two countries', Nigeria and Ethiopia. Insufficient capital outlay can be supplemented by state budgetary support or special Central grants. Thinking holistically, there is money available. Instead of subsidizing (oil company's under-recovery for) kerosene, the same money could progressively be re-allocated for rural electrification—a greater amount annually than the Saubhagya budget.
- Under Saubhagya, microgrids are perhaps the biggest theoretical loser, but better coordination can reduce such conflicts. They can be complementary instead of competitive, especially for remote locations. This requires serious discussions on microgrid designs.
- Discoms have historically been wary of adding "expensive" and non-remunerative consumers. Their worries need to be addressed. Retail tariffs for residential users should be updated to meet the marginal costs of supply, to cover the incremental (mainly fuel) costs of generation procured by discoms.

Conclusion:

The policy statement echoes the commitment to facilitate economic growth and social development, but it only addresses the issue partly. There are many more reforms which must be brought in.

Connecting the dots:

- What is the objective of Saubhaya scheme. Discuss its needs. Despite being ambitious, it solves the electricity problem of the country only partly. Critically analyze.



INTERNATIONAL

TOPIC

General studies 2:

- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.*
- *Effect of policies and politics of developed and developing countries on India's interests*
- *Important International institutions, agencies and fora- their structure, mandate.*

Nuclear deal with Iran: In question

Background:

West Asia is in a period of heightened uncertainty.

- Regional powers are scrambling to fill the vacuum created by the steady dismantling of the Islamic State's sham caliphate across Syria and Iraq.
- Kurds, buoyed by their pivotal position in this race to Raqqa, have held an independence referendum, annoying Iraqi, Turkish and Iranian neighbours.
- Turkey continues its authoritarian descent, as its relations with Europe worsen by the day.
- In the Persian Gulf, a crisis within the Gulf Cooperation Council (GCC), pitting Saudi Arabia and the United Arab Emirates against Qatar, has entered its sixth month, with no sign of resolution.
- Within Saudi Arabia, the young and ambitious heir to the throne, Mohammed bin Salman, is experimenting with an unpredictable mix of reform and repression.

The JCPOA:

The Joint Comprehensive Plan of Action (JCPOA), a nuclear deal agreed between Iran and six major powers is in its second year now.

Significance:

- It recognised Iran's right to enrich uranium in exchange for a battery of tough, but time-bound, limits on nuclear activity.
- It helped defused a crisis that had burned since the 1990s, threatening to spiral into a war in the 2010s.

Critics of the agreement:

- The conservative forces in Israel, the Arab world, and the U.S. have denounced the agreement. They complained that it did not address Iran's non-nuclear behaviour,

such as support for Hezbollah and other militant organisations, and that the “sunset” clauses, which progressively relax the constraints on Iran over the next three decades, were too generous.

- Donald Trump has called the deal “one of the worst and most one-sided transactions the United States has ever entered into”. Mr. Trump and members of his administration have repeatedly, but falsely, claimed that Iran is violating the agreement.

In case US denies the agreement:

The U.K., France, Germany and the European Union have all expressed their categorical support.

- If the U.S. re-imposes so-called secondary sanctions, which cover foreign companies, Europe would most likely take legal and diplomatic steps to protect its substantial commerce with Iran, even at the cost of a transatlantic crisis.
- China, Iran’s main trading partner, and Russia, Iran’s military ally in Syria, would defy U.S. sanctions with even greater enthusiasm.

In short, it would be virtually impossible to rebuild today the broad, multinational sanctions regime that helped push Iran to the negotiating table during 2013-15.

Futility of war:

Not only would a war fail to eradicate Iran’s nuclear know-how, it would have far-reaching regional consequences.

- Iran’s Revolutionary Guards could unleash Shia militia against U.S. troops in Iraq, and expand support to Afghan insurgents just as Mr. Trump’s surge gets underway.
- Saudi-Iran tensions would increase.
- The risks of a U.S.-Russia confrontation in West Asia would jump dramatically.
- Abrogation of the JCPOA would be devastating for Washington’s credibility in future diplomacy.
- All this would have negative implications for India. While Indian imports of Iranian oil have been falling regardless, the Chabahar project, scheduled for completion next year, could face fresh obstacles.
- Iran-Pakistan relations may also shift unpredictably, and in ways that work against Indian interests.

Connecting the dots:

- West Asia is facing a period of heightened uncertainty. In such a scenario the abrogation of JCPOA deal would only complicate matters. Critically analyze.
- US president Donald Trump is too critical about the nuclear deal between Iran and six major powers including US. In case the deal is not abrogated by US it would have negative implications for India. In this light discuss how India can get benefitted by collaborating with European powers, Russia and China on the issue.

TOPIC**General Studies 2:**

- *India and its International relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.*
- *Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.*

India-EU relationship**In news:**

The talks to negotiate the India-European Union trade pact, the Broad-based Trade and Investment Agreement (BTIA), did not progress during the 14th India-EU Summit, held in New Delhi on October 6. Both sides continue to recalibrate their bargaining power and understanding of their relative positions on the international stage.

Recent changes:

Much has changed for the EU since the last summit held in Brussels in 2016:

- Brexit.
- Several key elections, including in France and Germany.
- Visible rifts between eastern and western European countries on what core EU values are and should be.
- The inauguration of Donald Trump as U.S. President and consequent retreat of America from its leadership role in the West has provided a significant external stimulus to the EU's identity shift.

Similarities:**On multi-polarity:**

India and the EU reaffirmed their commitment to a "rules-based" international order and a "multipolar" world. This is significant in the context of the U.S. moving towards reneging on several international deals. Mr. Trump has said he is going to "decertify" the nuclear deal with Iran — a deal that the EU is keen to uphold — and his administration has given notice of intent to withdraw from the Paris Accord. The reference to multipolarity is a recognition that there is more than just one chair at the top table, not just with the U.S.'s shifting position but also due to Russia and China's ascent.

On Terrorism:

The India-EU joint statement on terrorism this year called for "decisive and concerted actions" against Hafiz Saeed, Dawood Ibrahim, Lashkar-e-Taiba and other purveyors of terror; this will further bolster India's efforts to call out Pakistan on the issue of sponsoring

terror.

The EU itself has been no stranger to terrorism these last few years and the two sides have agreed to enhance cooperation at multilateral and bilateral interactions.

Trade talks: Issues

The talks regarding Broad-based Trade and Investment Agreement (BTIA) didn't move forward because of following challenges:

- A disagreement on whether the protection of foreign investments will be part of the BTIA or dealt with in a stand-alone treaty.
- A challenge is India wanting a greater ease of movement of temporary skilled workers to provide services in the EU. The EU and other developed countries have been historically reluctant about moving forward on this and the issue has become more challenging with the rise of populism and protectionism in Europe. All too often, the movement of skilled workers from India to developed countries is made onerous with barriers to overcome in terms of salary thresholds, recognition of qualifications, visa fees, social security and so forth.
- The EU wanting greater market access for its automobiles and its wines and spirits.

The liberalisation of services and access to EU markets for those who deliver them go hand in hand with the liberalisation of the goods market; wanting an open market for automobiles and liquor but unduly restricting the movement of natural persons is not acceptable.

There are winners and losers from globalisation on both sides of the border and it is up to governments to institute policies to redistribute the gains from trade.

- The EU not granting “data secure” certification to India — a condition that facilitates the cross-border transfer of personal data, key to a number of companies’ services, especially in the IT industry. India does not have a stand-alone data privacy law. On the other hand, the EU is at the forefront of protecting citizens’ rights as regards what happens to their data online. It will be no easy task for the government to align its laws to a standard required by the EU to get the appropriate certification. It would certainly be a leap forward for consumer rights and privacy standards in the digital age if India were to adopt and implement strict standards for handling data, an outcome desirable in itself.

Cementing the bond:

India and the EU should continue to welcome each other’s leadership roles in the world, primarily because of commonly shared values.

- The EU is India’s largest trade partner and it is also, like India, wary of China’s political (the summit declaration makes a reference to freedom of navigation principles) and economic dominance.
- The EU is concerned about China flooding global markets with inexpensive steel and its response to China’s Belt and Road Initiative has been lukewarm.

But the strength of China's relationship with EU member states themselves is heterogeneous, with China trying to make inroads into Eastern and Central Europe through infrastructure investments. This makes it vital for India to cement its bonds with the EU further.

Conclusion:

With around €100 billion in bilateral goods and services trade last year, India and the EU have a lot to gain from a trade deal. It's not just about trade. It is far from clear what presence the EU will have in a decade's time. However, it will certainly be beneficial for both India and the EU to keep each other close as they feel their way around the emerging international order.

Connecting the dots:

- In the multi-polar world, a strong relationship between India-EU is called for. However, the trade talks between the two is not moving forward. Discuss the issues involved.

TOPIC

General Studies 2:

- *India and its neighborhood- relations*
- *Effect of policies and politics of developed and developing countries on India's interests*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.*

Promoting deep sea fishing in the Palk Bay

In news:

The government is trying to promote deep sea fishing as an alternative to trawling in the Palk Bay. Proponents of deep sea fishing argue that the lure of better catch in far-off seas and avoiding the risks of cross-border fishing in Sri Lankan waters will ensure its success.

Background:

Deep sea fishing has always been an integral part of the country's Blue Revolution vision to exploit fishing resources to the maximum within the 200 nautical mile exclusive economic zone (EEZ). The present plan in the Palk Bay is to extract 2,000 trawlers from the bay and replace them with deep sea vessels that fish in the Bay of Bengal and Gulf of Mannar. The time period for this transition is three years (2017-2020), with 500 boats to be replaced in the first year alone. The Central and Tamil Nadu governments have committed Rs. 800 crore and Rs. 320 crore, respectively, to the plan. Each vessel will be fitted for tuna long-lining and/or gillnetting, and have a unit cost of Rs. 80 lakh. Of this unit cost, trawl owners have to

only pay Rs. 8 lakh upfront and Rs. 16 lakh through a loan from the Pandyan Grama Bank. The balance Rs. 56 lakh will be a subsidy shared by the State and Central governments.

Solving the Palk Bay fishing conflict:

The Sri Lankan government has not only passed a legislation banning trawling but its navy has also been vigilantly patrolling the International Maritime Boundary Line, 'capturing' Indian trawl boats and fishers. The plan is to remove as many trawl vessels from the Palk Bay as possible. Prospective beneficiaries of the deep sea fishing project should possess a registered, seaworthy trawl vessel of over 12m in length that must be scrapped or disposed of outside the Palk Bay. The disposed vessel should also have been physically verified. The government is now creating a new deep sea fishing harbour at Mookaiyur, located just south of the Palk Bay in the Gulf of Mannar, where many of these vessels are likely to be berthed. Priority is to be given to owners who have had their boats apprehended or damaged in Sri Lanka. Beneficiaries are not allowed to sell their boats within five years of obtaining them.

Issues with the plan:

- There should be sufficient stocks of fish in the adjacent waters of the Bay of Bengal and Gulf of Mannar to make deep sea fishing economically viable for a large and new fleet of vessels. The Indian government report of the Working Group for Revalidating the Potential of Fishery Resources in the Indian EEZ suggests that oceanic regions have a maximum potential yield of 208,000 tonnes. Importantly, however, while the report highlights that oceanic stocks are not fully exploited, it does not state where the remaining oceanic stocks in the Indian Ocean exist nor whether this might be in the Bay of Bengal or the Gulf of Mannar. Moreover, the report warns that oceanic resources are transboundary and hence are targeted by a number of other countries too.
- Palk Bay trawl fishers, who are used to one-day fishing do not have sufficient skills and an interest for deep sea fishing. In fairness, the authorities have taken note of training needs and are setting up special facilities in collaboration with the TNFU and the Central Institute of Fisheries Nautical and Engineering Training. Applicant trawl owners also expect to employ a few specialised workers from the operational deep sea fishing fleet of Thoothoor, at least for the initial period of operation. The question of what will become of trawl crews remains largely unaddressed, potentially jeopardising the local economy of the region.
- For trawl fishers, the main concern is whether deep sea fishing is a sound investment or not. Some fishermen have expressed doubts about the high operational costs of deep sea fishing and the loan repayment schedule imposed by the Pandyan Grama Bank.
- Monitoring is important, whether deep sea fishing will reduce the Palk Bay fishing conflict depends entirely on the downsizing of the existing trawl fleet. On paper, the

necessary safeguards are in place. But rules are not always followed. The government will have to ensure that remaining vessels are not upgraded in size or engine horsepower, as many trawl owners in the Palk Bay have been increasing their engine capacities surreptitiously, well beyond legal limits.

- Equally of concern is the Tamil Nadu Fisheries Department's capacity to monitor, control and carry out surveillance (MCS) of the process of decommissioning. Regulations have always existed but have rarely been implemented judiciously.

Conclusion:

The Palk Bay conflict requires a multi-dimensional approach. Various other solutions such as buy-backs, alternative livelihoods and skill development need to be rolled out with a simultaneous focus on a strong MCS system. Only then can the fishing conflict be finally resolved.

Connecting the dots:

- By promoting deep- sea fishing in Palk Bay area, the government has taken a step in right direction. However, there are various challenges like issue of monitoring that the new rules are followed, lack of skills related to deep-sea fishing among farmers, economic viability of the plan etc. Discuss.

TOPIC

General studies 2:

- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.*
- *Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.*
- *Important International institutions, agencies and fora- their structure, mandate*

Nuclear agreement with Iran: Objection from U.S.

In news:

Recently President Donald Trump announced that he could no longer certify that continuing the sanctions waiver for Iran, under the Joint Comprehensive Plan of Action (JCPOA), contributes to U.S. national security interests in view of Iran's aggressive behaviour. Mr. Trump's new policy therefore aims to "neutralize Iran's destabilizing influence and constrain... its support for terrorism... and ballistic missile [programme]".

Background:

- The JCPOA, signed on July 14, 2015, was the result of prolonged negotiations between Iran and P5+1 (U.S., U.K., France, Russia, China, Germany and EU). Talks began in 2003 between Iran and E-3 (Germany, France and U.K.), and in 2005

expanded to the P5+1 format. Negotiations frequently stalled leading to new sanctions on Iran but became purposeful after Hassan Rouhani's election as President in 2013.

- In 2004, Iran had around 1000 centrifuges, and by 2015 the number had grown to 20,000. The U.S. concluded that Iran had recovered from the Stuxnet debacle and was barely months away from producing enough highly enriched uranium (20-25 kg) to produce a nuclear device. While other aspects of Iran's regional behaviour remained worrisome, the rationale driving the Obama administration was that a nuclear armed Iran would be more threatening. Therefore, the JCPOA focussed exclusively on rolling back Iran's nuclear activities.
- Under the JCPOA, Iran ended certain activities (converting the underground Fordow enrichment facility into a research centre and dismantling of the Arak heavy water research reactor), accepted restraints on other activities (reducing the number of operational centrifuges to 5060 at Natanz for 10 years, restricting enrichment level to 3.6% for 15 years, limiting the low enriched uranium stocks to 300 kg by shipping out nearly 10 tonnes of extra stocks and refraining from setting up a research reactor for 15 years) and accepted a highly rigorous inspection regime. In return, about \$100 billion of Iranian assets were unfrozen and Iran was allowed to resume sales of oil. The UN Security Council (UNSC) unanimously adopted Resolution 2231, endorsing the JCPOA and lifting the UNSC sanctions.

U.S. sanctions waiver:

A multiplicity of sanctions (relating to nuclear and missile activities, human rights violations and terrorism) were imposed which also had extra-territorial application, implying that third country companies would be penalised if they engaged in activities from which U.S. companies were barred.

An isolated U.S.:

Withholding of renewal of sanctions waiver by Mr. Trump would have triggered re-imposition of secondary nuclear sanctions and violated international law since Iran remains in compliance with the JCPOA.

