



#### **Topical Analysis**

# 'Passive Euthanasia' and 'Living Will' made Permissible

#### **Contemporary Issues**

#### 1. Polity & Governance Issues

Challenges of Special Status State and Problems

#### 2. Science, Environment & Disaster Issues

- Sea Level Rise and its Impact
- Waste to Wealth
- Hailstorm and its Impact on Crops
- Law Against Genetic Discrimination

#### 3. Social Issues

- Inadequacies in Existing Human Trafficking Rules
- Debate Over Death Penalty in India

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- ▶ Gwadar, Chabahar not Comparable
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- How Labour Regulations Affect Manufacturing
- Illegal Mining in India: CAG's Concern
- What Prevents Women from Working in India
- Name and Shame Willful Defaulters
- Rising New Form of Protectionism

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Sense of an ending

While recognising passive euthanasia, the SC has allowed advance directive, or living will, by which patients can spell out whether treatment can be withdrawn if they fall terminally ill or are incompetent to express their opinion

or close relative" who

will give the go-ahead

for starting passive

HOW TO

PRESERVE IT?

euthanasia

#### WHO, WHAT AND HOW OF A LIVING WIL

#### WHO CAN MAKE IT:

- An adult with a sound and healthy mind
- It should be voluntarily executed, based on informed consent
- It should be expressed in "clear and unambiguous" terms

#### CONTENTS OF WILL:

 Circumstances in which treatment should be withheld or withdrawn

Specify that the will can be

revoked any time Name of

• The will shall be attested by two witnesses

counter-signed by a first class judicial magistrate

- The magistrate shall preserve one hard copy and one soft copy each and forward it to the district court registry
- Copy will be given to a local govt. official, who shall nominate a custodian for the will

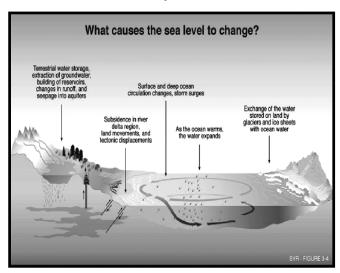
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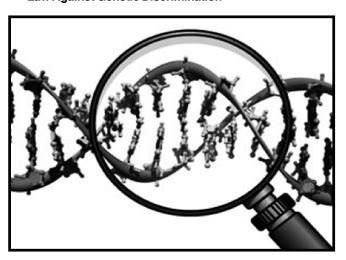
#### PM Modi called it Lohri/Pongal/ **CROP** INSURANCE Bihu gift for farmers CAPPING PREMIUM RISK COVERAGE Removed under new 2% for kharif crops Hailstorm, landslide & scheme, full compensa-1.5% for rabi crops Farmers to get claims inundation covered tion without reduction 5% for commercial/ for cyclone, unseasonhorticultural crops

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#### **COVER STORY**

## **Euthanasia and Living Will Allowed**



Supreme Court of India has held that right to die with dignity is a fundamental right. The Bench also held that passive euthanasia and a living will also be legally valid. Under passive euthanasia the doctors treating such a patient will withdraw medical support provided the patient has left behind a "living will" for pulling the "plug" in such situations.

The decision was in response to a petition by a non-government organization, which argued that a person with terminal illness should be given the right to refuse being placed on life support.

Hereby, discussing the concept of Euthanasia and 'Living Will' and issues related to it.

#### What is Euthanasia?

Euthanasia is the intentional and painless taking of the life of another person, by act or omission, for compassionate motives. In contemporary practice, it means that someone's life is ended for sympathetic reasons by some active or passive steps taken by another person.

The debate around Euthanasia started in India in 2011 when Supreme Court legalised passive euthanasia in case of Aruna Shanbaug who was in Vegetative state since 1973.

#### The moral difference between killing and letting die

Many people make a moral distinction between active and passive euthanasia. They think that it is acceptable to withhold treatment and allow a patient to die, but that it is never acceptable to kill a patient by a deliberate act.

Some medical people like this idea. They think that it allows them to provide a patient with the death they want without having to deal with the difficult moral problems they would face if they deliberately killed that person.

> Active euthanasia involves taking specific steps such as injecting the patient with a lethal substance, e.g. Sodium Pentothal which causes the person to go in deep sleep in a few seconds and the person dies painlessly in sleep, thus it amounts to killing a person by a positive act in order to end suffering of a person in a state of terminal illness. It is considered to be a crime all over the world (irrespective of the will of the patient) except where permitted by legislation, as observed earlier by Supreme Court. In India too, active euthanasia is illegal and a crime under Section 302 or 304 of the IPC. Physician assisted suicide is a crime under Section 306 of the IPC (abetment to suicide).



Passive euthanasia, otherwise known as 'negative euthanasia', however, stands on a different footing. It involves withholding of medical treatment or withholding life support system for continuance of life, e.g., withholding of antibiotic where without doing it, the patient is likely to die or removing the heart-lung machine from a patient in coma.

Passive euthanasia is further classified as voluntary and non-voluntary. Voluntary euthanasia is where the consent is taken from the patient. In non-voluntary euthanasia, the consent is unavailable on account of the condition of the patient for example, when he is in coma.

#### Reasons for favouring passive euthanasia

- **Right to Die with Dignity:** Article 21 promises right to life with dignity. According to some experts, it has a negative connotation too. Article 21 also promises the right to die with dignity. Hence, passive euthanasia promotes this casue.
- Reduce Caregiver's Burden: As in numerous cases (Like Aruna Shanbaug case) the caretaker's burder was also high. As the terminally ill patient has passed the stage of recovery, it has been suggested by the experts to allow passive euthanasia.
- Right to Refuse Medical Treatment: According to some medical experts, patients have the right to refuse medical treatment. This can be interpreted as a form of passive euthanasia only.
- Encourages Organ Transplantation: Passive euthanasia and living will can help in encouraging organ transplantation and save numerous other lives.

#### Arguments against euthanasia

- **Against Constitution of India:** Article 21 promises to protect the life and liberty of an individual. It has been criticized that if euthanasia is legalized, then State may refuse to invest in health (working to protect Right to Life).
- Can be Misused: Euthanasia opposers argue that people with incurable illness will be disposed for our civilized society.
- Mental Illness: India has a growing rate of suicides. Suicides are mostly related to some sort of mental illness. Hence, it is essential to assess the mental health of the individual seeking for euthanasia.
- Malafide Intention: There have been apprehensions that euthanasia can be misused by family members for inheriting the property of the patient.
- Palliative Care: Palliative care is used to reduce the pain of the patient and control the symptoms. It is an unexplored alternative to euthanasia.
- Commercialisation of Healthcare: According to a SC judgment, it is feared that if euthanasia is legalized, then commercial health care sector will serve death sentence to many disabled and elderly with meager amount of money.

