

**Topical Analysis**

Critical Analysis of National Health Protection Scheme

Contemporary Issues

1. Polity & Governance Issues

- ▶ Changes Made in 'Master of the Roster'
- ▶ Paucity of Judges Ails Judiciary
- ▶ Swachh Bharat Funds Remain Unused
- ▶ India needs a Sewage System not Toilets

2. Science, Environment & Disaster Issues

- ▶ Urban Waste and Global Warming
- ▶ India State of Forest Report 2017
- ▶ Misuse of Secondary Patent Methodology
- ▶ Fire Disaster Management

3. Social Issues

- ▶ Children in War Zone

4. International Relations Issues

- ▶ India UAE to Deeper Strategic Ties
- ▶ Maldives Emergency
- ▶ Global Terrorism Index 2017
- ▶ India Israel and India Palestine Relations

5. Economic Issues

- ▶ Changes in Foreign Contribution Regulation Act (FCRA)
- ▶ Monetary Policy: A Fine Balance between Growth and Inflation
- ▶ Service Sector Sees Fastest Growth
- ▶ Agriculture Price Policy in India
- ▶ Long-term Capital Gains Tax: Meaning, Impact and Critical Analysis
- ▶ Why Manufacturing Sector is not Able to Generate Jobs?

GS SCORE

An Institute for Civil Services

“The only person you are destined to become is the person you decide to be”



Classroom Programme

&



Live/Online Programme

IAS 2019

1 Yr. Foundation Course

- Complete coverage of GS Prelims, CSAT, GS Mains Paper 1, 2, 3, 4 & Essay
- Coverage of Current Affairs and Contemporary Issues for Prelims & Mains
- Topics wise Answer Writing & Regular Class Tests
- Cover All India Test Series including Prelims Test Series, GS Mains Test Series, Essay & Ethics Test Series
- Comprehensive Study Material

IAS Foundation

2 Yrs. Foundation Course

- Complete Course of GS Prelims, CSAT, GS Mains Paper 1, 2, 3, 4 & Essay
- **Year-1 (2018-19)** - Conceptual Part of entire syllabus will be covered along with class tests
- **Year-2 (2019-20)** - Revision of entire syllabus through Test series, Writing Practice & Personal Interaction with Faculty.
- Comprehensive Study Material

Batch Starts: **22nd** June, 2018

Batch 1 - Morning

Starts: 22nd June, 2018
Timing: 8:00 AM - 10:30 AM
(Monday to Friday)

Batch 2 - Evening

Starts: 13th July, 2018
Timing: 5:30 PM to 8:00 PM
(Monday to Friday)

Batch 3 - Weekend

Starts: 22nd July, 2018
Timing: 11:00 AM to 7:30 PM
(Saturday & Sunday)

Office No. 6, 1st Floor, Apsara Arcade, Karol Bagh, New Delhi-110005, (Karol Bagh Metro Station Gate No. 5)

☎ 011 47058253 📞 9953595114, 9873870114 ✉ info@iasscore.in 🌐 /iasscore 🌐 www.iasscore.in

Contents

Issue I- February, (1-15), 2018

Topical Analysis 5-10

NATIONAL HEALTH PROTECTION SCHEME: CRITICAL ANALYSIS



BUDGET 2018-19

Health

National Health Protection Scheme

- Will be the world's largest government funded health care programme
- Covering over 10 crore poor and vulnerable families
- Providing coverage upto 5 lakh rupees per family per year for secondary and tertiary care hospitalization



Contemporary Issues 11-89

- Changes Made in 'Master of the Roster'
- Paucity of Judges Ails Judiciary
- Swachh Bharat Funds Remain Unused

Funding Swachhta

- ▶ All ministries asked for Swachhta Action Plan for the next two years
- ▶ Swachh Village Index to assess performance of states on four parameters

Scheme to improve drinking water availability in villages to be announced in next Budget

Sikkim, Himachal, Kerala top Swachh Bharat Mission-Gramin ranking



- India needs a Sewage System not Toilets
- Changes in Foreign Contribution Regulation Act (FCRA)
- Monetary Policy: A Fine Balance between Growth and Inflation

- Service Sector Sees Fastest Growth
- Agriculture Price Policy in India
- Long-term Capital Gains Tax: Meaning, Impact and Critical Analysis
- Why Manufacturing Sector is not Able to Generate Jobs?
- Children in War Zone
- India UAE to Deeper Strategic Ties
- Maldives Emergency

Political crisis in the Maldives

Deepening confrontation as President Abdulla Yameen refuses court order to release political dissidents

| Feb 1 | Feb 2 | Feb 3 | Feb 4 | Feb 5 | Feb 6 |
|--|--|---|---|--|--------------------------------------|
| Supreme Court orders president to: <ul style="list-style-type: none"> ▶ Release nine political dissidents ▶ Restore the seats of 12 legislators sacked for defecting from Yameen's party Yameen sacks police chief | Exiled former leader Mohamed Nasheed vows to run for president | Authorities announce postponement of parliament for "security reasons" Yameen sacks new police chief | Court issues order for Yameen to comply with its ruling | Yameen declares 15-day state of emergency Police arrest former president Maumoon Abdul Gayoom Troops storm Supreme Court | Chief Justice Abdulla Saeed arrested |

INDIAN OCEAN

MALDIVES: Population: 417,500 (Island sizes not to scale)

500 km

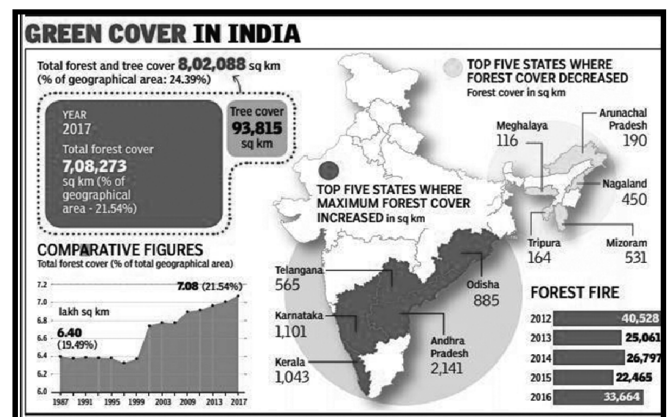
President Abdulla Yameen in power since 2013, presided over escalating crackdown on dissent

Opposition MDP leader and former president (2008 - 2012) Mohamed Nasheed, sentenced to 13 years in jail in 2015, in exile in Sri Lanka

Maumoon Abdul Gayoom president for 30 years until 2008, has sided with the opposition, campaigning against Yameen

© AFP

- Global Terrorism Index 2017
- India Israel and India Palestine Relations
- Urban Waste and Global Warming
- India State of Forest Report 2017



- Misuse of Secondary Patent Methodology
- Fire Disaster Management

Target PT 2018

Online Batch

Complete Revision through **MCQs** in 50 Days

Concepts
Classes

Topic-wise
Practice Tests
with Detailed
Discussion

Prelims
Current
Affairs

Prelims
Study
Material

Programme Highlights

- It covers complete General Studies Syllabus (History, Geography, Polity, Economy, Science & Environment)
- 50 Classes (4-5 hrs.) on Micro Detailing** of Subjects + covering about 2500+ MCQs
- Each class will consist of Class test on the particular topic (mentioned in the schedule) followed by detailed discussion including current affairs related to that topic. **(Total 45 tests - Tests may vary from 30-50 questions on particular topic)**
- Detailed Explanation of each question and related aspects will be provided
- Complete Prelims study material and Prelims current affairs will also be provided. **(It will cover current affairs of past two years till December, 2017; current affairs will be provided till April, 2018 under the programme part-wise in respective accounts of the students)**
- Classes on **India Year Book, Budget and Economic Survey** alongwith tests will be covered under the programme

Programme Fee: ₹ 17,000/- + GST

Online Batch-2 Starts

15th March, 2018

Timings: 10:00 AM to 2:00 PM Duration: 15th March, 2018 to 9th May, 2018

Off. No. 6, 1st Floor, Apsara Arcade, Karol Bagh, New Delhi-110005 (Karol Bagh Metro Gate No. 5)

☎ 011 47058253

☎ 9953595114, 9873870114

✉ info@iasscore.in

f /iasscore

COVER STORY

National Health Protection Scheme: Critical Analysis

Context

In Budget 2018, Finance Minister has announced - National Health Protection Scheme. The Scheme will cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage upto 5 lakh rupees per family per year for secondary and tertiary care hospitalization. This will be the world's largest government funded health care programme. Adequate funds will be provided for smooth implementation of this programme.

Hereby, in this cover article, we are discussing the present health insurance scenario in India, lacunaes in it, critical analysis of previous government funded insurance programmes and how the National Health Protection Scheme may bring changes.

Introduction

- ▶ Before independence, the health structure was in dismal condition, i.e., high morbidity and high mortality and prevalence of infectious diseases. Since independence, emphasis has been put on primary health care and we made considerable progress in improving the health status of the country. But still, India is way behind many fast developing countries such as China, Vietnam and Sri Lanka in health indicators.
- ▶ Further in India there is lack of a medically insured population and high out-of-pocket expenditure. According to WHO statistics, about 47% and 31% of hospital admissions in rural and urban India, respectively, were financed by loans and sale of assets. WHO says, 3.2% Indians will fall below the poverty line because of high medical bills. About 70% of Indians spend their entire income on healthcare and purchasing drugs.
- ▶ Such unforeseen Medical emergencies not only stress our immediate cash flows, they are also likely to adversely impact financial commitments towards regular savings, thus impacting achievements of any long term financial goals. Add to it the burden of any loans that one may take to pay for medical expenses. The cost of medical care is also increasing due to inflation and advancements in medical technology.
- ▶ Thus, there is a need for health insurance because coverage helps people get timely medical care and improves their lives and health.

Present Health Insurance Scenario in India

- ▶ The Insurance Amendment Act of 1950 ultimately led to the Government of India deciding to nationalize the insurance business. However, in August of

2000, the Insurance Regulatory and Development Act (IRDA) opened up the market with the invitation for registration applications.

- ▶ Of India's 53-odd insurance companies, five are standalone health insurance players. These are Star Health and Allied Insurance, Apollo Munich Health Insurance, Max Bupa Health Insurance, Religare Health Insurance, and Cigna TTK.
- ▶ By 2020, the health insurance industry is expected to grow by 2x and exceed Rs 50,000 crore.
- ▶ But still less than 15% of India's 1.3 billion people are covered through health insurance. And most of it covers only government employees. At any given point of time, 40 to 50 million people are on medication for major sickness and share of public financing in total health care is just about 1% of GDP.
- ▶ Over 80% of health financing is private financing, much of which is out of pocket payments and not by any pre-payment schemes.
- ▶ The existing health insurance schemes available in India are:
 - Voluntary health insurance schemes or private for-profit schemes.
 - Mandatory health insurance schemes or government run schemes (namely ESIS, CGHS).
 - Insurance offered by NGOs/Community based health insurance.
 - Employer based schemes.

Why need for Health Insurance Increasing?

- ▶ India contributes to 21% of the global disease burden, but has one of the lowest public health spending in the world. With 50+ million diabetics and over 25 million with heart diseases, India is home to a huge incidence of lifestyle diseases. These diseases by definition last a life time and therefore are a huge strain on the pocket.
- ▶ The existing healthcare infrastructure is just not enough to meet the needs of the population. The central and state governments do offer universal healthcare services and free treatment and essential drugs at government hospitals. However, the hospitals are understaffed and under-financed. People living below poverty line continue to rely on insufficient health care facilities in rural areas as they cannot afford private health care facilities.
- ▶ India has one of the lowest per capita healthcare expenditures in the world. The high out-of-pocket expenses in India stem from the fact that majority of Indians do not have health insurance.
- ▶ Moreover, majority of the skilled health care professionals happen to be concentrated in urban areas. This rural-urban disparity in terms of healthcare increases the need for insurance more to meet the health facilities.

Both, the central and state governments, are increasing the scope of public health cover for the poorer sections of the society. Government has launched Rashtriya Swasthya Bima Yojna for people below the poverty line. Another government initiative which has brought millions under health insurance cover is the Rajiv Aarogyasri in Andhra Pradesh. Thus, the new National Health Protection Scheme can bring millions under health cover.

Earlier Health Insurance Scheme

The Rashtriya Swasthya Bima Yojana (RSBY) offers medical insurance up to Rs.30,000 for a family of five living below the poverty line (BPL) – defined as the

ability to spend Rs.33 per day in urban India and Rs.27 per day in rural. It is, however, limited to inpatient treatment or hospitalisation.

Critical Analysis of the Programme

- ▶ The programme has not led to any reduction in out-of-pocket expenditure—personal spending – by its 150 million beneficiaries.
- ▶ Further the major design flaw in RSBY and other such state health insurance programmes is their narrow focus on secondary and tertiary care hospitalisation. Essentially, these models are designed to address low-volume, high-value financial transactions that could result in catastrophic expenditure and impoverishment of households. Also there are fraudulent claims by hospitals for procedures and tests not actually performed, delays in settlement of claims, lopsided enrolment of beneficiaries and poor profitability of the scheme for insurance companies. Anecdotal evidence suggests that there is also substantial amount of unnecessary hospitalisation and diagnostic testing being prescribed under RSBY.
- ▶ The beneficiaries pay Rs.30 during registration and the remaining premium are paid by the state and central governments. Only households on the BPL list maintained by the Census can be enrolled in RSBY.
- ▶ The cost of hospitalisation increased 10.1% in rural areas and 10.7% in urban India, but the RSBY insurance amount has remained the same over the nine years of the scheme's existence.
- ▶ RSBY has over-reliance on private hospitals and poor monitoring watered down their impact.

Thus, to cater the flaws in the Rashtriya Swasthya Bima Yojana, government has proposed **National Health Protection Scheme**.

About National Health Protection Scheme

Union budget of the financial year 2018-2019 has laid the foundation to kickoff the flagship National Health Protection Scheme (NHPS), and this is coined as Modicare Or Namocare.

Two major initiatives in health sector announced *Rs. 1200 crore allocated for 1.5 lakh health and wellness Centres* and **National Health Protection Scheme** to provide hospitalization cover to over 10 crore poor and vulnerable families.

Key Features

This new NHPS will overcome the flaws of the existing scheme Rashtriya Swasthya Bima Yojana, which offers health insurance coverage to the poor workers who are working in the unorganized sectors.

The scheme is set to cover more than 10,000,000 poor and unsecured family members of the nation, and it is expected that about 50,000,000 people will be benefited under this NHPS. Under the regulations stated by the government the health insurance scheme will be offering coverage to the beneficiaries such that they can get benefit of cashless treatment facility. The beneficiaries will be able to take the treatments within the country in private as well as government hospitals and health care centers.

As other health insurance scheme are mainly focused on offering coverage to expensive medical treatments due to which not many people are able to take benefit of these insurance schemes. By implementing Modicare (Namocare) insurance scheme all, these people will be able to avail the benefit of the insurance plan. It would be cashless and Aadhaar enabled scheme.

Secondary healthcare services include those provided by skilled medical practitioners, for out patient treatment, or a brief stay at a hospital for serious illness. Tertiary care is for patients who are admitted to hospitals for longer bouts of illness, and require the attention of specialist doctors. Tertiary care is extended to patients who are suffering from acute pain, or terminal illness.

A National Health Agency will be instituted under the scheme to oversee its implementation at the state-level. The identification of beneficiaries is to be done by consulting the socio-economic caste census of 2011.

Challenges in its Implementation

- ▶ The proposed target of 10 crore 'poor and vulnerable' families is practically an ambitious target of covering all BPL households in the country. This is because RSBY, after a decade of coverage, has only 3 crores cardholders – schemes target was to give coverage to all BPL which was estimated to be about 30 crore people. The intention of covering all people is commendable; however, it will call for time and resources, apart from a robust system that promotes equity.
- ▶ Government is proposing to subsume all existing schemes under a 'single payer' mechanism may not be easy. State-level insurance coverage ranges from five to six percent in Jammu and Kashmir and Uttar Pradesh to more than two-third of state population in Tamil Nadu and Andhra Pradesh. The high-coverage state level schemes are running on state funds, without centrally sponsored RSBY. It would be difficult to convince these states to give up their populist schemes.
- ▶ Without tight regulation and strict protocols, it is highly likely that profit maximizing private hospitals will oversupply services if they are being reimbursed on a fee-for-service basis, which will drive up costs. Doctors, knowing that patients have insurance, may think it in the patient's best interests to have a multitude of tests, more expensive medicines, and perhaps even surgical procedures (which may prove unnecessary) with the costs being borne by the insurance scheme.
- ▶ This will effect to drain the insurance scheme very quickly. This has happened in China where even public hospitals had financial incentives to supply limitless services which led to a huge escalation of costs in the hospital sector. More and more money ends up being spent on expensive hospital services, whereas these resources would be much better spent on cost-effective primary care services.
- ▶ Other issue is the methodology for the identification of beneficiaries. After identification of the beneficiary households, each family is required to be issued a family health card, complete with personal details and the Aadhaar number for each individual member.
- ▶ Another critical decision is the list of medical procedures to be covered in the scheme. Disease profile varies across the country. Each state must be given the flexibility to curate its own list of medical procedures. For instance, Maharashtra had notified 972 critical secondary and tertiary medical procedures. The number and type of procedures selected will naturally have an impact on the insurance premium.
- ▶ Selecting the insurance provider is an extremely complex process. Each step — such as the design of the tender documents, contracts and legal agreements, payment terms, penalties for non-compliance, pre-qualifications of bidders, prior experience, e-tendering process, whether private sector companies should be allowed to bid, whether tenders should be called statewide or nationally — must be considered carefully, because it may invite legal challenges.
- ▶ The accreditation of participating hospitals is another difficult exercise.

Case of Maharashtra

In Maharashtra, the government started the Jeevandayi Aarogya Yojana in July 2012. This is a universal coverage scheme that benefits 2.23 crore poor households (over 95 per cent of the state's population). An insurance cover of Rs 1.5 lakh per year is provided to each insured family.

The public sector insurance company that was selected charged a premium of Rs.333 (plus taxes) per family. This was entirely borne by the state. Although the scheme was first notified in May 2011, it took over a year of intense preparatory work before it could be formally rolled out. Initially, only eight out of 36 districts were taken up. After one year of experience in these eight districts, teething troubles were sorted out, only then it was extended to the whole state.

The end-to-end operations are completely online, for which special software was developed. Over 16 lakh patients have been treated since the programme's launch.

The implementation of such a large health insurance scheme requires humongous preparation in the creation of infrastructure such as central data centre, software development, data entry, issuance of health cards, call centers for pre-authorisation, and claims settlement, hospital accreditation and online accounting.

Recommendation in National Health Policy 2017

The existing Government financed health insurance schemes shall be aligned to cover selected benefit package of secondary and tertiary care services purchased from public, not for profit and private sector in the same order of preference, subject to availability of quality services on time as per defined norms.

The national health policy recommends creating a robust independent mechanism to ensure adherence to standard treatment protocols by public and non-government hospitals. In this context, the policy recognizes the need of mandatory disclosure of treatment and success rates across facilities in a transparent manner. It recommends compliance to right of patients to access information about their condition and treatment.

For need based purchasing of secondary and tertiary care from non-government sector, multi-stakeholder institutional mechanisms would be created at Centre and State levels – in the forms of trusts or registered societies with institutional autonomy. These agencies would also be charged with ensuring that purchasing is strategic - giving preference to care from public facilities where they are in a position to do so - and developing a market base through encouraging the creation of capacity in services in areas where they are needed more. Private 'not for profit and 'for - profit hospitals would be empanelled with preference for the former, for comparable quality and standards of care. The payments will be made by the trust/society on a reimbursement basis for services provided.