In case US congress puts an end to some of the sunset clauses of 10/15 years in the JCPOA by making it permanent it would imply an implicit renegotiation of the JCPOA, something that would attract a veto by both Russia and China were it to be taken up in the UNSC.

A divide:

- For the first time since 1945, a clear divide with European allies has emerged, with German, French and British leaders jointly declaring that preserving the JCPOA is in their shared national security interests. The European Union (EU) foreign policy chief Federica Mogherini said that the world cannot afford "to dismantle a nuclear agreement that is working".

- Only two countries have applauded Mr. Trump's decision — Saudi Arabia praised the U.S.'s firm strategy and Israeli Prime Minister Benjamin Netanyahu conveyed his congratulations.
- International Atomic Energy Agency (IAEA) Director General Yukiya Amano has publicly stated that Iran is in full compliance with the deal and subject to the world's most robust nuclear verification regime.

Implications:

Implications of the breakdown are not limited to U.S.-Iran relations.

- Iran can make things difficult for the U.S. in Afghanistan as also in Iraq and Syria.
- The U.S.'s ability to work with Russia in Syria or with China regarding North Korea will also be impacted.
- Questions will be asked in Iran about why it should continue with the restrictions and inspections that it accepted under the JCPOA, which would have far-reaching implications for the global nuclear architecture.
- Coming after the rejection of the Trans-Pacific Partnership, the Paris climate change accord and the North American Free Trade Agreement, Mr. Trump's decision further diminishes U.S. credibility.

Future:

The deal has broken down because Iran is not prepared to renegotiate it. Other countries have promised to uphold it but their ability to do so will depend on how their companies can be firewalled from U.S. sanctions if they continue their engagement with Iran.

Connecting the dots:

- The nuclear agreement with Iran is in jeopardy with U.S. changing its stance towards the deal. Discuss the implications of such decision and how it has created a global divide.

TOPIC

General Studies 2:

- *India and its neighbourhood- relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests*
- *Effect of policies and politics of developed and developing countries on India's interests*

India-U.S. relations: A welcome change

In news:

In calling for an ambitious 100-year partnership with India, US Secretary of State, Rex Tillerson, on his recent visit to news has drawn attention to an enduring relationship between India and US.

Background:

The US-India relationship occupied high priority and visibility during the Obama administration. The Donald Trump administration, too, has shown its commitment to the relationship, hosting Prime Minister [Narendra Modi](#) in Washington DC, earlier this year. Secretary Tillerson also articulated the importance of India and of US-India ties. He spoke of maintaining stability, security and prosperity across the Indo-Pacific region in the coming decades.

Paradox that marks the relationship between India and America:

- The gap between expert expectations and actual outcomes. No other major Indian relationship has been subjected to such intense bureaucratic suspicion and negative public scrutiny.
- The relationship remains way below potential. Neither side has taken full advantage of all the possibilities that have emerged.

Commerce:

Annual trade between the two countries has now advanced to \$115 billion, with the surplus in India's favour. Yet multiple obstacles remain in boosting two-way trade to the proclaimed goal of \$500 billion. While two-way trade, and investment, between the two countries has increased significantly in the past five years, there is much room to expand the economic partnership.

It is important to note that US-India commercial ties have seen an uptick in recent years with the present government's market-oriented reforms. India is currently the US' ninth largest goods trading partner. India is also one of the fastest growing sources of foreign direct investment in the US, at nearly \$11 billion.

Defence:

In defence, the scale and scope of the exchanges have expanded. America, for example, has become a major arms supplier for India. The volume of Indian defence imports has grown from near zero at the turn of the century to about \$15 billion now. Yet there are residual issues in Washington about supplying advanced defence technologies to India and Delhi remains reluctant to inject greater political content into the security partnership.

Welcome change:

- Historically, the biggest drag on India-US relations has been the seemingly unbridgeable differences on Pakistan and China. More broadly, Delhi and Washington could rarely come up with a common assessment of the political

dynamic in Asia and the Indo-Pacific. In the last couple of decades, Delhi and Washington made progress by setting aside their differences on Pakistan and China. The Trump Administration is promising to change that.

- In demanding that Pakistan suspend cross-border terrorism and asking that India play a larger role in the region — from stabilising Afghanistan to balancing China — the US has begun to clear the path for strategic regional coordination between India and the United States.

Way forward:

The US and India will increasingly need to work together on the political and security challenges across the Indo-Pacific region, from mounting tensions with North Korea, the Rohingya crisis, and India's own standoff with China over Doklam to the lingering challenges in Afghanistan. The announcement of a ministerial dialogue which will bring Secretary Tillerson and US Secretary of Defense General James Mattis into direct engagement with their Indian counterparts, Sushma Swaraj and Nirmala Sitharaman is a welcome step in this regard.

Conclusion:

The India-US conversation about burden-sharing in the Indo-Pacific will necessarily be a prolonged one. Delhi and Washington will need to iron out many other issues. In the past, US power tended to limit India's room for regional manoeuvre. Now it could contribute to India's leadership in the Indo-Pacific.

Connecting the dots:

- The India-US relations has huge potential which remains to be tapped. However, recent developments have set the stage for a renewed relationship between the two. Discuss.

TOPIC: General Studies 2

- *India and its International relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.*
- *Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.*

India soon to be a major player in Afghanistan

Introduction:

India must expand its development role further and enhance its security profile in Afghanistan.

India being viewed as a player:

The Trump administration's South Asia policy has underscored India's centrality in the 'Af-Pak' theatre. As Washington plans to increase its military footprint in Afghanistan, it is tightening the screws on Pakistan for supporting terrorism as an instrument of state policy. Both Washington and Kabul now view New Delhi as a player with considerable leverage over the evolving regional dynamic.

American outreach:

A central feature of the Trump administration's new Afghanistan policy is an outreach to India. "We appreciate India's important contributions to stability in Afghanistan, but India makes billions of dollars in trade with the U.S. and we want them to help us more with Afghanistan, especially in the area of economic assistance and development," Mr. Trump had said in August while outlining his new South Asia policy.

A turnaround:

Mr. Trump's South Asia policy is a remarkable turnaround for Washington which had wanted to keep India out of its 'Af-Pak' policy for long for fear of offending Rawalpindi. India was viewed as part of the problem and now the Trump administration is arguing that India should be viewed as part of a solution to the Afghan imbroglio.

Kabul's view on the strategy:

Kabul has wholeheartedly embraced this strategy, with Mr. Ghani terming it a "game-changer" for the region as it "recommends multi-dimensional condition-based approach for the region." In Delhi, he was categorical in attacking Pakistan by suggesting that "sanctuaries are provided, logistics are provided, training is provided, ideological bases are provided."

He went on to suggest that Afghanistan would restrict Pakistan's access to Central Asia if it is not given access to India through the China-Pakistan Economic Corridor (CPEC) project. He referred to the Indo-Afghan air corridor as an effective response to Pakistan's attempt to deny India and Afghanistan any direct access. He also strongly rejected Islamabad's claims that India was using Afghanistan as a base to destabilise Pakistan. He made it clear that there were "no secret agreements" between Kabul and New Delhi.

Against Pakistan:

- US remarked Pakistan for not doing enough against terrorists operating from its soil.
- Afghanistan President has underlined that the time had come for Islamabad to make a choice between abandoning state sponsorship of terrorism and facing the consequences.

The messages sent to Pakistan shows that regional equations are shifting in a direction which will only isolate Islamabad if immediate corrective measures are not taken.

Indian efforts:

- India has emphasised that it believes peace efforts in Afghanistan should be “Afghan-led” and “Afghan-controlled”.
- India continues to maintain that renunciation of violence and terror, and closure of state-sponsored safe havens and sanctuaries remain essential for any meaningful progress and lasting peace. Afghanistan had participated in the sixth Quadrilateral Coordination Group meeting along with the U.S., China and Pakistan in Muscat, Oman, in an attempt to revive stalled peace talks with the Taliban. National Security Advisor Ajit Doval went to Kabul to assess these developments on the same day.
- In recent years, India has not shied away from taking a high-profile role in Afghanistan. It remains one of the biggest donors of aid to Afghanistan, having committed \$3.1 billion since 2001.
- Recently, it announced that it will be working on 116 new development projects in more than 30 areas. India’s agenda is to build the capacity of the Afghan state as well as of Afghan security forces, enabling them to fight their own battles more effectively. This is in line with the requirements of the Afghan government as well as the international community.

Way forward:

- Expanding India’s development role further and enhancing its security profile with greater military assistance to Afghanistan should be a priority as new strategic opportunity open up in Afghanistan.
- While the U.S. has its own priorities in the ‘Af-Pak’ theatre, India’s should be able to leverage the present opening to further its interests and regional security.

Conclusion:

The recent developments in the region is a clear signal that India can no longer be treated as a marginal player in Afghanistan. This is a welcome change and holds significant implications for India, Afghanistan and the wider region.

Connecting the dots:

- The U.S.'s new Afghanistan policy is an outreach to India. With Afghanistan support to the policy, India is surely to emerge as a major player in the region. Critically analyse.

TOPIC: General studies 2

- *India and its neighborhood- relations.*
- *Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests.*
- *Effect of policies and politics of developed and developing countries on India’s interests, Indian diaspora.*

- *Important International institutions, agencies and fora- their structure, mandate.*

An alternative to Belt and Road Initiative

In news:

Recent developments have set the stage for some real competition for promoting connectivity in Asia and opened up fresh opportunities for India to shape the outcomes. Only a few months ago, Delhi seemed alone in opposing China's trillion dollar Belt and Road Initiative (BRI) that has been viewed with awe around the world and enthusiastically embraced by most of its neighbours in the region. Now Delhi may be in a position to work with its partners — especially Japan and the US — to offer a credible alternative to the BRI. The US and Japan have supported Delhi's criticism of the BRI during Prime Minister [Narendra Modi](#)'s visit to Washington in June and Prime Minister Shinzo Abe's visit to India in September.

Delhi, Tokyo and Washington have also begun a serious conversation on working together on Indo-Pacific infrastructure development.

India's objection to BRI:

When Beijing convened a high-level international gathering to seek political endorsement of the BRI last May, India refused to participate at any level despite much diplomatic pressure from China.

- Arguing that projects under China's BRI have not met international norms for infrastructure development, Delhi insisted that the "connectivity initiative must follow principles of financial responsibility to avoid projects that would create unsustainable debt burden for communities; balanced ecological and environmental protection and preservation standards; transparent assessment of project costs; skill and technology transfer to help long term running and maintenance of the assets created by local communities."
- Delhi also affirmed that "connectivity projects must be pursued in a manner that respects sovereignty and territorial integrity" of other states.

Japan's objection:

The return of Prime Minister Abe with a sweeping mandate in the snap general elections to the lower house of the Japanese parliament should help reinforce Tokyo's own programme to promote connectivity in Asia.

- In 2015, Abe had announced the partnership for quality infrastructure (PQI) with a fund of nearly \$110 billion. In an enhanced version of the initiative announced in 2016, Japan plans to spend about \$200 billion during the next five years on infrastructure projects around the world.
- Unlike China, Japan brings much greater experience in executing development projects in third world countries and is offering much better terms for its assistance.

- Well before Xi announced the BRI in 2013, Abe had unveiled a new vision of regional connectivity. During his first term as prime minister, Abe visited India in 2007 and in his address to Parliament talked about “confluence of the two seas”.
- More recently, he expanded on the concept by talking about a “Free and Open Indo-Pacific”. It now calls for connecting “two continents” — Asia and Africa — and “two oceans” — the Indian and Pacific through trans-border connectivity corridors.

US's objection:

- In a major speech, the US Secretary of State, Rex Tillerson, outlined a strong critique of China’s Belt and Road Initiative. Describing China’s development assistance as “predatory economics”, Tillerson accused Beijing of undermining the sovereignty of its neighbours in Asia. He echoed India’s criticism of the BRI by saying China’s projects burden host countries with large debt and conditions that force a swap of debt for equity and strategic control of assets.

Way forward:

- India needs to provide a real alternative to the BRI. Delhi has seen countries like Sri Lanka and Burma express political reservations against some of the Chinese infrastructure projects, suspend some of them, but eventually renew the engagement with Beijing.
- Many Indo-Pacific nations have limited alternatives when it comes to infrastructure investment programmes and financing schemes, which often fail to promote jobs or prosperity for the people. It’s time to expand transparent, high-standard regional lending mechanisms — tools that will actually help nations. India and the United States must lead the way in growing these multilateral efforts. Tillerson has revealed that the US has begun consultations with other countries in the region about providing alternative financial mechanisms to China’s BRI.

India’s emphasis in the coming days must be three-fold.

- One is to press ahead vigorously with the large number of infrastructure projects that it has undertaken with its own resources in the Subcontinent and the Indian Ocean.
- Second is to intensify the current discussions with the US, Japan, Europe and other partner countries to coordinate their regional infrastructure initiatives as well as take up joint projects in the Indo-Pacific.
- Third, Delhi must quickly find ways to overcome its many institutional limitations in implementing projects in other countries.

Conclusion:

Offering an alternative to China’s BRI is not about a zero-sum rivalry with Beijing. By demonstrating the possibility for sustainable infrastructure development, Delhi and its partners can improve the bargaining capacity of smaller countries vis-a-vis China and might eventually encourage Beijing to discard its predatory geoeconomics and turn the BRI into a genuinely cooperative venture.

Connecting the dots:

- While earlier India seemed to be only country to object to BRI initiative of China, recently US and Japan have also raised their concerns. This opens up an opportunity for India to ensure collaboration with US and Japan to provide an alternative to BRI. Critically discuss.



INFRASTRUCTURE/DISASTER MANAGEMENT

TOPIC: General Studies 3

- **Infrastructure**
- **Disaster and disaster management.**

Fixing Infrastructure gaps

In News:

The stampede at Mumbai's Elphinstone Road suburban station foot over-bridge claimed 23 lives.

Need for fixing gaps:

The risk of such a tragedy occurring, particularly on the 45-year-old foot over-bridge, was well known to both the Railways as well as commuters. To be fair, the Railways had recognised, albeit belatedly, that it needed to address the *inadequacy of the infrastructure*.

Fault line:

Construction of a new bridge had been cleared by former railway minister Suresh Prabhu about two years ago, but ironically tenders for its construction were floated only on the day of the tragedy. The blame for the tragedy must squarely lie with the **Railways bureaucracy**.

Way forward:

The tragedy has served as a wake-up call for the Railways and the new railway minister Piyush Goyal has acted with urgency to announce a host of new infrastructure projects that will make passenger movement at Mumbai's suburban stations easier.

- The announcements including 92 escalators and several foot over-bridges are welcome and the minister should ensure that these **projects are not delayed or the quality of work compromised**.
- But a city like Mumbai where over 7.5 million passengers use the suburban services everyday, needs much more than these escalators and overbridges. It needs a **modern mass rapid transit system**.
- It also needs a **modern approach to traffic management**.
- Adequate entry and exit points to facilitate **crowd movement as well as crowd management** need to be a priority. The Delhi Metro does a reasonably good job with marshals and Central Industrial Security Force guards on the platforms and concourse and by restricting access to the station if required. The Delhi Metro has

the advantage of being a modern infrastructure unlike the Mumbai suburban service which dates back to the colonial era. *The long-term solution to crowding is to augment facilities at regular intervals and build in redundancy into all new projects to handle growth.*

- For urban and suburban mass transit projects, it is also necessary to have **increased and ongoing coordination between different agencies to plan and augment infrastructure**. For instance, the Mumbai suburban service cannot be just a Railway project —the municipal corporations and town planners need to be closely associated with it to develop the areas around the stations and prevent choking by people and road transport.
- Above all, there has to be a **razor-sharp focus on execution**.
- It will not be out of place to suggest that **citizens' participation** is also required to keep transit systems tragedy-free. And that should not be limited to just demanding improved amenities such as escalators and lifts to enable faster movement from one platform to another in train stations and make stations and trains more accessible for the differently-abled.
- Citizens should also be aware that their behaviour can avert or trigger a tragedy.

