

1. Discuss the mandate of the National Green Tribunal (NGT). What has been the impact of NGT in recent years? Examine.

Approach

A straightforward question divided into two parts where in the first part, you need to discuss the mandate of National Green Tribunal (NGT) and in the second part, you need to examine the impact of NGT in recent years.

Introduction

The National Green Tribunal has been established in 2010 under the National Green Tribunal Act 2010 for effective and expeditious disposal of cases relating to environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto.

Body

- The National Green Tribunal, as per the National Green Tribunal Act is a specialised judicial body equipped with expertise solely for the purpose of adjudicating environmental cases in the country.
- Recognising that most environment cases involve multi-disciplinary issues which are better addressed in a specialised forum, the Tribunal was setup as per recommendations of the SC, LC, etc.
- The Tribunal is tasked with providing effective and expeditious remedy in cases relating to environmental protection, conservation of forests and other natural resources and enforcement of any legal right relating to environment. The Tribunal's orders are binding and it has power to grant relief in the form of compensation and damages to affected persons.
- The Tribunal shall not be bound by the procedure laid down under the Code of Civil Procedure, 1908, but shall be guided by principles of natural justice.
- The Tribunal's dedicated jurisdiction in environmental matters shall provide speedy environmental justice and help reduce the burden of litigation in the higher courts. The Tribunal is mandated to make and endeavour for disposal of applications or appeals finally within 6 months of filing of the same.
- Initially, the NGT is proposed to be set up at five places of sittings and will follow circuit procedure for making itself more accessible. New Delhi is the Principal Place of Sitting of the Tribunal and Bhopal, Pune, Kolkata and Chennai shall be the other four place of sitting of the Tribunal.
- It provides relief and compensation for environmental damage involving subjects in the legislations mentioned in Schedule I of the National Green Tribunal Act, 2010 may approach the Tribunal. Some of the statutes in Schedule I include The Water (Prevention and Control of Pollution) Act, 1974, The Water (Prevention and Control of Pollution) Cess Act, 1977, The Forest

(Conservation) Act, 1980, The Air (Prevention and Control of Pollution) Act, 1981, etc.

- The Chairperson of the NGT is a retired Judge of the Supreme Court, Head Quartered in Delhi. Other Judicial members are retired Judges of High Courts. Each bench of the NGT will comprise of at least one Judicial Member and one Expert Member. Expert members should have a professional qualification and a minimum of 15 years' experience in the field of environment/forest conservation and related subjects

The National Green Tribunal has in the short term since its establishment strongly influenced environmental litigation in India. In this regard, the impact of NGT in recent years can be examined from the following points:

1. Since its inception, NGT has emerged as dedicated court for environmental issues where specialisation has allowed quick redressal of matters and also reduced burden on HC's and SC.
2. It's judgements have had far reaching consequences and have helped saved fragile environments like in the case of Save Mon Federation Vs Union of India case where the NGT suspended a ₹6,400-crore hydro project to save the habitat of a bird.
3. The Principal Bench of the NGT at New Delhi has given some powerful judgments in the recent years which have strengthened the process of obtaining environmental clearances. For instance, the case of M.P. Patil v. Union of India.
4. The quality of time spent on environmental issues has also be increased as, unlike the Supreme Court, the tribunal has benches in various States, thereby increasing access to all citizens. Also, time bound disposal of cases has helped in improved efficiency to a great extent.
5. But NGT has also been criticised for exceeding its jurisdiction where NGT has been accused of overstepping its jurisdiction and taking actions for which it has not been empowered under the NGT Act.
6. For example, Ban on sand mining activity in Goa by NGT has been termed as judicial overreach. It would impact the construction industry thereby hampering the developmental activity of the state.
7. Further, there is a limit to its Jurisdiction where two important acts – Wildlife (Protection) Act, 1972 and Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 have been kept out of NGT's jurisdiction.
8. NGT hasn't had full strength. The lack of human and financial resources has led to high pendency of cases - which undermines NGT's very objective of disposal of appeals within 6 months.

Conclusion

The NGT has been the most consistent and progressive environmental authority in India. Unlike the Supreme Court, it has lesser delays in resolving the cases before it. It had redefined the role of environmental experts and the criteria to select such

experts. Thus, it can be said to have largely successful in implementing its orders and has had tremendous impact in India.