Conclusion

The budgetary announcement of NHPS is a good step in right direction, besides reinforcing access to healthcare, the health insurance cover will lead to the **creation of jobs** in the sector as new facilities come up in districts and villages. This move will go a long way in **empowering India's poor** and underprivileged.

But it cannot be a panacea for India's ailing health sector. India needs to focus on health, healthcare, and health coverage of its population. While multipronged reforms are needed to strengthen India's public health sector, a strong regulation is needed to make private health sector more accountable. NHPS, as a health insurance scheme, can only offer financial protection. However, such schemes are necessary but not sufficient for ensuring universal health coverage.

POLITY & GOVERNANCE ISSUES

Index

1. Changes Made in 'Master of the Roster'
2. Paucity of Judges Ails Judiciary
3. Swachh Bharat Funds Remain Unused
4. India needs a Sewage System not Toilets

Changes Made in 'Master of the Roster'

Context

The Convention related to Roster recognised that "the privilege of the Chief Justice to form the roster and assign cases to different members/benches of the court". No Judge can take up the matter on his own, unless allocated by the Chief Justice of India.

This has generated controversy, thus, recently Chief Justice of India has introduced a subject-wise roster system in the Supreme Court.

Introduction

Chief Justice of India makes rules and regulations of daily conduct and also allocates cases to the Judges. Supreme Court on its website has issued list of cases with name of judges to hear case. In this regards it is imperative to understand what is roster and its implications.

What is meant by roster?

No Judge can take up the matter on his own, unless allocated by the Chief Justice of India. That is why he is called 'Master of the Roster'. Thus it refers to the privilege of the Chief Justice to constitute Benches to hear cases.

What are the Issues?

- ▶ Last month four judges including justice Chelameswar has raise question over roster. "There have been instances where case having far-reaching consequences for the Nation and the institution had been assigned by the Chief Justice selectively to the benches "of their preference" without any rational basis for such assignment.
- ▶ Chief Justice of India is the master of the roster but is "only the first amongst the equals". Convention recognised the privilege of the Chief Justice to form the roster and assign cases to different members of the court. This means that when it comes to judging cases, he does not have any greater power than any other Supreme Court judge.
- ▶ The convention of recognizing the privilege of the Chief Justice to form the roster and assign cases to different members/benches of the Court is a convention devised for a disciplined and efficient transaction of business of the Court but not recognition *of any superior authority*. But in some recent cases Chief Justice used his discretionary power for major shifting of judges on cases, and this undermines the sanctity of Supreme Court.
- ▶ Few judges were not being allocated sensitive cases despite their seniority; the new roster may serve to only aggravate the crisis which the apex court is already staring at.

- ▶ As the master of the roster, he will hear all fresh Public Interest Litigation (PILs) and Letter Petitions filed in the Court. He will also hear Election matters, Social Justice matters, Contempt of Court matters, matters dealing with appointment of Constitutional functionaries and law officers, and matters related to Commissions of Enquiry, among others.
- ▶ **For example**, the case pertaining to investigating the death of CBI Judge BH Loya who was presiding over the Sohrabuddin Sheikh staged encounter trial.

Methodology in UK

The corresponding court in the UK is the Supreme Court of the United Kingdom. It has a total of 12 Justices. Currently they are 10 men and 2 women, and they come from a variety of legal backgrounds but all have been practising barristers at one stage. The current President of the court is Lady Brenda Marjorie Hale while Lord Jonathan Hugh Mance is the Deputy President.

The court receives around 230 applications for permission to appeal and hears around 90 cases per year. The justices also serve on the Judicial Committee of the Privy Council (JCPC) which is the final court of appeal for some small commonwealth countries and British overseas territories. The JCPC hears around 40 cases per year.

The justices usually hear cases in a panel of five, although they have the potential to hear cases as a panel of seven or nine depending on the importance of the appeal. Cases are allocated on a random basis at the court, although either the President or Deputy President will sit on most cases, and in specialist areas other judges with particular expertise may be selected.

Problems with this System

There are few factors that have put this model under severe strain.

- ▶ Supreme Court consists of 26 judges, who predominantly sit in benches of two. Chief Justice of India has significantly more discretion in determining which judges will hear and decide a case.
- ▶ The rise of public interest litigation has diluted the practice of strict adherence to the legal text, and the Court's habit of sitting in multiple small benches has undermined the gravitational pull of precedents. Supreme Court is dealing with a massive backlog of cases. The Chief Justice has the power to "list" cases for hearing. Given the huge backlog, this simple administrative function becomes a source of significant power.

The Second Judges Case of 1993, laid the foundations of the collegium system, is also premised on the idea that all power, even administrative, in such an important court, must not rest on the discretion of just one node, or the Chief Justice. But in the present mechanism of the roster, power had concentrated in the hands of CJI.

Consequences

- ▶ History tells us that institutions that become over-reliant upon single individuals inevitably decay.
- ▶ Though CJI is "first among equals", but master behaviour of CJI is undermining equality in court. This led to serious contravention of opinions among judges and Justice System will be on anvil.
- ▶ Trust of common man deteriorating from judicial system due to contradictions and controversies in system.

Way Forward

- ▶ In a legal system where a significant percentage of the judges of the Court sit on every case, there should be at least a surface consensus about the interpretive philosophy that judges use to decide cases.

- ▶ All cases must be heard within a short period of time.
- ▶ Chief Justice's power as Master of the Roster should be purely administrative.
- ▶ However, in our system, where none of these three conditions obtain, this harmless administrative power has transformed itself into a significant ability to influence the outcomes of cases.

Conclusion

Better solution is to *form committee* comprising those who would be CJIs in future, to suggest an institutional mechanism for marking cases. With proper mechanism to formulate cases there won't be any apprehensions over cases to hear neither there will be power accumulated in one hand.

Paucity of Judges Ails Judiciary



Nearly 2.6 crore cases are pending in the district and subordinate courts across the country and there are only 16,874 judges to try them - that's around 1,540 cases per judge.

Unless there is an adequate number of judges, speedy justice will remain a distant dream for this country.

Hereby, discussing the issue and steps needed for improving the situation.

Role of Judges

Initially, the role of the judges was to settle disputes mostly of civil nature between private citizens. The judges also determined the question about the guilt of the persons charged with offences and punishment to be inflicted upon them. One essential function of the courts which has come to the fore, more particularly in the twentieth century, is as the arbiter of disputes between the State and the citizen. A modern State has to arm itself with immense powers in order to bring about socio-economic changes and reforms.

Present Situation

The process of securing justice is considered difficult from the point of ordinary Indians. The chaos witnessed in the Indian justice system is attributed to procedural difficulties experienced by people seeking justice. Studies by Kant reveal that the time taken to register a case and going to lower courts and deciding cases in the High Court or Supreme Court takes years. These difficulties are further complicated by the fact that these courts are under-staffed and how the issues arising can be addressed.

There are over 27 million cases that are still pending in Indian courts and over 6 million have been pending for more than five years. In managing these courts, there are only 16,000 courts and insufficient judges for handling these disputes. There is insufficient number of judges to handle the backlog of cases plaguing the Indian justice system is evidenced by the inadequate number of judges found in the Supreme Court.

Inadequate manpower in India's lower courts has been problematic because the largest amount of pending cases are found in these courts.

Example of West Bengal

Courts and Tribunals in West Bengal are experiencing a severe paucity of judges. Whether it is the Calcutta High Court or the State Tribunals, the situation is equally grim. Calcutta High Court, the oldest in the country, may soon function with only 29 judges against a sanctioned strength of 72.

The severity of the crisis becomes evident as, out of the 33 judges, three will retire by February-end while one will be elevated to the post of Chief Justice of the Delhi High Court. Acting Chief Justice of the Calcutta High Court Jyotirmoy Bhattacharya will be transferred to the Delhi High Court to replace acting Chief Justice Gita Mittal. The number of functioning judges at the Calcutta High Court will be reduced further as two of the sitting judges have to preside over the Circuit Bench in the Andaman and Nicobar Islands at regular intervals.

Recruitment Process in Lower Courts

The lower judiciary broadly comprises three cadres of judges: district judges, senior civil judges and civil judges (junior division). These posts jointly include judges having civil as well as criminal jurisdiction. The exact designation of posts under each of these cadres differs from State to State in hierarchy and nomenclature.

In its judgment in the All India Judges' Association case, the Supreme Court had outlined three ways of appointing district judges.

- ▶ The first method is via promotion based on merit-cum-seniority from civil judges (senior division) — 65% of the total strength of district judges must be recruited in this manner.
- ▶ The second method is via promotion based strictly on merit through competitive exams held among civil judges (senior division) with a minimum of five-year service. This accounts for 10% of the sanctioned strength of district judges.
- ▶ The final method for selection entails direct recruitment from advocates at the Bar, with a minimum of seven years' practice. The quota for this is 25%.

Civil judges junior (direct recruitment) appointments ranking: Of 20 States for which data was available, the top-ranked States are Arunachal Pradesh, Odisha, Nagaland and Punjab. The lowest-ranked States include Jammu & Kashmir, and Delhi.

As per the Supreme Court, a two-tier process comprising a written exam and an interview should take 153 days, whereas a three-tier examination procedure comprising a preliminary exam, a written test and an interview should take 273 days.

Whereas according to the survey, one recruitment cycle for the post of civil judges junior (direct recruitment) took 326.27 days on an average over the past 10 years among States that followed a three-tier recruitment cycle.

Puducherry and Jammu & Kashmir, which follow a two-tier system of recruitment, took an average of 99 and 742 days respectively to complete one recruitment cycle. Of 20 States, 11 took over 273 days on an average to complete their recruitment cycle. These States are Rajasthan, Chhattisgarh, Madhya Pradesh, Punjab, Tripura, Maharashtra, Assam, Uttarakhand, Kerala, Manipur and Delhi.

Nagaland, Arunachal Pradesh, and Puducherry are the only States to complete the recruitment cycle under 100 days, whereas Jammu & Kashmir, and Delhi took 742 and 798 days respectively.

The delay in cases of Jammu & Kashmir and Delhi can be explained by litigations challenging their recruitment process. Case in point, the 2014 Delhi Judicial Services (Mains) Exam was challenged before the Supreme Court. Although the examination was not stayed, the publication of the final select list was made contingent on orders passed by the Supreme Court. This delayed the entire recruitment cycle.

Thus the systemic defects in the appointment process has contributed to vacancies in the lower judiciary. Exams are not conducted frequently enough to fill vacancies as they arise. Even when they are, the High Courts are often unable to find enough meritorious candidates to fill the vacancies advertised. Unclear recruitment procedures and difficulties in coordination between the High Courts and the State Public Service

Commission also frequently give rise to disputes and litigation surrounding recruitment, further stalling the process.

The Centre for Research and Planning stated that the subordinate judiciary works under severe deficiency of 5,018 courtrooms. It also pointed to the shortage of residential accommodation for the subordinate judiciary — that is short of 8,538 quarters or over 40% of sanctioned strength of judicial officers. According to the report, 41,775 staff positions for subordinate courts were lying vacant, further affecting the functioning of courts.

These indicators have adverse consequences on effectiveness of courts. A judge trying cases for days on end in makeshift rooms cannot be expected to produce optimal results. Equally, shortage of secretarial and support staff tells on availability of court services, so vital to ensure timeliness.

The amicus curiae in the Supreme Court's suo moto petition, argued for a Central Selection Mechanism to appoint lower court judges, similar to the All India Judicial Service proposed by the Law Commission in its 116th report as part of a judicial reform package. The argument in favour of a centralised system is that a national-level selection process would attract a more talented pool of candidates and encourage fresh graduates to join the lower judiciary. Moreover, it would make recruitment more efficient and transparent.

Recommendations

- ▶ The 120th Law Commission of India report on Manpower Planning in Judiciary, 1987 suggested a judge strength fixation formula. It suggested that the judge-population ratio in India be increased immediately from the then ratio of 10 judges to 50 judges per million.
- ▶ The Centre for Research and Planning report also noted that access to justice is meaningful when each citizen literally has “access” to courts. The data revealed that on a geographical average, one judge is available at a distance of 157 sq. kilometres. Policing on the other hand, is better placed with one police officer every 61 sq. km.
- ▶ Analysis of last year's National Crime Records Bureau data revealed that the present strength of judicial officers is only able to complete trial in approximately 13% of cases brought for trial under the Indian Penal Code during a year. The ratio of cases brought for trial to the number of cases in which trial is completed stands close to 7% for the past five years. This clearly shows that the existing strength of judicial officers needs to be enhanced by at least seven times so that trial is completed within one year.

Conclusion

All India Judicial Services is a sound idea to attract capable judicial professionals who can make our subordinate judiciary robust by speeding up disposal of cases, ensuring right decisions that do not lend themselves to appeal and thereby bringing down the possibility of appeals to the minimum. The competence and quality of the lower judiciary is crucial for revitalizing the entire edifice of Indian judiciary. The Indian government should create plans for increasing the judicial system's strength by increasing the number of personnel recruited in all levels and ensuring that they are all adequately trained. In this regard, new recruits to the judicial system should be closely monitored to ensure that they maintain the required standards while dispensing justice.

Swachh Bharat Funds Remain Unused

Context

According to PTI report, Delhi civic bodies and government agencies have not been able to utilise 50 percent of the funds allotted to them under the Swachh Bharat Mission.

Of the amount used, the majority went to projects of solid waste management (Rs. 52.68 crore), followed by construction of community toilets (Rs. 9.99 crore) and aiding construction of individual household toilets (Rs. 7.80 crore). In addition, Rs. 4.24 crore was used for information, education and communication costs and Rs. 14.89 lakh on capacity building.

Though the data is with respect to Delhi, it shows the dismal picture of utilization of Swachh Bharat Fund and implementation of scheme at ground level.

Hereby, discussing the issue and stating the steps needed for improvement.

Introduction

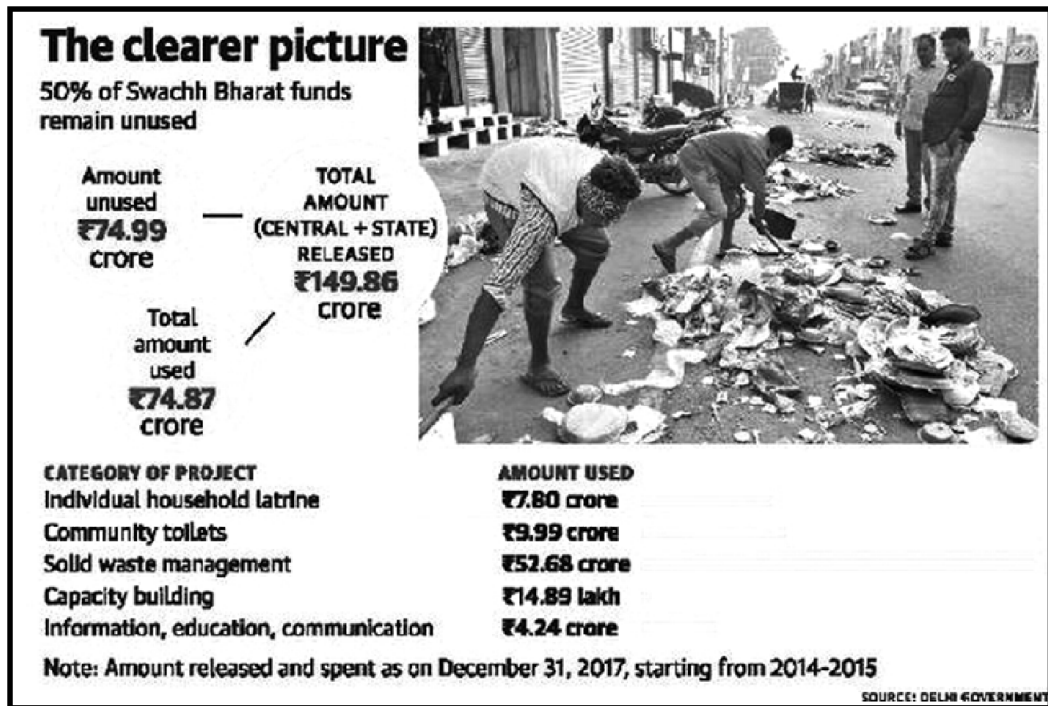
- ▶ Sanitation generally refers to the provision of facilities and services for the safe disposal of human urine and feces. Inadequate sanitation is a major cause of disease world-wide and improving sanitation is known to have a significant beneficial impact on health both in households and across communities.
- ▶ The word 'sanitation' also refers to the maintenance of hygienic conditions, through services such as garbage collection and wastewater disposal etc.

Objectives of Swachh Bharat

- ▶ To improve quality of life in the rural and urban areas.
- ▶ Motivate communities and Panchayati Raj Institutions promoting sustainable sanitation facilities through awareness creation and health education.
- ▶ Encourage cost effective and appropriate technologies for ecologically safe and sustainable sanitation.
- ▶ Develop community managed environmental sanitation systems focusing on solid & liquid waste management.

Reasons of India's Failure on Sanitation Front

- ▶ **Ineffective and inefficient monitoring** – Construction of toilets and its usage were not monitored effectively. There is no special audit system to monitor outcome of mission.



- ▶ **Lack of expertise and innovation-** In general India spends too less on innovation and that too in sanitary section is very less. Lack of innovation does not allow to construct cost effective toilets and monitor them.
- ▶ **Source of Funding-** Not enough ways to mobilize the funds for sanitation programmes. Only central government and state government allocate resources through budgets. No mechanism for private contribution.
- ▶ **Non availability of adequate water** is also a problem. Only about 46% Households are reported to have adequate water for flushing and tap water is available in the latrines in only 3.61% households. There was no provision to ensure the water availability.
- ▶ More than everything lack of focus on *behavioral and attitudinal changes* - In many areas in country despite the construction of toilets people didn't use it. There was not enough focus on awareness campaign which could have educated people about harms caused by open defecation.

Outcome of Poor Implementation

- ▶ Less than 50 percent of households in the country have access to sanitation facilities.
- ▶ 4 lakh children die of diseases such as cholera, dysentery and suffer from stunted growth as a result of poor sanitation each year.
- ▶ A World Bank study estimates that inadequate sanitation accounts for a loss of \$53.8 billion, which includes economic losses recorded from tourism, access time, water use and health related economic impacts.
- ▶ Millennium Development Goal, i.e. "halving the proportion of the population without sustainable access to safe drinking water and basic sanitation by 2015". But India lagging behind very much.

How to make Attitudinal Changes

- ▶ **By poking wrongdoers:** 'Roko And Toko' Push To Stop Open Defecation: Indore (Madhya Pradesh) - Under this unique initiative taken up by Indore's civic body, 'dibba gangs' have been created to 'roko aur toko' those who defecate in the

open. These 'gangs', mostly made up of school children, have taken to spreading the message by beating metal boxes loudly whenever they come across anyone defecating in the open.

- ▶ **Sanitary workers:** Red Dots Unite to Segregate Waste in Pune- menstrual waste can is a huge hazard for both the environment and the people who have to collect and segregate it. To educate people about disposing of their menstrual waste properly and the importance of segregation, members of SWaCH, Pune-based waste collectors' cooperative have been encouraging people to seal their sanitary waste in special red labeled bags.
- ▶ **By persuasion:** People need to pursue through campaigns and awareness programs. Madan Nath, a resident of Ganahera Village in Pushkar, has been using his moustache to educate the people of his village about the basics of personal hygiene and public sanitation.

Conclusion

Making people aware is important, but more important is that this awareness is converted to actions. As government itself has taken the initiative, this will definitely motivate people and make them realize that cleanliness is not just government's responsibility. On its part government can introduce a separate awareness drive too, so that more and more people join this campaign. Ultimately, these efforts will not only force people to change their attitude of "nothing will change" but also ensures their participation too.