#### **Concept of Living Will**

The Supreme Court also allowed people to draw up what it termed "living wills" on how they would like to be treated if critically sick. The judges ruled that the right to die with dignity is a fundamental right under Article 21 of the Indian Constitution and that it would approve advance "living wills".

- A living will, called a directive to physicians or advance directive, is a document that lets people state their wishes for end-of-life medical care, in case they become unable to communicate their decisions. It has no power after death.
- It empowers a person of sound mind and health to make a 'living will' specifying that in the event of him/her slipping into a terminal medical condition in future, his/her life should not be prolonged through life support system. The person



concerned can also authorise, through the will, any relative or friend to decide in consultation with medical experts when to pull the plug.

#### **Pros of Living Wills**

- They respect the patient's human rights, and in particular their right to reject medical treatment.
- Creating them encourages full discussion about end of life decisions.
- Knowing what the patient want means that doctors are more likely to give appropriate treatment.
- They help medical professionals in taking difficult decisions.
- A patient's family and friends don't have to take the difficult decisions.

#### **Cons of Living Will**

Living wills negate informed consent. Since no one knows the future, by definition their care or noncare instructions must generally be written. Thus, when an incapacitation occurs, the patient's feelings and desires about this specific circumstance may not be known. The living will puts tremendous power into the hands of doctors, who are empowered to decide whether and when the living will takes effect, when treatment should be withdrawn or withheld. Moreover, the decision regarding the type and extent of medical intervention to be withheld will be of the doctor. And this power isn't restricted to 'extraordinary care' such as ventilators to assist with breathing, but to any medical intervention—from not treating a curable bacterial infection to withdrawing food and fluids so that the patient starves and dehydrates to death. Thus, with a living will, the check of informed consent is surrendered to medicalized decision making.

#### **Supreme Court Judgment**

Right to life is the Fundamental and Permanent feature of the Indian Constitution and over the years Supreme Court has expanded its' dimensions and horizons giving it more meaning and applications.

Right to life can be taken away from the person only in accordance with procedure established by law. Along with this 'Right to live with dignity' is also a part of Right to Life and Supreme Court in its judgement has said that, "A failure to legally recognize advance medical directives may amount to nonfacilitation of the right to smoothen the dying process and the right to live with dignity. Further, a study of the position in other jurisdictions shows that Advance Directives have gained lawful recognition in several jurisdictions by way of legislation and in certain countries through judicial pronouncements.

Though the sanctity of life has to be kept on the high pedestal yet in cases of terminally ill persons or PVS patients where there is no hope for revival, priority shall be given to the Advance Directive and the right of self-determination. In the absence of Advance Directive, the procedure provided for the said category hereinbefore shall be applicable."

#### **Euthanasia: Social and Ethical Angle**

The basic argument that comes up in case of euthanasia is that – every person suffer due to different reasons whether professional, personal and so on. Do we allow them to commit suicide — because they have the right to determine the end of their life? The question is critical, because either people do not have the right to end their lives in any circumstance, or else they do have that right, and the circumstances don't matter. This is applicable to euthanasia also. Whether we should give right to end one's life to all or should help them to come out of trauma?

People who cannot communicate are also people, having feelings. A person's inability to function does not make their lives less valuable. People do not become "vegetables." Children of God never lose the Divine image in which they were made. Thus applicability of euthanasia on them will be unethical.





No matter how ill a patient is, we never have a right to put that person to death. Rather, we have a duty to care for and preserve life. But to what length are we required to go to preserve life? No religion or state holds that we are obliged to use every possible means to prolong life. The means we use have traditionally been classified as either "ordinary" or "extraordinary." 'Ordinary' means must always be used. This is any treatment or procedure which provides some benefit to the patient without excessive burden or hardship. 'Extraordinary' means are optional. These are measures which do present an excessive burden.

But Euthanasia can be misused. Many psychiatrists are of the opinion that a terminally ill person or someone who is old and suffering from an incurable disease is often not in the right frame of mind to take a call. Such a person's decision to die may not be a rational call.

Family members deciding on behalf of the patient can also lead to abuse of the law legalizing euthanasia. Suppose a very rich person is terminally ill and he has already in his will appointed his relative as his successor. There are chances that in a lust to appropriate property as early as possible this relative might give permission to invoke euthanasia on that rich person even if there are chances to save the person.

With rising healthcare costs, and an aging population, if euthanasia or assisted suicide is legalised, disability activists fear that voluntary euthanasia will soon give way to involuntary or coerced euthanasia. Many health care professionals and bioethicists argue in favour of 'Futile Care Theory,' which measures the value of human life according to the financial cost of keeping the individual alive.

#### Way Forward

This is a welcome decision by the Supreme Court as hundreds of people who are in 'Vegetative state' will get their voices heard and they can exercise their 'Right to live with dignity' in true respect.

All the stakeholders like Doctors, High Court magistrates, Relatives and the person himself must be very rational and logical with the decision of making 'living will'. As it includes the vital decision surrounding a person's life, Rules and Regulations must be such that there is no ground of misuse of the document of 'Living Wills'. The draft law for Terminally ill patients must be passed as early as possible incorporating all the key decision points of the Supreme Court's decision.



## POLITY AND GOVERNANCE ISSUES

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Challenges of Special Status State and Problems 1.





## Challenges of Special Status State and Problems



Union Government has denied special category status to Andhra Pradesh recently. That is why Telagu Desam Party is pulling its ministers out of the Union Government over denial of special category status to Andhra Pradesh.

The Union Government stated that the Centre is already giving the financial benefits equivalent to the SCS through the special package.

Thus, hereby discussing the concept of designation of special status state, benefits associated with it and challenges.

#### What is Special Category Status?

- Special Category states are not a constitutional prerogative. The category has been devised by the Government to pay attention to the many problems apart from the financial viability of these states. Almost all of them have a hilly and difficult terrain and very low level of infrastructural development. Most of them have significant tribal population. Almost all of them are border States with considerable international borders. Most of them are poor and have very low revenue resources of their own.
- These states are given favored treatment in respect of plan financing and financial devolutions.