2. Examine the significance of Financial Stability and Development Council for a middle income economy like India.

Approach:

Students are expected to write about the significance of the Financial Stability and Development Council in the first part and critically examine its impact on the middle-income economy like India.

Introduction:

Financial Stability and Development Council (FSDC) is an apex-level body constituted by the Executive Order. The idea to create such a body was mooted by the Raghuram Rajan Committee to deal with macro prudential and financial regularities in the entire financial sector of India.

Body

Significance of Financial Stability and Development Council (FSDC)

- **Bringing stability in the financial sector:** Financial stability dissipates financial imbalances that arise in the financial markets as a result of significant adverse and unforeseeable events. Financial stability is paramount for economic growth for a developing country, as most transactions in the real economy are made through the financial system. Maintaining financial stability in the middle-income country like India is the key of development which is being produced by Financial Stability and Development Council.
- **Development of the Financial Sector:** A solid and well-functioning financial sector is a powerful engine behind economic growth. Financial sector development in developing countries and emerging markets is part of the private sector development strategy to stimulate economic growth and reduce poverty. FSDC reviewed the liquidity and solvency position of NBFCs, housing finance companies and micro-finance institutions which ultimately avoids the sudden shock to the economy.
- **Coordination of Inter-Regulatory bodies:** FSDC was formed to bring greater coordination among financial market regulators to avoid issues such as the IL&FS crisis. The council is headed by the finance minister and has the RBI governor and chairpersons of the SEBI, IRDA, and Pension Fund Regulatory and Development Authority as other members along with finance ministry officials. This FSDC also created the need to establish more such Inter-Regulatory bodies like the international arbitration council developed to regulate financial bodies will be developed under the GIFT city project.
- **Promoting financial literacy:** The institutional structure for India's Financial Inclusion and Literacy programme is unique as it has an apex body in the Financial Stability and Development Council mandated to focus on attaining financial inclusion and literacy goals.

- Coordinating India's international interface: This body is also coordinating India's international interface with financial sector bodies like the Financial Action Task Force (FATF), Financial Stability Board (FSB) and any such bodies decided by the Finance Minister.

Even though it has strong hold on financial sector of India, it also faces challenges and also has limitations.

- More risk for Financial system: The resilience of financial systems of India, fiscal support, regulatory flexibility and liquidity provision announced till date have ensured that the financial system is supportive of economic recovery but over regulation on financial bodies may present new risks to the financial system.
- Reinforce the liquidity in domestic financial institutions: There is a possibility that the current economic crisis aroused due to covid 19 may transform from a "liquidity phase" into a "solvency phase". Hence FSDC is expected to take further appropriate measures to bolster the liquidity and capital base of domestic financial institutions which would stabilize financial sectors for long term.
- More implementation of plans required: Even though this body envisages to strengthen and institutionalise the mechanism between multiple financial controlling bodies, it has yet to achieve completed execution of its given recommendations.

Conclusion

The recession of Covid19 has put pressure on governments and institutions across the globe to regulate their economic assets. In such time this council is seen as India's initiative to be better conditioned to prevent such incidents. Earlier such shocks to the financial system dubbed as 'once in a lifetime events' now seem to be more frequent than even 'once in a decade', and being caught unprepared in the face of a shock may be regarded as a misfortune, but to be caught unawares more than once may be a sign of carelessness. FSDC therefore becomes important as it prepares developing countries like India to face such crisis.

3. What role do quasi-judicial bodies play in governance? Explain with the help of suitable examples.

Approach:

It expects students to write - how quasi-judicial bodies can aid in enhancing the governance mechanisms - you can mention suitable examples with points or you can write them separately.

Introduction:

A quasi-judicial body is a non-judicial body which can interpret law. It is an entity such as an arbitrator or tribunal board, generally of a public administrative agency, which has powers and procedures resembling those of a court of law or judge, and which is obliged to objectively determine facts and draw conclusions from them so as to provide the basis of an official action.