India needs a Sewage System not Toilets



A staggering 70% of Indians living in villages - or some 550 million people - defecate in the open. Even 13% of urban households do so. Open defecation continues to be high despite decades of sustained economic growth - and despite the obvious and glaring health hazards.

The open defecation is more common in India than in poorer countries such as Bangladesh, Kenya, Democratic Republic of Congo, Malawi, Burundi and Rwanda.

But building toilets may not be enough to end open defecation in India. Proper sewage and sanitation system is must to make India open defecation free.

Hereby discussing the issue and steps needed.

Introduction

Lack of Sewage system

Sanitation Coverage at the launch of SBM(G) on 2nd Oct, 2014 was **38.70%**. This has increased to **74.15%** as on 18th Dec, 2017. The government target of ensuring all Indians use toilets, but in urban India alone, no more than 30% of sewage generated by 377 million people flows through treatment plants.

It is randomly dumped in rivers, seas, lakes and wells, polluting three-fourths of the country's water bodies.

An estimated 62,000 million litres per day (MLD) sewage is generated in urban areas, while the treatment capacity across India is only 23,277 MLD, or 37% of sewage generated, according to data released by the government in December 2015.

Further parsing of this data reveals that of 816 municipal sewage treatment plants (STPs) listed across India, 522 work. So, of 62,000 MLD, the listed capacity is 23,277 MLD but no more than 18,883 MLD of sewage is actually treated.

That means 70% of sewage generated in urban India is not treated. Sewage generation in India from class-I cities (with a population more than 100,000) and class-II towns (population 50,000–100,000) is estimated at 38,255 MLD, of which only 11,787 MLD (30%) is treated.

An estimated 75% to 80% of water pollution is from domestic sewage, discharged untreated into local water bodies.

Swachh Bharat mission will compound the problem of Ganga pollution to an irreparable level. These toilets will be built with four on-site sanitation technologies septic tank, twin pits, biotoilet or biodigester.

This means by 2019, over 30 million tanks or pits would have been dug along the Ganga. A back-of-the-envelope calculation shows that these tanks and pits will produce 180 MLD of faecal sludge and septage. In the absence of a proper management system, this waste will eventually find its way into the Ganga.

Lack of Water Supply

In addition to more than half of Indian homes having no toilets within their premises, access to water supply and drainage facilities is also another serious problem. For example, two-thirds of Indian homes have no drinking water facility from a treated tap source, and four-fifths are devoid of closed drainage connectivity for discharge of waste-water. While 87% of the households now use tap, tube-well, hand-pumps and covered wells as the main source for drinking water, only 47% have the source of water within the premises. A good 36% households still have to fetch water from a source located within 500 meters in rural areas and 100 meters in urban areas.

This has a significant impact on the sanitation and hygiene practices and the health of women in terms of extra workload and evidence indicates that 17% women in the rural areas have to walk more than half a km to get water for their families and for their cattle, and 55% of them are forced to bathe in the open because they do not have any private bathing facilities.

The situation is even worse in areas, which are drought-prone or face perennial water shortage, such as the Bundelkhand region in Uttar Pradesh and states like Rajasthan, Bihar, Jharkhand and Orissa

Solution

Building a sewage system is no easy task and raises classic collective action problems. All citizens do not face the costs equally when some streets and neighbourhoods are dug up for years on end. But everyone reaps the benefits of having a functional and sanitary waste disposal system

The alternative is : Today, a large share of Indian households with access to sanitation are connected to septic tanks – 40% of urban India, according to the Census 2011. In this case the household flush or pour latrine is connected to a septic tank, which, if it is well constructed, will retain the sludge and discharge the liquid through a soak pit. The faecal sludge can be emptied and conveyed for treatment.

The fact is that this sludge is nutrient-rich. Today, the global nitrogen cycle is being destroyed because we take human excreta, which is rich in nutrients, and dispose it in water. In this case, we can return the human excreta back to land, use it as fertiliser and reverse the sanitation cycle. The faecal sludge, after treatment, can be given to farmers and used as organic compost. Or, it can be treated and mixed with other organic waste – like kitchen waste – and used for biogas, or to manufacture fuel pellets or ethanol.

Further local governments should be encouraged to construct sewage systems.

There is a need for a massive campaign to change sanitation preferences and promote toilets by linking sanitation behaviour with health. One of the ways it can be done is by raising **an army of sanitation workers** and campaigners in the villages to spread the message.

The government needs to rethink the solution to the problem of open defecation and focus on providing public goods like sewage systems instead of free toilets.

ECONOMIC ISSUES

Index

1. **Changes in Foreign Contribution Regulation Act (FCRA)**
2. **Monetary Policy: A Fine Balance between Growth and Inflation**
3. **Service Sector Sees Fastest Growth**
4. **Agriculture Price Policy in India**
5. **Long-term Capital Gains Tax: Meaning, Impact and Critical Analysis**
6. **Why Manufacturing Sector is not Able to Generate Jobs?**

Changes in Foreign Contribution Regulation Act (FCRA)



Recently, the Union government has proposed to amend the Foreign Contribution Regulation Act (FCRA), retrospectively. A proposed retrospective amendment in Foreign Contribution Regulation Act (FCRA) will condone illegalities committed by political parties in raising foreign donations.

Hereby, discussing the amendments made and impact of that on the political parties.

What is FCRA?

Foreign Contribution Regulation Act (FCRA), seeks to regulate the foreign contributions or donations to organizations and individuals in India and to curb, such contributions *which might be detrimental to the national interest*.

This law does not fall within the purview of the RBI but under the *Home Ministry*.

Individuals Exempted from Accepting Foreign Contributions

- ▶ Foreign Contribution Regulation Act (FCRA), 1976 was enacted on backdrop of National emergency. It was made to check rising foreign influence in Indian political system.
- ▶ The 1976 Foreign Contribution (Regulation) Act (FCRA) introduced a list of individuals prohibited from accepting any type of foreign contribution:
 - ▣ Candidates for election;
 - ▣ Correspondents, columnists, cartoonists, editors, owners, printers or publishers of a registered newspaper;
 - ▣ Judges, government servants or employees of any public sector corporation;
 - ▣ Members of any Legislature; and
 - ▣ Political parties or their office-bearers.
- ▶ Foreign funds received as fees for service, costs incurred for goods or services in the ordinary course of business, and trade or commerce are excluded from the definition of foreign contribution.
- ▶ Funding from the United Nations, the World Bank and the International Monetary Fund is exempted.

Proposed Amendments

- ▶ The Representation of the People Act and the FCRA bar political parties from receiving foreign funds.
- ▶ In 2016, the government amended the FCRA through the Finance Bill route, allowing foreign-origin companies to finance non-governmental organisations and clearing the way for donations to political parties by changing the definition of “foreign companies”.
- ▶ The amendment, though done retrospectively, only made valid the foreign donations received after 2010, the year when the 1976 Act was amended.
- ▶ The retrospective amendment did not apply to donations prior to 2010.

Why Amendments made?

- ▶ Based on the petition filed by Association for Democratic Reforms (ADR), Delhi High Court in 2014 had indicted the *BJP and the Congress for receiving foreign funds in violation of the provisions of The Foreign Contribution (Regulation) Act (FCRA), 2010 (and The Foreign Contribution (Regulation) Act (FCRA), 1976)*, because the Act prohibit political parties, candidates for elections, government servant or employees from accepting funds from “foreign source”.
- ▶ The original provision in the FCRA, which declared that any company with over 50% FDI was a foreign entity. This was amended in 2016 to declare that a company will “not be deemed a foreign source” if the “nominal value of share capital is within the limits specified for foreign investments.”
- ▶ *However, BJP and the Congress received funds from London-based mining company Vedanta.*
- ▶ On March 28, 2014, a *Delhi HC judgment found both parties guilty of violating provisions of the FCRA* and ordered the government and the Election Commission to act against them.
- ▶ Under the new provision, so long as the foreign company’s ownership of an Indian entity is within the foreign investment limits prescribed by the government for that sector, the company will be treated as “Indian” for the purposes of the FCRA.
- ▶ The amendment was made retrospective from 2010. Meaning, donations received from foreign companies before 2010 were not covered under the new clause.
- ▶ Vedanta donation was received prior to 2010 so the amendment did little good for taking the BJP and the Congress completely off the hook.

Other Apprehensions

- ▶ The amendment opens up a floodgate of donations from foreign companies to Indian political parties.
- ▶ The nature of political funding in India from the corporate sector already raises eyebrows. NGOs, particularly those working in social justice and human rights sectors. In 2016, government cancelled the licenses of 20,000 NGOs and in 2017, 4,842 cancellations took place, over supposed violations of FCRA.

Conclusion

Current steps by government will save only some of political parties. Opening up of flood gates foreign contribution for political parties can change political scenario in coming years.

Monetary Policy: A Fine Balance between Growth and Inflation

Context

On the basis of an assessment of the current and evolving macroeconomic situation at its meeting, the Monetary Policy Committee (MPC) decided to:

- ▶ *Keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 6.0 percent.*
- ▶ *Consequently, the reverse repo rate under the LAF remains at 5.75 percent, and the marginal standing facility (MSF) rate and the Bank Rate at 6.25 percent.*

Thus, hereby, analyzing the reason for taking neutral stance and its implications.

Introduction

- ▶ The Indian economy recovered relatively quickly from the financial crisis of 2008, but inflationary pressures emerged even in the early stages of the recovery in late 2009. Over the past year the challenge for monetary policy has been to contain these inflationary pressures without disrupting the recovery. So, India's central bank has been under pressure over the past year or so, trying to strike a fine balance between taming inflation and maintaining growth momentum.
- ▶ A bigger challenge for RBI will be navigating through the next financial year. Higher yields, inflation and election cycle in the US and India are likely to lead to an increase in financial volatility in global and Indian asset markets and make RBI's task increasingly difficult.
- ▶ To meet the challenge of inflation, Monetary Policy Committee has been proposed. MPC is an executive body of **6 members**. Of these, three members are from RBI while three other members are nominated by the Central Government. **Each member has one vote**. In case of a tie, the RBI governor has casting vote to break the tie, so the final decision on monetary policy should not lie with the RBI governor alone but on a group of people.
- ▶ The main function of the MPC is **Inflation Targeting** and to form a **suitable Monetary Policy** for the continued and effective growth of the economy. The members of the panel are free to suggest reasons for their support or opposition for a change in policy.
- ▶ The official inflation target notified by the government is 4%, with a band of 2% on either side. A lot depends on how the MPC interprets this target.

- ▶ Monetary policy decisions by central banks can have far-reaching implications for the economy, investors, savers and borrowers. And if seen through the perspective of an individual, these decisions can cause a lot of heartburn. Therefore, globally many governments have solved this problem by appointing a committee.

Reason for Neutral Instance

- ▶ Retail inflation, measured by the year-on-year change in the consumer price index (CPI), increased for the sixth consecutive month in December on account of a strong unfavourable base 3 effect. After rising abruptly in November, food prices reversed partly in December, reflecting mainly the seasonal moderation, albeit muted, in prices of vegetables along with continuing decline in prices of pulses. Cereals inflation moderated with prices remaining steady in December. However, inflation in some components of food – eggs; meat and fish; oils and fats; and milk – increased. Fuel and light group inflation, which showed a sharp increase in November, softened somewhat in December, driven by moderation in electricity, LPG and kerosene inflation.
- ▶ CPI inflation excluding food and fuel increased further in November and December, largely on account of increase in housing inflation following the implementation of higher house rent allowances (HRA) for government employees under the 7th central pay commission (CPC) award. Inflation also picked up in health and personal care and effects.

Considering these factors, inflation is now estimated at 5.1 percent in Q4.

- ▶ The MOC consider all the factors affecting inflation over the year:
 - Economic growth: Higher growth causes income and consumption to rise and demand-pull inflation.
 - Consumption: An increase in consumption causes demand-pull inflation.
 - Asset prices: A rise in house prices induces a wealth effect that increases consumption and causes demand-pull inflation.
 - Unemployment: Lower unemployment means income and consumption rise, so there is demand-pull inflation.
 - Exchange Rate: A fall in the exchange rate causes exports to rise, imports to fall and demand-pull inflation. Also, imports are more expensive so there is cost-push inflation.
 - Commodity prices: A rise in commodity prices means imported commodities are more expensive and firms' costs rise so there is cost-push inflation.
- ▶ After considering all the factors affecting inflation, the MPC predict inflation and decide on what should happen to interest rates to keep inflation within its target. If inflation is too low, the MPC will use loose monetary policy to decrease interest rates and increase inflation. If inflation is too high, the MPC will use tight monetary policy to increase interest rates and decrease inflation.

According to the committee, the inflation outlook beyond the current year is likely to be shaped by several factors such as:

- ▶ International crude oil prices have firmed up sharply since August 2017, driven by both demand and supply side factors.
- ▶ Non-oil industrial raw material prices have also witnessed a global uptick. In a scenario of improving economic activity, rising input costs are likely to be passed on to consumers.
- ▶ The inflation outlook will depend on the monsoon, which is assumed to be normal. Taking these factors into consideration, CPI inflation for 2018-19 is estimated in

the range of 5.1-5.6 percent in H1, including diminishing statistical HRA impact of central government employees, and 4.5-4.6 percent in H2, with risks tilted to the upside. The projected moderation in inflation in the second half is on account of strong favourable base effects, including unwinding of the 7th CPC's HRA impact, and a softer food inflation forecast, given the assumption of normal monsoon and effective supply management by the Government.

Issues which may Impact the Inflation Outlook

- ▶ First, the staggered impact of HRA increased by various state governments may push up headline inflation further over the baseline in 2018-19, and potentially induce second-round effects.
- ▶ Second, a pick-up in global growth may exert further pressure on crude oil and commodity prices with implications for domestic inflation.
- ▶ Third, the Union Budget 2018-19 has proposed revised guidelines for arriving at the minimum support prices (MSPs) for kharif crops, although the exact magnitude of its impact on inflation cannot be fully assessed at this stage.
- ▶ Fourth, the Union Budget has also proposed an increase in customs duty on a number of items.
- ▶ Fifth, fiscal slippage as indicated in the Union Budget could impinge on the inflation outlook. Apart from the direct impact on inflation, fiscal slippage has broader macro-financial implications, notably on economy-wide costs of borrowing which have already started to rise. This may feed into inflation.
- ▶ Sixth, the confluence of domestic fiscal developments and normalisation of monetary policy by major advanced economies could further adversely impact financing conditions and undermine the confidence of external investors. There is, therefore, need for vigilance around the evolving inflation scenario in the coming months.

Accordingly, the MPC decided to keep the policy repo rate on hold and continue with the neutral stance. The MPC reiterates its commitment to keep headline inflation close to 4 percent on a durable basis.

Issues in Working of MPC

The MPC face many problems when setting interest rates to target inflation.

- ▶ For example, there may be trade-offs. Higher interest rates reduce inflation but they may also reduce aggregate demand, income, employment and real GDP. This causes a conflict with the government's macroeconomic objectives.
- ▶ Also, there may be lags. It takes time to change interest rates. Also, it takes roughly two years for interest rates to exert their full effect on investment and consumption. This makes it more difficult to plan what should happen to interest rates.
- ▶ Additionally, the MPC may face uncertainty. Some events cannot be predicted (maybe oil price shocks or financial crises). Resultantly, the MPC will fail to implement an effective policy response, interest rates may be too high or too low so inflation will be off target.
- ▶ Furthermore, there may be data reliability issues. Data may be imperfect, and if the MPC plan and act with inaccurate information they will set the wrong type of interest rate response.

Service Sector Sees Fastest Growth



According to the monthly Nikkei Services Business Activity Index, the Indian service sector registering the fastest rise in activity in three months partly due to renewed increase in new business order.

The index remained above the neutral mark of 50 in January that separates growth from contraction for the second consecutive month.

Hereby discussing the data and reasons for high growth.

What is PMI?

PMI or a Purchasing Managers' Index (PMI) is an indicator of business activity — both in the manufacturing and services sectors. It is a survey-based measure that asks the respondents about changes in their perception of some key business variables from the month before. It is calculated separately for the manufacturing and services sectors and then a composite index is constructed.

Recent Data

The Nikkei India Services PMI (Purchasing Managers' Index) is based on data compiled from monthly replies to questionnaires sent to purchasing executives in around 350 private service sector companies. The index tracks variables such as sales, employment, inventories and prices. A reading above 50 indicates that the services sector is generally expanding; below 50 indicates that it is generally declining.

The Nikkei Services Business Activity Index registered its fastest rise in three months in January to stand at 51.7, led by expansion in the Information & Communication sub-sector. The index stood at 50.9 in December 2016.

Hereby, discussing the service sector status in India and its contribution in economic growth.

Service Sector in India:

- ▶ Service sector is the backbone of the socio-economic growth of the country. It is the largest and fastest growing sector around the globe and the biggest employer too. The real reason behind this robust growth is increase in urbanization, privatization and increased demand for the consumer services - be it intermediate or final consumer services.
- ▶ India's service sector is accounting for more than 55% to gross domestic product (GDP) which is gradually increasing by 10 % per annum and contributing around 25% to total employment and having major allocation in FDI inflows and 33% of exports total with an expected growth of 27.4% in 2010-2011.

- ▶ The services sector growth was significantly faster than the 6.6% for the combined agriculture and industry sectors annual output growth during the same period.
- ▶ There are the wide range of the activities in the services sector but one of the key service industry is to be looked upon would be HEALTH AND EDUCATION. Having a wide range of activities and looking at the robust growth and LIONS SHARE in India's GDP the Finance Ministry for the first time put a separate chapter in Pre-Budget Economic Survey for a better and more regular data on the sector.

Trends in Service Sector:

- ▶ Indian service providers addressed new business inflows and rising backlogs by expanding workforces. Moreover, the rate of job-creation was the fastest since last six months.
- ▶ In terms of prices, the input cost inflation across the service sector remained weak by historical standards, although service providers were able to pass on a greater proportion of cost burdens to customers.
- ▶ Service sector companies in India remained optimistic regarding expected activity levels in 12 months' time.
- ▶ India leaps frogged from an agrarian economy to a service economy. India has immense human resources, that are well-educated and fluent in English, and labour is also cheap, thus propelling the service sector.

Components & contributions of Service sector:

- ▶ Within services, two industries, hotels and restaurants and land transport, contribute about half of the plant count.
- ▶ A few other services such as education and health services, financial intermediation, and other business services also feature prominently.
- ▶ Within services, it is not surprising that computers and related activities record the highest usage of computers and internet, with the usage of new technologies in organized services always being considerably higher than that in unorganized services.
- ▶ Other organized services with high use of technology include financial intermediation, post and telecommunications, other business activities and supporting/auxiliary transport activities, and travel agencies.
- ▶ Education and health services also record a high usage of computers, but show lower internet usage.
- ▶ Services establishments in richer states adopt technology somewhat more than those in poor ones, while those in urban areas have greater usage ratios than their rural counterparts.

Initiatives to Promote Service Sector

IT-BPM Services

- ▶ To promote this sector, many initiatives have been taken. These include the establishment of BPO Promotion and Common Services Centers to help create digital inclusion and equitable growth and provide employment to 1.45 lakh persons, mostly in the small towns; setting up a separate Northeast BPO promotion scheme with 5000 seats and having employment potential of 15000 persons; preparing the draft open data protection policy law; besides long-term initiatives like Digital India, Make in India, Smart Cities, e-Governance, push for digital talent through Skill India, drive towards a cashless economy and efforts to kindle innovation through Start-up India.

Real Estate

- ▶ Some of the recent reforms and policies related to Real Estate sector include the Pradhan Mantri Awas Yojana (PMAY) with the government sanctioning over 3.1 million houses for the affordable housing segment in urban regions till November 2017. PPP policy for affordable housing was also announced, for affordable housing segment to provide further impetus to the ambitious 'Housing for all by 2022' mission. Credit Linked Subsidy Scheme (CLSS) under PMAY was extended to the Middle Income Group (MIG) segment.