#### The criteria for granting special status are as follows:

Some of the features required for special status are: (i) Hilly and difficult terrain; (ii) Low population density or sizeable share of tribal population; (iii) Strategic location along borders with neighbouring countries; (iv) Economic and infrastructural backwardness; and (v) Non-viable nature of state finances.

The special category states have some distinct characteristics. They have international boundaries, hilly terrains and have distinctly different socioeconomic developmental parameters. These states have also geographical disadvantages in their effort for infrastructural development. Public expenditure plays a significant role in the Gross State Domestic Product of the states. The states in the North-East are also late starters in development. In view of the above problems, central government sanctions 90 percent in the form of grants in plan assistance to the states in special category. The most important prescription for special category states is interest free loan with rationalization of public expenditure based on growth enhancing sectoral allocation of resources.

#### **Advantages of Getting Special Category Status**

Preferential treatment in federal assistance and tax break, significant excise duty concessions. To attract large number of industrial units to establish manufacturing facilities within their territory.



- These states do not face hard budget constraint as the central transfer is high devolution.
- States avail benefits of debt swapping and debt relief schemes (through the enactment of Fiscal Responsibility and Budget Management Act) which facilitate reduction of average annual rate of interest.
- In centrally sponsored schemes and external aid special category states get it in the ratio of 90% grants and 10% loans.

#### Gadgil Formula for Granting of Special Status

Up to 3rd Five Year Plan (FYP) [1961-66] and during Plan Holiday (1966-69), allocation of Central Plan Assistance was schematic and no formula was in use. The central assistance provided for in the first three plans and annual plans of 1966-1969 lacked objectivity in its formulation and did not lead to equal and balanced growth in the states. The National Development Council (NDC) approved the following formula:

- Special Category states like Assam, Jammu and Kashmir and Nagaland were given preference. Their needs should first be met out of the total pool of Central assistance.
- The remaining balance of the Central assistance should be distributed among the remaining States on the basis of the following criteria:
  - 60 per cent on the basis of population;
  - 10 per cent on the basis of tax effort, determined on the basis of individual State's per capita tax receipts as percentage of the State's per capita income;
  - 10 per cent on the basis of per capita State income, assistance going only to States whose per capita incomes are below the national average;
  - 10 per cent on the basis of spill-over into the Fourth Plan of major continuing irrigation and power projects; and
  - 10 per cent for special problems of individual States.

Due to reservations of State Governments on revision, a Committee under Shri Pranab Mukherjee, then Deputy Chairman, Planning Commission was constituted to evolve a suitable formula. The suggestions made by the Committee were considered by NDC in December 1991, where following a consensus, the Gadgil-Mukherjee Formula was adopted. It was made the basis for allocation during 8th FYP (1992-97) and it has since been in use. After setting apart funds required for: (a) Externally Aided Projects and (b) Special Area Programme, 30% of the balance of Central Assistance for State Plans is provided to the Special Category States. The remaining amount is distributed among the non-Special Category States, as per Gadgil-Mukherjee Formula.

#### 14th Finance Commission and Special Category Status

- The NITI Aayog, which has replaced the Planning Commission, has no power to allocate funds — therefore, the discretion that the ruling party at the Centre had to dole out special favour to states through the Plan panel, no longer exists.
- The Centre says the Fourteenth Finance Commission effectively removed the concept of Special Category States after its recommendations were accepted in 2015. The Centre was willing to provide the "monetary equivalent" of a special category state to Andhra Pradesh but would not be able to grant the "special status" that was restricted only to the north-eastern and three hilly states by the 14th Finance Commission.





#### Raghuram Rajan Committee on Special Category Status

Raghuram Committee proposed new methodology to allocate funds across states based on need.

- 10 components are considered for underdevelopment index:
- (i) Monthly per capita consumption expenditure, (ii) Education, (iii) Health, (iv) Household amenities, (v) Poverty rate, (vi) Female literacy, (vii) Percent of SC-ST population, (viii) Urbanization rate, (viii) Financial inclusion, and (x) Connectivity.

#### **Andhra Pradesh and Special Category Status**

- Following the bifurcation of A.P., Andhra lost a large volume of its revenue due to Hyderabad remaining the capital of Telangana.
- Former Prime Minister Manmohan Singh had promised that SCS would be "extended to the Successor State of Andhra Pradesh ... for a period of five years." This oral submission by the then PM has been the basis for A.P.'s claim to the status.

#### Unions' response on Andhra Pradesh demand

- Minister of State for Finance had declared that Centre had no proposal to modify the criteria for SCS status.
- A.P. does not qualify as a Special Category State. It has neither geographical disadvantages nor historical disadvantages such as socio-economic and infrastructural backwardness.
- Hence, offering it the SCS would give impetus to every other state to demand for the same.
- Instead, Centre announced a package to grant special assistance to Andhra Pradesh, wherein an amount equivalent to what the state might have got as a special category state will be compensated by Centre through externally aided projects for five years.
- The special package offered meets most of the reasonable expectations of a State struggling to recover from bifurcation and dealing with the imminent loss of the capital city and its revenues.
- It included Polavaram irrigation project declared a national project, i.e., Centre would meet the financial needs.
- Also, Central Board of Direct Taxes (CBDT) would issue two specific notifications on tax concessions being extended to A.P.

#### **Way Forward**

Dr. Raghuram Rajan Committee in 2013 suggested that States classified as 'Special Category States' and those seeking inclusion in that category, would find that their need for funds and special attention more than adequately met by a basic allocation to each State and the categorization of some as 'least developed'.

States and Union too has to consider such recommendations seriously and necessary steps to be taken to curb rising demands of special category status.

#### Conclusion

Instead of indulging into politics of special category status, centre and states must look for betterment of people of that state.





## **ECONOMIC ISSUES**

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## Critical Analysis of PM Crop **Insurance Scheme**



Recent studies shows that the number of farmers covered under the Prime Minister's Crop Insurance Scheme fell to 47.9 million in 2017-18, from 57.5 million in 2016. Thus, there is sharp decline of 17% in a year.

The data further shows that coverage among loanee farmers fell to 35 million in 2017-18 from 44 million.

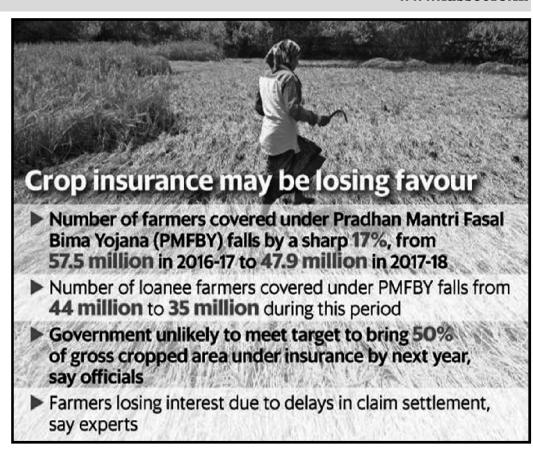
Coverage of non-loanee farmers fell from 14 million to 13 million during this period.