Body:

Quasi-judicial bodies can aid in enhancing the governance mechanisms by

- Providing an expert and multidimensional body to address the various technical issues which would be a daunting task for judiciary due to the complexities.
- Providing an alternate means for dispute resolution.
- Ease of problem solving which is not marred by the technicalities of the judiciary.
- A faster dispute resolution process to make the governance more effective.
- Provide policy suggestions to make the governance more effective.
- But the quasi-judicial bodies pose the following challenges
- The authority with the executive in the appointments and determining of conditions of service many lead to committed bodies leading to deteriorating governance standards.
- The quasi-judicial bodies may lead tribunalisation of justice delivery mechanism leading to diffused justice delivery process impacting the quality of the governance.

Examples of Quasi-judicial bodies:

- National river water dispute tribunal - grants award to share water among disputing states.
- National human right commission - can investigate human right abuse and recommend steps to be taken.
- Election commission - mainly functions for control, conduct and supervise election
- Central administrative tribunal - constituted to look into matter of dispute related to civil servants.

Conclusion:

Quasi-judicial process can be of great help in strengthening of governance. But it is also necessary to maintain the independence of these bodies so that they can effectively function under their ambit to achieve the objectives.



4. Critically evaluate the mandate and performance of the Central Vigilance Commission (CVC).

Approach:

It expects students to write about - in first part write about mandate of the Central Vigilance Commission - in second part write where it's performance is good and - in third part write about issues related to it.

Introduction:

Central Vigilance Commission is the apex vigilance institution, free of control from any executive authority, monitoring all vigilance activity under the Central Government and advising various authorities in Central Government organizations in planning, executing, reviewing and reforming their vigilance work.

Body:

Mandate of CVC:

- It is considered to be the coordinating authority to check Corruption for All India services, Central services, PSUs and other departments.
- It heads the Delhi Special Police in cases of Corruption.
- It reviews the grants of prosecution clearance by the government.
- Recommending disciplinary actions against higher officials of Group A, B, All India services etc.
- It is basically considered to be the nodal agency to tackle corruption at the national level.
- The CVC receives complaints on corruption or misuse of office and to recommend appropriate action. Following institutions, bodies, or a person can approach to CVC:
 - Central government
 - Lokpal
 - Whistle blowers
- It is not an investigating agency. The CVC either gets the investigation done through the CBI or through chief vigilance officers (CVO) in government offices.
- It is empowered to inquire into offences alleged to have been committed under the Prevention of Corruption Act, 1988 by certain categories of public servants.
- Its annual report gives the details of the work done by the commission and points to systemic failures which lead to corruption in government departments.

In sync with its mandate CVC has proved to be an effective organization in tackling corruption, it has proved its mettle in the past by the following actions:

- It has led to smooth appointment of important officers at various posts in the past.
- It has taken noteworthy action in the past against senior officials, senior personnel and even many politicians.