Connecting the dots:

- Mumbai's Elphinstone tragedy is a grim reminder that there is a robust need for recognizing the significance of cities and the need to invest in building their physical and civic character. Elucidate.
- Stampedes in India have become a common problem these days and are the consequences of human activities labeling it as manmade disaster. Suggest few mitigation strategies to avoid the losses that occur during such stampedes?

SECURITY

TOPIC: General Studies 3

- *Government Budgeting.*
- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Defence reforms- Important guidelines to be followed

Background:

Recently, a series of defence reforms which will result in the 'redeployment and restructuring of approximately 57,000 posts of officers/JCOs/ORs and civilians' were announced. The reforms are aimed at 'enhancing Combat Capability & Rebalancing Defence Expenditure of the armed forces with an aim to increase the "teeth to tail ratio".' Initial approval has been given for 65 of a total of 99 recommendations pertaining to the Indian Army. This will begin with the closure of 39 military farms in a time bound manner. The reforms are expected to be completed by December 31, 2019.

Security threats and challenges:

There are clearly discernible security threats and challenges that continue to adversely affect India's security. These are a result of unresolved borders and continuing inimical actions by adversaries. Given the history of four major wars fought by India and its adversaries, the country has no option but to deter a future war and, in case deterrence fails, remain prepared to defend its sovereignty and territorial integrity.

Security beyond borders:

The security forces must build and retain the capability of protecting India's core national interests beyond its borders. These include:

- The safety of Indians working in regions like West Asia.
- Protection of economic and energy supply lines and assets.
- Contribution to international responsibilities like United Nations (UN) peacekeeping and anti-piracy operations.
- Humanitarian assistance and disaster relief (HADR) missions.

Sub-conventional challenges: In addition to the external threats and responsibilities are sub-conventional challenges like terrorism and insurgency, which have necessitated the active employment of a substantially large force, both army and central police. Some of these deployments are also focused towards Pakistan that manifests itself in a variety of

forms to include terrorism. Further, challenges like economic and cyber warfare go beyond the traditional realm of security. All of these necessitate the deployment of “soldiers” with different skill-sets to fight the adversary in these non-traditional domains. War, as a result, is increasingly assuming hybrid forms, and has been waged successfully by countries like Pakistan and China against India for a number of years. The threat presented by Fake Indian Currency Notes (FICN) and cyber-attacks on security and critical infrastructure have therefore become a challenge for trained professionals fighting the adversary, often unseen and unheard by a vast majority of Indians.

Thus, the nature of threats and challenges has undergone a transformation in the recent past and transcend the traditional notions of security. This necessitates that the instruments of the state required to fight the “enemy” also need to diversify, given the means and tools that an adversary like Pakistan is employing.

Issues:

- The existing concept of defence is individual service centric, where each service largely plans and operates within its particular silo.
- Similarly, the counter terrorism approach too remains distinct to each arm of the state, with cooperation occurring at best at the functional level to achieve a basic level of cohesion.
- The lack of unity of effort and consequently a failure to achieve economy of effort.
- The lack of joint planning, joint training, and joint equipment (which includes procurement) affects both efficiency and economy.
- The fight often tends to centre around allocation of funds and numbers of senior ranks that must at least be protected if not enlarged, rather than finding the optimum solution for the challenge at hand.

Way ahead:

When this reality is transposed upon the reforms being effected, it indicates the direction that security planning needs to take.

- Even as the enhancement of the teeth to tail ratio remains critical, its implementation without addressing the simultaneous challenge of services functioning in silos will yield only limited benefits. The decision to cut down numbers must be linked with synergised efficiencies amongst the Ministry of Defence (MoD), affiliated Public Sector Undertakings (PSUs), Defence Research and Development Organisation (DRDO) and the three services.
- The streamlining of logistics initiated will remain sub-optimal unless the exercise is undertaken as a tri-service, ordnance factory and quality assurance related endeavour. Even as some areas will continue to remain distinct, greater efficiencies and economy should be created through greater cohesion. The cutting down of numbers from amongst the logistic support elements has to be accompanied by joint services establishments to achieve economies of scale.

- The ongoing reforms cannot be limited to the three services alone. It must also include the MoD as well as the entire national security architecture with a view to building an overarching organisation that can cohesively address the challenge of hybrid wars.

The emergence of threats in cyber and space, should therefore become the basis for creation of a cyber and space commands, with a capability of both defensive and offensive actions. This too is a field which relates to the larger concept of security, rather than the one represented by the three services alone.

- Reforms must be holistic and homogenous. Any attempt at piecemeal implementation is unlikely to yield the desired benefits and dividends.
- Past experience with defence reforms has clearly indicated that success has only been achieved when reforms benefit from the professional advice of the services and are backed by the willingness of the political establishment to enforce implementation.

The existing resistance within the services and the civilian bureaucracy is unlikely to allow reforms that affect their status and the size of their establishments. It is for the political leadership to take the onus and responsibility of leading such an effort. It is also for political leaders to outline national security concerns and envisaged capabilities, for which the security agencies must thereafter provide a blueprint.

- The success of defence reforms hinges on the availability of financial resources. The scope and size of reforms must be tailored to the needs of specific modernisation targets, even if these are achieved sequentially rather than concurrently.
- The armed forces need a structure and size which enables them to fight a faster paced, shorter and more efficient limited war. This demands a very different equipment profile, as also an efficient logistical support base. Since the funding for modernisation is likely to remain at existing levels of approximately 1.55 per cent, as a percentage of GDP, the obvious conclusion is to re-prioritise resources towards the challenges actually being faced. This includes limited wars in the conventional domain, terrorism, and non-traditional security challenges like HADR and cyber attacks.
- The government should take up for implementation the recommendations that have been successively made by the Arun Singh, Kargil Review and Naresh Chandra Committees. It is equally important to assess what remains pending for implementation because the seeds of major military change might just be found amongst recommendations that are yet to be taken up for implementation.

Conclusion:

The above guidelines must become the basis for undertaking major structural changes of the kind that has been visualised. While pushing through the ongoing reforms, the government must assess the pitfalls of similar reforms in the past. The opportunity to transform the national security structure does not present itself often.

Connecting the dots:

- Recently the government has introduced certain defence reforms. What are these reforms. Discuss the major threats and security challenges faced by India and on what bases defence reforms should be carried out.

Also read: First phase of reforms in armed forces

<http://iasbaba.com/2017/09/iasbabas-daily-current-affairs-1st-sep-2017/>

TOPIC: General Studies 3

- *Security challenges and their management in border areas; linkages of organized crime with terrorism.*
- *Role of external state and non-state actors in creating challenges to internal security.*

Strengthening Border Management System**Background:**

The Jammu sector has witnessed quite a few instances of successful infiltration by terrorists during the past couple of years as a prelude to attacks on strategic installations — prominent among these being the Pathankot and Uri terrorist attacks in 2016. These incidents have not only raised serious concerns about the efficacy of the existing border security system in thwarting such breaches but also a consequent demand for the deployment of high-tech border surveillance equipment by the BSF. A high-level committee on Security and Border Protection under the chairmanship of Madhukar Gupta, a former Home Secretary, was constituted. Besides finding gaps in the fencing and other vulnerabilities along the India-Pakistan border and strengthening manpower, the committee was explicitly tasked to recommend technological solutions to secure the international border. The **Madhukar Gupta Committee** has given its recommendations broadly on the issues of Threats and Border Protection, assessment of force level, deployment on the border, infrastructure and technology issues for protection of border and administrative issues.

Gaps in the present system of border security:

The emphasis on the use of high-tech gadgets for border security is not new. Equipments like Passive Night Vision Goggles (PNG), Night Weapon Sights (NWS), Hand Held Search Lights (HHSL), Hand Held Deep Search Metal Detectors (HHMD), etc proved to be game changers and force multipliers by enhancing the detection capabilities of BSF personnel. Despite these successes, sustained and successful attempts by infiltrators in breaching the international border continued. An in-depth assessment of the existing border management

system revealed that it suffered from a number of shortcomings which hampered effective functioning. Some of the shortcomings highlighted were:

- The high-tech equipment being used did not provide all-round security and did not work in adverse climatic conditions.
- Significant gaps remained at rivers and nullahs running along the fences.
- Being manpower intensive, the system was not effective in providing rest and relief to BSF troops.
- It is not an integrated system and therefore failed to provide a common operating picture at all levels.

Given these shortcomings, the BSF argued that a new, efficient and high-tech surveillance system for border guarding is urgently required to prevent infiltration by terrorists and smugglers.

The CIBMS:

The CIBMS is seen as a more robust and integrated system that is capable of addressing the gaps in the present system of border security by seamlessly integrating human resources, weapons, and high-tech surveillance equipment.

It has three main components:

- New high-tech surveillance devices such as sensors, detectors, cameras, ground-based radar systems, micro-aerostats, lasers as well as existing equipment for round-the-clock surveillance of the international border.
- An efficient and dedicated communication network including fibre optic cables and satellite communication for transmitting data gathered by these diverse high-tech surveillance and detection devices.
- A command and control centre to which the data will be transmitted in order to apprise the senior commanders about the happenings on the ground and thus providing a composite picture of the international border.

The purpose of the CIBMS is to eventually replace manual surveillance/patrolling of the international borders by electronic surveillance and organising the BSF personnel into quick reaction teams to enhance their detection and interception capabilities. Other factors such as power back up, training of the BSF personnel in handling the sophisticated equipment, and maintenance of the equipment are incorporated into the CIBMS project.

Issues:

In the case of the CIBMS, a similar dependence on vendors for designing a suitable surveillance system can be observed. This clearly demonstrates that the BSF does not have the required technical expertise to offer clear guidelines to the vendors so that they can provide suitable products. This fact is further evidenced by media reports that the two attempts at testing the system were stalled due to technical mismatch and budgetary projections.

- The operation and maintenance of the existing sophisticated equipment remain a problem. At present, many of the high-tech surveillance devices deployed by the BSF are not optimally utilised because the required technical expertise is not uniformly available among the force's personnel.
- The high cost of the electronic devices and the lack of easy availability of spare parts act as a deterrent against their use.
- Besides the lack of technical expertise, erratic power supply and adverse climatic and terrain conditions in the border areas could potentially undermine the functioning of the sophisticated system.

Conclusion:

Technical solutions are necessary to augment and complement the traditional methods of border guarding. They not only enhance the surveillance and detection capabilities of the border guarding forces but also improve the impact of the border guarding personnel against infiltration and trans-border crimes. However, caution must be exercised while advocating the use of high-tech and high-cost electronic devices for border security. The experiences of countries such as the United States that have employed high-tech devices demonstrate that not only are the costs of such devices prohibitive but that they also fail to provide a comprehensive solution to border security problems. Instead of high-cost and innovative technological solutions that require extensive technical expertise, a judicious mix of properly trained manpower and affordable and tested technology will yield better results.

Connecting the dots:

- High-tech and high-cost equipment will ofcourse be helpful in border management. However, to yield better results it is required that a judicious mix of properly trained manpower and affordable and tested technology is adopted. Discuss in the light of present border management system that is Comprehensive Integrated Border Management System.

TOPIC

General Studies 3:

- *Security challenges and their management in border areas; linkages of organized crime with terrorism.*
- *Role of external state and non-state actors in creating challenges to internal security.*

General Studies 2:

- *India and its neighborhood- relations.*

Kashmir Issue

In news:

The government has begun another attempt to tackle the Kashmir issue with the appointment of an interlocutor, former Intelligence Bureau Director Dineshwar Sharma recently. The Centre's decision to begin a political dialogue in Jammu & Kashmir is a step in the right direction. The interlocutor has been appointed to begin a "sustained dialogue" aimed at understanding the aspirations of the people".

Changed outlook:

- It shows that the government, earlier determined that there could be no talks so long as terrorism continued, has now realised that the situation in the state cannot be improved through force and firepower alone.
- Terrorism, infiltration and militancy have continued despite the steady elimination of commanders and foot-soldiers of the Hizbul Mujahideen, Lashkar e Taiba and Jaish. There is no reason why containment of militancy or terrorism cannot go side by side with talks.
- The move acknowledges that the solution of the problems in J&K lies in the realm of politics, and not security.
- The open mandate to speak to all parties implicitly indicates that the government is willing to speak to separatists for a "sustained dialogue", a considerable turn from the hardline policy of the government thus far.

Way forward:

- For any dialogue to enjoy credibility in Kashmir, the minimum requirement is that the Centre must engage with the Hurriyat and its top leadership. Any process in Kashmir is set up for failure unless the separatist leadership is included in it.
- The Centre could also consider talks with Pakistan, as outlined in the Agenda of Alliance document of the PDP-BJP coalition in J&K.
- Mr. Sharma's success in reaching out to all stakeholders in the Valley depends on confidence in the Modi government's seriousness in a long-lasting dialogue process in the State, with a view to effecting an enduring peace — one envisaged but not achieved by so many earlier governments.
- The Centre appointed working groups on Kashmir after 2006 — apparently in earnest — didn't take any action on their recommendations. This shouldn't be the case this time.
- The process must transform into a meaningful political dialogue, sooner than later.
- The Union also needs to take a bold initiative and initiate a dialogue with Pakistan as neighbourhood remained a reality which couldn't be altered.

Conclusion:

As PM Modi once remarked, "Kashmir can't be resolved through force but by embracing Kashmiris" — seriously. In this light the step taken is in right direction. However, the follow-up is equally important.

Connecting the dots:

- The Kashmir issue remains unresolved. However recent appointment of interlocutor to initiate dialogue which would involve separatists as well is a step forward. Critically analyze.



ECONOMY

TOPIC

General studies 3:

- *Infrastructure: Energy, Ports, Roads, Airports, Railways, etc.*
- *Investment models.*

General studies 2:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

Revitalizing PPPs

Background:

India's infrastructure deficit continues to persist despite the relative catch-up in recent years.

The Asian Development Bank, in its report titled "Meeting Asia's Infrastructure Needs", has estimated that \$4.36 trillion is needed to fix India's infrastructure deficit by 2030. More than \$300 billion of spending every year is required for the next 13 years, as compared to recent spend rates of \$120 billion per year, much of this has to come from the private sector.

Difficult circumstances:

- Weakening economic growth and the debt overhang problem have constrained both the capacity and flow of private investment in asset creation.
- Even the successful awards in roads, rail, airports and other infrastructure segments have been mired in implementation challenges, affecting the private sector's capacity to invest afresh.
- Broad estimates indicate that the private arm of public-private partnerships (PPPs) will need to contribute at least \$90 billion every year for the next 10 years, entailing a potential borrowing of at least \$55-60 billion a year. That is quite a large sum for the stretched balance sheets of lenders and investors.

Limited capability of the government:

The difficult circumstances have prompted the government to step in and increase public expenditure on infrastructure but by all counts the private sector will need to play a key role.

India's debt-to-gross domestic product ratio is relatively high (65%) and with already stretched finances, the government's ability to fund new assets will remain constrained.

Revitalizing PPPs:

The government needs to hit the reset button on PPPs to address core issues. Three aspects need immediate attention—

Restructuring PPP contracts through an objective process:

Many of the base contracts were drawn up in a different era. That has changed, with disruptions in many forms overtaking every sector. It has become impossible to foresee factors that would have a significant impact on the performance over a long-term contract period.

Way ahead:

The Kelkar committee recommendations in 2015 are worth reflecting on. These are not matters of negotiation of terms; deep changes and redrafts of concession contracts would be needed based on evolving asset risk profiles, market conditions, technology impacts, investor appetite and bankability.