In this context, it is imperative to critically analyses PM insurance scheme.

#### Introduction

- In April, 2016, the government of India had launched Pradhan Mantri Fasal Bima Yojana (PMFBY) after circumscribing the earlier insurance schemes, viz. National Agriculture Insurance Scheme (NAIS), Weather-based Crop Insurance Scheme and Modified National Agricultural Insurance Scheme (MNAIS).
- Thus, at present, PMFBY is the only flagship scheme of the government for agricultural insurance in India.
- Despite the centre pumping more funds into its flagship crop insurance scheme, coverage among farmers is on the decline.
- The government had allocated Rs. 5,500 crore in the budget for 2016-17, which was increased to Rs. 13,240 crore. In 2017-18, the allocation was Rs. 9,000 crore. For 2018-19, the government has provided Rs. 13,000 crore.
- Insurance coverage has reduced to 24 per cent of gross cropped area (GCA) in 2017-18 from 30 per cent in 2016-17, whereas the actual target for the current year was 40 per cent.
- Number of farmers insured during both the kharif and rabi seasons has gone down by 14 per cent this year. In 2017-18, the area insured under the Pradhan Mantri Fasal Bima Yojana (PMFBY) was 47.5 million hectares, which translates into 24 per cent of the GCA of 198.4 million hectares.
- Gross premium collected by insurance companies in 2017-18 is estimated at Rs. 24,352 crore, up 9.8% from Rs. 22,180 crore the year before.





#### Pradhan Mantri Fasal Bima Yojana (PMFBY)

- To help farmers cope with crop losses, the Government of India launched its flagship scheme Pradhan Mantri Fasal Bima Yojana (PMFBY), starting from the kharif season of 2016.
- PMFBY replaced the National Agricultural Insurance Scheme (NAIS) and Modified National Agricultural Insurance Scheme (MNAIS). PMFBY is designed to reduce the burden of crop insurance on farmers.
- The Weather-Based Crop Insurance Scheme (WBCIS) remains in place, though its premium rates have been made the same as in PMFBY.
- State governments have the authority to decide whether they want PMFBY, WBCIS or both in their respective states.
- The new Crop Insurance Scheme PMFBY- is in line with 'One Nation One Scheme' theme.

#### **Key Features of PMFBY**

- PMFBY fixes a uniform premium of 2% of the value of sum insured to be paid by farmers for all kharif crops, 1.5% of sum insured for all rabi crops, and 5% of sum insured for annual commercial and horticultural crops or actuarial rate, whichever is less.
- The balance premium will be paid by the government to provide the complete insured amount to farmers against crop loss on account of natural calamities.
- The subsidy is divided equally between the state and the Central government. There is no upper limit on government subsidy for actuarial premium.
- 25% of the likely claim will be settled directly in farmers account.
- There will be one insurance company for the entire state.





#### Possible Reasons for Decline in Insurance

- In 2017, the south-west monsoon which irrigates over half of India's crop area was near normal.
- Only 40% of the premium due from state governments has reached insurance companies and the farmers are suffering due to the delay.
- Centre is yet to calculate the total claims filed by farmers in the current year ending March (2017-18), indicating long delays in settlement of claims.
- Due to rising indebtedness and delays in loan repayment by farmers expecting to benefit from loan waivers, it could be that banks are issuing less fresh loans. This could be bringing down the number of loanee accounts and therefore, the (mandatory) crop insurance enrolment numbers.
- Scheme is also failing to attract non-loanee farmers due to delays in claim settlements.
- Insurance scheme is beset with problems like delays in assessment of crop loss and claim settlement, high actuarial premiums charged by insurance companies, and lack of officers monitoring the scheme.
- Blame game The central government has been citing poor implementation by the states for the lackadaisical response to the scheme. State officials blame that bid of private insurance companies for more profit and delay in settlement of claims are crucial factors for the decline.

#### Challenges for PMFBY

- The premium subsidy under the PMFBY is to be equally shared between the Centre and the states. One reason for delay in claim payments by insurance companies is the latter not releasing their part of the subsidy on time.
- The states are also slow in conducting village-level crop-cutting experiments and submitting yield data from the same to the insurance companies.
- The insurance companies themselves have no direct connection with the farmers. In most cases, they don't even maintain databases relating to landholdings or cropping patterns. The premiums are collected and passed on by the banks that extend loans to the farmers.
- The scheme, thus, acts "more as loan insurance than as crop insurance".
- Problem encountered with this scheme is that the actuarial premium, instead of coming down with the increasing scale of coverage, has gone up.

#### Reforms Needed

- To force the states to implement PMFBY properly, the Centre should bear the whole premium subsidy burden and link its release to states meeting prescribed operational schedules.
- Once the insurance companies are assured of timely release of subsidy and also of crop yield data from the states, they will have no excuse for delaying claim settlements.
- There are problems in assessing and getting data. Specialized agency with help of modern technology like satellite imaging could be of great help.



#### **Facts of PMFBY**

#### What are Premium Rates and Premium Subsidy on PMFBY?

For Kharif crops, the farmer's part of premium is 2% of sum assured. For Rabi crops, the farmer's part of premium is 1.5% of the sum assured. For annual commercial and horticultural crops, the farmer's part of premium is 5%. The remaining part of premium is paid equally by the central and respective state governments.

#### Which companies provide Insurance under this scheme?

Both Private and Public Sector Insurance Companies provide Fasal Bima. Currently, the insurance providing schemes are as follows:

#### Yield Losses

This includes Natural Fire and Lightning; Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane, Tornado etc.; Flood, Inundation and Landslide; Drought, Dry spells; Pests/ Diseases etc.

#### Post-Harvest Losses

Coverage is available up to a maximum period of 14 days from harvesting for those crops which are kept in "cut & spread" condition to dry in the field after harvesting, against specific perils of cyclone / cyclonic rains, unseasonal rains throughout the country.

#### Localised Calamities

This includes loss/damage resulting from occurrence of identified localized risks, i.e. hailstorm, landslide, and inundation affecting isolated farms in the notified area.