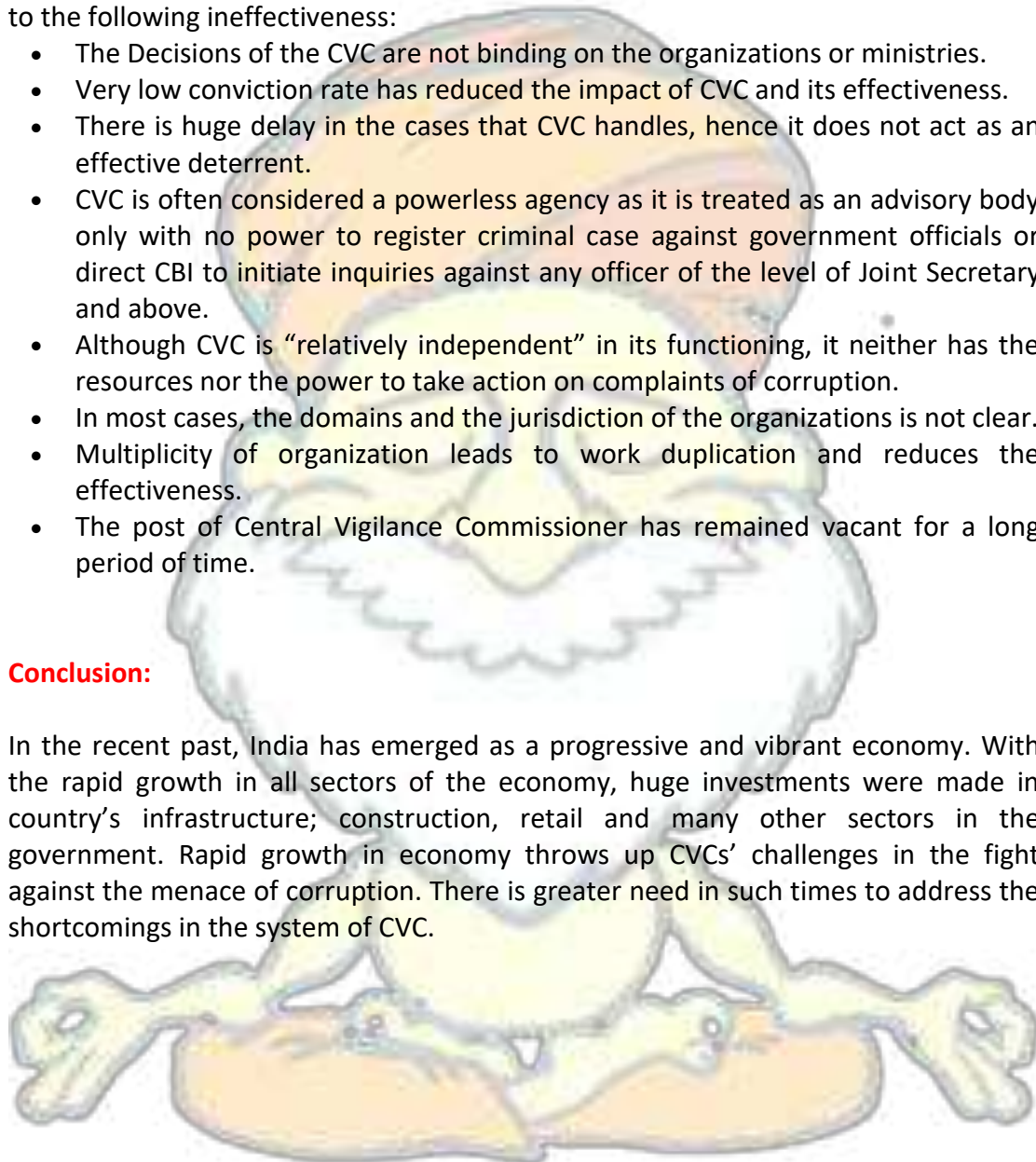
- It organises vigilance week every year to create awareness against the menace of Corruption.
- It acts as a civil court and can act “Suo Moto”
- The independence of CVC is maintained as it is recruited by an Independent committee consisting of PM, Home Minister, Leader of Opposition etc.

However, the expectation that CVC will be an institute which can prove to be “One Stop Solution” to tackle Corruption in the country has been proved to be a hoax, due to the following ineffectiveness:

- The Decisions of the CVC are not binding on the organizations or ministries.
- Very low conviction rate has reduced the impact of CVC and its effectiveness.
- There is huge delay in the cases that CVC handles, hence it does not act as an effective deterrent.
- CVC is often considered a powerless agency as it is treated as an advisory body only with no power to register criminal case against government officials or direct CBI to initiate inquiries against any officer of the level of Joint Secretary and above.
- Although CVC is “relatively independent” in its functioning, it neither has the resources nor the power to take action on complaints of corruption.
- In most cases, the domains and the jurisdiction of the organizations is not clear.
- Multiplicity of organization leads to work duplication and reduces the effectiveness.
- The post of Central Vigilance Commissioner has remained vacant for a long period of time.

Conclusion:

In the recent past, India has emerged as a progressive and vibrant economy. With the rapid growth in all sectors of the economy, huge investments were made in country’s infrastructure; construction, retail and many other sectors in the government. Rapid growth in economy throws up CVCs’ challenges in the fight against the menace of corruption. There is greater need in such times to address the shortcomings in the system of CVC.



5. What is the significance of market regulators in a liberal economy? Illustrate.**Approach:**

As the directive here is illustrate, it is necessary to describe in detail the significance of market regulators in a liberal economy. In the introduction, you can explain about the function of regulatory bodies in brief. In the main body part explain their significance in the context of a liberal economy. Though it is not asked if you mention issues wrt regulatory bodies and subsequent solution, it would fetch more marks. In the conclusion explain their importance in the context of crisis in brief.