Broadening and deepening access to long-term credit:

- On credit, the situation has aggravated sharply, with the non-performing assets (NPAs) of domestic lenders mounting.
- While the international credit and financing market is an avenue, high-quality sponsors and assets remain few.
- Poor project preparation also remains an issue. Without adequate preparedness and appropriate risk allocation, large capital pools remain out of access.
- Bonds have worked very well overseas as a source of project finance, given their relative advantages over commercial bank debt, but the corporate or municipal bond market in India is still not deep enough to support long-term credit and refinancing commitments, unless backed by sovereign guarantees, which are difficult to come by.
- High project risks, poor entity rating and regulatory uncertainties also make yield-based structures difficult to implement.

Way ahead:

Market making assumes greater significance in this context. Financial institutions like India Infrastructure Finance Co. Ltd and the National Infrastructure Investment Fund (NIIF) should lead the market-making role by securing foreign capital and providing equity support to critical infrastructure projects.

Tightening procurement processes and timelines:

- Elongated timelines due to lack of institutional capacity in the project-award process have been hurting.
- Single-window clearance has rarely worked and inability to resolve disputes during the implementation stage quickly has been a big deterrent for high-quality investors.

- The whole value-for-money principle that favours PPPs over traditional public sector procurement is defeated with time and cost overruns resulting from delayed pre-development and procurement activities.

As a case in point, the Navi Mumbai International Airport (NMIA) transaction took nearly a decade to complete from the time the first master plan was prepared and three years to identify the successful bidder after the tenders were invited.

Way ahead:

Experience reveals that strong leadership can make a big difference. The Delhi Metro is a good example of how projects can and should be implemented. It had to deal with all kinds of issues typical of large projects—land acquisition, utility shifting, rehabilitation of displaced land owners, migrant workers, construction and engineering challenges, procurement risks and multiple stakeholders—and still came out on top.

The same quality of leadership is required for all mega projects, whether implemented by the government or its agencies or by the private sector, and needs to be nurtured and encouraged.

Connecting the dots:

- The Asian Development Bank, in its report titled “Meeting Asia’s Infrastructure Needs”, has estimated that \$4.36 trillion is needed to fix India’s infrastructure deficit by 2030. In this light discuss the importance of revitalizing PPPs and also how it can be done.

TOPIC: General Studies 3

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Reviving Economy- Recapitalising Banks

Background:

From a peak of 9.2 per cent in January-March 2016, GDP growth has fallen every successive quarter: First to 7.9 per cent, then 7.5 per cent, followed by demonetisation which reduced it further to 7 per cent in October-December 2016, then 6.1 per cent and finally 5.7 per cent in April-June 2017. One major challenge is the rising Non-Performing Assets (NPAs) of the public-sector banks (PSBs).

How grim is the situation?

According to the RBI’s Statistical Tables Relating to Banks in India 2015-2016, NPAs were 3 per cent of gross advances of all banks in India in 2013. By 2016, they had grown to 9.3 per cent. The increase was much more pronounced for nationalised banks — from 2.9 per cent in 2013 to 13.8 per cent in 2016 — compared to privately-owned banks where the NPAs rose from 2 per cent of gross advances in 2013 to 3.1 per cent in 2016. For the 10 worst

PSBs, gross NPAs averaged 16.4 per cent of gross advances as on December 2016, from 22.4 per cent for the Indian Overseas Bank to 14.1 per cent for the Central Bank of India — in effect, each having thoroughly destroyed its balance sheet. The system does not have enough capital to take care of its bad loans.

What led to this situation?

In an exuberant milieu that started with the UPA 1 government and continued until three years after the global financial crisis of 2008, large corporations conceived major projects proposals in capital-intensive sectors such as power, ports, airports, housing and highway construction.

Banks were only too keen to lend, often without sufficient evaluation of risks and returns. Things started worsening with the policy paralysis brought about by the spectrum and coal mining scandals. Soon, most projects were getting stuck, especially in power and highways; and banks found their loans going sour. Initially, the extent of non-performing loan assets (NPAs) was hidden by “ever-greening”. They were revealed as the RBI tightened the norms.

How are businesses getting affected?

When an entrepreneur gets an order, he uses working capital from banks which finances the raw material inventory and work-in-progress. After production, delivery and collection of final payments, he pays interest on that working capital and draws it down with the bank until the next order. If the working capital cycle remains intact and accommodative, businesses are not hit by a squeeze on financing. But with severe constraints on such finance, all businesses are hit, irrespective of how good demand may be.

Public sector banks (PSBs), comprising 21 “nationalised banks” and six of the State Bank of India group, account for almost 70 per cent of the assets and liabilities of the system.

How have the PSBs behaved in such circumstances?

With large losses on account of heavy provisioning and bad loans eroding their balance sheets, the PSBs have curtailed loans and advances.

What’s the solution?

The NPA crisis in the 1990s was mitigated by a \$500 million World Bank loan backed by a corresponding budgetary outlay. This time the cost will be higher and, therefore, one must target the banks carefully. But if we do so, we will strengthen distressed balance sheets and give space to the recapitalised bank to behave as they should. Recapitalisation will raise their enterprise value, which can then be leveraged through selective divestment. The finance minister thus should begin selective PSB recapitalisation.

Connecting the dots:

- Indian economy is facing slowdown. In such a scenario to keep the economy going its necessary that the private sector has enough fund to invest in the economy. In this light

reviving public-sector banks has become a necessity. Discuss what should be done to revive the PSBs.

TOPIC: General Studies 3

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*
- *Inclusive growth and issues arising from it.*
- *Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.*

Making service sector one of our strength

Introduction:

China and India are two of the fastest growing economies in the world. But they are following very different growth paths. China is a formidable exporter of manufactured goods. India has acquired a global reputation for exporting services, leapfrogging the manufacturing sector.

Background:

Services contribute more than manufacturing to India's output growth, productivity growth and job growth. Given the relatively large size of the service sector compared to manufacturing, India's growth pattern resembles that of the US. We need to think on the answer to following questions- Can services be as dynamic as manufacturing? Can services contribute more than manufacturing to output growth, productivity growth and job growth?

Industrialization is not the only route to rapid economic development:

It is argued that industrialization is the only route to rapid economic development for developing countries. The potential for explosive growth was seen only in the manufacturing sector.

This is no longer the case:

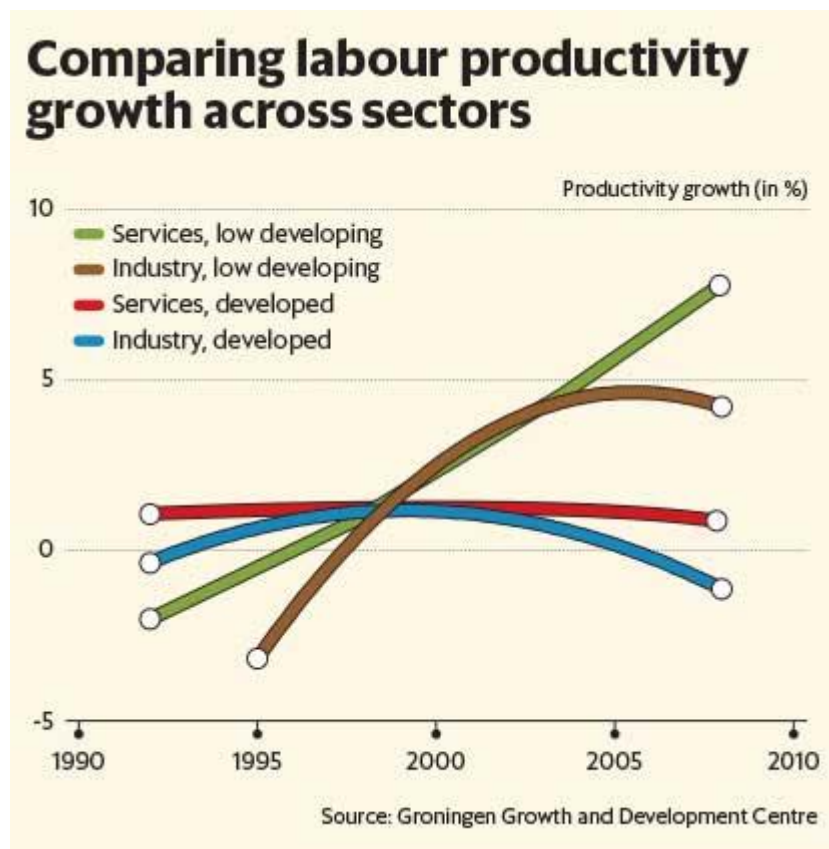
- The new industrial revolution and digital technological changes have changed the growth drivers in developing and developed countries. These technological changes have enabled services to be the new driver of growth.
- The digital revolution, by lowering transaction costs in services and overcoming problems of asymmetric information, has made services more dynamic than in the past.

The emergence of e-commerce platforms is an example of how digital revolution can lower transaction costs, increase productivity as well as make it more inclusive. For many internet-based businesses or services, fixed up-front costs can be high

initially, but once the physical infrastructure is in place, each additional customer, user, or transaction incurs very little extra cost.

There is mounting empirical evidence that developing countries are relying more on services and less on manufacturing as drivers of growth and job creation.

The sectoral trends:



The chart shows the sectoral trends—agriculture, manufacturing and services—over the last four decades, for a large group of countries. In the early 1970s, the relationship between the manufacturing labour share and income was far steeper than it is today, having followed a progressive erosion of the initial strength of this correlation over the past four decades.

Changed scenario:

The relationship between income and economic structure has shifted over time, with countries across the income distribution uniformly increasing the share of labour in service sectors.

While global growth convergence in manufacturing was a clear and strong trend some decades ago, it is no longer as strong in recent decades. Services show stronger growth convergence in recent decades. A young population is generally more connected with technological changes.

Is services-led growth sustainable?

- Global trade in goods has never fully recovered since the global financial crisis of 2007-08. But this is not the case with global trade in services, which has exploded. These are structural and not cyclical changes.
- Globalization of services is the tip of the iceberg. Services, which account for more than 70% of global output, are still in their infancy. The long-held view that services are non-transportable, non-tradable, and non-scalable no longer holds for a host of services that can be digitized.

New opportunities for India:

- The globalization of services provides new opportunities for India to find niches beyond manufacturing, where it can specialize, scale up, and achieve explosive growth.
- As the services produced and traded across the world expand with globalization, the possibilities to develop based on services will continue to expand. This pace of change will be rapid in line with the digital revolution. Global internet usage has grown globally. But this growth is much faster in developing countries. India alone adds one million new users every month to a booming mobile phone market.
- India's demographic dividend should be an asset for the digital revolution and services-led growth. Job growth is important, as ten million more people will join the labour force every year in India. Agriculture and manufacturing create fewer jobs today compared to the past. But this is not the case with services.

Example: Take the example of mobile technology and examine its role in banking. Banking is currently concentrated in the urban areas, but cities are saturated with bank branches. On the other hand, 300 million rural people across 300 districts in India have no access to banking.

Expansion of digital technology can play a big role in improving rural access to banking. Financial inclusion can be achieved through last-mile connectivity. Services are spatially more neutral compared to manufacturing. So financial inclusion could in turn help medium-size cities, small towns and villages to become new drivers of growth.

What to do?

Specific strategies for services is required. Investments in both physical and human infrastructure matter greatly for attracting new enterprises in both manufacturing and service industries. But unlike in the manufacturing sector, investments in human infrastructure, education and skills, matter much more. Given its stage of development, India needs accelerated investments in both physical and human infrastructure to support new drivers of growth and job creation.

Conclusion:

The process of globalization in the late 20th century led to a sharp divergence of incomes between those who industrialized and broke into global markets and the "bottom billion" in

some 60 low-income countries, where incomes stagnated. India shouldn't wait for China or other such giant industries to become uncompetitive in labor-intensive manufacturing. It should leap forward with its services sector which is already one of its strength. Leaping forward would offer new hopes to other developing countries as well who are struggling to strengthen their economy in this competitive world.

Connecting the dots:

- India needs to rely more on services and less on manufacturing as drivers of growth and job creation. Critically analyze.

TOPIC

General Studies 3:

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment*

An argument against Bitcoins

Background:

Compelling arguments have been made to justify the existence and use of bitcoin. The currency has caught on in a number of countries to the extent that there are indicative exchange rates for bitcoin in almost all currencies in the market. The concept of bitcoin has caught on in the world and there is evidence of its use in India, too. Also, the start of a new currency of a similar variety cannot be ruled out; hence, it is necessary to take a stance on the same.

What is cryptocurrency?

CC is a currency created from nowhere through intricate software which is foolproof. A certain sum is created independent of any central bank which is then allotted based on demand for a price which is fixed externally. A bitcoin trades at around Rs. 2.5 lakh and would be equal to around \$3,800 or €3,200.

Advantage of CC:

The advantage is that it works on algorithms and is not connected to how central banks and countries function and the ownership is anonymous. The fact that it is accepted by sellers is critical here and hence can be used seamlessly independent of monetary policies being pursued.

Defenders claim it is some kind of an alternative asset like land or stocks and is legitimate (can be taxed in some jurisdictions as capital gains).

In Indian context:

For India, that has launched an outright war against black money, which could also have meant compromising growth in the short run through demonetisation, allowing cryptocurrency (CC) would be a contradictory act.

Arguments against CC:

- Black money can proliferate easily with the use of a CC. People can automatically convert all earnings in dollars outside the country into a CC which can be used within the country or even outside where it is accepted. Drug money would get the biggest boost as it would be impossible to capture these transactions.
- Terror funding becomes easy once it is accepted as medium of exchange and the entire exercise of demonetisation would be defeated by allowing such parallel currencies to run.
- If CC is permitted it is similar to the use of counterfeit currency, as transactions would take place in currency which is not recognised by the central bank.
- From the economic standpoint, CC makes no sense. A currency carries value because it is issued by a central bank on behalf of the government and the latter promises to pay the bearer the sum written on the currency. The moment one moves into the realm of CC there is no guarantor.

RBI becomes ineffective:

Monetary policy loses meaning once a CC comes into the frame. Economies run on the basis of a currency which serves as a medium of exchange. Hence the rupee is used for making transactions and the RBI through various measures attempts to control the supply of the same. This ensures macroeconomic stability. Hence if there is excess demand due to credit creation, then the RBI's interest rate or open market operations can influence the overall demand conditions. Once a CC comes in, demand is no more linked with monetary conditions. Hence, it would make monetary policy weak and as a corollary, government policies would become ineffective as CC gains importance.

- Today, regulation ensures that there are limits to which one has access to foreign exchange and all transactions carried out by the people have an audit trail. Using CC will be destabilising. Further, with the government working towards extracting money from Swiss accounts, creating another window for CC would be self-defeating.

Conclusion:

On all counts, allowing CC cannot be justified. It should not be considered, and should also be made illegal. If one wants ease of electronic payments, this has been accomplished by the government/RBI. Allowing such a currency will generate black money. And most importantly, the central bank will lose its control over the medium of exchange in the country as well as monetary policy formulation.

Connecting the dots:

- What do you understand by Cryptocurrency. While bitcoins may have certain advantages, the risks associate with it are many. Critically analyse.

TOPIC: General Studies 3

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*
- *Inclusive growth and issues arising from it.*

Creating Jobs

Background:

For three demographic groups there is an urgent need of jobs:

- A growing number of better educated youth;
- Uneducated agricultural workers who wish to leave agricultural distress behind; and
- Young women, who too are better educated than ever before.

India is indeed the fastest growing large economy in the world; yet with investment low, credit offtake low, capacity utilisation in industry low, agricultural growth low, plant load factor low, the job growth is low as well.

What can policy-makers do to revive job growth?