However, this scheme excludes perils such as war & kindred perils, nuclear risks, riots, malicious damage, theft, act of enmity, grazed and/or destroyed by domestic and/or wild animals, In case of Post-Harvest losses the harvested crop bundled and heaped at a place before threshing, other preventable risks.

#### Use of technology is mandatory?

The scheme proposes mandatory use of remote sensing, smart phones and drones for quick estimation of crop loss. This will speed up the claim process.

#### Way Forward

- Indian agriculture is reeling at the menace of twin droughts following El-Nino phenomenon and untimely Rabi season rains and hailstorms. It is against this backdrop, that a crop insurance scheme to deal with risks associated with weather fluctuation is imperative for alleviating the distress caused to the farmers.
- While recent decline in insurance highlights drawbacks in scheme. Government should muse over problems of insurance (above mentioned) and take necessary steps as earliest.

#### Conclusion

Government's target of doubling farmer's income by 2022 cannot get great push unless we are able to build proper insurance ecosystem. Government should perform reforms (above mentioned) as earliest to bring all the farmers into insurance fold.





## **How Labour Regulations Affect Manufacturing**

The factors responsible for the lacklustre performance of India's manufacturing sector are absence of world class infrastructure, complex system of internal taxation, an unpredictable taxation environment, and regulations relating to land and labour.

Labour regulations are one of the most important reason for the turn-off for investors. Downsizing is not possible if it involves directly employed workmen who have a virtual guarantee against being laid off or retrenched in establishments with a strength of 100 or more. Multiplicity in legislation increases the cost of compliance and inspections in the course of enforcement are a source of harassment. Government has tried to bring labour reforms but failed to have huge impact on manufacturing sector.

Hereby, discussing the issues in detail.

#### Introduction

- It is imperative for India to step up its GDP growth significantly in order to eradicate poverty and raise the standard of living of its people to a decent level. Since, it is the poor rate of manufacturing growth that is dragging down its GDP growth, the revival of this sector has to be on the top of the economic policy agenda.
- But today we have about 200 labour laws, with over a fourth being central laws.
- Because of these restrictive labour regulations India is unable to grasp its natural comparative advantage in labour-intensive products.
- The *Industrial Disputes Act (IDA)* requires firms with 100 or more workers to seek government permission to retrench or lay off any worker. This permission is rarely granted.
- The Industrial Employment (Standing Orders) Act, 1946 requires employers in firms with 100 or more workers to seek permission even for reassigning a worker from one task to another.
- Trade Unions Act allows any seven employees to form a union, thereby using up a large proportion of the firm's managerial resources in dealing with several unions within itself.
- Through this regulation, unions have the right to strike and represent workers in legal disputes with employers.
- The Contract Labour (Regulation and Abolition) Act, 1970 restricts, and even prohibits, the use of contract workers for certain tasks.





- Thus, these labour regulations effectively prevent firms from using labourintensive methods of production.
- Since these laws hold above certain threshold employment levels, firms remain small and informal.

#### **Brief Look at Laws**

#### Contract Labour (Regulation and Abolition) Act, 1979

- The Contract Labour Act seeks to abolish contractual employment in activities and processes which are identified as core or perennial activities of the concerns.
- This provision can *prevent outsourcing* which is becoming an increasingly common practice. An option would be to define the concept of core activities more narrowly and simultaneously to improve the working conditions of contract employees.
- In 1972, the Supreme Court ruled that if work performed by contract labour was essential to the main activity of the industry, contract labour should be abolished. Work should be done by regular workmen and contract labour should be absorbed by the principal employer.

#### The Apprentices Act, 1961

- The Apprentices Act is an innovation and stands in the intersection of education and employability.
- Currently, the apprenticeship regime is tightly regulated- limited number of activities is covered under it and non-compliance with law attracts severe punishment.

#### Industrial Dispute Act 1947

- Obliges any company with over 100 workers to get permission from the government before retrenching.
- In Bangladesh, a worker can be retrenched after giving one month's notice to the worker. This helps explain how Bangladesh, once a negligible exporter of garments, has now overtaken India as a garment exporter.
- It may be possible to segregate the layoff, retrenchment and closure provisions, providing some flexibility. The IDA was tightened over a period of time and its tightening offers insights into how it can be progressively relaxed too.

#### Reasons Why Labour Market is Hindering Manufacturing Growth

- Labour regulations in India are seen to be complex, rigid, time-consuming, and one of the main impediments to job growth in the organized sector.
- Most labour regulations are seen to stifle job growth in the manufacturing sector. The services sector has largely escaped stringent government, administrative requirements.
- Labour laws also create segmentation in the labour force. The labour provisions meant to safeguard worker interests are applicable only to the much smaller organized labour force, which is about 16% of total. Thus, majority of the workers in India are not covered by regulations that are needed to protect their interests.
- Labour law is a *concurrent subject* under the Indian Constitution, which implies that both the central government and state governments have the right to formulate laws on the subject. This has resulted in multiplicity of laws, at times with overlapping jurisdictions. Currently, there are 44 central laws and about 160 state laws on the subject (ILO, 2013). Many of the laws are archaic, dating to pre-independence.





- Multiple laws governing a single area. For instance, there are 19 laws governing conditions of work and industrial relations, 14 laws on social security and labour welfare, etc. Here, we have only mentioned the central laws applicable to these areas.
- Industries faces problem of trade unions that are associated with/backed by different political parties, leading to politicization of trade unions and making it difficult for employers and employees to resolve the issues.
- Under Indian law, there is scope for multiple trade unions in a single factory e.g., a company with 700 workers can have 70 trade unions. In most other countries, the requirements for minimum membership for trade unions to be recognized are higher than those in India, reducing the scope for multiplicity of unions.