Introduction:

Indian economy liberalised in the 1990s and sectoral governance was handed over to regulatory bodies. These bodies played a constructive role in ensuring the free and fair market since then. Also the regulators incentivised private investment by giving them functional autonomy and shielding them from interference.

Body:

Significance of market regulators in a liberal economy:

- Regulatory bodies are independent governmental bodies established by the government in order to set standards in a specific field of activity, or operations and then to enforce those standards. Regulatory agencies may or may not function outside direct executive supervision.
- For instance, a number of regulatory bodies, ranging from RBI, SEBI, IRDA, PFRDA to TRAI, electricity regulators, CCI, FDA have been set up in India. The policy direction pursued by every regulator has to support the development of the market of the allocated jurisdiction.
- The main functions of the regulatory bodies are typically identified as Regulations and guidance, Review and assessment, Licensing, Inspection, Corrective actions, and Enforcement.
- After liberalisation of Indian economy, i.e. after 1990's, Privatisation saw the advent of the 'Indian Regulator' which proved to be the 'nurturer' and 'parent' of its sector.
- A regulator in a free market economy can handle a crisis like situation through guidelines, necessary corrective actions etc. For instance, SEBI was instrumental in taking quick and effective steps in light of the global meltdown and the Satyam fiasco.
- Also, RBI has done an excellent job on the monetary policy side by applying conventional and unconventional policy to handle the Covid-19 crisis.
- However, regulation has a dark side too. For instance, improper regulation or failure of regulatory bodies in smoothening the interaction between markets and the State may lead to a new crisis.
- Regulators also ensure quality control, to watch and regulate the processing, manufacture, distribution, sale and import of manufactured product.
- Regulators make regulations to ease competition and enhance the efficiency in the operation of their respective sectors in a free market economy.

- It is evident from Adjusted Gross Revenue issue of telecoms, in which the Supreme Court demanded that telecom companies pay statutory dues worth ₹1.47 lakh crore to the central government.
- These dues didn't pile up overnight but stem from a 15-year-old dispute over sharing of revenues between telcos and the government. A well-regulated industry would not be subject to such a large fiscal shock.

Despite the fact that in a liberal economy regulators play such an important role, there are some critical issues which the regulators face in a liberal economy:

- **Politicisation of regulatory regime:** As economic agents inherently intend to maximise profits, market misconduct happens in every domain. Whenever such incidences occur, they have to be dealt with pragmatically but due to political pressures, policy makers go overdrive and frame restrictive policies and denounce regulators. For instance, the politicisation of such events has made the regulators in India overcautious & frightened in order to dodge any blame game.
- **Performance:** In many cases, non-experts are selected to lead the regulatory bodies thereby affecting technical aspects. Second, the review mechanism for the functioning of the regulatory bodies is not very robust. In particular, it does not include the role of regulators in the development of the market. For instance, a row of question erupted at the time when a civil servant was selected to the post of RBI governor earlier.
- **Upgrading:** The inventions and innovations in the sector and the society at large influence the direction of the market. Hence, regulatory mechanisms need to update in consonance with the above mentioned changes without much delay. If these issues aren't addressed, the development of the mature and well regulated markets will take a serious beating.

To solve these issues thereby to improve the efficiency and efficacy of market regulators in a liberal economy following steps are needed to be taken:

- **Self evaluation by regulators:** Regulatory organisations if undertake a self-evaluation of themselves once in a few (say three) years, and put out the conclusions in the public domain for informed discussion and debate will be of more useful for the liberal economy.
- **Transparency in appointment of heads:** The appointment of persons to head regulatory organisations should be attempted in a far more transparent manner.
- **Regulatory impact assessment (RIA):** Adoption of a systemic approach i.e. RIA to critically assessing the positive and negative effects of proposed and existing regulations and non-regulatory alternatives.

Conclusion:

The Organisation for Economic Cooperation and Development (OECD) estimates that the COVID-19 pandemic will lead to a 1.5% slowdown in global growth. The economic impact on liberal economies will be more profound because most of the jobs are informal. In this context, the significance of regulatory bodies becomes more apparent for early recovery of economy from crisis and mitigation of crisis.