Research and Development

- ▶ The government has taken many initiatives to promote the R&D sector in India, which include establishing the Atal Innovation Mission (AIM). Some other initiatives related to R&D includes- The agreement between India and Israel in 2016 to enhance bilateral cooperation in science and technology provides US\$ 1 million from each side in the next two years to support new R&D projects in the areas of big data analytics in healthcare and cyber security. The Ministry of Environment, Forest and Climate Change (MoEFCC) has announced an R&D initiative to develop next generation sustainable refrigerant technologies as alternatives to the currently used refrigerant gases like hydrofluorocarbons (HFCs), in order to mitigate its impact on the ozone layer and climate.

Service sectors and Inclusive growth:

Service sectors act as an engine for inclusive growth in India due to the following reasons:

- ▶ The service sector will be able to contribute to inclusive growth by enhancing investment, creating employment and human capital, and developing infrastructure.
- ▶ It is important for a developing country like India with a large, young population to generate quality employment and to move up the value chain.
- ▶ The service sector is the engine of growth of the Indian economy and it is one of the major contributors to both national income and employment.
- ▶ India needs private investments in key infrastructure services such as transport, energy, and telecommunications. It can attract FDI and private investment only with a stable, transparent, non-discriminatory, competitive policy environment.
- ▶ This sector will enhance the productivity and efficiency and will lead to inclusive growth.

Need of the Hour:

- ▶ The need is for retaining the country's competitiveness in those services sector where it has already distinguished such as IT and ITeS and telecommunication.
- ▶ Tourism and Shipping industry where other nations has already established, we need to do more homework there in respect of tourists friendly milieu and to match the standards of facilities provided there of international level.
- ▶ Niche areas such as financial services, healthcare, education, accountancy, legal and other services where country has a huge domestic market has shown some dents in global markets. This requires reciprocal movements on the part of India in opening up its own markets, liberalizing FDI not only to improve infrastructure but also to absorb best practices universes that are so universally acclaimed.

Conclusion:

- ▶ Unless the service sector growth quickens, India cannot attain the professed double digit growth. Attracting FDI and forging more effective international linkages is the key to this objective.

Agriculture Price Policy in India

Context

Based on the recommendations of the Commission for Agricultural Costs and Prices, the Department of Agriculture and Co-operation, Government of India, declares Minimum Support Prices (MSP) for 22 crops before their sowing seasons. The idea behind MSP is to give guaranteed price and assured market to the farmers and protect them from the price fluctuations and market imperfections. The guaranteed price and assured market are expected to encourage higher investment and in adoption of modern farming practices.

MSP should ideally, not only cover the cost of production but should also ensure remunerative price for the commodities to the farmers. MSP also seeks to control the volatility of Open Market Price (OMP) by setting a minimum selling price standard. However, the effectiveness of MSP has been a point of debate among the relevant stakeholders.

Hereby discussing the concept of MSP, its objective and lacunas in its calculation.

Introduction

MSP is viewed as a form of market intervention by the central government and as one of the supportive measures (safety nets) to the agricultural producers. This has also a strong linkage to factor market. In this situation, three important aspects deserve attention, viz., (i) insulating the farm producers against the unwarranted fluctuations in prices, which may be provoked by among others, international price variations; (ii) creation of an incentive structure for the farm producers in order to direct the allocation of resources towards desired crops; and (iii) insulating consumers' against sharp price rise, which may have been created by monsoon failure or even by vested interest by creating artificial scarcity. The focus is to create value addition for the cultivators as well as the consumers.

Determination of Minimum Support Price

The prices of agricultural commodities are inherently unstable, primarily due to the variation in their supply, lack of market integration and information asymmetry - a very good harvest in any year results in a sharp fall in the price of that commodity during that year which in turn will have an adverse impact on the future supply as farmers withdraw from sowing that crop in the next/following years. This, then causes paucity of supply next year and hence, major price increase for consumers.

The MSP is fixed on the recommendations of the Commission for Agricultural Costs and Prices (CACP). The CACP is a statutory body and submits separate reports

recommending prices for Kharif and Rabi seasons. The Central Government after considering the report and views of the State Governments and also keeping in view the overall demand and supply situation in the country, takes the final decision.

The information/data used by the Commission, inter-alia include the following:

- ▶ Cost of cultivation per hectare and structure of costs in various regions of the country and changes there in;
- ▶ Cost of production per quintal in various regions of the country and changes therein;
- ▶ Prices of various inputs and changes therein;
- ▶ Market prices of products and changes therein;
- ▶ Prices of commodities sold by the farmers and of those purchased by them and changes therein;
- ▶ Supply related information - area, yield and production, imports, exports and domestic availability and stocks with the Government/public agencies or industry;
- ▶ Demand related information - total and per capita consumption, trends and capacity of the processing industry;
- ▶ Prices in the international market and changes therein, demand and supply situation in the world market;
- ▶ Prices of the derivatives of the farm products such as sugar, jaggery, jute goods, edible/non-edible oils and cotton yarn and changes therein;
- ▶ Cost of processing of agricultural products and changes therein;
- ▶ Cost of marketing - storage, transportation, processing, marketing services, taxes/fees and margins retained by market functionaries; and
- ▶ Macro-economic variables such as general level of prices, consumer price indices and those reflecting monetary and fiscal factors.

Role of FCI

Under the existing procurement policy of the Government of India (GOI), foodgrains for the Central Pool are procured by various agencies such as FCI, State Government Agencies (SGAs) and private rice millers. Before the start of each procurement season, Govt. of India announces uniform specification for quality of wheat, paddy, rice and coarse grains. Quality Control Division of FCI ensures procurement of foodgrains from procurement centres strictly in accordance with Govt. of India's uniform quality specifications. Procurement of wheat and paddy for the Central Pool is carried out on open ended basis (i.e., accepting all the grains that are sold to it by farmers) at the declared Minimum Support Price (MSP) fixed by the GOI. In addition, States/ Union Territories (UTs) which are presently under Decentralised Procurement (DCP) scheme also procure foodgrains for the Central Pool, but directly store and distribute them under Targeted Public Distribution System (TPDS) and Other Welfare Schemes (OWS) based on the allocation made by the GOI. Any surplus stock over their requirement is taken over by FCI and in case of any shortfall in procurement against allocation made by the GOI, FCI meets the deficit out of the Central Pool.

The procured food grains are taken over from State Government Agencies (SGAs) and private rice millers into the Central Pool by FCI and are moved from the procuring states to the consuming states for distribution to the consumers and for creation of buffer stock in various states. Food grains of the Central Pool are stored by FCI in both its own godowns and at hired godowns in different parts of the country. FCI, if so required, may use warehouse receipts as collateral for financing its operations.

Impact of Pricing Policy

The assessment of impact of agricultural price policies pursued in India can be approached from several angles, viz., achievement of national objectives, incentives or disincentives created for farmers, and distortions, if any, created in the marketing system. The impact of agricultural price policies can be summarized as follows:

- ▶ The policy has been instrumental in creating a fairly stable price environment for farmers to induce them to adopt new production technology and thereby increase the output of foodgrains. The improvement in the level of food security in India during the last three decades has been widely acknowledged the world over.
- ▶ Geographically dispersed growth of cereal production during the last two decades coupled with public distribution system of cereals helped in increasing the physical access to food.
- ▶ Supply of subsidized inputs to farmers and subsidized distribution of foodgrains, which enabled to keep the real prices of cereals declining vis-à-vis the per capita income, helped in improving the economic access to staple food grains.
- ▶ While the farmers were provided some degree of price insurance through a policy of minimum support prices, the policy tried to achieve a fair sharing of gains of technological progress and public investment between farmers and consumers.
- ▶ Apart from the increase in physical and economic access to food and an assurance of a reasonable return to growers of staple food, the incentive framework created by the price policy helped in diversification of cropping and production pattern in agriculture. While such shifts in cropping and production patterns occurred at the margin, these helped in increasing the production of oilseeds, fruits, vegetables and livestock products, thus improving the nutrition security to a great extent.
- ▶ Owing to the decline in the real prices of basic staple food, the industry and the organised sector could keep their wage bills low, as rice and wheat have a considerable weightage in the consumer price index. The benefits of price policy and input/food subsidies have, thus, been shared by all sections of society, i.e., surplus-producing farmers, other farmers who are net purchasers of cereals, landless labourers, urban consumers and industry.

Issues

Public procurement at MSP has disproportionately focused on wheat, rice and sugarcane and perhaps even at the expense of other crops such as pulses and oilseeds. This has resulted in buffer stocks of paddy and wheat to be above the required norms, but also caused frequent price spikes in pulses and edible oils, despite substantial imports of these commodities.

Agricultural experts point out that there is hardly any dependable mechanism of government procurement for crops on the MSP in most parts of the country. Problems like delay in the setting up of procurement centres, exploitation by commission agents (*Arthiyas*), who most of the time buy the produce from farmers below MSP on one pretext or the other, defeat its purpose. Farming for a majority of small and marginal farmers has not been remunerative.

In the wake of liberalisation, MSP assumes a significant role in the form of state intervention in the agricultural product markets as well as a component of the safety net measure. This also has strong linkage to the factor market. In this situation two important aspects deserve attention, viz.: (i) Insulating the farm producers against the unwarranted sudden fluctuations in prices, provoked by the international price variations; and (ii) Creation of an incentive structure for the farm producers in order

to direct the allocation of resources towards growth/export oriented crops. The focus should essentially be towards creation of value addition for the cultivators.

MSP has been highly favourable to rice and wheat production and has resulted in the shift of good quality land and resources to these crops, away from pulses, oilseeds, and coarse grains. Lack of crop diversification and heavy dependence on a few major cereal varieties has led to a significant loss in crop biodiversity. Inadequate extension and training, inefficient regulation of water quality and input pricing, and subsidy policies that made modern input too cheap and encouraged excessive application, have collectively created negative environmental impacts.

To sum-up, higher emphasis has to be given for non-price interventions through public investments to supplement price policy measures. They can help in increasing yields, reduce the exclusive reliance on prices for farm profitability and food security, and also hasten poverty reduction, as the history of poverty reduction in the country shows that the proportion of the poor declined at faster rates when the food prices are low. Decentralising the procurement operations by building necessary infrastructure in states like UP, Bihar, MP, Orissa is critical in achieving equity in this regard. Also, price support operations need to be extended to other crops like pulses and oilseeds to stimulate their production.

Alternative Methodology: Zonal Procurement Policy

In a zone as a whole if the production of food grains is sufficient to meet the requirements under the PDS and other schemes, it must be ensured that enough food grains are procured to meet the zonal demand from within the zone. Inter regional movements of food grains must be allowed only if the production in the zone is not sufficient to meet the zonal requirements. Adequate storage must be created in the region for this purpose. This process will help states in developing procurement infrastructure at the mandi level. Necessary financing could be facilitated by NABARD.

Implementing a zonal procurement policy might require flexibility in the procurement prices across states to address the variation in production and other costs. Strategies that would provide adequate incentives to farmers may help in procuring the targeted quantities to meet the requirements of the state. It is evident that a zonal procurement and distribution policy for both rice and wheat is quite feasible. FCI stands to derive several benefits from this policy. Reduction in transportation costs, transit losses and lead times, reduced dependency on railways for long hauls and increased control over movement will bring about overall reduction in direct and indirect costs and result in greater efficiencies.

Conclusion

Recently in the Budget 2018, government has announced that MSP for Kharif crops will be 1.5x cost of production. If prices are lower than MSP then the government has to ensure that there are ways to make sure the farmers receive necessary MSP or an apt price for their products.

It is not clear from the budget documents which measure of cost the government will take while announcing MSPs in future. Farmer organizations have demanded MSPs at 50% over **C2 or comprehensive cost of production which includes imputed rent and interest on owned land and capital. This is higher than the A2+FL measure which includes paid out costs on inputs plus an imputed value of family labour.**

Thus, MSP has to be made transparent to improve the agriculture price policy of the government.

Long-term Capital Gains Tax: Meaning, Impact and Critical Analysis



India under-taxes its people, and hence under-spends, especially on social sectors like health and education. The direct tax to GDP ratio in India is nearly at the bottom. Just 1% of individuals, who declared their income in assessment, accounted for almost 20% of the taxable income. Among corporates, a little more than 5% of the companies accounted for a whopping 94% of the taxable income.

Hence, recently Finance Minister in his Union Budget speech has re-introduced LTCG tax on stocks. Investors will have to pay 10 per cent tax on profit exceeding Rs 1 lakh made from the sale of shares or equity mutual fund schemes held for over one year. Till now, LTCG was exempt from tax.

Hereby, discussing the meaning and impact of re-introduction of Long Term Capital Gains tax in the economy.

About Capital Gain and Capital Gains Tax

- ▶ A long-term capital gain or loss is a gain or loss from a qualifying investment owned for **longer than 12 months** before it was sold. The amount of an asset sale that counts toward a capital gain or loss is the difference between the sale value and the purchase value, or simply, the amount of money the investor gained or lost when he sold the asset.
- ▶ Capital gains tax is imposed on the profit realized from the sale of non-inventory assets such as equities, precious metals, bonds, property etc.
- ▶ There are two types of capital gains: Short-term capital gains (STCG) and Long-term capital gains (LTCG). Each asset class has its own rules with respect to both for ascertaining income tax.
- ▶ Taxes on capital income are actually **a form of double taxation**. Shareholders who have already paid taxes on the profits of the companies they own, should ideally not be expected to pay a further round of taxes on the dividends they get or the capital gains they book (the latter being the net present value of future profits after tax).

Implications of LTCG

Positive:

- ▶ Investors who park wealth in the stock markets would be encouraged to deploy the capital in ways that are more economically productive.

- ▶ It makes the government seem a little less pro-rich, little more benevolent towards the not-so-rich as much of the capital gains are collected by corporates, not individuals.
- ▶ Another merit is that this form of taxation does promote equality as it is a tax on the profit made when an asset is sold, people making gains will pay considerably more than individuals making gains. So “a Capital Gains Tax may be regarded as **reducing inequality of wealth** in much the same way as a progressive income tax system”.
- ▶ It will widen the tax base of the country and increase the tax to GDP ratio in which India is lagging in the global arena.
- ▶ It will level the field between investors in financial assets and investors in manufacturing products.
- ▶ The stocks market is recording all-time high in recent time and hence the investors can be taxed without putting any extra economic pressure on them.
- ▶ It increases the tax revenues from the global money markets plugging out the widening fiscal deficit.
- ▶ In the recent past, there have been instances of abusive use of this exemption provision in the form of escalated incomes artificially created by some assesses, popularly known as penny stock. LTCT will help to curb such things.

Negatives:

- ▶ Smaller difference between short and long-term capital gains tax itself will discourage the long-term holding of stocks in favour of short-term trading activities.
- ▶ It also might discourage the growing culture of investing in equities for the long run.
- ▶ The double whammy of the Securities transaction tax (STT) and LTCG will further privilege short-term trading in stocks over long-term investment.
- ▶ It could discourage foreign investors to invest in India and may lead to the sharp fall in both the Nifty and the Sensex after the LTCG announcement.
- ▶ It will discourage long term holding of stocks in favour of short term trading activity due to double whammy of STT and LTCG.
- ▶ It will also discourage long-term investment particularly in share market and foreign investors to invest in India through FDI.

Critical Analysis

- ▶ Capital gains tax can effect economic growth; it has a significant influence on investors. When the tax rate is high investment will decrease, however, the opposite will occur when the tax rate is low, the benefit of this is that the government can therefore use capital gains tax to influence behaviour.
- ▶ Imposition of LTCG tax without allowing any indexation for inflation rates will show negative impact on an average middle class investor that may affect the financial markets as seen already by sudden fall of indices.
- ▶ This tax can also be seen as fair because of its various exempt assets. If these assets were taxed the wealthy would be less effected than the relatively less well-off therefore with these exemptions in place some may view capital gains tax as reasonable.

- ▶ Grandfathering clause: It is the exemption granted to existing investors or gains made by them before the new tax law comes into force. Whenever the government introduces a stricter tax law, it has to ensure that investors who have committed money, keeping in mind the easier tax regime, are protected. In the matter of LTCG tax on shares, the government said gains from shares or equity mutual funds made till January 31, will be grandfathered or exempted. There will be no LTCG tax on notional profit in shares till then.

LTCG in Different Countries

| Country | Tax on Capital gains on Equity |
|--|--|
| Developed markets | |
| USA | For long term capital gains (Assets held for >12 months), the rate is 0% for taxpayers in 10% and 15% slabs, 20% for taxpayers in the highest slab, and 15% for the rest. Short term gains are taxed at slabs for ordinary income (10% to 39.6%). Short term capital losses can be set off against long term gains |
| Canada | 50% deduction on all capital gains. Rates are separate for federal tax and province. The federal taxes range from 15% to 33%, while the maximum rates by the provinces range from 22 to 27%. Tax slabs are inflation indexed annually |
| Australia | Individuals with >1 year holding - 50% deduction on Capital Gains net of losses while short term transactions are taxed fully. Tax rates range from 19% to 45% |
| UK | No difference between long term and short term, 10% rate for basic income tax limit and 20% for those earning above |
| Germany | Gains from sale of shares purchased before 1 Jan 2009 are exempt, and gains on shares purchased since then are fully taxable and subject to withholding tax of 25% |
| Emerging Markets | |
| China | "Temporarily exempt" from capital gains, but they have been there for individuals in some form since 1998. Exemption on HKSE listed stocks for a period of three years till 4 December 2019 |
| Brazil | Progressive taxation on capital gains ranging from 15% to 22.5% on sales above ~\$6000 |
| Indonesia | Withholding tax of 0.1% on every sale of shares while the WHT is 0.5% for 'founder shares' in a public offering. Capital gains are taxed progressively at the same rate as other income taxes (from 5% to 30%) |
| Singapore | Capital gains are not taxable. However, gains from trades are taxable. Income from a trade is taxed at 22% |
| Thailand | Gains from share transactions at Stock Exchange of Thailand are exempt, rest are taxed |
| Source: <i>Worldwide Personal Tax and Immigration Guide</i> by EY, ISec Research | |

Conclusion

- ▶ The LTCG tax makes sense only if the tax on dividends is also brought back, else investors will demand higher dividends rather than retained earnings) while the regressive securities transactions tax must go. The rate at which LTCG is taxed should be lower than the rate at which incomes are taxed, going by the efficiency concerns.

Why Manufacturing Sector is not Able to Generate Jobs?



The latest 6th Economic Census finds a total of 10.3 million establishments engaged in manufacturing in India, and these employed 30.4 million workers. Industry or manufacturing sector has largest potential to generate jobs, but manufacturing sector is not able to generate jobs. Hereby, discussing the reasons and steps taken by the government to improve the situation.

Introduction

- ▶ In order to attain a 25% share of the GDP by 2025, manufacturing would need to grow at a rate of 2-4% higher than the GDP.
- ▶ The challenge of creating jobs has moved to the centre of the political stage all over the world, and India is no exception.
- ▶ Currently about *one million people in India are adding to the workforce every month*, hence to create jobs at that rate manufacturing sector in India must grow rapidly.
- ▶ Agriculture cannot be expected to provide more jobs. On the contrary, it should be releasing labour which has very low productivity in agriculture to be absorbed in other sectors.
- ▶ While the services sector has been growing fast, it alone cannot absorb the 250 million additional income seekers that are expected to join the workforce in the next 15 years. Currently, manufacturing in India provides only 12% of jobs, and this share is significantly less than that of other countries. Unless manufacturing becomes an engine of growth, providing at least 100 million additional decent jobs, it will be difficult for India's growth to be inclusive.
- ▶ A strong focus on improving the "depth" in Indian manufacturing is essential. "Depth" can be defined as the capability and expertise in all aspects of a product value chain. Achieving a greater depth in manufacturing entails ensuring a higher level of value addition within the country. This requires focus on a few key areas like the heavily import-skewed capital goods sector, technological advancements in nearly all manufacturing sectors, and a focus on improved domestic research and development.
- ▶ Thus, industrial growth is the need of the hour, and we must also ensure that this growth happens in a sustainable manner, especially with regard to the environment.