#### **Measures Taken**

#### Law Reforms

- Indian policy makers are slowly paying attention to the fact that tight labour market regulations are having a negative impact, especially on manufacturing sector job growth.
- The Amendment to the Industrial Dispute Act: It will allow companies to retrench up to 300 employees without seeking government permission. Earlier, it was restricted to 100. It has also introduced a time limit of three years for raising industrial disputes. The modifications also make it tougher to register labour unions—instead of 15% of workers, now 30% of workers in a factory need to join hands to form a union.
- The Apprentices Act: It is largely focused on the manufacturing sector and most of the service sector is out of its ambit. The State would like the Act to apply to both manufacturing and services sectors. The Apprentices Act will address the skill gap that characterizes the labour market in India. The Apprentices Act is an innovation and stands in the intersection of education and employability.
- Changes in the Contract Labour Act: It will now apply to establishments in which fifty or more workmen are employed against twenty earlier. "Because of threshold limit, employers while hiring personnel or procuring commodities from small entrepreneurs and petty contractors found it difficult to execute contracts, as the small units faced hardship in ensuring formalities under the Act.
- Amendments in the Factories Act: Amendments were made in the definition of 'factory' which will now apply to those companies (run with aid of power) where 20 people are employed instead of 10. For companies running without power, the number has been increased to 40 from 20. The state government reasoned that because of the limit, small units were also covered under the definition of 'factory' requiring several compliances while hurting their expansion and growth. For speedy disposal of offences and minimizing number of litigations, a new provision has been added for compounding of offences which was absent in the previous Act.

#### **Government Initiatives**

Pandit Deendayal Upadhyay Shramev Jayate Karyakram: Dedication of Shram Suvidha Portal and Labour Inspection Scheme in Central Sphere:

Multiplicity of labour laws and the difficulty in their compliance has always been cited as an impediment to the industrial development.





- 4 main features of this Portal are:
  - Unique labour identification number (LIN) will be allotted to Units to facilitate online registration.
  - Filing of self-certified and simplified Single Online Return by the industry. Now, Units will only file a single consolidated Return online instead of filing 16 separate Returns.
  - Mandatory uploading of inspection Reports within 72 hours by the Labour inspectors.
  - Timely redressal of grievances will be ensured with the help of the portal.
- **Labour Inspection Scheme:** So far the units for inspection were selected locally without any objective criteria. To bring in transparency in labour inspection, a transparent Labour Inspection scheme is being developed. The four features of the inspection scheme are:
  - Serious matters are to be covered under the mandatory inspection list.
  - A computerized list of inspections will be generated randomly based on pre-determined objective criteria.
  - Complaints based inspections will also be determined centrally after examination based on data and evidence.
  - There will be provision of Emergency List for inspection of serious cases in specific circumstances.

A transparent Inspection Scheme will provide a check on the arbitrariness in compliance mechanism. Immediately on inauguration, sms/email was sent to 1,800 Labour inspectors of these enforcement agencies on behalf of the Prime Minister.

All India Skill Competition: The Ministry of Labour conducts competitions to foster the healthy spirit of competitiveness among the trainee Craftsmen/ Apprentices. Winning spirit brings pride to world of skills, improves changing work habits, to be more organized, goal setting to achieve goals, and simply performing higher quality work.

#### Way Forward

While jobless growth is glaring at the country in the wake of highly automated manufacturing ecosystem, it is also important for the Government of India to create new opportunities. Labour reforms in true sense will take place when the labour market is full of highly skilled people ready to add to the value to manufacturing and service delivery without fear of being exploited at the hands of the employers. Hence, while recent initiatives of the Government of India to make changes in labour laws are welcome, equal emphasis should be laid on empowering the labour forces by enhancing their competencies.

#### Conclusion

A radical legislative intervention in labour market will be impossible without developing a broad-based and holistic national labour policy. Hence, the government of India should first focus on developing a consensus on national policy framework on labour issues rather than continuing with an adhoc approach to amend a few provisions of labour laws to please the industry. Since a lot of studies, consultations, and reforms have been done during last twenty years, it will be easier to draft national labour policy accommodating concerns of all the stakeholders.





## Illegal Mining in India: CAG's Concern

Illegal mining in India has become a menace not only to the people but also to the governments. Illegal mining robs the country of precious minerals and in return causes severe pollution and health hazards apart from environmental damages and loss of valuable lands.

To avoid the legal framework (like obtaining licenses, NGT approval etc.) and to escape from paying taxes, people started illegal mining such as mining without license, mining outside the licensed area, mining more than a permissible amount of mineral extraction, continuing extraction even if the lease period is over etc.

In lieu of this, various watchdog organisations like Supreme Court, High Courts, Comptroller and Auditor General use to warn the concern state government(s) regarding illegal mining practices and its bad consequences. But the stern warning remains on the paper only and the activities continues as usual causing severe damage at all fronts.

#### **Catalyst Behind Illegal Mining**

Industrializations and allied activities since 1990 started unprecedented loot of mineral wealth in India. Illegal mining rose primarily due to high demand from China (before the Beijing Olympics), which has fuelled growth of demand and also pushed up the prices. Because of this pressure of the demand and the prices, sub-optimal deposits have also become attractive.

#### **Consequences of Illegal Mining**

- Extracting minerals more than the prescribed limits damages the earth's topography; the balance gets disturbed and aggravates the situation without contributing to national gain.
- Illegal mining leads to extinction of precious flora and fauna further causing damage to ecology and biodiversity. The natural system gets affected like changes in monsoon and rain pattern. It also pollutes local rivers, drying some water resources (extensive exploitation of water) and crops.
- Open cast mining drastically alters the regions, its water supply due to polluted and dried water table, affecting both ecological systems and human communities. For example Vedanta project in Odisha.
- Illegal mining leads to displacement of tribal communities from their land and further loss of forest affects them badly. It also affects the health of the people of



- the surroundings, for example, Silicosis, a lung disease caused by breathing in of silica dust. The workers also gets affected by deadly diseases like tuberculosis and asbestosis.
- Displacement of people, violation of their rights, no government supports etc. leads to growing anti-government sentiments among masses which further leads to the development of Extremisms. For example, the entire Red Corridor Belt is situated where extensive mining is practiced.
- Lack of effective watchdog mechanisms, absence of legal framework, skipping legal procedure etc. leads towards development of corruption among officials. The Shah Commission report pointed out that those engaged in illegal mining and export had colluded with officials alluding corruption. For example, mining activities in Bellary.