- **Industrial, trade policy:** An industrial and trade policy is needed. For 20 years after economic reforms began in 1991 there was no National Manufacturing Policy, and the Policy, when it came in 2011, was not even implemented. While the DIPP is preparing the industrial policy document, it is essential that trade policy is consistent with such an industrial policy. Otherwise the two may work at cross purposes and undermine each other's objectives. This is precisely what has happened over many years. Excessive imports have been decimating Indian manufacturing. An inverted duty structure has the following features: higher duty on intermediate goods compared to final finished goods, with the latter often enjoying concessional customs duty. As a result, domestic manufacturers face high tariffs since the last 12-15 years, leading to higher raw material cost at home, emanating from the unfavourable inverted duty structure. This has prevented many manufacturing sectors from growing since economic reforms began. This must be corrected. The automobiles sector in India faced no inverted duty structure, and has thrived. India has become in the last decade one of the largest producers of vehicles of several kinds in the world now. Electronics faced an inverted duty structure, but the Finance Minister has made changes, and slowly electronics manufacturing has grown.
- **Special packages are needed for labour-intensive industries to create jobs.** There are a number of labour intensive manufacturing sectors in India such as food processing, leather and footwear, wood manufacturers and furniture, textiles and

apparel and garments. The apparel and garments sector received a package from the Government of India last year. The other labour intensive sectors have been ignored. The nature of the package will need to be individually designed for each sector.

- **Cluster development:** There should be cluster development to support job creation in micro, small and medium enterprises (MSMEs). Most of the unorganised sector employment is in MSMEs, which tend to be concentrated in specific geographic locations. There are 1,350 modern industry clusters in India and an additional 4,000 traditional product manufacturing clusters, like handloom, handicraft and other traditional single product group clusters. There is a cluster development programme of the Ministry of MSMEs, which is poorly funded and could be better designed as well. But the Ministry's total annual budget for all programmes, including cluster development, is grossly inadequate. Spread over 6,000 clusters, it becomes even more inadequate to transform MSMEs located in clusters.
- **Aligning urban development with manufacturing clusters to create jobs.** The Ministry of Urban Development (MoUD) has a programme called AMRUT (Atal Mission for Rejuvenation and Urban Transformation) aimed at improving infrastructure for small towns. Infrastructure investment by the government always creates many jobs. But the programme does not take into account whether the infrastructure investment under it is taking place in towns which have clusters of unorganised sector economic activities. Hence an engagement between the Urban Development and MSME Ministries is necessary to ensure that this is happening. It will attract more investment to industrial clusters, which is where most non-agricultural jobs are.
- **Focus on women:** Girls are losing out in jobs, or those with increasing education can't find them, despite having gotten higher levels of education in the last 10 years. Secondary enrolment in the country rose from 58% to 85% in a matter of five years (2010-2015), with gender parity. Skilling close to clusters (rather than standalone vocational training providers), which is where the jobs are, is likely to be more successful. The availability of jobs close to where the skilling is conducted will also enhance the demand for skilling.
- **Public investments in health, education, police and judiciary** can create many government jobs. Public investment in the health sector has remained even in the last three years at 1.15% of GDP, despite the creation of the national health policy at the beginning of 2017. The policy indicates that expenditure on health will rise to 2.5% of GDP only by 2025. Preventive and public health have always been in all countries the responsibility of government. More government expenditure in health means more jobs in government and better health outcomes. Revitalise schools- Government schools also have such poor quality. The number of teachers required, at secondary and higher secondary levels, is very high, particularly in science and mathematics. Many new government jobs can be provided if more young people could be trained specially to become teachers for science and mathematics at the secondary and higher secondary levels.

The same applies to the police and the judiciary. While the number of paramilitary personnel continues to grow, State governments are not filling even sanctioned posts in the police and in the judiciary (at all levels there are vacancies). More police and a larger judiciary can both reduce crime as well as speed up the process of justice for the ordinary citizen.

Conclusion:

- Thus, in order to create jobs, it is crucial to align policy across sectors and upgrade the country's social infrastructure. Above recommended steps can go a long way in boosting job growth in the country.

Connecting the dots:

- In order to create jobs, it is crucial to align policy across sectors and upgrade the country's social infrastructure. Analyze.

TOPIC: General Studies 3:

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*
- *Inclusive growth and issues arising from it.*
- *Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.*

Recalibrating Industrial Policy

Background:

A recent report by Deloitte LLP pointed out that India's young population will drive its economic growth to overtake China and other Asian tigers in the next few decades. The potential workforce in India is set to increase from 885 million to 1.08 billion in the next 20 years and hold above the billion mark for 50 years. This potential can only be achieved if enabling conditions for growth are created and sustained.

In this context, the discussion paper on Industrial Policy 2017, released recently by the Department of Industrial Policy and Promotion (DIPP), becomes relevant. The government's initiative on starting a discussion on a future-ready industrial policy is timely and welcome.

Issues with the discussion paper:

- **Piecemeal approach** While the stated objective of the new policy is to provide "an overarching umbrella policy framework", the document considers FDI, exports, domestic value addition, technology development, employment, etc, in a piecemeal manner.

While the focus in the DP is on increasing "global strategic linkages" and there is a

noteworthy call for undertaking an FDI policy review, there is no mention of the ongoing industrial slowdown and growing import dependence of Indian industry after 25 years of liberalisation of trade and FDI policies.

- A new industrial policy for India must necessarily discuss ideas for creating jobs *for* and *in* Bharat. Unfortunately, the DIPP discussion paper does not delve into this issue. Perhaps this is the result of a conventional approach which confines the scope of industrial policy to “manufacturing enterprises”, distinct from and unrelated to agriculture (including rural non-farm sectors) and the services sectors. Any design of industrial policy must appreciate its linkages and interaction with agriculture and services policies at a granular level, and with trade, competition and sector-specific policies at a broader level. This will not be possible without a systems’ view informed by a whole-of-government approach.
- The policy suggests incentives to select sunrise sectors, and possibly enterprises, which could potentially disincentivize competition and innovation, and curb the growth of other sectors. Such a straitjacket sector-specific approach might result in policies soon becoming out of sync with dynamic economic developments and with our World Trade Organization (WTO) obligations. While sectoral policies can be a valuable supplement to an industrial policy, an effective industrial policy cannot be merely a collection of sectoral policies.
- Moreover, despite the evidence that the credit needs of MSMEs are unmet by private commercial banking and financial entities, the DP has recommended other market-based financing instruments such as peer-to-peer lending and crowd sourcing. Experiences from other countries including Brazil and China show that long-term financing needs of SMEs can be effectively supported publicly. Purely market-based mechanisms suggested by the DP may play only complementary roles.
- Despite the evidence that the credit needs of MSMEs are unmet by private commercial banking and financial entities, the DP has recommended other market-based financing instruments such as peer-to-peer lending and crowd sourcing. Experiences from other countries including Brazil and China show that long-term financing needs of SMEs can be effectively supported publicly. Purely market-based mechanisms suggested by the DP may play only complementary roles.
- Trade liberalisation in most sectors has also not been aligned with development needs. This has been exacerbated by signing free trade agreements (FTAs) on the basis of an argument that participation in FTAs will enable Indian firms to become part of global value chains (GVCs) and improve their export capabilities. This has been especially reflected in the kind of tariff liberalisation that India undertook in its FTAs with Asean, Japan and South Korea, whereby the country has reduced or eliminated tariffs across the board. In the absence of active industrial policies to upgrade the domestic manufacturing and technological base, such tariff liberalisation has led to these partners achieving greater market penetration in India than what India could achieve in their markets. In light of such evidence, the DP

should have recommended that more FTAs should not be signed before evaluating the existing agreements.

Way ahead:

- Focusing on poorer hinterlands: In relation to the rising workforce, the Economic Survey 2016-17 pointed out that the richer peninsular states in India will initially witness a sharp increase in working age populations, followed by a sharp decline. In contrast, the poorer hinterland states will remain young and dynamic, characterized by a rising working age population for some time, plateauing towards the middle of the century. The poorer states in the hinterland are characterized by a substantial rural, informal economy where agriculture and allied non-farm activities are the principal sources of livelihood. For India to realize its economic potential, it is this population which needs to be tapped and provided opportunities.
- We need to recalibrate not just FDI policy, but equally crucially, trade policy. Simultaneously, the country requires active interventions to build and upgrade domestic entrepreneurial and technological capabilities.
- It would be timely for a new industrial policy document to dissociate both state support for industrial development and public-sector firms from the legacy of the excesses that were part of import-substitution industrialisation and grant them their rightful place in financing long-term investment and technological change. To ensure this, financing mechanisms must be designed in ways that preclude political leverage to avoid rent-seeking behaviour and inefficiency. Moreover, any government support must be time-bound and periodically modified based on performance monitoring. This was one of the factors that distinguished the successful industrial policy regimes of South Korea and Taiwan.

Conclusion:

A new forward-looking industrial policy for India must have Bharat as its soul. It must prioritize the creation of livelihoods in rural and semi-urban areas, and should recognize the importance of growth in the rural non-farm and agriculture-allied economy for industrial development. It needs to take a more holistic view on FDI, technology development and trade.

Connecting the dots:

- A new forward-looking industrial policy for India must have Bharat as its soul. It must prioritize the creation of livelihoods in rural and semi-urban areas, and should recognize the importance of growth in the rural non-farm and agriculture-allied economy for industrial development. Discuss.

TOPIC: General Studies 3

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Strengthening state level enterprises

Background:

Given the downturn in economic growth and the daunting challenge of creating jobs for those already in and those about to enter the workforce in the country, the need to boost the manufacturing sector has become exceedingly urgent. The government at the Centre is committed to reviving manufacturing with initiatives such as the “Make in India” and “Digital India” programmes. It has correctly identified burdensome regulations as a major culprit for lagging manufacturing, resulting in a focus on easing regulatory hurdles in order to improve the “ease of doing business”.

Issue:

The issue is that many of the regulations that affect businesses fall within the jurisdiction of State governments. For instance, starting construction of any kind requires getting no-objection certificates (NOCs) and approvals from various departments of the municipality and State government. Firms that employ more than 10 workers are subject to meeting compliance requirements under State labour laws. The task of providing adequate water and proper roads falls to respective State government departments. Thus, the ultimate responsibility for easing regulations and improving the business environment lies with States even more than the Centre.

Steps taken by the state governments:

State governments are making earnest efforts to improve the ease of doing business. They have undertaken reforms across different areas of doing business, such as labour, environment, setting up a business, among others, in order to reduce the time and costs of meeting compliances.

A majority of States have introduced single window clearance systems along with the necessary laws to make it simpler to start a business. Many now allow self-certification as well as third-party certification for granting various permits. The Department of Industrial Policy and Promotion (DIPP) of the Union government introduced a detailed survey of State governments and it publishes a real-time annual ranking of States. This ranking reflects the number of reforms that states have implemented. This initiative has fostered competition among States in order to improve their ranking and is taken very seriously by bureaucrats and politicians alike.

What needs to be done?

To fully understand how business is actually done and whether reforms by States are being implemented, it is necessary to ask enterprises or firms themselves – who bear the burden

of compliance – about their experience in meeting mandated requirements. This will provide direct feedback to State governments about how their actions are helping the situation on the ground. This would be a complement, not a substitute, to DIPP's survey.

Variations in performance across the states:

Along the lines of these World Bank Enterprise Surveys, NITI Aayog, in collaboration with IDFC Institute, published a report based on a State-level enterprise survey of more than 3,000 manufacturing firms across India.

The survey reveals a wide variation in the time taken for getting various approvals and cost of doing business across States. It also shows that although States have implemented reforms and instituted improved processes, enterprises are often unaware of them. The results shows that: States that experience high growth have a better climate for doing business, suggesting a virtuous circle between a better regulatory environment and more rapid growth.

What needs to be done?

- Repeated surveys of enterprises at the State level will provide sufficient data to reasonably measure whether States that have a better doing business climate as reported by firms also see better outcomes over time.
- They will also allow States to check whether their reforms are yielding results, how far they have come, how they fare in relation to other states, and recalibrate the measures undertaken.
- These State level report cards could not only be a means for getting feedback but also help build political and public consensus around reforms at the State level.

Conclusion:

An improved doing business climate due to reforms could deliver real gains in terms of increased investment in manufacturing and creating a large number of good jobs. India needs no less if we are to jumpstart growth and eradicate poverty.

Connecting the dots:

- Analyzing the performance of state level enterprises and working on strengthening them is required if manufacturing sector is to be given a boost as many of the regulations that affect businesses fall within the jurisdiction of State governments. Discuss.

TOPIC: General Studies 3

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*
- *Inclusive growth and issues arising from it.*

Avoiding demographic crisis

Background:

A study from 2014 indicated that 76 per cent of the youth belonging to farming households in India were not interested in pursuing farming as an occupation, and a large share of landless and marginal farmers preferred exploring livelihood options in cities. The reason behind agriculture's decreasing appeal among even its practitioners is simply that the economics of farming is failing in India. It has to be understood that sustaining 50 per cent of the population gainfully on what constitutes less than 12 per cent of the GDP pie has proven untenable.

Farm loan waivers are no solution akin to only a temporary symptomatic relief to a deep-rooted disease.

Troubling economy:

On all fronts, India's recent record is troubling.

- Exports have fallen by and large.
- Right now, with banks under duress, gross fixed capital formation (GFCF) — a proxy for private investment in the economy — has hit rock bottom.
- The battered banking sector — thanks to corporate India's bad loan problem — does little to help the already under credited MSMEs.
- Construction — which is the second largest employment generator in India — is undergoing its biggest slowdown since 2008. This is worrisome as the diversification of even rural employment towards non-farm is principally owed to construction.
- The skilling mission has failed to meet the target by huge gap. A fraction of DDUGKY trainees (under the Deen Dayal Upadhyaya Grameen Kaushalya Yojana) went on to be placed, and even fewer of them continued with their jobs.
- In jobs higher up the skill ladder, all is not well. We have seen unprecedented layoffs in IT sector recently. And then there is the potential impact of artificial intelligence on relatively low-end service sector jobs.

Way ahead:

Increasing agricultural productivity is part of the solution. But not an end to all woes as it is often a supply glut in perishables that induces price crashes leading to poor or no recovery and trapping the farmer in debt. For example, in 2016-17 bumper harvest notwithstanding, farmers suffered. The inflation targeting mandate of the macroeconomic policy dispensation (RBI and finance ministry) is also problematic for farmers already operating in a fragmented supply chain with grossly inadequate access to either infrastructure, the market, credit or proper insurance.

Intelligent ways forward to keep at bay a demographic disaster include:

- A China-like push to engender an en masse shift from farm labour to industry, or millions of rural micro-enterprises that are in agro-industries or otherwise.

- A specific push for value chain upgradation including food processing, packaging, etc. by cooperatives or farmers groups / producer companies can be explored.
- To create mass employment in industry, the manufacturing sector needs to take the lead and perform. This need not be big manufacturing. Even MSMEs are fine. Farmers can be absorbed in manufacturing without much additional skilling, and with an export-oriented thrust, the sector might actually bypass muted demand scenarios domestically. According to latest estimates, MSMEs contributed 37.33 per cent of total manufacturing output in the country. During 2015-16, MSMEs made up almost as much as 50 per cent of total exports. It needs no underlining as to the importance of MSMEs with respect to job creation.
 - The MUDRA initiative — aimed at creating microenterprises across India's villages, towns and cities — has proven to be a dark horse among all of Prime Minister Modi's policies. One report goes on to claim that 16.18 million incremental jobs have been created under MUDRA in the last two years. But more rigorous evidence about MUDRA's impact on job creation and incomes is needed.
- Government-backed infrastructure projects such as 'Housing for All' reflect some hope for construction sector job creation nonetheless. As it would give boost to construction sector.

Conclusion:

At a time when the Labour Force Participation Rate (LFPR) has been steadily going down (from 63.7 per cent in 2012-13 to 55.6 per cent in 2015-16) — indicating possible spike in youths, including females, enrolled in formal higher education — the economy has to be ready to offer young people jobs — 1 million every month.