Reasons for Less Job Creation in Manufacturing Sector:

- ▶ *Productivity of the manufacturing sector is low:* The productivity of India's manufacturing sector is lower than the other emerging economies, and also lower

than the service sector. Productivity of manufacturing in China and Brazil is 1.6 and 2.9 times higher, than in India.

- ▶ **India lacks in specialization in this sector:** The OECD data on trade in value-added show that India has fewer manufacturing sub-sectors with a revealed comparative advantage (RCA) than other emerging economies.
- ▶ **In rural areas, there has been stagnation in manufacturing establishments and employment,** with both indicators barely witnessing any growth. In fact, the number of rural establishments with at least one hired worker actually declined and so did the number of workers employed in these. There has been a shift towards more household units in villages.
- ▶ **The manufacturing sector suffers most from the complexity of indirect taxes and from tax cascading** since the production process tends to involve more inputs and transactions than services and the taxation of services is thus much less fragmented in practice. Tax cascading encourages manufacturers to integrate vertically, thus partly explaining why some firms in India are very large.
- ▶ Most of the increase that has taken place in manufacturing employment in urban areas is due **to increase in enterprises without hired workers, again indicating proliferation of tiny units.** Such enterprises went up from 1.5 million to 2.8 million while the number of establishments with hired workers rose by just 0.5 million.
- ▶ In India **majority of workforce is semi-skilled or un-skilled.** So due to lack of skilled workforce manufacturing is based on automation.
- ▶ **The multitude of labour laws,** not all of them being consistent, creates confusion and uncertainty, and raise labour costs. Stringent labour laws are often blamed for the poor performance of labour intensive manufacturing industries and sluggish job creation, despite relatively low wages.

How to Increase Jobs in Manufacture Sector

Government Initiatives: In recent years the manufacturing sector has been the major focus for the government of India. Realizing the importance of manufacturing sector and the amount of employment it can generate, many initiatives are being taken up by the current government to foster the growth of this sector.

- ▶ **National Manufacturing Policy:** It aims to promote job creation in manufacturing with a target of 100 million additional jobs by 2022 and to create appropriate skills among the rural migrants and urban poor to make growth inclusive.
- ▶ **Make in India:** It is campaign to promote the manufacturing sector and spur job creation. Through this policy government will provide effective and easy governance to help India become a global manufacturing hub.
- ▶ **Special Economic Zones (SEZs):** With the objective of generating additional economic activity, exports, investment and employment, SEZs provide an important platform for development in India.
- ▶ **Start up and Stand up India:** Start-ups are a new phenomenon and India has made a good beginning in this area. Technically skilled and business-oriented youth should be encouraged to explore the entrepreneurship option, and create jobs, rather than looking for secure wage employment.
- ▶ **Implementation of GST:** The imminent introduction of GST will help by providing a level playing field for domestic producers competing with imports in the domestic market. This is because the same tax will also be levied on all imports, which is not the case today because imports escape state indirect taxes.

Any additional support needed for competitiveness can come from a judicious use of exchange rate policy.

Way Forward

- ▶ The biggest opportunity for generating more employment in manufacturing lies in exporting simpler consumer goods to the world market. In this area, China has long dominated, but which it is now likely to exit, as its wages rise.
- ▶ How well we can do this depends upon our ability to compete with others countries such as Bangladesh, Vietnam. Paradoxically, becoming competitive would involve faster modernization of these industries, which will involve a shift away from labour intensity, but if it allows an increase in the scale of operations, total employment could increase.
- ▶ The structural change needed is to reduce the expectation from manufacturing as a provider of non-agricultural jobs. Faster growth in manufacturing has long been central to our economic strategy and must remain so. However, we have to recognize that technological change is likely to make manufacturing less employment generating than in the past.
- ▶ Even if Artificial Intelligence and 3D printing are distant developments in India, there can be no doubt that any successful manufacturing strategy will involve application of capital-intensive techniques, especially if we propose to integrate more fully with the world and with global supply chains.

Conclusion

- ▶ Already showing tremendous progress in the service sector, now India's manufacturing sector is also gathering pace. With the 'Make in India' campaign India plans to be the leader of the manufacturing sector in the world.
- ▶ A greater focus on strengthening small enterprises is suggested, along with measures to help enterprises to grow. Creating formal jobs on a large scale is required to get workers to shift out of tiny, unproductive household units which they may have set up in the absence of better job opportunities.

SOCIAL ISSUES

Index

1. Children in War Zone

Children in War Zone



“ According to UNICEF, 2017 was one of the worst years for children caught in conflicts and besieged areas. From being deployed as human shields to acting as suicide bombers, children have become targets on a huge scale.

A UNICEF report found that in conflict-ridden regions across the world, high numbers of children had been killed, used as human shields and recruited to fight.

Hereby, providing the data on children in war zones and issues faced by them.

Introduction

There are approximately 350 million children living in areas affected by conflict today. Many of these children have been subjected to unimaginable suffering. They are not just caught in the crossfire or treated by combatants as expendable collateral damage, but often deliberately and systematically targeted. They are killed, maimed, and raped. They are bombed in their schools and in their homes. They are abducted, tortured, and recruited by armed groups to fight and to work as porters, cooks and sex slaves. Children also suffer the indirect consequences of conflict.

Children living in conflict-affected settings are less likely to be in school or have access to basic sanitation and clean water, and more likely to die in childhood due to under-nutrition and lack of medical care, including vaccinations.

Major Regions of Conflict

- ▶ **Rohingya children**, attacked in and driven from their homes, fled Myanmar to seek refuge in neighboring Bangladesh.
- ▶ Violence and conflict in the **Middle East and North Africa** put the health of tens of millions of children in jeopardy.
- ▶ In war-torn **Yemen**, conflict and the collapsing health system resulted in the world's largest-ever cholera outbreak. Patients receive treatment at a hospital in Sana'a, the capital.
- ▶ Rape, forced marriage, abduction and enslavement are now standard tactics for armed groups. In north-eastern **Nigeria**, children were abducted by **Boko Haram** and girls became pregnant after they was raped while in captivity.
- ▶ In besieged cities like Mosul in Iraq, desperate children and their families were left with the no-win choice of fleeing and risking snipers' bullets and landmines or staying and hoping to survive intense shelling and violence.
- ▶ Conflict and famine in South Sudan led to an exodus of people into neighbouring Uganda. The majority of the refugees entering the country are children and women.

- ▶ In the Democratic Republic of the **Congo**, hundreds of children were injured in the violence ravaging the Kasai region.

Problem faced by Children in these Regions

Gender Based Violence:

- ▶ Among the most severe problems which all children and women face during armed conflicts is a heightened risk of rape, sexual humiliation, prostitution and other forms of gender-based violence. Women of all ages are targets, but adolescent girls are especially vulnerable.
- ▶ While most victims have been girls, young boys are also raped or forced into **prostitution** - although such cases are generally under-reported.

Child Health under Attack:

- ▶ Thousands of children die each year as a direct result of armed violence, but millions more die from the indirect consequences of warfare - as a result of the disruption in food supplies, destruction of health services, water systems and sanitation.
- ▶ Malaria, acute respiratory infections, diarrhea diseases, vaccine-preventable and other infectious diseases continue to be the leading causes of morbidity, disability and mortality among children. Hunger can be used as a weapon: herds, crops and the tools for food production can be looted or destroyed during combat. Siege warfare can involve the blocking of access to markets, the diversion of food relief, the poisoning of wells and the forced abandonment of farms.

Psychological Problems:

- ▶ Children may display a wide range of emotional and physiological reactions following a disaster. Severe trauma during childhood can have a devastating effect on the development of the brain and all functions mediated by this complex organ.
- ▶ Post-traumatic stress responses have been documented in children who have suffered traumatic loss of their parents, siblings and peers. The more severe psychological reactions are associated with variables such as a higher degree of exposure (e.g., life threat, direct physical injury, witnessing a death or injury), closer proximity to the disaster, and history of prior traumas, female gender, poor parental response and parental psychopathology.
- ▶ Children who are directly affected by the conflict, including bombardment and home demolition, developed greater incidence of post-traumatic stress disorders (PTSD) and fear. Research suggests that majority of children do not suffer from long-term consequences of prolonged stress. Children living in refugee camps experienced more psychological problems than non-refugee children. Children living in war zones can express acute distress from various traumatic events through emotional problems that may manifest as PTSD, dissociative disorders, anxiety and substance abuse.

Moral and spiritual impacts:

- ▶ The experience of indifference from the surrounding world, or, worse still, malevolence may cause children to suffer loss of meaning in their construction of themselves in their world. They may have to change their moral structure and lie, steal, and sell sex to survive. They may have their moral structure forcibly dismantled and replaced in training to kill as part of a military force.

Social and Cultural losses:

- ▶ Children may lose their community and its culture during war, sometimes having it reconstituted in refugee or diaspora situations.

Street Children:

- ▶ Children born of war are commonly faced with stigma, discrimination, abandonment and infanticide. This makes them vulnerable to trafficking and ending up on the streets. The closure of schools during conflict and war results in children being pushed onto the streets. These children are commonly seen as illegitimate and as “enemy” children.
- ▶ They may be subjected to rejection, abuse or neglect from family members and their communities. These children also suffer from a lack of access to resources and a denial of citizenship.

Disability:

- ▶ Millions of children are disabled by war, many of whom have grossly inadequate access to rehabilitation services. A child may have to wait up to 10 years before having a prosthetic limb fitted. Children who survive landmine blasts rarely receive prostheses that are able to keep up with the continued growth of their limbs.

Killing and Recruitment by Rebellions:

- ▶ Children in war zones have been deliberately killed or maimed by parties to conflicts, often in extremely brutal ways. Some of the children targeted had fled rural areas and gone into towns to avoid recruitment by government or rebel armies.

Steps taken by International Organizations***UNICEF:***

- ▶ For Rohingya: They’ve witnessed extreme violence, fled from their homes and been robbed of their childhoods. But this **UNICEF ‘child-friendly space’** is helping them feel safe and play together in peace.
- ▶ In Syria: A safe place for children to play. Play is a moment of freedom for a child trapped in a besieged city. It gives chance to feel normal in the chaos of a refugee camp. It is way to make friends and start to rebuild from incredible loss.
- ▶ **In Liberia:** UNICEF is working to provide skills training courses to 5,000 demobilized children associated with armed forces. The training programme includes options like agriculture, animal husbandry, mechanics, carpentry, cosmetology, masonry, tailoring and baking, in addition to basic literacy and numeracy, psycho-social counseling, and business development.

‘Education in Emergencies’ programmes of War Child NGO, UK:

- In Iraq: They are providing non-formal education to 6,000 newly displaced boys and girls (aged 6-18) fleeing ISIS-controlled conflict areas in and around Mosul.
- In Afghanistan: They are offering accelerated learning and technical and vocational training to street-working children, parents and young people who have missed out on education because of conflict, poverty or marginalisation.
- In Jordan: They are supporting Syrian refugee children and families, developing literacy, numeracy and life-skills.

The **UN Security Council** codified 6 violations against children in 2005:

- The recruitment and use of children as soldiers;
- The killing or maiming of children;
- Sexual violence against children;
- Attacks against schools or hospitals;
- The abduction of children; and
- The denial of humanitarian access.

World Economic Forum proposed 11 ways to help young people in conflict zones:

- Consultative process: Between UN agencies, donors, NGOs and governments to respond to the challenge of youth in conflict.
- Integration of youth programmes in humanitarian programmes and cluster approaches to ensure young people's issues are discussed.
- Creation of safe spaces, youth centres and recreational zones in camps and community centres where children can play interact and develop freely.
- Increase data on youth in conflict, via age and sex aggregated data.
- Adopt a working definition of youth that accounts for their diversity and does not treat them as one homogenous group. Programmes and activities need to specify who they mean by "youth" and which demographic they are trying to reach.
- Do not treat young people as the problem – or the solution. Targeted youth programmes do not involve identifying young people as something unique or separate from their societies. Whole community need to be mobilized, not just one particular age group. Therefore, holistic and cross-cutting approaches offer the most useful framework.
- Provide youth with the skills to successfully transition to adulthood. Conflict-affected children often experience interruptions in education and later may be too old to return to the formal education system. At the same time, these young people often lack the basic skills they need to secure jobs once the conflict has ended.
- Youth-led and youth-engaging interventions aimed at countering extremists' narratives, promoting tolerance and non-violent conflict resolution, and building peace can help draw on the innate resilience of communities and underpin the strengthening of democratic, inclusive governance.
- Involve youth in assessments, planning and decision-making during a humanitarian response.
- Access to basic services such as education and healthcare is important to young people, as is information about health, disease and nutrition.
- Focus on the pull factors (religion, group norms, ideology) rather than the push factors (conditions that alienate people or cause them to reject mainstream society, such as poverty, youth unemployment, endemic corruption and elite impunity, vastly inadequate public services or the existence of ungoverned spaces). When young people have no basis for comparison, the singular and direct views of extremism can appear attractive and worthy of support.

Way Forward

- ▶ Children's issues should be systematically incorporated into all peace negotiations/accords and it should constitute a central component of post-conflict programmes. Child protection should systematically be included in the mandates of all United Nations peace operations.
- ▶ In order to incorporate and mainstream child-protection into all aspects of peace operations, serious consideration should be given to the deployment of child protection advisers in every peace operation.
- ▶ It is critical to develop a systematic and concerted monitoring and reporting mechanism, to provide objective, regular and accurate reports on violations committed against children by parties to conflict.
- ▶ Specific steps should now be taken to ensure that persons responsible for crimes against children will be among the first to be prosecuted in ICC.
- ▶ Greater and more concerted efforts should be deployed to end ongoing conflicts, which are destroying the lives of millions of children, and to addressing the key factors that facilitate the occurrence and recurrence of conflicts.

Conclusion

- ▶ It is time for health professionals to define war as a serious global public health problem. The public health imperative is primary prevention removing the vector of illness or making conditions unfavorable for survival of the vector. If a peace system can be devised for an entity as large, diverse, and populous as Europe, it can be devised at a global level also.

INTERNATIONAL RELATIONS ISSUES

Index

1. India UAE to Deeper Strategic Ties
2. Maldives Emergency
3. Global Terrorism Index 2017
4. India Israel and India Palestine Relations

India UAE to Deeper Strategic Ties



Recently, Indian Prime Minister has paid second visit to the UAE. Along with four high-level visits in the past three years, UAE-India relations have now gained a strategic depth that was lacking in its decades of warm and friendly ties.

While the relations between both nations have been elevated to the level of a comprehensive strategic partnership, there is an increasing mutual recognition of each other's ambitions and aspirations, and both nations are eager to help each other fulfill them.

Hereby, discussing the India and UAE relations.

Introduction

India and United Arab Emirates (UAE) enjoy strong bonds of friendship based on age-old cultural, religious and economic ties between the two nations.

India's relationship with UAE was enhanced further in August 2015 with the visit by Narendra Modi to Abu Dhabi who became the first Indian Prime Minister to do so in more than three decades. This was followed by the visit of Shaikh Mohammad to India in February 2016. On 26th January 2017, the Crown Prince of Abu Dhabi, Mohammad bin Zayed Al Nahyan visited India as the Chief Guest at the Republic Day parade.

Indian Prime Minister Narendra Modi visited the UAE in Feb 2018, his second trip to the country in less than three years.

These has deepen the relations between the two nations.

Importance of UAE for India

► Economic and Commercial relations:

- India-UAE bilateral trade is 60 billion dollars making UAE India's third largest trading partner after China and US.
- India's trade surplus with the UAE is negative due to crude oil imports. But India needs to aggressively push its exports of gems, minerals and food items.
- UAE is the biggest investor from middle-East in India in terms of FDI. UAE's investments in India are concentrated mainly in five sectors: Construction Development (16%), Power (14%), Metallurgical Industries (10%), Services Sector (10%) and Computer Software & Hardware (5%).

- Several prominent private and public sector Indian companies and banks are also operating in the UAE. Major Indian companies such as L&T, ESSAR, Dodsal, Punj Lloyd, Engineers India Ltd., TCIL etc. have been able to obtain significant number of contracts in the UAE.
- ▶ **Defence:**
 - Indian and UAE despite signing a military agreement in 2011 have not found common ground in defence. Counter terrorism operations against the rising ISIS and maritime security operations especially in the Gulf of Aden must be prioritized.
 - **The two nations reject extremism and any link between religion and terrorism.** They condemn efforts, including by states, to use religion to justify, support and sponsor terrorism against other countries. They also deplore efforts by countries to give religious and sectarian color to political issues and disputes, including in West and South Asia, and use terrorism to pursue their aims.
- ▶ **Energy security:**
 - The UAE meets 9% of India's crude oil needs. India should increase crude oil imports from UAE to counter the ISIS's control over Iraq. UAE is the 5th largest exporter of Energy and oil resources.
 - Establishing a framework for the storage of crude oil by Abu Dhabi National Oil Company in India and to further strengthen the strategic relationship between the two countries in the field of energy.
- ▶ **Cultural relations:**
 - UAE is a shining example of a multi-cultural society. India is a nation of unparalleled diversity, religious pluralism and a composite culture. Both the countries should work together to promote these values for a peaceful and inclusive global community. India and UAE will also enhance cultural and sports exchanges in each other's countries. Ex. UAE has strongly supported the International Day of Yoga.
- ▶ **Indian Diaspora:**
 - UAE is home to Indian expatriate community of more than 2.6 million, the largest expatriate community in the UAE. Professionally qualified personnel constitute about 15 & 20 percent of the community, followed by 20 percent white-collar non-professionals (clerical staff, shop assistants, sales men, accountants, etc.) and remainder 65% comprises of blue-collar workers.
 - There is a significant business community from India. The Indian community has played a major role in the economic development of the UAE.
- ▶ **Strategic location:**
 - China is continuously increasing its naval power in Indian Ocean. Ex. China's naval base in Djibouti, development of Gwadar port in Pakistan.
 - There is an agreement of cooperation to strengthen maritime security in the Gulf and the Indian Ocean region, which is vital for the security and prosperity of both countries. Strengthen defence relations, including through regular exercises and training of naval, air, land and Special Forces, and in coastal defence.

Reasons for UAE's tilt towards India

- ▶ Geopolitical conditions: As Iran is threatening continuously to close the Strait of Hormuz in case there is a conflict with Saudi Arabia or US. This will adversely affect UAE as well.
- ▶ UAE saw Pakistan as a partner and incorporated a deep economic and security relationship with it. But in the present day, Pakistan does not seem to be of much help to UAE. Already facing internal issues, Pakistan failed to come to the aid of Saudi Arabia in its war against Iran-backed rebels in Yemen and has been unable to curb jihadists operating from its land across West Asia.
- ▶ India is an important destination for oil and energy purchase as the US is on the way of becoming hydrocarbon independent. UAE's massive sovereign wealth funds can act as a great resource in the development of infrastructure in India.
- ▶ There has been a rising convergence between India and UAE on the terror issue and both the countries talked of the need to combat terror groups without any discrimination given the fact that five UAE diplomats were killed in an attack in Kandahar in Afghanistan.
- ▶ Countries like Syria, Iraq, Libya and Yemen are suffering from violent conflicts. The Gulf Cooperation Council (GCC) has not produced expected results. The ongoing fight against the Islamic State (IS), President Donald Trump assuming office in the United States and the Brexit are some issues the UAE is particularly worried about.