#### The Comptroller and Auditor General's Concern

- In India, the classification of 'minor minerals' and 'major minerals' have been done according to Mines and Minerals (Development and Regulation) Act – 1957. Minerals such as coal, lignite and iron ore are considered as 'major minerals'.
- As per the directions of the Ministry of Environment and Forests (MoEF), all mining activities were required to obtain the clearance from respective authorities. "Leases with area up to 50 hectares would be considered by respective State Level Environment Impact Assessment Authority (SEIAA) and leases up to five hectares would be considered by respective District Level Environment Impact Assessment Authority (DEIAA).
  - Recently tabled CAG's report in Parliament has generated concern over illegal mining in various states of India. As per CAG's report, illegal mining operations had made an adverse impact on natural resources such as forests, rivers, flora and fauna as well as public health.
  - Out of the top 12 mineral rich states in the country, Rajasthan, Gujarat and Madhya Pradesh have witnessed a significant increase in the number of illegal mining cases for major minerals between 2013-14 and 2016-17. The CAG has pulled Gujarat and Rajasthan over alleged illegal mining in the state.
  - Illegal mining cases increased in these three states by 33.6%, 52.8% and 106.4% respectively.
  - The number of illegal mining cases for major minerals in Madhya Pradesh was 6,725 in 2013-14, which more than doubled to 13,880 in 2016-17.
  - Gujarat's illegal mining cases increased from 5,447 in 2013-14 to 8,325 in 2016-
  - Rajasthan witnessed 2,953 cases in 2013-14, which increased to 3,945 in 2016-
  - Gujarat Government has allowed continuation of mining activities of 1,561 applicants without mandatory environmental clearance.
  - On the other hand, a couple of states showed improvement in illegal mining cases, such as Jharkhand, Tamil Nadu, Andhra Pradesh, Chhattisgarh, Goa, Karnataka, Maharashtra, Odisha and Telangana etc.

#### Government Steps to Curb Illegal Mining

The Ministry of Mines has formed a three pronged strategy for prevention of illegal mining. The first is the constitution of a task force by state governments at the state or district level, which also includes a representative of Indian Bureau of Mines (IBM).





- The second step is about requesting states to frame rules under Section 23C of the The Mines and Minerals (Development and Regulation) (MMDRA) Act, 1957.
- And third is about asking states to furnish quarterly returns on illegal mining for review by the Central government.
- As per Section 23C of the MMDRA Act, 1957, matters relating to regulation and control of illegal mining, etc, comes under the domain of state governments. According to the Mines Ministry, till now 20 states have formed the rules.
- The Ministry advised the states to set up State Coordination-cum-Empowered Committee (SCEC) to coordinate efforts to control illegal mining by including representatives of Railways, Customs and Port authorities. According to ministry's annual report, 13 state governments have set up the committees.
- The amended Rule 45 of Mineral Conservation and Development Rules, 1988, has made it mandatory for all miners, traders, stockists, exporters and end-users of minerals to register and report production, trade and utilisation of minerals to the state governments and the IBM.

#### Conclusion

- India now has a new mission for turning 'Made in India' into a global name. In the coming years, mining is expected to be a key industry to foster investments, both domestic and foreign and thereby generating additional increased income and employment.
- There is a need to strengthen the law implementing mechanisms, collection of intelligence reports about illegal mining, installation of check posts at vulnerable transport points, Regular raids/checks by the concerned authority etc. to get rid of the illegal mining activities in India.
- The government needs to act tough for maintaining balance between the needs of the economy, interests of the local people and environmental concerns.



## What Prevents Women from Working in India



National Family Health Survey (NFHS) 2015-16 report indicates that the women workforce participation rate in India is witnessing a sharp decline in comparison to 2005-06 which is a big concern as India is poised itself to increased economic growth and foster development.

Hereby, discussing the importance of participation of working women in economic development and the reasons for low participation.

#### Introduction

- Usually, economic growth in lower-middle-income countries creates more jobs for women. But, as India's economy grew at an average of 7 percent between 2004 and 2011, its female labor force participation fell by seven percentage points, to 24 percent from 31 percent.
- An index of women's empowerment based on a state's relative position in employment among married women, status of their cash earnings, authority in household decisions, and freedom from spousal violence shows that several north-eastern states and southern states fared much better on the index of women's empowerment as compared to northern states such as UP, Bihar, Haryana, and Rajasthan.
- India was ranked 136th among 144 countries on the economic participation and opportunities index in the Global Gender Report 2015.
- The lowest rate of participation is among those who had secured school and high school education in the cities and villages. And high rate of participation is highest among illiterates and college graduates.
- But there has been a general drop in the rate in recent years, indicating that irrespective of educational attainments, "the incentive for women to participate in the workforce has declined over this period".

#### The Recent Data of NFHS

- The numbers are stark for the first time in India's recent history, not only was there a decline in the female labour participation rate, but also a shrinking of the total number of women in the workforce.
- In 2005-06, when the last NFHS survey was conducted, 43% of married women in the age group of 15-49 years had reported working in the past 12 months. This proportion has declined to 31% in 2015-16. 98% of married men in the same age bracket reported having worked in the last 12 months.



- Nearly 20 million Indian women guit work between 2004-05 to 2011-12. >
- The labour force participation rate for women of working age declined from 42% in 1993-94 to 31% in 2011-12.
- Some 53% of the total drop the largest chunk happened among women aged 15-24 and living in villages.
- In rural areas, the female labour force participation rate dropped from 49% to 37.8% between 2004-05 and 2009-10.
- While more than 24 million men joined the work force between 2004-05 to 2009-10, the number of women in the work force dropped by 21.7 million.
- The proportion of married women earning more than their husbands remains low at 19%.
- Urban males accounted for 16% of India's population, but held 77% of all jobs in computer-related activities in 2011-12. Of all the new jobs created in computerrelated activities between 2004-05 and 2011-12, only 18% accrued to women.
- Southern states fared better on several indicators of women empowerment.
- The lowest rate of participation is among those who had secured school and high school education in the cities and villages, and the rate is actually highest among illiterates and college graduates.
- Education should lead to jobs, but that's not happening in India. The logical link that education should lead to jobs is broken in India. In rural India, 67% of girls who are graduates do not work. In towns and cities, 68.3% of women who graduate don't have paid jobs

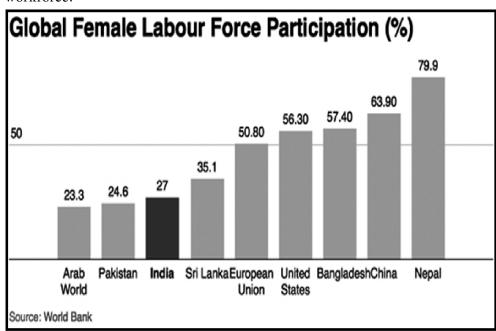
#### What Prevents Women from Working?