Connecting the dots:

- With trouble brewing in farming and realty, factory output slackening and joblessness on the rise, radical solutions are needed if our demographic dividend is to be a dividend and not a crisis. Discuss.

TOPIC:

General studies 2:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

General studies 3:

- *Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth; Intellectual Property & Patent related issues*

Making Indian an innovation hub: Protecting IP rights

Background:

The government has expressed desire to make India a hub of innovations at several for a. In PM Modis's words: "Innovation is life. When there is no innovation, there is stagnation". In his budget speech in 2015, the finance minister announced the setting up of the Atal Innovation Mission. But the progress in this respect has been tardy.

Efforts taken in past:

The UPA government, which constituted the National Innovation Council (NIC) in 2010 under Sam Pitroda, then adviser to the prime minister on innovations. The NIC's key mandate was to draw a roadmap for innovations between 2010 and 2020. The council submitted three annual reports to the government, the last of which was in 2013. Sectoral innovation councils were set up in 25 major departments of the Union government, including in the ministry of agriculture. State Innovation Councils were also set up. The idea behind the setting up of these councils was to mainstream the idea of innovation in the functioning of the Union and state governments.

However, it soon became evident that despite the government's best intentions, there were hardly any innovative ideas which could be scaled up to the national level. This shows that government organisations are not ideally suited to devise game-changing innovations as they are mired in routine work. The work of the councils proves that innovations are designed in a supporting environment, irrespective of the size or nature of an organisation. The most important support that the government can provide is to protect the innovation itself.

Way ahead:

The priority task for the government should be to create an enabling environment to safeguard the intellectual property of individuals, private and public companies that develop new products and ideas using their own investments.

Poor record on IP protection:

India is placed 60th among 127 countries according to the Global Innovation Index of 2017 — an index prepared by Cornell University, INSEAD and the World Intellectual Property Organisation. Switzerland tops the list followed by Sweden, the Netherlands, the US and UK. Singapore is ranked seventh, Japan is at the 14th position, Israel is ranked 17th, and China 22nd.

In the Forbes list of the 10 most innovative companies in the world, six come from the US. Interestingly, in a recently released International intellectual property (IP) index that studied 45 countries, India ranked a poor 43rd. It is this poor record on IP protection that is holding India back from being a leading nation when it comes to innovations.

Innovations in agriculture: A case study

One of the biggest innovations in Indian agriculture in the past 15 years was the introduction of Bt cotton in 2002. The innovation made India one of the top producers of cotton and the second largest exporter of the crop. Mahyco Monsanto Biotech, which released Bt cotton through its 40 or so odd licencees, wanted to release HT Bt cotton as well and applied to the Genetic Engineering Approval Committee (GEAC). HT cotton is an innovation on Bt cotton, as it takes care of the problem of weeds at a cost much lower than that incurred by farmers in employing labour to take out weeds. But before Mahyco Monsanto Biotech could be granted permission for HT cotton, some unscrupulous elements pirated this cotton variety, probably from countries like the US and Australia, where HT cotton had already been released. These pirated seeds were multiplied in the country and this kharif season, several companies have sold an estimated 35 to 45 lakh packets of HT Bt cotton seeds. About 7 per cent to 10 per cent of the area under cotton in the country is now under this counterfeit crop. In view of the blatant violation of its IPR, Mahyco Monsanto Biotech withdrew its application in 2016. The government of the day did not take action to stop these activities.

Conclusion:

India cannot aspire to be an innovation hub, if such clandestine activities flourish and innovators suffer. Stern and exemplary action is required in case of violation of IPR rights. Also, regulatory bodies need to clear applications for innovative products on time, lest they are introduced by pirates. Making India an innovation hub will become difficult if piracy is not tackled on war-foot basis.

Connecting the dots:

- For India to become an innovation hub, protecting Intellectual Property Rights is a must. Critically analyze.

TOPIC

General Studies 3:

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

General Studies 2:

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*

"Ease of doing business" rankings: Critical analysis

Background:

The World Bank's annual "Doing Business" indicators attempts to quantitatively capture the regulation that small- and medium-sized firms encounter in 190 countries around the world.

Established in 2002, the annual exercise has arguably become the single most influential measure of a country's investment climate.

Indian context:

Clocking in at 130th on last year's rankings, India had the worst business environment of the BRICS (Brazil, Russia, India, China and South Africa) economies. Even by Indian standards, the anticipation for this year's edition of the report is remarkable, since there is an expectation that India's rating will improve significantly thanks to recent reforms.

Doing Business: De facto vs de jure

- By the World Bank's own admission, the Doing Business rankings do not "measure all aspects of the business environment that matter to firms or investors". They provide an assessment of red tape and administrative hurdles across 11 areas of business regulation. To determine their rankings, the World Bank relies on four sources of information: the laws and regulations on the books, experts well-versed in local business practices, national governments, and World Bank staff.
- The insights the World Bank compiles are extremely useful, but they are not necessarily representative of what firms experience in real life. Where the informal economy thrives and regulations are poorly enforced, the de jure regulations measured by the World Bank are often only tangentially related to the de facto processes that businesses encounter.
- The challenges are even more profound in large countries such as India, since the World Bank has traditionally assessed just the largest business city in each country, only incorporating a second major city for the 11 most populous economies as of the 2015 report. In India, the relevant cities are Mumbai and Delhi. One should consider the representativeness of the data with caution and bear in mind that the methodology incentivizes reforms in a few cities rather than improvements to the investment climate of the country as a whole.
- Comparing surveys- The IDFC Institute in Mumbai conducted its own survey (in 2015-16) of manufacturing firms in conjunction with NITI Aayog, the results of which were published last month. Data from this survey and from that conducted by World Bank differs a lot.

Implications:

Following points must be noted while analysing ease of doing business rankings:

- First, the Doing Business indicators provide a snapshot of a country's red tape; they have no pretension of providing a comprehensive picture of the investment climate. As the World Bank makes clear, the indicators are not designed to comment on macroeconomic indicators or prospects for growth.
- Second, there exists a wide divergence between de jure and de facto realities in most economies. What firms actually encounter "on the ground" is perhaps more important, but there

are limitations to our ability to measure and interpret those experiences without bias.

Way ahead:

- The Doing Business reports' de jure indicators offer a snapshot of a country's regulatory cholesterol, but likewise should not be viewed in isolation. Rather, by using the two types of data in tandem, one can develop a more holistic picture of the business environment. Furthermore, by examining the differences between the data sets, one can gain insights into issues of governance and the rule of law.
- One aspect of the Doing Business report which should be focused is how India rates on the so-called "Distance to Frontier" (DTF) measures, which capture the ease of doing business compared to the highest score any country has ever received in a given category (say, registering property). This metric is useful because a country can make absolute progress but fail to climb in the relative rankings because other countries have also reformed.
- The World Bank, to its credit, has tried to account for various limitations through another undertaking: firm-level enterprise surveys. These are explicitly designed to capture the de facto realities that the Doing Business indicators might miss, shedding light on what firms actually experience, as opposed to what experts estimate or formal rules demand.

Conclusion:

The Ease of doing business rankings thus, should not be seen as the ultimate marker of the ruling party's reform success. Likewise, investors who are considering the prospects for investment in India should recognize what the rankings do and do not tell us.

Connecting the dots:

- The ease of doing business rankings provided by World Bank suffers from various shortcomings. Discuss.

TOPIC: General Studies 3:

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Recapitalisation of banks: With caution

In news:

The government has committed itself to a bold programme to provide additional capital to public sector banks. The Rs2.11 trillion recapitalisation plan—Rs0.76 trillion of equity from the government and financial markets and another Rs1.35 trillion through recapitalisation bonds has been approved. It should be adequate for the next two years. Rating agency

CRISIL has estimated that public sector banks will need about Rs1.4-1.7 trillion of additional capital by March 2019 to meet the international Basel III requirements.

Background:

- Burdened with bad loans as well as stressed assets of close to Rs. 10 lakh crore, India's banking sector has been facing issue of extending fresh loan in recent quarters.
- The economy has been seized in the twin balance-sheet problem. Over-leveraged companies unable to invest or borrow afresh and banks unwilling or/and unable to finance fresh investments made private investment-led recovery seemed unlikely.

Rationale:

The Centre is betting that recapitalisation plan will strengthen the banks' ability to extend credit at a faster clip. RBI Governor Urjit Patel has said this is the first time in a decade that there is a real chance of meeting the banking sector's challenges. Although resorting to recapitalisation bonds is not a desired outcome, it is perhaps the best that the government could have done in the given circumstances. It is important to note that India is predominantly a bank-financed economy and would find it difficult to grow at a higher rate without the necessary support from the banking system. Infusion of capital will fast-track the resolution of non-performing assets and will help economic revival with the restoration of flow of credit to small and medium enterprises. Drastic corrective measures were needed to solve the twin balance sheet problem.

Way forward:

- As the recapitalisation deals with the stock of toxic assets, the challenge will be to ensure that the lending spree to influential industrial groups that took place is not repeated.
- Giving banks extra capital was only one of the seven grand themes of the Indradhanush programme announced in 2015. The reform of the Indian banking sector—and especially the privatization of banks—should be the next step.
- Every bank recapitalisation of this sort naturally brings in its wake fears of moral hazard. Banks will not take adequate precautions when they are lending when they know that the government will step in to help if the loans turn sour. The weaker banks should be given capital only to maintain their current operations, maybe by asking them to use incremental deposits only for investment in government securities. Meanwhile, the larger borrowers who have defaulted on loans should face the heat of the new insolvency law, rather than be allowed to free ride on the recapitalisation. Such market discipline is needed.
- The government needs to decide what proportion of the fresh capital will go for provisions against existing bad loans and how much is to be allocated for new loans.
- The NPA reform and disciplining of errant companies should be focused upon. This will give credence to the initiative.

Conclusion:

The government should back bank recapitalisation with reforms in the financial sector—and in public sector banks in particular. The fact that recapitalisation bonds can be used for capital infusion should not become an alternative for better governance.

Connecting the dots:

- The central government recently approved the plan for recapitalisation of banks. Discuss the rationale behind and also what all other steps are required to be taken if the plan is to succeed in revamping the banking sector.

TOPIC: General Studies 3:

- *Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.*

Comprehensive banking policy reforms needed**Introduction:**

The recapitalization of public sector banks has been rightly welcomed by most analysts. The government has decided to spend big money to clean up the banks it owns, despite the obvious risks of moral hazard that bank bailouts across the world have inevitably faced.

Background:

Three important policy documents laid the groundwork for banking reforms since the 1991 reforms:

- The report of the first Narasimham committee set up in 1991.
- The report of the second Narasimham committee set up in 1998.
- The report of the Raghuram Rajan committee that was released in 2009.

Not all their ideas were implemented, but they did help in structural transformation of Indian banking. It is now time for a fourth comprehensive look at the issue, as a new set of challenges emerge.

Progress over the years:

Indian banks now have to meet international capital adequacy standards, a smaller portion of their deposits has to be handed over to fund the fiscal deficit, interest rates are determined by the market, branch expansion policies are more liberal and new private sector banks offer competition to the public sectors banks. Despite this undoubted progress away from the days of financial repression, this is the third banking mess (the NPA issue) India has had to deal with over the past three decades.

Lesson from equity market:

Policy reforms in the equity markets have ensured that there has been no systemic crisis even in moments of immense stress.

Banking policy issues:

- **Autonomy:**
The need for public sector bank autonomy has been recognized for long. Such autonomy is impossible given the political interests involved. India needs to now shift the needle from autonomy towards privatization. Banking is the only important sector of the economy in which the private sector is dwarfed by the public sector. The share of public sector companies has fallen sharply in most sectors such as airlines. Banking is an exception—and it is time this change.
- **Three-tier banking structure:** The first Narasimham committee had said that India should move towards a three-tier banking structure. Four large lenders were to be developed as global banks, 10 banks were to become nationwide universal banks and local banks would concentrate on specific regions. The underlying issue of banking structure is an important one. The ongoing debates about bank consolidation and differentiated licensing require a framework rather than the current ad hoc statements.
- **Narrow banking:** There is a strong case to convert at least some of the weak banks into narrow banks that use all their deposit money to buy government bonds. They could in effect become large payments banks rather than the more traditional financial intermediaries. Narrow banking is an idea that needs serious attention.
- **Corporate bond market:** India needs to move towards a financial structure in which large companies get mostly funded by the bond markets while smaller firms depend more heavily on banks for their finance. The problem is that the corporate bond market is still illiquid, with most bonds held to maturity by a narrow set of investors. Deepening the corporate bond market is critical.

Caution:

One of the grand lessons of the global financing crisis is that no country has figured out how to maintain financial stability. Credit booms have inevitably left bad loans in their wake. Bank-led financial systems such as Japan have been in trouble. And so have financial systems such as the US where the bond markets are more important.

Conclusion:

Unstable financial systems hurt economic growth and job creation in the long run. The fiscal costs of bailouts can also be staggering. The Indian policy makers needs to decide what financial structure is required if another banking crisis is to be avoided..

Connecting the dots:

- Discuss major policy issues faced by public sector reforms. Unless banking policy reforms are carried out we would continue to face banking crisis. Analyze.



GOVERNANCE

TOPIC: General Studies 2

- *Role of civil services in a democracy.*
- *Important aspects of governance, transparency and accountability and institutional and other measures.*

Reforming Civil Services

Background:

India is at the confluence of two trends that are fundamentally challenging the world: The rise of Asia, with the growing importance of the Asian consumer, and digitisation. The Asian consumer's rise between 2010 and 2020 will in dollar terms add a new United States to global consumption. Digitisation (ubiquitous connectivity, unlimited storage, massive and growing computing power, enormous growth in data, artificial intelligence, robotics, blockchain, computer capable mobile handsets) is profoundly changing not just how people live and interact, but also how businesses and governments are, or will need to be in future. The modern era's need for specialisation fundamentally challenges Macaulay's notions of a well-rounded generalist on which the Indian civil service was founded.

How should our bureaucracy evolve to navigate the challenge?

Our government is spread thin. It is understaffed when compared with governments in developed countries and many important government departments are staffed by people who do not have the requisite skills to discharge their increasingly specialised jobs.

Issues:

Lost attractiveness:

- It is widely recognised that the prestige of the service has fallen since the 1991 reforms — the reduced controls and the accompanying reduction in licensing reduced their power.
- Reforms also saw the emergence of alternative professions in the private sector whose pay was considerably higher.
- The equation between the politician and the bureaucrat also changed decisively in favour of the politician.

The service, therefore, lost a lot of its attractiveness.

The recruitment examination:

Though extremely competitive, is not targeted.

- Candidates can choose any two subjects and have one common general knowledge paper. Thus, people who get in are from different backgrounds.
- The nature of jobs that are performed in the state secretariat and the Centre encompass disparate departments (education, health, finance, public works department, urban development etc). Many of these require specialists like accountants, town planners, environmental experts, economists, architects, management degree holders et. Generalists today perform all these different roles.

Skill mismatch:

- All the officers get a year-long training at their respective academies and then are posted to a district. They get trained to become good administrators. In today's highly specialised world, it does not prepare them well for many of the roles they are expected to perform in the secretariat, whether in the state or at the Centre. After a few years in the state secretariat, there is a race among them to get the jobs at the Centre. Further, most jobs in the states are not as attractive as the posting in Delhi.
- It shows that the best officers prefer to do jobs for which they have not been explicitly trained rather than do the jobs they are actually good at in the states.
- The skills and aptitude required to work as a district magistrate are different from that required to work as a joint secretary at the Centre.

Way ahead:

- We need to move away from the colonial paradigm.
- We need to staff specialised ministries, at the Centre or in the state, with people with the requisite skills irrespective of how bright they are.
- The time has come to set up a high-powered committee to work out the correct bureaucratic structure for India. This is urgent.