Way Forward

Both countries agreed to seize this historic moment of opportunity and shared responsibility to chart a new course in their partnership for the 21st century. Following are some important agreements between the two countries:

- ▶ Elevate the India-UAE relationship to a comprehensive strategic partnership.
- ▶ Coordinate efforts to counter radicalization and misuse of religion by groups and countries for inciting hatred, perpetrating and justifying terrorism or pursuing political aims.
- ▶ Denounce and oppose terrorism in all forms and manifestations, wherever committed and by whomever, calling on all states to reject and abandon the use of terrorism against other countries, dismantle terrorism infrastructures where they exist, and bring perpetrators of terrorism to justice.
- ▶ Enhance cooperation in counter-terrorism operations, intelligence sharing and capacity building.
- ▶ Work together for the adoption of India's proposed Comprehensive convention on International Terrorism in the United Nations.
- ▶ Strengthen cooperation in law enforcement, anti-money laundering, drug trafficking, other trans-national crimes, extradition arrangements, as well as police training.
- ▶ Promote cooperation in cyber security, including prevention on use of cyber for terrorism, radicalization and disturbing social harmony.
- ▶ Call on all nations to fully respect and sincerely implement their commitments to resolve disputes bilaterally and peacefully, without resorting to violence and terrorism.
- ▶ Tap India's expertise in Small and Medium Enterprises to create a vibrant industrial base in UAE, which could also be of benefit to Indian enterprises.

- ▶ Promote cooperation in Space, including joint development and launch of satellites, ground-based infrastructure and space application. India also welcomed UAE's plan to set up the West Asia's first Space Research Centre at Al-Ain and plans to launch a Mars Mission in 2021.
- ▶ The finalization of the post-2015 Development Agenda with elimination of poverty by 2030 as its core objective was a welcome development.

Conclusion

- ▶ UAE is at the heart of the Gulf and West Asia region and its major economic hub. India, with seven million citizens in the Gulf, also has major energy, trade and investment interests in the region. So, based on shared values and objectives, the two countries have a strong ground to take their relationship to the next level. The success might be in the areas of greater regional security and stability, partnership in clean energy and advanced technology and greater economic prosperity with a range of possibilities.

Maldives Emergency

Context

The Maldives government declared a state of emergency for 15 days, before heavily armed troops stormed the country's apex court and former President was arrested amid a spiralling political crisis that followed a surprise Supreme Court ruling.

It gives President Abdulla Yameen Abdul Gayoom power to arrest and detain people. Hereby, discussing the reasons for unrest and impact on India.

Introduction

The Maldives government had announced the 15-day state of emergency after a deadlock on the Supreme Court's landmark ruling. In addition to the release of nine political prisoners, the verdict ordered the reinstatement of 12 legislators that were unseated for defecting from the ruling party and annulled the apex court's previous ban on floor-crossing.

Maldives President Abdulla Yameen said, in his first public statement after clamping emergency and jailing the country's Chief Justice, that he had taken the move as the top judge and another Supreme Court judge were involved in corruption and also alleged a "coup" by them - in directly disobeying his orders, including making moves to impeach him.

Parliament in the Maldives has approved a 30-day extension of a state of emergency sought by President Abdulla Yameen.

Detail of the sequence of events which led to the declaration of the state of emergency:

- ▶ The Supreme Court's landmark order to free nine prominent "political leaders". It came as an "incredulous shock" to the government as they included prisoners convicted of major offences such as terrorism and corruption.
- ▶ Cabinet ministers question authenticity of the court order. Yameen fires the police commissioner.
- ▶ Attorney General challenges the Supreme Court, saying authorities will not obey a potential order to impeach Yameen.
- ▶ However, the Supreme Court had refused to accept the legal concerns filed by the Prosecutor General and Attorney General.
- ▶ The top court had also in a recent ruling decided that the judicial watchdog, Judicial Commission Services (JSC), cannot investigate the court's justices. Thus the JSC could also not convene.
- ▶ Yameen declares a state of emergency for 15 days. His chief legal advisor announces the suspension of 20 constitutional rights, the Criminal Procedures Act and parts of the Judges Act.

Impacts of the Emergency

- ▶ The state of emergency has drawn great criticism from opposition parties as well as international bodies.
- ▶ It suspended 20 Articles of the Constitution, including curbing the powers of the Parliament and Supreme Court, banning the impeachment of the country's leadership, and allowing the security forces to make unwarranted arrests.

Emergency declared in the past:

- ▶ This is the second time Mr. Yameen has declared a state of emergency. He last took the step in November 2015 after an alleged attempt to assassinate him.
- ▶ Officials said the President is required to inform the Parliament about any declaration of emergency within two days, but the country's legislature has been suspended indefinitely by authorities.
- ▶ The Supreme Court had also restored the seats of 12 MPs who had defected from Mr. Yameen's party, effectively handing the opposition a majority in the 85-member parliament, making the President vulnerable to impeachment.

Impact on India

Maldives is home to some 22,000 Indians. Of the country's approximately 400 doctors, more than 125 are Indians. Similarly around 25% of teachers are Indians. India is closely watching the crisis which has geographic and strategic consequences for the region.

Maldives is firmly in India's regional sphere and New Delhi also has a number of commercial interests there, all of which are in danger as a result of the crisis.

Geographic Proximity

- ▶ A weakened Maldives could prove a fertile ground for extremism and religious fundamentalism, piracy, smuggling and drug trafficking – all major security worries for India. The constant political churn in the country, which gained independence in 1965 after years of British rule and held its first free and multi-party elections in 2009, is also a concern.

The Indian Ocean Stability

- ▶ The Indian Ocean region hosts more than 40 states and nearly 40% of the world's population. It touches Australia, Southeast Asia, South Asia, West Asia and the eastern sea bend of Africa. The Maldives is an important country for India in the region. More than 97% of India's international trade by volume and 75% by value passes through the Indian Ocean. Secure sea lanes are crucial for India.

Growing Chinese Presence

- ▶ China is rapidly expanding its footprint in the Maldives, though it opened an embassy in the island nation only in 2011. The archipelago nation is the only SAARC country, other than Pakistan, to have a free trade pact with China. President Xi Jinping's visit gave a big push to the ties while the Maldives is the only SAARC country that Indian Prime Minister Narendra Modi has not visited.
- ▶ The country is an eager partner in the Chinese leader's signature one road one belt project. Beijing is investing big on infrastructure and projects such as a bridge linking Male to Hulhule island are an example of growing Chinese influence.
- ▶ The way the free-trade pact was pushed through parliament without any discussion was another example of Yameen's keenness to strengthen relationship with Asia's biggest economy.

- ▶ China also accounts for most tourists visiting the Maldives.
- ▶ In August 2017, Chinese warships were allowed to dock in Male.

India should Intervene or not

- ▶ Maldives is in the midst of a deep political crisis. President Abdulla Yameen has declared a state of emergency just days after the Supreme Court of the atoll nation ordered the release of political prisoners. The release of prisoners could have been a great step towards ensuring a free and fair election in the country later this year. But Yameen has not only refused to abide by the orders of the judiciary but has gone ahead and arrested Supreme Court judges and members of the opposition.
- ▶ Mohamed Nasheed, Maldives' former president and currently an opposition leader-in-exile, has urged India to come to the rescue of democracy in his country.
- ▶ India carried out a military intervention in the country three decades ago when it was roiled by a similar political crisis. But the circumstances of Operation Cactus in 1988 were very different. The intervention by Indian paratroopers was at the invitation of the then Dictator-President, Maumoon Abdul Gayoom.
- ▶ In the current situation, the demand for Indian intervention is by the opposition forces in Maldives.
- ▶ But interfering will be against the sovereignty of the nation, which has to be maintained.

What India should do?

- ▶ India's first priority is to ensure the safety of Indian tourists and workers in Maldives. An Indian intervention should not complicate the situation for Indian nationals.
- ▶ India should also think deeply about the instruments it can use to ensure a favourable outcome in Maldives.
- ▶ New Delhi's intervention should be surgical, that is, one which makes the Yameen government capitulate without harming the people of Maldives.
- ▶ The use of a blunt instrument like the economic blockade in Nepal in 2015-16 might have temporarily brought the then K.P. Oli government to its knees but it also generated a backlash against India in Nepal's hilly areas.
- ▶ The choice of instrument should also be such that it doesn't make India a long-term participant in the partisan domestic affairs of Maldives.
- ▶ The lessons of the disastrous intervention in Sri Lanka (1987-90) should not be forgotten, the Indian Peace Keeping Force (IPKF) had to, apart from fighting a war, run the civilian administration in Jaffna and compete in winning the hearts and minds of the Tamil population.
- ▶ New Delhi should remember that if one petty dictator in the region is allowed to go scot-free after harming India's interests, there will be more of them in future.
- ▶ While the foreign policy and defense establishment have displayed great sensitivity about the strategic imperatives of India in respect to Maldives and have acted timely and appropriately, the same cannot be said about the Indian intelligence establishment.
- ▶ Only recently when Maldives was in dire need of drinking water, it was India, which responded. Such is the geographical symbiosis between India and Maldives.
- ▶ Doing nothing is surely an option for India; that in effect means India chooses Yameen's side. Doing something would involve political mediation between the Government and Opposition, the use of coercive diplomacy, and ultimately force, to restore order in Maldives.

- ▶ Such an intervention is likely to get considerable international support and some Chinese criticism. The moment, then, may indeed be ripe for a decisive Indian intervention in the Maldives.

Conclusion

It might make sense for India to stay out of the internal affairs of far-away countries. But to do so in small, neighbouring countries will take away the mantle of regional leadership. It is true that India's interventions in neighbouring countries will please some and alienate some, but that should be an acceptable cost for furthering Indian interests in the region.

Global Terrorism Index 2017



The GTI is produced by the Institute for Economics & Peace (IEP) and is based on data from the Global Terrorism Database (GTD). The Global Terrorism Index provides a comprehensive summary of global trends in terrorism covering the last 17 years. There were 77 countries that experienced deaths from terrorism, which is an increase from 65 the year before. Two thirds of all countries experienced a terrorist attack in 2016.

According to the report, for the second year in a row, the total number of deaths caused by terrorism has declined. The reduction in deaths is encouraging, but despite this 2016 was the third deadliest year since 2000. While the intensity of terrorism in many countries has decreased, it continues to spread to an increasing number of countries.

Hereby, discussing the data related to terrorism, global trend and recommendations to improve the situation.

Definition of Terrorism

Terrorism is defined as ‘the threatened or actual use of illegal force and violence by a non state actor to attain a political, economic, religious, or social goal through fear, coercion, or intimidation.’

Key Findings

- ▶ **Deaths caused by terrorism decreased by 13 per cent from 2015 to 2016.** There were 25,673 deaths in 2016. This is the second consecutive year that the number of deaths from terrorism have decreased. Deaths have now fallen by 22 per cent since the peak in 2014.
- ▶ **Four of the five countries with the highest impact from terrorism recorded a reduction in the number of deaths; Afghanistan, Nigeria, Syria and Pakistan.** Together with Iraq, these five countries accounted for three quarters of all deaths from terrorism in 2016.
 - Nigeria saw the greatest reduction in deaths with 3,100 fewer people killed by terrorism in 2016 than in 2015. This was due to an 80 per cent reduction in the number of people killed by Boko Haram.
 - There were also substantial decrease in deaths from terrorism in Yemen, Afghanistan and Syria, which collectively witnessed over 500 fewer deaths in 2016 than in the prior year.
 - Syria has seen the most dramatic increases in terrorism in the last decade with this increase coinciding with the start of the ongoing conflict in 2011. However, in 2016 it recorded its first reduction since 2011. The number of deaths from terrorism decreased 24 per cent from the previous year to 2,102.

This reduction reflects the reform efforts of the Al-Nusra Front, which has sought to portray itself as an anti-Assad rebel group rather than as a terrorist organisation loyal to Al-Qaeda. As such in 2016 it renamed itself Jabhat Fateh al-Sham. As a result of this transition, the group killed nearly 500 fewer people through terrorist acts in 2016 when compared to the previous year. However, this still resulted in 105 deaths. The decline in deaths attributed to this group accounts for three quarters of the decline of deaths from terrorism in Syria.

- Pakistan also recorded a decrease in the number of people killed by terrorism with a 12 per cent reduction to 956 deaths. This is the lowest number of deaths since 2006. This decline reflects a slight decrease in the activity of Sindh in southeast Pakistan with the Khorasan Chapter of the Islamic State and Tehrik-i-Taliban Pakistan (TTP) placing greater focus on Afghanistan.

► **Trends:**

- Since 2002, eight of the nine regions in the world experienced an increase in terrorism. North America was the only region to experience a reduced impact.
- Over the last 15 years, South Asia experienced the most terrorist activity while Central and South America were least affected. The MENA (Middle-East and North Africa) region had the sharpest increase in terrorism.
- Egypt and Turkey witnessed very large increases in terrorism following government crackdowns. In Egypt, terrorism deaths increased nine-fold and in Turkey this figure has increased by 16 times.
- Globally, attacks against civilians increased by 17 per cent from 2015 to 2016. The primary targets of terrorists are private citizens and property.
- Deaths from terrorism have risen in tandem with battle-related deaths. From 2006 to 2016, deaths from terrorism increased 67 per cent while battle deaths increased by 66 per cent.
- Terrorist attacks are deadlier in conflict-affected countries where there is an average of 2.4 fatalities per attack in 2016 compared to 1.3 fatalities in non-conflict countries.

► **Impact on OECD member countries:**

- The OECD is a grouping of economically developed nations. The Organisation for Economic Cooperation and Development (OECD) member countries recorded a further increase in terrorism since 2015 with 27 of the 35 OECD countries witnessing a terrorist attack in 2016. This is up from 22 the previous year.
- Additionally, there were deadly attacks in 13 countries, which is two more than the previous year.

► **Deadliest terrorist groups**

- The four deadliest terrorist groups were responsible for 59 per cent of all deaths in 2016. ISIL was the deadliest group in 2016 with a 50 per cent increase in deaths from its previous peak in 2015. The group killed 9,132 people in 2016 with the majority of these deaths occurring in Iraq. However, ISIL is now near complete military defeat in Iraq and Syria and has a greatly diminished revenue base and capacity.

- ISIL's revenue is estimated to have declined threefold from US\$81 million per month in 2015 to US\$16 million per month in 2016. ISIL undertook directed attacks in 15 countries, which is four more than the previous year. ISIL-affiliated groups killed a further 2,417 people and undertook attacks in 11 other countries, although this is fewer than in 2015.
 - The three other most deadly terrorist groups, Boko Haram, Al-Qaeda and the Taliban, were each responsible for fewer deaths from terrorism in 2016.
 - ▶ **Types of attacks**
 - Globally, bombings and explosions accounted for 54 per cent of attacks in 2016.
 - Armed assaults was the next most common form of attack in accounting for 18 per cent followed by hostage takings and assassinations at 17 per cent each.
 - Facility or infrastructure attacks accounted for only six per cent of all attacks.
 - ▶ However, the global GTI score deteriorated by four per cent between 2015 and 2016 due to a record number of countries experiencing at least one death from terrorism.
 - ▶ A total of 77 countries recorded at least one death. This is an increase from 65 countries in 2015. Iraq experienced a 40 per cent increase in deaths in 2016 in reflecting the increased intensity of ISIL activity following attacks by the Iraqi Armed Forces to reclaim several major urban centres.

Changing Tactics with respect to Terrorism

Earlier bombings and explosions were used as terrorism tactics, but they both require high levels of planning and potentially interactions with a greater pool of people, which is more likely to trigger investigations by security services.

More recently, the use of vehicles as weapons has increased significantly following the directive by ISIL to attack Westerners using cars. These low cost and low tech attacks require minimal organisation. Attacks that see vehicles driven into large crowds are hard to anticipate and therefore difficult to thwart. Since the July 2016 Nice car attack, 12 other similar attacks using vehicles have been carried out in OECD countries. Ten of these attacks have explicitly targeted civilians with at least five targeting crowds.

The beheading of Western hostages as a tactic has also emerged and its frequency has steeply risen with the rise of ISIL, especially in Iraq.

ISIL's ability to undertake and inspire attacks among OECD countries is largely due to its successful exploitation of social media and the internet. ISIL used encryption technology for timely unmonitored communication between commanders in Iraq and Syria and operatives in the OECD. Furthermore, they have developed a broad message that appeals to a wide range of people and which can be easily contextualised.

The attacks involving ISIL have focused on low risk, high impact targets and often focus on civilians. These types of attacks are less likely to be foiled and in some instances are able to be copied by others.

Modern internet communications had also given ISIL the ability to better communicate with followers in the OECD using encrypted messaging. This allows for strategic planning with new forms of terrorism developed in Iraq or Syria and then communicated to operatives in the field.

The Drivers of Terrorist Recruitment

Much of the drive behind the motivation to join a terrorist groups parallels other group formation: individuals may seek companionship, survival and security, status, power, control and achievement. Important elements of group dynamics include an interdependence, perception of collective group identity and a shared purpose or goal. Group dynamics and behaviour enables individuals to do things they otherwise might not, such as commit acts of violent extremism.

Individuals whose expectations for social mobility and economic welfare have been frustrated are at a greater risk of radicalisation. Thus, countries where a highly educated population remains largely unemployed or underemployed may be breeding grounds for extremist ideology. Tunisia, as an example, illustrates this point. The country has among the highest numbers of citizens fighting alongside ISIL as foreign fighters. In 2015, it was estimated that there were 700,000 Tunisian job seekers, of which 200,000 were university graduates who were vying for 79,000 largely low skill job vacancies.

The radicalisation process is most potent in group settings, as individuals 'cluster' around an influential personality, group of friends or established structure. Group radicalisation through in-person social interaction is at the heart of recruitment in most OECD member countries as well as in many other countries.

Family relationships may also be an important hub for radicalisation. Familial relationships, teacher-disciple connections or formations of ikhwan or brotherhoods were of particular importance in the recruitment process of the Indonesian terror group Jemaah Islamiyah. These large kin groups, which were the equivalent of hubs, were founded on loyalty to family. This emphasis on loyalty created extremely strong and long-lasting bonds that made infiltrating or influencing the group incredibly difficult. The group's spiritual leader, Abu Bakar Bashir, established the al-Mukmin Islamic school, also known as the Ngruki Islamic school, on the island of Java in the 1970s. There have been connections drawn between this school and the 2002 Bali bombings, the 2003 Marriot Hotel bombing and the 2009 Jakarta bombings.

ISIL has been the most effective terrorist group at attracting foreign fighters into its ranks. Estimates from April 2016 put the total number of foreign fighters from Europe at somewhere between 3,900 and 4,300 people. It is estimated that 30 per cent of these individuals have since returned to their countries of origin and 14 per cent have been confirmed dead. The majority of foreign fighters come from just four countries; Belgium, France, Germany and the United Kingdom.

Lone Actor Terrorism

The last ten years has seen an increase in the number of lone actor attacks among OECD countries.

In general there are multiple motivating factors driving an individual to commit a terrorist attack. For those attacks in the IEP database where a primary motivating factor could be ascertained, political factors and Islamic fundamentalism played equally dominating roles. However, the most prevalent motivation varies across countries.

The Cost of Terrorism

Since 2001 the global economic impact of terrorism has exhibited three peaks corresponding to three major waves of terrorism.

- ▶ The first was the September 11 attacks in New York and Washington D.C. which resulted in losses from deaths, injuries and property destruction amounting to US\$65 billion in 2016 constant dollars. This excludes the indirect costs to the U.S. economy in general which have not been included in the IEP model but which has been estimated at between 0.7 and one per cent of U.S. GDP, or US\$190 billion.

- ▶ The second peak occurred in 2007 and was driven by increases in terrorism in Iraq. This increase is attributed to the activities of Al-Qaeda affiliated terrorist groups and coincided with a coalition troop surge in the country.
- ▶ Since 2013, the increased levels of violence from mainly ISIL in Syria and Iraq has led to a third surge in the economic impact of terrorism and which has continued for the last four years. The economic impact of terrorism reached US\$84 billion in 2016.

Countries suffering from conflict experience the most costly economic impacts from terrorism. These countries are mainly situated in the Middle East and North Africa, sub-Saharan Africa and South Asia.

In 2016, Iraq once again has the largest economic impact of terrorism as a percentage of GDP, at 24 per cent.

Afghanistan is the only other country where the economic impact of terrorism is higher than ten per cent of its GDP.

Deaths from terrorism accounted for 81 per cent of the global economic impact of terrorism. Indirect GDP losses, the second largest category at 15 per cent of the total, is only calculated for countries with more than 1,000 deaths. Property destruction is estimated at two per cent of the global economic impact of terrorism. However, property cost estimates are missing for a large number of incidents. Finally, the economic impact of injuries from terrorism was one per cent of the total economic impact of terrorism.

Data related to India

In 2016, India witnessed an increase of 18 per cent in the number of deaths resulting from terrorism when compared to 2015. However, this is still the third lowest number of people killed by terrorism since 2000. From 2002 to 2015 India has been ranked between second and sixth on the GTI. In the last two years India's ranking improved to eighth. However despite the decrease in deaths over the last two years, the number of terrorist attacks have actually increased. There were 16 per cent more attacks in 2016 than in 2015 in continuing the four year trend of increasing attacks.

More than half of all deaths were committed by Maoists operating in the eastern, central and the southern areas of India known as the Red Corridor. Police and private citizens were predominately targeted with subsequent attacks accounting for over half of all attacks and 88 per cent of deaths.

The dispute with Pakistan over Jammu and Kashmir remains the main source of Islamist terrorism. The two deadliest Islamist terrorist groups in 2015 in India were Lashkar-e-Taiba (LeT) and Hizbul Mujahideen, both of which are also operating in Pakistan, Afghanistan and Bangladesh. LeT mainly operates in Pakistan and was responsible for 30 deaths arising from 20 attacks in 2016. Hizbul Mujahideen, an Islamist group allegedly based in Pakistan, was prominent in 2013 and claimed responsibility for 30 deaths. However, in 2016 it was responsible for five deaths.

India's north east region has continued to see ethno-political unrest from various ethnic secessionist movements. The deadliest of these groups in 2016 were the National Democratic Front of Bodoland (NDFB) which killed 15 and the United Liberation Front of Assam (ULFA) which killed seven. ULFA claimed responsibility for five deaths in 2015

Counter-terrorism Initiatives in India

The Indian state has woven together a number of successful strategies to challenge the scourge of terrorism and violent extremism. These strategies extend across the

domains of legislative, diplomacy, socio-economic initiatives, military, intelligence, technological, cultural and civil society initiatives.

The Unlawful Activities (Prevention) Act, 1967 was amended in 2012, with the requisite checks, to make the act more effective and potent in preventing unlawful activities and to combat money laundering and terrorism financing. As of 27 April 2017, the Indian Government has banned 40 terrorist organisations, including a few groups which have been indulging in cross border terrorism. Whenever the country's security interests warrant, the flow of funds to and networks within the terrorist organisation(s) are being disrupted and disabled by the government.

In addition, India has laid down restrictions on its citizens to prohibit the possession of explosives and certain fire arms, particularly automatic weapons, to minimise indiscriminate violence. The state is also maintaining a nationwide counter-terrorism database and keeping a close eye on the activities of undesirable radical groups and institutions. However, much more needs to be done against those fomenting communal tensions in the country.

India's approach to counter-terrorism has been multi-dimensional with kinetic actions being one of the subsets of the whole of government approach. Besides hardening potential targets, securing the environment and minimising cross border terrorism, the focus has been on addressing the root causes; political, economic, social, psychological and environmental, along with skill development and creating job opportunities for the youth. However, the implementation of people-centric projects and reforms on the ground need to be accorded the highest priority by the government.

Diplomatic initiatives have also been unleashed at various international fora to prevent nuclear weapons falling in the hands of terrorist groups and rogue elements. It has also come down heavily on state sponsored terrorism in denying safe havens to terrorist groups in neighbouring countries. Both these initiatives have met with limited success.

The National Security Guard (NSG), counter-terrorist and counter hijacking force with its base in Delhi has been further strengthened by establishing four additional regional hubs at Mumbai, Chennai, Kolkata and Hyderabad to ensure a timely response mechanism against the terrorists.

Certain structural changes have been made to develop an effective intelligence network at a strategic and operational level. A multi-agency centre has been set up at state and centre level to enhance intelligence gathering, sharing and coordinating all inputs. Simultaneously, the National Investigation Agency (NIA), a central organisation was established in 2008, following the Mumbai attack to effectively combat terrorism in India.

The setting up of 21 Counter Insurgency and Anti-Terrorist (CIAT) schools, improvement of physical infrastructure, the modernisation of police force and improvements in surveillance and actionable intelligence systems have helped to counter violent extremism in the areas affected by Maoists' violence and the NER. While security forces have been directed to deal with the terrorists and hard core rebels with an iron fist, simultaneously efforts to encourage the insurgents and terrorists to surrender has been fairly successful in areas affected by Maoists violence.

Efforts have been made to build stronger relationships between the government and madrassas by focusing on the provision of a good quality and modern education system. Simultaneously, all educational institutions are encouraged to foster greater tolerance among youth for each other's religion, community and beliefs by respecting and participating in each other's religious functions. A whole of society approach, particularly with women's participation, has been found to be useful to counter violent extremism.

To fight the scourge of terrorism and insurgencies effectively, it would be prudent to have an integrated whole of government approach and the support of civil society in coordinating the application of all elements of national power coupled with close cooperation among the global community.

India-Israel and India-Palestine Relations

Context

On February 10, 2018 Prime Minister Narendra Modi had visited Ramallah, making him the first Indian Prime Minister to visit Palestine.

Introduction

- ▶ Israelis and Palestinians have engulfed in decades of clashes over religion, borders, and territory.
- ▶ *India has chosen to pursue separate relationships with each party.*

Brief History

- ▶ India's relation with Palestine took shape during our freedom struggle against British colonialism. In 1938, Mahatma Gandhi on one hand sympathize for the Jews and on other had said that it is wrong and inhuman to impose the Jews on the Arabs.
- ▶ In 1947, having been the victim of Partition and going through its horrific scenes, India voted against the partition of Palestine at the United Nations General Assembly. *It should be noted that India was the only non-Arab and Non-Muslim country to do so.* Post-Independence also, empathy with Palestine became the essential part of our foreign policy.
- ▶ In 1974, India became the first non-Arab country to recognise Palestine Liberation Organisation (PLO) as the sole representative of the Palestinians. India was one of the first countries to recognise the state of Palestine in 1988.
- ▶ India voted in favour of UN Resolution against constructing West Bank wall by Israel in 2003. India voted in favour for accepting Palestine as a full member of UNESCO in 2011.
- ▶ In 2014, India supported a UNHRC resolution to launch probe into the Israel's offensive in Gaza.
- ▶ Thus, India had kept Israel and Palestine relation in balance. But India seems to be *more inclined towards Palestine.*

Why India is pro Palestine?

- ▶ **Minority sentiments:** India has been always sympathetic to the Muslim population in Palestine. Because Indian politicians wanted to followed a pro- Palestine approach without hurting the minority sentiments.
- ▶ **Remittances:** *India did not want to jeopardise the interest of its citizens (more than 7 million) working in Arab countries which are a good source of forex reserves.*
- ▶ **Trade:** India is dependent on the Arab nations for its larger oil imports.

India's De-hyphenated Policy:

- ▶ When Indian Prime Minister Narendra Modi came to power in 2014, he instituted a policy toward Israel called de-hyphenation.
- ▶ Meaning: India's relationship with Israel would stand on its own merits, independent and separate from India's relationship with the Palestinians. It would no longer be India's relationship with Israel-Palestine, but India's relationship with Israel, and India's relationship with the Palestinians.
- ▶ De-hyphenate in international diplomacy simply means having an independent relation with particular country, irrespective of any other country getting offended. Dealing with each country on its own merit.

The De-hyphenated foreign policy means the foreign policy with:

- ▶ Rational Public discourse on various foreign policy aspects.
- ▶ More pragmatism and more need based approach than the traditional ethos.
- ▶ Active role of elected representatives in foreign policy.
- ▶ Using soft power in foreign relations.
- ▶ Efficient use of track 2 and track 3 diplomacy to meet the requirements of dialogues and foreign relations.
- ▶ Use of economic strengths in relations to deal with the geo-political goals.
 - ▶ From an Indian point of view, its policies towards Israel and Palestine are shifting from mere symbolism towards one driven by substantial outcomes for its interests on a global level.
 - ▶ For example, India went against the US in a vote at the UN to recognize Jerusalem as the capital of Israel, with New Delhi backing its decision by highlighting that its views on the issue are independent and do not coincide with anyone else.
 - ▶ On the other side of the spectrum, it also pulled up Ramallah when the Palestinian ambassador to Pakistan was photographed sharing the stage with terrorist Hafiz Saeed, forcing Ramallah to recall their diplomat.
 - ▶ The fact that India is an upcoming superpower both by domestic and international narratives is a discourse that is directly on a collision course with its policy of non-alignment.
 - ▶ While West Asia is an example of India successfully balancing its interests over time, an emboldened Indian presence will also disallow New Delhi to fence-sit on issues of global relevance beyond a certain point.
 - ▶ Signs of such friction are visible with regard to Palestine, as India's narrative on terrorism on global platforms today aligns much more closely with Israel. The political history of the Palestine Liberation Organization (PLO), Hamas and its military wing the al-Qassam Brigades today would stand at uncomfortable odds with India's global stance against the idea of distinguishing between good terrorism and bad terrorism, specifically when the leader of Hamas, Ismail Haniya, has now made it to the US blacklist of global terrorists.
 - ▶ Policy of de-hyphenation of Israel-Palestine is straightforward and politically shrewd. Rather than treating the two entities as one complicated unit, India has chosen to pursue separate relationships with each party. This allows India to maintain the image of its historical moral support for Palestinian self-determination, and at the same time to engage in military, economic, and other strategic relations with Israel.

India's stand on Israel-Palestine Conflict

- ▶ India believes in the *2-state solution*.
- ▶ India supports the establishment of state of Palestine.
- ▶ Indian government has diluted its reaction to Israel's treatment of the Palestinians.
- ▶ In 2014, India favoured a UN resolution to establish a Commission of Inquiry to investigate a violation of international humanitarian and human rights law. But our Government was reluctant to pass a resolution in Parliament condemning the Israeli action deviating from its earlier practice.
- ▶ In 2015, India abstained at the UN Human Rights Commission (UNHRC) on a resolution welcoming the report of the same Commission of Inquiry. *It was the first time India refused to vote against Israel*. However, with an increased focus on closer ties with Israel, there is little doubt that India has diluted its support to Palestine.

Critical Analysis

- ▶ India's policy of de-hyphenation benefits Israel and severely undermines political and grassroots efforts to hold Israel accountable for its crimes against Palestinians.
- ▶ Relations between the two cannot be viewed as "mutually independent and exclusive", when one maintains total military and economic domination over the other.
- ▶ December 2017, India voted in favour of a UN General Assembly resolution that declared United States President Donald Trump's recognition of Jerusalem as Israel's capital to be null and void. All of this support is surely valued by Palestinians, but unfortunately, Indian and international solidarity has made no tangible impact on Palestinian self-determination.
- ▶ This is why India's recent UN vote against Israel on the issue of Jerusalem did nothing to impact India-Israel relations.
- ▶ Israel will only be held accountable and adjust its dreadful treatment of Palestinians when major powers, such as India, along with the rest of the world, impose a complete diplomatic, economic, and cultural boycott.

Way Forward

- ▶ Israel-Palestine relations are not just a serious issue but a very complicated issue. India has always talked about peaceful solution. *India believes in a two-state solution in which both Israel and a future Palestinian state co-exist peacefully*.
- ▶ In West Asia, the political and strategic scenario is changing very quickly. India wants to de-hyphenate its relationship with Israel and Palestine and see them as mutually independent and exclusive. *These are two standalone relationships and they should not be hyphenated together*.
- ▶ India should maintain the image of its historical moral support for Palestinian self-determination, and at the same time to engage in military, economic, and other strategic relations with Israel.

Conclusion

India has been very keen to preserve a pragmatic balancing act between regional players in the West Asian region like Saudi Arabia and Iran. On similar lines, India should be cautious enough while backing Israel and ***should adopt a more balanced and pragmatic approach*** while dealing with Israel and Palestine.

ENVIRONMENT, SCIENCE & DISASTER ISSUES

Index

1. Urban Waste and Global Warming
2. India State of Forest Report 2017
3. Misuse of Secondary Patent Methodology
4. Fire Disaster Management

Urban Waste and Global Warming

Context

The surface temperature of the Earth has risen in the past century and during the past two decades an accelerated warming has been noticed. Evidence suggests that it is likely that human activities have contributed to this warming. The chemical composition of the atmosphere has been changed by the increase in emissions of greenhouse gases, mainly carbon dioxide, methane, and nitrous oxide.

The haphazard urbanization has contributed to it due to poor waste management.

Hereby, discussing the linkage between the two and how recycling, composting and bio-methanation will help in reducing greenhouse gas emissions.

Introduction

Cities are major contributors to climate change: although they cover less than 2 per cent of the earth's surface, cities consume 78 per cent of the world's energy and produce more than 60% of all carbon dioxide and significant amounts of other greenhouse gas emissions, mainly through energy generation, vehicles, industry, and biomass use.

Facts:

- ▶ GHG emissions from solid waste disposal as reported to the UNFCCC in 2015-16 by India increased at the rate of 3.1 per cent per annum between 2000 and 2010, and by China at 4.6 per cent per annum between 2005 and 2012.
- ▶ The untreated disposal of mixed municipal solid waste at landfill sites is around 80 per cent for Mumbai and Chennai, 50-60 per cent for Delhi and Bengaluru, and 35 per cent for Pune.
- ▶ This implies that Mumbai emitted 921 k-tonne of carbon dioxide equivalent of GHG gases from landfill sites in 2016, equal to annual emissions from 1,96,000 typical cars. For Delhi, the estimate is 1,37,000 cars.
- ▶ The International Energy Agency (IEA) estimates that urban areas currently account for over 67 per cent of energy-related global greenhouse gases, which is expected to rise to 74 per cent by 2030. It is estimated that 89 per cent of the increase in CO₂ from energy use will be from developing countries

Sources of GHG

- ▶ **Methane:** Methane emissions from landfill are generally considered to represent the major source of climate impact in the waste sector. Waste contains organic

material, such as food, paper, wood, and garden trimmings. Once waste is deposited in a landfill, microbes begin to consume the carbon in organic material, which causes decomposition. Under the anaerobic conditions prevalent in landfills, the microbial communities contain methane-producing bacteria. As the microbes gradually decompose organic matter over time, methane (approximately 50%), carbon dioxide (approximately 50%), and other trace amounts of gaseous compounds (< 1%) are generated and form landfill gas.

Methane from wastewater management is the second largest source of GHG emissions from the waste sector as a whole.

Aerobic composting processes directly emit varying levels of methane and nitrous oxide, depending on how the process is managed in practice.

- ▶ **CO₂:** Uncontrolled burning of waste is largely obsolete in developed countries, but continues to be practiced in developing regions, causing release of CO₂.

Controlled burning, in waste incinerators, also generates CO₂ emissions.

Solutions:

■ **Basic principles of Solid Waste Management:**

- 4Rs: Refuse, Reduce, Reuse & Recycle.

- o **Refuse:** Not buying anything which we do not really need.

- o **Reduce:** Reducing the amount of garbage generated. Alter our lifestyle so that minimum garbage is generated.

- o **Reuse:** Reusing everything to its maximum after properly cleaning it. Make secondary use of different articles.

- o **Recycle:** Keeping things which can be recycled to be given to rag pickers or waste pickers (Kabadiwallahs).

■ **Composting:**

- The volume of waste sent to the landfill sites can be reduced if biodegradable waste is processed locally through aerobic decomposition with the help of microbes or earthworms (vermicomposting) to produce compost or organic fertiliser.

- Compost helps store carbon back in the soil. Its usage reduces the need for chemical fertilisers which emit large quantities of nitrous oxide, both during production and in application and thereby helps mitigate emissions.

- Compost also improves moisture retention in the soil.

■ **Treatment at nearest possible point:**

- The solid waste should be treated in as decentralized manner as possible. The garbage generated should be treated preferably at the site of generation, i.e. every house.

■ **Biomethanation:**

- Biomethanation or anaerobic decomposition method can be used for biodegradable waste.

- Biomethanation generates biogas which is a substitute for fossil fuel and produces slurry which is an excellent organic fertiliser, both helping to mitigate global warming.

- **Recycling of waste:**

 - Converting the recyclable garbage into manures or other useful products.
 - It helps reduce GHG emissions because the energy required to manufacture a product using virgin materials is higher than when using recycled materials.
 - While India has had a tradition of recycling paper, glass, metals, etc with the engagement of the informal sector, lack of segregation comes in the way of realising the full potential of recycling.
 - Recycling requires up to 50 per cent less energy compared to production of paper based on wood pulp, and it also saves trees from being cut.
- **Segregation at source:**

 - Storing organic or biodegradable and inorganic or non biodegradable solid waste in different bins.
 - Recycling of all the components with minimum labor and cost.
- **Different treatments for different types of solid wastes:**

 - One must apply the techniques which are suitable to the given type of garbage. For example, the technique suitable for general market waste may not be suitable for slaughter house waste.
 - The non-biodegradable and non-recyclable waste other than hazardous waste (batteries, CFLs, etc), can be converted into Refuse Derived Fuel for use in high-temperature furnaces, for example, in cement kilns and power plants.
 - Technologies are also available for controlled incineration and/or gasification for energy recovery from this waste. These are commonly referred to as “waste-to-energy” plants.

Way Forward:

- ▶ The Solid Waste Management Rules (2016) have laid down clear guidelines on permissible emission norms.
- ▶ **Monitoring:**
 - There is a need for real-time monitoring and open access to emissions data to ensure enforcement of the norms.
 - Both the Central Pollution Control Board and the National Green Tribunal have been working towards these goals.
 - But if the regulatory framework is not considerably strengthened, such plants will only end up converting solid waste into air pollution and leaving a larger carbon footprint.
- ▶ There are lessons to be learnt from other countries. GHG emissions from solid waste have been declining in Germany and Japan. A ban on landfilling of non-pre-treated waste in Germany has led to 47 per cent of the waste being recycled, and 36 per cent incinerated. In Japan, 75 per cent of the waste is incinerated, while 21 per cent is recycled. The regulations in both countries ensure that incinerators have state-of-the-art emission control technologies, and the directly land filled municipal solid waste is as low as one per cent.
- ▶ India is determined to fulfill Paris accord and the need of hour is reforms in sector to ensure that India handles waste in efficient manner, to ensure compliance of SDG 2030 and Paris accord which would also be beneficial to Society’s health and development.

Conclusion

India needs to get its act together to improve its municipal solid waste management with the triple objective of resource recovery, improving public health conditions and mitigating the risks associated with human-induced global warming.

It will require city administration to develop more robust partnerships with their constituencies, especially in developing countries. The public needs to be an integral part of future responses to climate change and trust needs to be strengthened before specific actions are introduced. One way to achieve this is to regularly supply the public with credible standardized information that encourages active debate but also outlines the need for scheduled concrete actions.