Conclusion:

To make this century an Indian century we need the state to be able to address the challenges we face and facilitate the changes we need. This requires a qualified and effective bureaucracy. We expect them to do what they were never trained to do in an increasingly specialised, complex and changing world. We need to fix this now.

Connecting the dots:

- The rise of Asia and digitisation have resulted into new challenges. To tackle it we need a change in the way administrative system works in India. In this light discuss the need of reforming the civil services.

TOPIC: General Studies 2

- *Issues and challenges pertaining to the federal structure.*

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Important aspects of governance, transparency and accountability and institutional and other measures.*

General Studies 3

- *Various Security forces and agencies and their mandate*

'Modernisation of Police Forces' scheme: A step towards police reforms

In news: The Union Cabinet recently approved a Rs. 25,000 crore outlay for upgrading the internal security apparatus in States. An umbrella scheme, 'Modernisation of Police Forces', has been cleared, with the government projecting this as "one of the biggest moves towards police modernisation in India".

Features of the scheme:

- The Centre's contribution will be of about 75%, with the promise that gaps in police transport, weaponry, communications, and forensic support among others will be met.
- The funds are to be rolled out over the next three years, with the Centre contributing Rs. 18,636 crore and States Rs. 6,424 crore along the lines of the established police "modernisation" model.
- Under the scheme, Jammu and Kashmir, the Northeastern States and those affected by Maoist violence are to receive special focus.

Issues:

Will it help deal with the issue of maoism?

With reference to Naxalism, the annual report of the Union Ministry of Home Affairs (MHA), 2016-17 notes that there has been a reduction in violent incidents and violence-related deaths since 2013. But, a Central paramilitary force, not the State police, is at the forefront against Naxal groups. Further militarising of police could only increase violence. Instead we need to consider alternative strategies not solely reliant on coercive force.

Issue of rising encounters sidelined:

The issue of encounters as a legitimate crime-fighting strategy, irrespective of the strictures of the Supreme Court, hasn't been raised. Governments and the police have become glaringly opaque in their responsibility to account for deaths caused due to police action. The state needs to be reminded that it is bound to register a First Information Report and initiate a criminal investigation into any encounter killing by the police. Unaccounted deaths at the hands of the police are violations of the right to life.

Poor capacity to utilize the funds:

The underutilisation of existing funds in the broader context of state capacity to absorb such a significant tranche is an issue. The 2013-14 MHA guidelines on modernisation funds mandate that every State and the Centre furnish a utilisation certificate for the full amount of modernisation funds released yearly. The Finance Ministry stresses that unless the certificates account for the full amount of funds sanctioned, no new funds will be released. Considering that only 14% of modernisation funds were spent in 2015-16, one would advise a tempering of the excitement around this infusion of funds until the previous year's accounting is done. Not only are modernisation funds underspent, on average, but also only about 3% of Central and State Budgets are spent on policing.

Technical reforms rather than accountability reforms being stressed:

"Reform" geared towards technical and infrastructural advancement is being made, but reform which demands greater checks and balances is resisted and violated.

- Less than 10 States provide security of tenure to their police chief and key field officers.
- Only five States provide for independent shortlisting of candidates in the process of appointing police chiefs; everywhere else, directors general of police are handpicked by Chief Ministers.
- Serving police and government officers are adjudicating members on police complaints bodies even though these are supposed to be independent from the police department.

Supreme Court Guidelines:

The directives issued by the Supreme Court in **Prakash Singh Vs. Union of India case, 2006** includes:

- Constitution of a State Security Commission (SSC) to check the political interference and review the performance of the police.
- Transparency in the process of appointment of the DGP.
- Separation of the law and order and investigative functions
- Establishment of a complaints authority are the more important among them.
- Ensure that police officers are provided with a minimum tenure security.
- Set up a Police Establishment Board (PEB) to decide transfers, postings, promotions and other service related matters of police officers.

Conclusion:

The police reform to aspire for is to move beyond armour plating to accountability and the upholding of the law as measures of police effectiveness. The SC directives in this regard needs to implemented in true spirit by the states, and the centre must facilitate such transformation.

Connecting the dots:

- An umbrella scheme, 'Modernisation of Police Forces' has been launched by the central government. Discuss its provisions. While the scheme will surely bring in technical and infrastructural reforms, the much-needed police reforms regarding ensuring checks and balance stays sidelined. Critically analyze.

TOPIC: General Studies 2

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes.*

Solving the issue of homelessness

Background:

One of the most challenging problems of our times is homelessness. The challenges for India are daunting: An estimated 65 million people, or 13.6 million households, are housed in urban slums, according to the 2011 Census which estimated that an additional 1.8 million people in India were homeless. India is urbanising fast. Around 38 per cent of India will be urbanised by 2025. This would mean some 540 million people will be living in urban areas by 2025. Experts estimate that 18 million households in India are in need of low-income housing. This paired with a shrinking supply of land and high construction costs is leading to a growing slum population. Experts estimate that by 2025 more than 42 per cent of India's population will be urban. Currently, the level of public services offered in slums is seriously deficient. An estimated 58 per cent of slum areas have open or no drainage, 43 per cent transport water from outside communities, 34 per cent have no public toilets, and an average of two power outages occurs each day.

Owning a house: Bedrock of possibilities

Providing stable, affordable housing is a major first step to establishing and sustaining a basic standard of living for every household.

- Many who live in slums have little to no control over or ownership of the property they live on. The formal financial sector is unable to serve them. Once titled, they could obtain access to several public benefits including loans.
- Housing is often the bedrock of other development interventions: owning land boosts health profiles, educational outcomes and gender equality. The converse is equally true.
- A decent habitat for the poorer sections of society will not only contribute towards their well-being and real asset creation, but also catalyze overall social and economic growth.
- The priority for housing ought to be higher than education and health. For many people in the developing world, the land on which they live is their only asset. If that

property is not publicly recognised as belonging to them, they lose out on social benefits.

- Giving slum-residents basic property rights would encourage residents to invest in home improvement and encourage municipalities to provide infrastructure and better services.

Way ahead:

- Upgradation rather relocation should be an option. Several attempts to relocate slum dwellers to the city's fringes have failed because the location restricts the access of residents to employment, schools and other amenities. Slum-dwellers favour upgradation of existing facilities and secure tenancy.
- The Government should improve the legal and regulatory environment and increase the supply of affordable, legal shelter with tenure security and access to basic services and amenities.
- The Government should undertake physical upgradation of informal settlements sometimes accompanied by the provision of public services, such as access to roads, electricity, water supply and sanitation. These services create a high level of perceived tenure security. There is extensive need for repair of dilapidated housing stock and the provision of essential services.

Property rights:

Conventionally, property rights mean the right to use, develop and transfer property. However, a different set of property rights for informal housing, one that gives the owner-occupant mortgageable status can be provided. The Government could also permit the owner-occupant to have only the right to use the property and access basic services as in public housing. Alternatively, it could give property rights on lease. It could restrict use and exchange of such property to only between low-income groups. This can bring unplanned settlement into acceptable relation with the planning norms. Titles could be regularised in exchange for acceptance agreed urban planning guidelines.

Case study:

The Odisha government recently took a revolutionary decision by providing urban poor residing in 3,000 slums land rights for residential use that are heritable, mortgageable and non-transferable. Endowing slum dwellers with mortgageable titles can open the gates to many opportunities for improving health, education, employment and providing entitlements to social programmes.

Conclusion:

The stresses on account of homelessness are mounting. Solutions will come from pairing passion with entrepreneurship and digging deep into the challenge at hand.

Connecting the dots:

- Homelessness is a serious challenge in India. Discuss the importance of owning a house and the ways government can ensure ownership rights for maximum population including those living in slums.



HEALTH

TOPIC: General Studies 2

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Issues relating to development and management of Social Sector/Services relating to Health*

Managing Distress: How essential are social policies?

Background:

Today, 800,000 persons die by suicide globally and over 1,33,000 in India every year. Among 15-29 year olds, it's the second leading cause of death. Reasons attributed range from family problems and ill health to mental illness, debt, unemployment, failure in exams and relationships.

Why the distress?

Multiplicity of material and existential problems results in turmoil, followed by confusion and apathy that invokes feelings of distance, unquietness and feeling trapped. Inability to grapple with the complexity of economic and social pressures of survival and conformity seem to result in a sense of hopelessness. The injustice of relative poverty or the anguish of perpetual and intergenerational distress resulting from intractable structural barriers pose a form of uncategorised violence that result in a lack of optimism and a chronic state of hopelessness.

How important are social policies?

Essentiality of social policies that support those in distress through periods of economic lows can be judged from following case study- High levels of social suffering prevailed through the Great Depression in the U.S., it was death by suicide that showed significant increase in incidence, in comparison to most other ill health conditions. States that maintained social equilibrium safeguarded essential interests of the disadvantaged through uninterrupted investments in health, education and social sectors. In this context, it may be important to note that 70% of persons who died by suicide in India lived on an annual income of Rs. 1 lakh.

As we better understand predictors of suicide, key harm reduction theories emerge.

The way forward:

- The Bhore Committee had stated that every Indian should be able to access health care "without the humiliation of proving their financial status, or the bitterness of accepting charity".

- In the case of the ultra-poor living with mental health issues, targeted social interventions such as the disability allowance, an entitlement, that helps mediate struggles of deprivation, and by extension, exclusion, mandated by the Mental Health Care Act and the Rights of Persons with Disability Act, must be better streamlined, adopting an integrated single window health and social care system that will minimise cumbersome bureaucracy.
- At a societal level, widening gaps linked to power and control may have defeated values of empathy and engaged compassion. Within families and across social groups, a mutual sense of responsibility and affiliation towards each other must be reinforced, through rituals and culture, social training or self-learning. Being kinder helps save lives and even as we celebrate diversity and agency, values of interdependence have to be strengthened.
- Focus on personal meaning that motivates and goads one forward must be ardently pursued.
Caught in web of everyday struggle and social forces, personal aspirations built on the foundation of dominant social norms may secretly appropriate our authentic core, as we realign our values and positions and conform.
- Responsive health systems have to be pursued, with a sense of commitment and urgency.

Connecting the dots:

- Today, 800,000 persons die by suicide globally and over 1,33,000 in India every year. Discuss the reasons behind high suicide rates in India. And also, how important it is to have a responsive health system in such cases.
- The Mental Health Care Act and the Rights of Persons with Disability Act passed recently must be streamlined if India is to check rising mental distress among the citizens and also check the suicide rates. Analyze.

TOPIC: General Studies 2

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Issues relating to development and management of Social Sector/Services relating to Health*

Public Health Management Cadre: Need of the hour

Background:

The 12th Five Year Plan and the National Health Policy, 2017 have strongly advocated establishing a public health management cadre to improve the quality of health services by having dedicated, trained and exclusive personnel to run public health facilities.

Recommended by various committees:

- The idea of having dedicated personnel for public health management goes back to 1959 when advocated by **the Mudaliar Committee**, which observed that “personnel dealing with problems of health and welfare should have a comprehensive and wide outlook and rich experience of administration at the state level”.
- It was echoed too, in 1973, by **the Kartar Singh Committee**, which said that “doctors with no formal training in infectious disease control, surveillance systems, data management, community health related problems, and lacking in leadership and communication skills, with no exposure to rural environments and their social dynamics, nor having been trained to manage a facility or draw up budget estimates, were ill-equipped and misfits to work in public facilities”.
- In 2011, a **High Level Expert Group** on Universal Health Coverage recommended creation of an All India Public Health Service Cadre "that should be responsible for all public health functions starting at the block level and going up to the state and national level. This cadre should be supported by a state public health cadre. This would be akin to civil services.

Why have such a cadre?

The idea is on the lines of the civil service — of having dedicated, professionally trained personnel to address the specific and complex needs of the Indian health-care delivery system which is grappling with issues such as a lack of standardisation, financial management, appropriate health functionaries and competencies including technical expertise, logistics management, and social determinants of health and leadership.

- Doctors with clinical qualifications and even with vast experience are unable to address all these challenges, thereby hampering the quality of our public health-care system.
- Doctors recruited by the States and the Ministry of Health and Family Welfare (through the Union Public Service Commission) are to implement multiple, complex and large public health programmes besides applying fundamental management techniques. In most places, this is neither structured nor of any quality. In the absence of a public health cadre in most States, even an anaesthetist or an ophthalmologist with hardly any public health knowledge and its principles is required to implement reproductive and child health or a malaria control programme.
- As most states have no public health cadres, theoretically, a district medical officer, required to implement public health programmes such as vector borne diseases or TB control, could be a radiologist or an orthopaedic doctor with scanty knowledge of public health principles and management.

- At the Ministry level, the highest post may be held by a person with no formal training in the principles of public health to guide and advise the country on public health issues.
- With a public health cadre in place, we will have personnel who can apply the principles of public health management to avoid mistakes such as one that led to the tragedy in Uttar Pradesh as well as deliver quality services. This will definitely improve the efficiency and effectiveness of the Indian health system.
- With quality and a scientific implementation of public health programmes, the poor will also stand to benefit as this will reduce their out-of-pocket expenditure and dependence on prohibitively expensive private health care.
- In the process, we will also be saving the precious resources of specialists from other branches by deploying them in areas where they are definitely needed.
- Filling the post of director general in the Health Ministry from this cadre with similar arrangements at the State level including the posts of mission directors will go a long way in improving planning and providing much-needed public health leadership.
- Another benefit will be the freeing up of bureaucrats and their utilisation in other much needed places.

What does All India Health Cadre imply?

Instituting an AIHC would imply that doctors (and other non medical personnel) desirous of working in government would require to undergo training in health policy and work in district level hospitals for a period of time as a pre-qualification for promotions.

Steps being taken:

- Tamil Nadu took the lead in this and there has been a great difference in the way health delivery is done there vis-à-vis Uttar Pradesh. For example, in U.P., even in a tertiary hospital, according to media reports, simple record keeping of oxygen cylinders is not followed.
- Recently, Odisha, with the support of the Public Health Foundation of India, has notified the establishment of a public health cadre in the hope of ensuring vast improvement in the delivery of health care.

Despite the creation of a public health cadre finding mention in various reports and Plan documents, such a service at the all-India level has still to translate itself into reality any time soon due to a series of complex factors.

The way forward:

- The All India Health Cadre will need to be contextualised within a holistic and comprehensive institutional reform that must begin with making health a concurrent subject (as was done in the case of education) and restructuring the administrative ministries into two distinct departments – one devoted to public health. and the other to medical education and long term care/hospital services.

- An exclusive department of public health at both the levels of the Ministry and the States is required, this will help in developing the recruitment, training, implementation and monitoring of public health management cadre.
- Doctors recruited under this cadre may be trained in public health management on the lines of the civil service with compulsory posting for two-three years at public health facilities.
- Financial support for establishing the cadre is also to be provisioned by the Central government under the Health Ministry's budget.

Conclusion:

A service, on the lines of the IAS, will improve India's health-care delivery. An all India health cadre is the need of the hour. However, it should be brought after adopting a wide consultative process and evidence – not on knee jerk or narrow political considerations.

Connecting the dots:

Various committees have recommended for the creation of All India Health Cadre. There are various administrative challenges being faced in the health sector which could be resolved by having a specialised cadre. Analyze.

TOPIC: General Studies 2

- *Government policies and interventions for development in various sectors and issues arising out of their design and implementation.*
- *Issues relating to development and management of Social Sector/Services relating to Health*
- *Development processes and the development industry the role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders*
- *Important International institutions, agencies and fora their structure, mandate.*

Achieving Immunisation Goals

Background:

Today, as India makes strides in sustained living for its citizens, health is rightly placed at the centre of the conversation, as a crucial determinant of the power of its growing economy. For a country that has such a massive and diverse population, the progress made in the last 70 years is remarkable. However, the promotion of health to international standards is still an unmet goal for the country.