India State of Forest Report 2017

Context

Forest Survey of India (FSI), an organisation under the Ministry of Environment and Forest, prepares report on the state of India's forest, providing the detailed information about National, State and District wise forest cover assessment. The report is being prepared biennially since 1987; this is the 15th report in the regular series of publication.

Hereby, providing the gist of the report

Introduction

In line with the Government of India's vision of Digital India and the consequent need for integration of digital data sets, the Forest Survey of India has adopted the vector boundary layers of various administrative units upto districts developed by Survey of India along with digital open series toposheets, bringing about full compatibility with the geographical areas as reported in Census, 2011.

The report contains information on forest cover, tree cover, mangrove cover, growing stock inside and outside the forest areas, carbon stock in India's forests and forest cover in different patch size classes. Special thematic information on forest cover such as hill, tribal districts, and north eastern region has also been given separately in the report. The report for the first time contains information on decadal change in water bodies in forest during 2005-2015, forest fire, production of timber from outside forest, state wise carbon stock in different forest types and density classes.

Various Key Terms

- ▶ **Tree Cover:** Tree cover is defined as small tree patches and isolated trees outside the recorded forest area which are less than one hectare in extent. These trees are generally found in village woodlots, homestead, urban areas, compact block, along road, canal, railway line etc and as scattered trees.
- ▶ **Canopy and Canopy Density:** The branches cover and foliage formed by the crown of trees is called Canopy. The percentage area of land covered by the canopy of trees is called Canopy Density.
- ▶ **Recorded Forest Area and Forest Blank:** The region recorded as 'forest' in the Government document/report (Legal Forest) is called Forest Area or Recorded Forest Area. The empty spaces or the patches within the forest area with little or no trees are called Forest Blank.
- ▶ **Forest Cover:** All the land area more than one (1) hectare and with canopy density of more than 10% (both under the government and private) is called Forest Cover.

Types of Forest Cover:

- **Scrubs:** The degraded forest land with canopy density of less than 10% is called scrubs.
- **Open Forest:** The lands with canopy density of 10-40% are called open forest.
- **Moderately Dense Forest (MDF):** The lands with canopy density of 40-70% are called MDF.
- **Very Dense Forest (VDF):** The lands with canopy density of 70% and above are called VDF.
- ▶ **Carbon Sink:** It is defined as the carbon stored in the ecosystem of the forest especially in living biomass and soil.
- ▶ **Tree Outside Forest:** It refers to all trees growing outside the recorded forest areas irrespective of size of patch.

Key Findings of the Report

- ▶ Forest and Tree Cover of the country has increased by 8,021 sq km (1%) as compared to assessment of 2015. The very dense forest has increased by 1.36% as compared to last assessment. This is very heartening as VDF absorbs maximum carbon dioxide from the atmosphere.
- ▶ The increasing trend of forest and tree cover is largely due to the various national policies aimed at conservation and sustainable management of our forests like Green India Mission, National Agro-Forestry Policy (NAP), REDD Plus Policy, Joint Forest Management (JFM), National Afforestation Programme and funds under Compensatory Afforestation to States.
- ▶ Successful agro-forestry practices, better conservation of forests, improvement of scrub areas to forest areas, increase in mangrove cover, conservation and protection activities have also led to increase in the forest and tree cover.
- ▶ Green Highways (Plantations & Maintenance) Policy to develop 1,40,000 km long tree line with plantation along with both sides of national highways will go a long way in enhancing the forest & tree cover.
- ▶ Top 5 states where maximum forest cover has increased are Andhra Pradesh (2,141 sq kms), Karnataka (1,101 sq kms), Kerala (1,043 sq kms), Odisha (885 sq kms) and Telangana (565 sq kms).
- ▶ Top 5 states where forest cover has decreased are Mizoram (531 sq km), Nagaland (450 sq km), Arunachal Pradesh (190 sq km), Tripura (164 sq km) and Meghalaya (116 sq km). It is important to mention here that these states are in the North Eastern region of the country where the total forest cover is very high, i.e. more than 70% in each state.
- ▶ The main reasons for the decrease are - shifting cultivation, other biotic pressures, rotational felling, diversion of forest lands for developmental activities, submergence of forest cover, agriculture expansion and natural disasters.

Water bodies inside forests have increased over a decade

- ▶ Forests play a vital role in water conservation and improve the water regime in the area.
- ▶ State Forest Departments besides plantation and protection also undertake steps to improve water conservation through different interventions such as building Check dams, vegetation barriers, percolation ponds, contour trenches etc. under various Central & State Government schemes.

- ▶ As per the latest assessment, water bodies inside forest cover have increased by 2,647 sq kms during the last decade. Maharashtra (432 sq kms), Gujarat (428 sq kms), Madhya Pradesh (389 sq kms) are top three states showing increase in water bodies within forest areas. Overall, almost all the states have shown a positive change in water bodies.

Mangrove cover of the country has shown a positive change

- ▶ As per ISFR 2017, mangrove forests have increased by 181 sq kms. Maharashtra (82 sq kms), Andhra Pradesh (37 sq kms) and Gujarat (33 sq kms) are the top three gainers in terms of mangrove cover. 7 out of the 12 mangrove states have shown an increase in mangrove cover and none of them show any negative change.
- ▶ Mangrove eco-systems are rich in biodiversity and provide a number of ecological services. They also play a major role in protecting coastal areas from erosion, tidal storms and tsunamis.

Striving towards achieving NDC goal

- ▶ India is striving towards achieving its NDC goal of creating additional carbon sink of 2.5 to 3.0 billion tonnes of CO₂ equivalent through additional forest and tree cover by 2030.
- ▶ As per present assessment total carbon stock in forest is estimated to be 7,082 million tonnes. There is an increase of 38 million tonnes in the carbon stock of country as compared to the last assessment.

Bamboo

- ▶ The extent of bamboo-bearing area in the country has been estimated at 15.69 million ha. In comparison to the last assessment done in 2011, there has been an increase of 1.73 million ha in bamboo area.
- ▶ The growing stock of the bamboo in forest has been estimated to be 189 million tonnes. There is an increase of 19 million tonnes in the bamboo-growing stock as compared to the last assessment done in 2011. The total annual potential production of timber from trees outside forest has been estimated at 74.51 million tonnes.
- ▶ The Government has recently enacted a Bill in the Parliament for taking out bamboo from the tree category, where it is grown outside forest areas. This will encourage people to grow bamboo on private lands, which will be helpful in increasing the livelihood opportunities for farmers and also enhance the green cover and carbon stock of the country.

Limitations of the Forest Cover Assessment Exercise

Remote sensing data has certain inherent limitations that affect the accuracy of the Forest Cover Mapping, some of which are mentioned below:

- ▶ Since the resolution of the LISS-III sensor data is 23.5 m, land cover having a geometric dimension on the ground less than 23.5 m is not discernible.
- ▶ Considerable ground details may sometimes be obscured due to clouds and shadows. Such areas can be classified to a certain extent with the help of collateral data.
- ▶ Non-availability of appropriate season data sometimes leads to misinterpretation of the features owing to poor reflectance of data.
- ▶ Occurrence of weeds like lantana in forest areas and agricultural crops like sugarcane, cotton, etc, adjacent to forest area causes mixing of the spectral signatures and often make precise forest cover delineation difficult.

- ▶ Young plantations and tree species with less chlorophyll or poor foliage are many times not discernable on satellite images due to low leaf area index and transmittance. Where heterogeneity in tree species composition is high, generalized classification may affect the accuracy level.

Misuse of Secondary Patent Methodology

Context

Patent provide limited legal monopoly granted to an individual or firm to make, use, and sell its invention, and to exclude others from doing so.

Patents on active ingredients are referred to as primary patents. In later phases of the drug development, patents are filed on other aspects of active ingredients such as different dosage forms, formulations, production methods etc. These patents are referred to as secondary patents.

The pharmaceutical companies use the secondary patent methodology to expand their intellectual property estate.

Hereby, discussing the concept of patents and how secondary patent methodology is used by companies.

Introduction

- ▶ A patent is an exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem. To get a patent, technical information about the invention must be disclosed to the public in a patent application.
- ▶ Items fall under four classes:
 - ▣ **Machine:** Apparatus or device with interrelated parts that work together to perform the invention's designed or intended functions,
 - ▣ **Manufacture:** All manufactured or fabricated items,
 - ▣ **Process:** **Chemical**, mechanical, electrical or other process that produces a chemical or physical change in the condition or character of an item, and
 - ▣ **Composition of matter:** Chemical compounds or mixtures having properties different from their constituent ingredients.

What are Primary and Secondary Patents?

Patents play a crucial role in the pharmaceutical industry. Patents are usually filed already during the research phase in the development of a new drug. These early patents are filed to protect potential active ingredients that form the basis of the new drug. Patents on active ingredients are referred to as primary patents. In later phases of the drug development, patents are filed on other aspects of active ingredients such as different dosage forms, formulations, production methods etc. These patents are referred to as secondary patents. Secondary patents also emerge from changes to formulations and dosages or applications in new therapeutic classes, discovered during clinical trials.

The secondary patents are taken before the expiry of a primary patent thereby stretching the exclusivity beyond 20 years, a practice that is called “*ever-greening*”.

Generally *blockbuster medicines, which reap annual revenues exceeding \$1 billion* are made evergreen to continue profit.

What is ‘Blockbuster Drug’

It is an essential and popular drug that generates annual sales of at least \$1 billion for the company that sells it. Examples of blockbuster drugs include *Humira and Lipitor*.

Blockbuster drugs are commonly used to treat common medical problems like high cholesterol, diabetes, high blood pressure, asthma and cancer.

Take for example

- ▶ Drug, *Humira*, continue to grow even after the expiry of the patent over its main ingredient, *adalimumab*, a biologic used for the treatment of arthritis.
- ▶ By 2020, company called AbbVie Inc, makers of Humira, expects its sales to touch \$21 billion.
- ▶ In 2015, it faced the expiry of the patent for Humira’s main ingredient. But it is still continued, breaking patent laws.

What is meant by Ever-greening?

- ▶ Patents offer their owners market exclusivity for a limited period of time, typically 20 years. The end of patent exclusivity will reduce the drug prices drastically.
- ▶ However, pharmaceutical companies find new ways to postpone their exclusivity by filing secondary patents making small changes to an original drug with a new formulation, a dosage regime, or a new method of administering the medicine. This practice is called ever-greening.

Stand of India over Ever-greening

- ▶ India’s patent law does not accept Ever-greening of drugs.
- ▶ For example: Swiss company Novartis filed a new patent on its drug Glivec, a drug used to fight leukaemia. But Supreme Court refused to grant Novartis a patent for a new version of its cancer drug as the drug was not substantially different from original one.
- ▶ Spiriva, a medicine for asthma, enjoys patent protection until 2021 in the U.S., largely due to secondary patents. All of these secondary patents were rejected in India.
- ▶ Indian Patent Act provisions also extend to biologics.

In developing countries, secondary patents may have played particularly important role for multinational originator companies during the years following the introduction of pharmaceutical patents. When developing countries began to allow the granting of pharmaceutical product patents, in many instances originator companies were unable to obtain patent protection for drugs that had already been patented abroad.

Despite the widespread use of secondary patents and the contentious policy debate, there is little evidence on the use of primary and secondary patents in developing countries.

In India secondary patents are not provided. The rejection of a secondary patent for Novartis’ Glivec, a crucial leukaemia cure, was famously upheld by the Supreme Court of India in 2013, while the same was granted in the U.S. Consequently, the cost of a monthly dose of the medicine in the U.S. was Rs. 1.6 lakh, while the cost of the generic was Rs. 11,100 in India. Likewise, Spiriva, a medicine for asthma, enjoys patent protection until 2021 in the U.S., largely due to secondary patents. All of these secondary patents

were rejected in India. As a result, while the monthly cost of the medicine in the U.S. is over Rs. 19,100, and it costs a mere Rs. 250 in India.

Way Forward

- ▶ The result of check on evergreening is low and affordable prices for life saving drugs. This will ensure India's universal health coverage.
- ▶ Along with punishing errant through patent regime, India should invest largely in innovation for affordable medicines.
- ▶ Along with deterrence, manufacturing in drugs to be boost though policy changes and ease of doing business.

Fire Disaster Management



Recently the fire at the Kamala Mills (Mumbai) Compound that has taken 14 lives. It is the kind of accident that could happen almost anywhere in the country at the same time this is also a type of preventable disaster.

Similarly, the fire in Bawana industrial region claimed 17 lives. These are examples of preventable disasters.

Preventable disasters are nothing but the types of man-made disasters that have been a result of human carelessness, callousness, or sheer lack of foresight and planning that has ended up with a large number of innocent people losing lives, all of which were preventable. Ex: Bhopal Gas tragedy, AMRI Hospital fire, Kolkata, Maha Kumbh mela stampede in Allahabad.

With rapid economic development, man-made disasters pose equally grave threats to all life, property and environment. Moreover, man-made disasters are preventable and therefore what needs to be tackled is 'crisis' and not disaster. Focus should be on management of crises so that their degeneration into a disaster is prevented.

Hereby, discussing the flaws in the system and steps needed for avoiding preventable disasters.

Introduction

Rapidly urbanizing cities like Delhi are much prone to disasters largely owing to increasing densities of people and infrastructure. Delhi alone registers over ten thousand cases of fire every year.

Reasons for the Disaster at Workplace

- ▶ **Flammable chemicals:** found in laboratories, shops, art studios, maintenance activities (painting, cleaning, auto repair, etc.) engines, boilers and other heating appliances.
- ▶ **Processes involving open flame:** Welding, brazing and similar operations, cooking, smoking, and some lab operations. Drying (both in the laundries and laboratories), cooking, heat producing devices such as hot plates and space heaters
- ▶ **Use and disposal of chemicals:** Experiments in labs, hazardous waste handling, oily rags in art studios, and shops.
- ▶ **Electrical equipment:** Short circuits and malfunctioning equipment.

Reasons Due to Poor Infrastructure

Lack of emergency lights, foot light and exit lights, blocked gangways, blocked exits with most of the doors locked, and obstruction at available exits due to unauthorised

shops were some of the reasons for the fire to become a severe accident. Absence of fire extinguishers and lack of periodic maintenance also contributed towards more casualties.

For example in case of Bawana:

A majority of factories in the industrial area are 200 square metres (sq m) or below — hardly enough to construct safety mechanisms. According to the DFS, a factory must have at least two escape routes — an emergency staircase, fireproof doors and a fire extinguisher every 50 sq m. But if a 100 sq m unit wants to be fire safe, it would be left with 70-75 sq m to run its operations, house heavy machinery, drinking water facilities, toilets, canteen and a cabin for the supervisor. The injection moulding machine takes up more than 45 sq m, and an additional 10 per cent space is needed to create a safe buffer. This barely leaves any space for people to move, leave alone run to safety in case of a fire. To further complicate matters, factories sized below 250 sq m do not need a No Objection Certificate (NoC) from the DFS.

Lacunae in Government Functioning

- ▶ **Good Governance and Responsive Administration** have to be seen as non-negotiable features of a dynamic process of effective interface with the communities at risk from the devastating impact of disasters. This process must be driven by transparency and accountability of public functionaries and their ownership of the transition to the paradigm shift.
- ▶ **Weak Compliance of Policies** like the Disaster Management Act 2005 stipulated the setting up of the Disaster Response Fund and the Disaster Mitigation Fund at national, state and district levels, only the National and State Disaster Response Funds have become operational till now. The increasing frequency and damage to property, assets and infrastructure caused by recurring disasters makes it imperative that the provisions of the Disaster Management Act 2005 are enforced in letter and spirit.
- ▶ **Failure in Formation of Disaster Recovery Plan:** Just 14 states have submitted their State Disaster Management Plan. The lackadaisical attitude shows government's complete disregard towards national and human safety.
- ▶ **Mis-utilization of Funds:** Government constituted National Disaster Response Fund and State Disaster Response Fund to deal with the disasters. The report indicates that Ministry of Home Affairs is not receiving appropriate information from states on utilization of funds. Audit findings reveal that some states have mutualized funds for expenditures that were not sanctioned for disaster management. There was in a few cases significant delay in releasing funds.
- ▶ **Disaster Management Communication:** Presently, if a disaster strikes and regular communication networks go down, there are no contingency methods available for communication to a disaster-hit area.

Role of Local Level Governance

- ▶ Local self-governments, both rural and urban, have emerged as important tiers of governance. For the people, they are also the **nearest units of administration** and are among the **first responders to any crisis** besides being closely knit with the communities.
- ▶ These units can thus play an important role in crisis management under the overall leadership of the District Administration. So, provisions need to be introduced in disaster management legislations or even the municipal legislations to bring greater salience to the role of the municipal bodies in responding to disasters.
- ▶ Ex: In Kamala mill tragedy, it is observed that the rooftop of that building was an illegal construction. It shows the ineffectiveness of existing Municipal laws.

- ▶ The Disaster Management Act, 2005 mandates preparation of disaster mitigation prevention plans at District, State and National level. And visualizes the district plan as the one that lists out the vulnerable areas in the district, the measures required for prevention and mitigation of disasters, the capacity building and preparedness.
- ▶ The experience from past disasters and the prospect of more disasters/crisis, demand a holistic and an agile system for dealing with crisis/disasters. This would require strengthening of the existing legal framework, removal of loopholes.
- ▶ So, there is need of ensuring an effective coordination mechanism and an administrative structure with unity of command and well defined responsibilities at all levels.
- ▶ It also require resources to be drawn from different levels of government, means that a totally centralized or totally decentralized mechanism would be ineffective.

Prevention and Risk Reduction of Disasters

- ▶ Disaster risk can be reduced by forecasting occurrence of hazards as accurately as possible and well in time, and preparing in advance for their onset and even manipulating those natural hazards, which lend themselves to manipulation.
- ▶ It can also be brought down by taking measures to reduce vulnerability of the peoples living in that disaster prone areas.
- ▶ The enactment of laws and the setting up of national, state and district level authorities is an acknowledgement of the fact that disaster management is an integral part of administration.
- ▶ Disaster risk reduction can be effective if the communities feel that their needs are being met and participate in it. The community is also a repository of knowledge and skills which have evolved traditionally and these need to be integrated in the risk reduction process.
- ▶ The UN must follow through with its plans to better prepare for and manage emergencies, especially in the immediate aftermath. It is imperative that the mapping of the available capacity for an emergency response within every country (particularly the vulnerable poor countries) should be urgently prepared by the UN.

Conclusion

- ▶ Our preparedness regime needs strengthening both at the Government level and at the community level. In fact community preparedness is still an alien concept in the country. An intensive campaign to strengthen community preparedness will have to be undertaken. With better planning, preparedness awareness and mitigation measures we can significantly reduce the impact of disasters for our people in the near future.

GS SCORE

IAS 2018

Prelims

TEST SERIES 2018



CLASSROOM

&



ONLINE

Programme 1

Sectional + Mock

Total 18 Tests

- ▶ 6 GS Sectional, 3 CSAT Sectional, 5 Current Affairs & 4 Mock Test

Value Addition Material

- ▶ All India Ranking

Batch Starts: **24th** March, 2018

Test Timings: 9:00 AM to 11:00 AM

Programme 2

Mock Test

Total 12 Tests

- ▶ 8 Mock Tests for GS and 4 Mock Tests for CSAT
- ▶ Value Addition Material
- ▶ All India Ranking

Batch Starts: **31st** March, 2018

Test Timings: 9:00 AM to 11:00 AM

Off. No. 6, 1st Floor, Apsara Arcade, Karol Bagh, New Delhi-5, (Karol Bagh Metro Gate No. 5)

☎ 011-47058253, 9953595114, 9873870114 ✉ info@iasscore.in 📘 www.facebook.com/iasscore



www.iasscore.in