The GVAP (Global Vaccine Action Plan):

Launched in 2012, it has been a formidable step towards providing equitable access to vaccines for people living in low-income countries. Under GVAP, 194 countries came together to commit better healthcare for the world and with a promise for a disease-free future.

India too stepped forward, making considerable efforts in enhancing its public health framework. India introduced its flagship immunisation programme — **Mission Indradhanush** — in 2014, calling into action India's urgent need to improve the 65 per cent immunisation rate achieved in its Universal Immunisation Programme (UIP) since 1985. Further, new vaccines were added to the UIP in realising India's obligations to GVAP 2020.

Gaps exists:

Globally, the GVAP commitment has fallen behind in several ways. In 2017, WHO estimated that worldwide, 20 million infants still do not receive the most basic vaccines. Essential immunisation coverage rates in low-income countries have increased by a paltry 1 per cent since 2010. A whopping 68 countries, including India, fall well short of the 90 per cent basic immunisation target coverage. According to the 2016 midterm review of GVAP, India continues to have the highest number of unvaccinated children worldwide. This has hampered the overall progress of GVAP.

Steps taken by the government:

- In response to the crisis, the Government identified 201 high-focus districts across 28 States that have the highest number of partially-immunised and unimmunised children and channelled resources to address the gap.
- In addition, India recently launched one of the world's largest vaccination campaigns against measles, a major childhood disease, and congenital rubella, which is responsible for irreversible birth defects. The campaign will vaccinate more than 35 million children in the age group of 9 months to 15 years with the MR (measles and rubella) vaccine.
- Simultaneously, India continues to strengthen surveillance for measles and rubella, an important learning from the country's polio eradication programme that helped identify appropriate strategies to eradicate the disease.

Way ahead:

Ensuring stakeholders participation:

Sustainable exploitation of resources and timely execution of strategies are of primary importance, and this can only be achieved through participation from multiple stakeholders across the community.

- Building awareness about the value of vaccines: A crucial step towards delivering 'Health for All' is building trust in vaccines and in the healthcare system. Keeping in mind the epidemiologic situation in India, and the myriad cultural, religious and political settings, communicating the benefits of vaccines is vital. Community-based

information provided by trusted sources can help address issues confronting vaccine hesitancy at large. Communities need to appreciate immunisation as their fundamental healthcare right, and not as government propaganda thrust upon them.

- Use of technologies to optimise delivery of existing vaccines: Low and middle-income countries (LMICs) like India face the challenges of inefficiencies in vaccine management and delivery, mostly in the use of antiquated logistics and temperature monitoring systems prevalent in vaccine delivery. It is imperative that all the available technologies for vaccine delivery are optimally used to improve efficiency. In this regard, it is very encouraging to see the use of eVIN technology (electronic vaccine intelligence network) as an example of India leading the world in indigenously developed technology that digitises vaccine stocks and monitors the temperature of the cold chain through smartphone applications.
- Investing in R&D for new vaccine development: New technologies aimed at lowering the dose of vaccine or reducing the required number of doses, reducing wastage and enhancing vaccine to stimulate the best immune response particularly in small children are needed. India must continue to invest in the development of new vaccines as well as adopt strategies to increase the efficiency of delivering existing vaccines.
- Increasing domestic investment in immunisation services — According to the World Bank, one of the most crucial elements in building equitable and sustainable immunisation coverage is intensification of domestic financing. To meet the goals of India's UIP, improved financing will be essential not only to meet current targets but also to lower long-term healthcare costs. Such financial investments are sound healthcare strategies to ensure the overall human development. As an example, a recent report from the US suggests the introduction of rotavirus vaccines reduced the number of acute gastroenteritis-related hospitalisations by 3,82,000 from 2008 to 2013, saving \$1.23 billion in medical costs. This is a significant impact to the health and the economy of any country, where the return on investment is paid in the form of dividend over decades through a healthy and productive population.

Ensuring accountability:

- Healthcare authorities should be encouraged to plan immunisation budgets while closely monitoring disbursements and immunisation programme activities, both at the national as well as the local level.
- Officials at the national and subnational level responsible for implementation of the immunisation plans, should be empowered and held accountable for programme monitoring and performance.
- Civil society organisations that can effectively advocate for greater commitment to vaccines and immunisations should be engaged proactively, and leveraged for increased effectiveness of delivery systems.

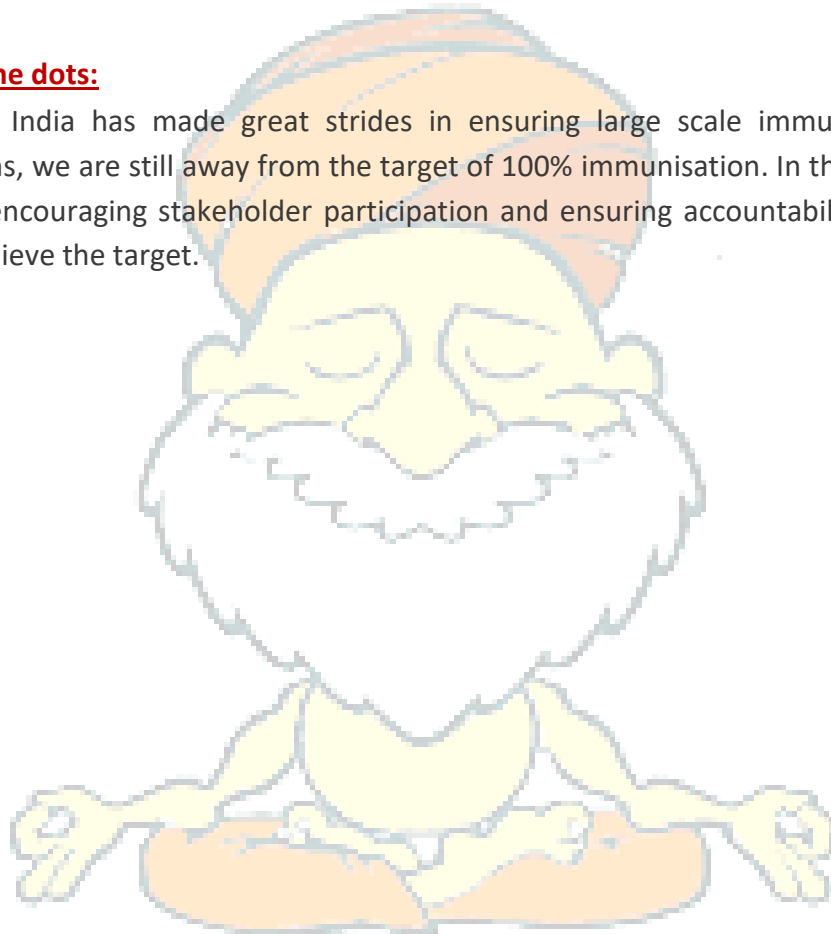
- Immunisation programmes must have robust training, management and knowledge-sharing structures for programme implementation to be effective.

Conclusion:

The future of healthcare lies in collaboration, innovative solutions and intelligent delivery designs. With a keen focus on the immunisation drive, the government needs to make a remarkable progress in building a stronger healthcare environment across the country. And this will most certainly pave the way for a stronger and healthier India.

Connecting the dots:

- While India has made great strides in ensuring large scale immunisation of its citizens, we are still away from the target of 100% immunisation. In this light analyze how encouraging stakeholder participation and ensuring accountability would help us achieve the target.



ENVIRONMENT

TOPIC

General Studies 3:

- *Conservation, environmental pollution and degradation, environmental impact assessment*

'Negative Emissions': Too much stress is not good

Background:

Human activities, the collective choices we have made to deploy fossil fuels and change land uses, are responsible for the release of greenhouse gases (GHGs) and associated global warming.

In 2016, the earth's temperature was 1.3°C warmer than in pre-industrial times. More dishearteningly, even if countries take the action they promised at the Paris climate change conference in 2015, the world would be about 3°C warmer by 2100, well above the 2°C temperature limit to avoid dangerous climate change.

Negative emissions:

The current pattern of increasing emissions (which reportedly grew at the rate of 2.6% per year during 2000-2015) needs a rapid phase down. The Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) indicates that the earth can stay below 2°C.

The world would somehow make use of significant amounts of 'negative emissions'. These are ways to remove carbon dioxide from the atmosphere, or even change the earth's radiation balance through geoengineering. These negative emissions in the models are used in addition to increasing use of renewables and improving the efficiency of energy services.

Methods for 'negative emissions':

- **Sequestering Carbon dioxide:**

Some of the approaches that could remove or absorb carbon dioxide in the atmosphere are better agricultural practices that leave carbon in the ground, use of biochar, undertaking afforestation and reforestation. One method that is bioenergy for fuel in combination with carbon capture and storage (BECCS). This involves the use of plants as fuel. The released carbon dioxide is then captured and safely stored indefinitely. Challenge:

Competition for land for food and other purposes, and due to technological limitations, this approach is believed to be inappropriate for extensive use.

- Other methods to suck carbon dioxide from the atmosphere and increase carbon dioxide absorption by the oceans are also being explored, but their long-term implications are not clear.

- Some scientists have been discussing the possibility of injecting cooling aerosols at a large scale in the atmosphere, but these geoengineering technologies pose huge risks and are also not long-term solutions.

Other issues:

- If approaches for negative emissions fail, we are likely to see a 4°C increase in global temperatures.
- These models also fail to consider equity dimensions and social and technological barriers. As a result, they pose a severe risk to society, especially to the poorest countries, which will experience the worst impacts of climate change.
- Negative emissions also create a moral hazard problem, where we expect (future) others to bail us out while we continue to lead profligate lives.

If negative emissions become feasible in future, they could help the world stay on course in reducing warming, but this cannot be assumed while we are running short of the carbon space available to dodge dangerous climate change.

Way ahead:

- Scientists need to speak openly and freely about the dangers of climate change without leaning on euphemisms.
- Policies therefore to support practices that successfully keep carbon in the ground, prevent deforestation, support agricultural practice that sequesters carbon and promote sustainable land use practices that reduce emissions.
- We also need a carbon tax.
- 'Lifestyle' and other consumption activities that may have hitherto been outside the radar of climate policy because they disturb the status quo or are difficult would have to be considered.
- Policies should nudge especially the more prosperous communities towards less carbon intensive lifestyles, either through taxes or incentives or both.

Conclusion:

Climate change is already in evidence all over the world with several seasons of intense storms, droughts, floods, fires and their aftermath, meaning that any further delay in reducing emissions would put at risk many more lives, livelihoods and investments for decades to come. Thus, priority action is needed to check GHGs emissions in the first place. Otherwise, today's largely policies would merely shift current problems on to the shoulders of future generations.

Connecting the dots:

- What do you mean by the term 'negative emission'. Discuss why too much stress on it is not a good option and instead the focus should be on checking greenhouse gases emissions in the first place.

TOPIC**General Studies 3:**

- *Conservation, Environmental pollution and degradation, environmental impact assessment.*

Determining environmentally-desirable growth rate**Background:**

There is a silver lining to a lower growth rate from the perspective of the sustainability of the economy in the long run. It can bring significant economic welfare through improvements in environmental quality. Economists concerned about sustainable development advocate low levels of economic growth since with large expansions in national income come negative environmental consequences such as pollution. These adversely affect the environmental quality and economic welfare of individuals and households dependent on the environment for their basic livelihood.

The Environmental Kuznets Curve (EKC) hypothesis:

It appears that it is the Environmental Kuznets Curve (EKC) hypothesis that underlines almost all our development policies, which are directed towards pushing double-digit income growth with little concern for environmental capital. The EKC hypothesis is shown in an inverted U-shaped curve depicting the relationship between per capita income and environmental deterioration. It suggests that during the initial period of economic development, where per capita income is low, deterioration of environmental quality caused by rapid industrialisation and urbanisation is inevitable. Society will have to accept a certain level of environmental damage arising from income-generating activities because large-scale income growth is essential for achieving other development goals such as generation of mass employment and poverty reduction. Once per capita income reaches a higher level, the trade-off between income growth and environmental quality will cease to exist. With increased financial and technological capabilities, we can restore the environmental quality to desired levels. So, income growth on a higher path brings a win-win outcome in the long run where poverty is reduced and environmental quality is improved.

Issue with the EKC hypothesis:

In reality, the EKC is a near myth since an increase in per capita income does not bring desirable levels of improvement to the environment. In fact, empirical evidence across countries reveals that various attempts to increase per capita income causes more environmental deterioration.

The Indian context:

Studies that have attempted to estimate the economic costs of environmental damages in India have revealed some striking findings. For example, a 2013 World Bank study highlighted that in India, a higher level of economic growth maintained in the past imposed Rs. 3.75 trillion worth of environmental damage cost, which is equivalent to 5.7% of the country's GDP at 2009 prices. Another study by the World Bank found that India's air pollution alone caused welfare loss equivalent to 7.69% (approximately Rs. 31,316.2 billion) of its GDP in 2013.

Issues:

- The values reported by the above studies are underestimates since they do not capture the wide range of economic impacts on the environment due to non-availability of data. For example, the environment generates a range of ecosystem services such as provisioning services (food, irrigation, drinking water), regulating services (climate regulation, water quality regulation), cultural services (recreational and religious services) and supporting services (nutrient recycling, soil formation). Identifying and quantifying them for the purpose of damage assessment is a difficult task in the absence of relevant data. In India, millions of households and economic activities utilise these ecosystem services for production and consumption. Though economically highly valuable, ecosystem services are not traded in the markets and, therefore, their true values are not reflected in the system. Therefore, the actual value of economic welfare lost due to loss of ecosystem services will be much higher than what is being currently estimated.
- Another issue is that the current method of GDP estimation treats environmental damage costs as income. Since development policies give more priority to income and employment generation, implementation of pollution control policies are very poor. For example, pollution control measures implemented in the bleaching and dying units in Tiruppur, Tamil Nadu, for more than 25 years did not achieve any pollution reduction. In fact, the measures led to not only the closure of these units in 2011 but had already caused significant irreversible damage to the health, agriculture and livestock sectors in that region. Regional poverty and inequality in income are caused by such ineffective policies.
- Adequate reforms in the area of pollution control with a larger role for market-based instruments such as pollution tax and tradable pollution permits are yet to be carried out in India. At present, the price of a commodity from a polluting unit covers only the private cost of production, not the damage cost. This makes the commodity relatively cheaper leading to more demand and output, and more pollution and environmental damage cost. Increased output and demand increases the value of GDP, but the corresponding environmental damage cost is not adjusted in the GDP estimation.
- More environmental damage may lead to an increased level of purchase of market goods contributing to expansion of the GDP. When individuals become sick due to water pollution, the demand for medical services will rise; increase in the purchase

of these market goods and services will expand the GDP size. So, more pollution damage leads to higher GDP.

- The size of environmental social costs is significantly higher than the social benefits being brought about by GDP growth. This means, if we try to increase income and employment in traditional sectors, we lose them in other sectors that are dependent on the environment. Sometimes, the economic losses are much higher than the gains of income growth.

Conclusion:

Since GDP growth and environmental damage have a strong positive relationship, lower growth in GDP could afford benefits. Though there is an uncertainty in determining environmentally desirable growth rate. Maintaining 5-6% growth rate with strict environmental regulation is supposed to reduce environmental damage significantly. A proper assessment of environmental social benefits and social costs of income growth is warranted so that policies can be directed towards setting environmentally sustainable growth rates. Efforts to develop environmental accounting and green GDP for India can help us achieve sustainable development in future.

Connecting the dots:

- What is the Environmental Kuznets Curve (EKC) hypothesis. Do you agree that income per capita and environmental degradation relationship can be depicted by an inverted U-curve? In this light discuss the need of determining environmentally desirable growth rate.