- Predictable social norms are attributed to women quitting work in India: Marriage, Motherhood, Vexed gender relations and biases, and Patriarchy.
- There are three key factors that have limited the role of women in the Indian Economy: The role of entrenched gender norms in our society, the rising incomes of men (which raises family income and makes it easier for women to quit working), and the lack of quality jobs for women.
- A new study based on the survey shows that a significant share of men and women feel that married women whose husbands earn a good living should not work outside the home and get engaged in status production at home.
- Highly educated women are more likely to marry more educated men with high incomes and hence remain out of the labour force.
- In rural areas, early drop out from school due to livelihood earning contributes more negative participation of women in workforce for long time as having a high school-level education was "not found to be an incentive for women" to work.
- A woman's chance of working in a salaried job rises with her level of education, her chances of working in a farm or a family business declines with rising levels of education.
- The slow growth of salaried jobs in the country, and "sex-based occupational segregation" within those jobs may have contributed to the low proportion of working women in the country.



#### What About Other Countries?

- Apart from parts of the Arab world, everywhere else more women are working. China, with its powerhouse economy, has 64% of its women working, one of the highest rates in the world.
- In India, the women participation was just at 27% compared to China and Brazil where it was between 65-70%. Even in neighbouring Sri Lanka and Bangladesh the figure was higher.
- In the US, it is over 56%. In the Indian subcontinent, Nepal and Bangladesh are miles ahead of India. Only Pakistan has a lower rate of women participation in workforce.



#### **Examples to Depict Importance of Economic Empowerment of Women**

The importance of economic empowerment of women can be understood by analyzing the role played by Self Help Groups in rural development.

It typically comprises a group of micro entrepreneurs having homogeneous social and economic backgrounds, all voluntarily coming together to save regular amount of small sums of money, mutually agreeing to contribute to a common fund and to meet their emergency needs on the basis of mutual help.

SHG contributions to development are analysed as follows:

- The formation of SHGs has benefited its members by increasing their assets, incomes and employment opportunities and there has been a significant shift in the use of the loans from personal consumption to their being used for income generating purposes.
- SHG has enabled households to have access to it to spend more on education than non client households. Families participating in the programme have reported better school attendance and lower dropout rates. SHGs has led to reduced child mortality, improved maternal health and the ability of the poor to combat disease through better nutrition, housing and health - especially among women and children.
- It has empowered women by enhancing their contribution to household income, increasing the value of their assets and generally by giving them better control over decisions that affect their lives.



- It has also increased involvement in decision-making, awareness about various programs and organizations, increased access to such organizations, increased expenditure on Health and Marriage events.
- Within family the respect and status of women has increased. Children Education has improved significantly. Especially girl education was very low but now SHG members are sending their children including girls to school.

#### **Government Initiatives**

The Government of India observes three dimensional strategies for development of women, namely social empowerment, economic empowerment and gender justice and has made development of women as one of the principal objectives of the five year plans. The Government has given greater focus to issues relating to women through creation of an independent Ministry of Women and Child Development, initiation of legislation that has taken the country closer to complete legal equality for women, gender budgeting and initiation of programmes for greater inclusion of women in all walks of life.

The Government has introduced gender budgeting for improving the sensitivity of programmes and schemes to women's welfare. The budgetary outlay for 100 percent women-specific programme has been rising every year.

#### Conclusion

- In India, the work is seen in comparison to how much money can be generated out of it rather than the attainment of mind and doing something productive for the betterment of the society. When women are able to simultaneously generate both income as well as something productive for the betterment society, they should be provided with all opportunities to actively participate in nation's growth.
- The declining number of women participation in workforce is both a social and economic loss. India's double digit growth is only possible when half of the population is ensured their participation in economic activities rather than being engaged only in domestic chores which are invisible, unpaid and unrecognized.
- The barriers to women's economic empowerment are deeply ingrained and universal. They require a multipronged approach by all four sets of actors (government, business, civil society and UN and multilateral organizations) working simultaneously and in partnership. Women will have to empower themselves from below in order to compel the government to empower them from above. Women should raise their voice for equal participation.



## Name and Shame Willful **Defaulters**



The Finance Ministry has asked all state-run banks to ensure that names and photographs of all wilful defaulters are put on their websites.

Earlier, RBI had notified that banks should formulate a policy with the approval of their board directors to set criteria for publishing such photographs.

The government has asked all state-run banks to examine nonperforming loans of more than Rs. 50 crore for any sign of fraud.

Hereby, discussing the concept of Naming and shaming of willful defaulters and arguments related to it.

#### Introduction

The total loan writeoff by banks in the last ten years is now over Rs. 360,000 crore.

Data released by the RBI in response to a Parliament query shows that Vijaya Bank has the highest share of wilful defaulters in its books.

Indian banks have reported wilful defaults of over Rs. 111,738 crore. There are **9,339** borrowers (wilful defaults) who have the capacity to pay up but refuse to repay loans.

For example: In Punjab National Bank, Rs 11,400-crore alleged fraud by firms of Nirav Modi, has wilful defaults of Rs. 12,574 crore as of December 2017.

#### Who is Wilful Defaulter?

- **Definition:** The RBI has defined wilful default as one where the unit or borrower has defaulted in meeting payment or repayment obligations to the lender despite the capacity to honour these commitments.
- RBI has defined the term 'unit' to include individuals, juristic persons and all other forms of business enterprises, whether incorporated or not.
- It also includes those who have siphoned off or not utilised funds for the specific purposes for which finance were availed of.
- Borrowers who have disposed of or removed movable fixed assets or immovable property given for the purpose of securing a term loan are also wilful defaulters.

#### **Arguments in Favour of the Policy**

In the case of Archana Chauhan vs State Bank of India, the Madhya Pradesh High Court held in favour of the publication of photographs.



- In Doraisamy vs Doraisamy case, the Madras High Court held, "If the borrowers could find newer and newer methods to avoid repayment of the loans, the Banks are also entitled to invent novel methods to recover their dues." It dismissed a petition against a bank after holding that there was "no violation of any right or legal provision in the threat held out by the Bank to publish the photographs of the borrower and the surety for the non-repayment of the loan".
- Earlier, RBI said that disclosing the names in public would hamper the companies'/ Bank's health if they are in genuine difficulty and 'may accentuate the failure of business rather than nursing it back to health. In this regard, SC had observed that 'the RBI is supposed to uphold public interest and not the interest of individual banks,' nor the central bank is in 'any fiduciary relationship with any bank.'
- Banks are tasked with the duty to ensure the business of banking runs under the principles of discipline and financial stability.

#### **Arguments Against the Policy**

- In Ujjal Kumar Das Vs. State Bank of India and Messrs Allianz Convergence Private Limited vs State Bank of India, the Calcutta High Court held that the Publication of photographs in newspapers, magazines is not permissible under the SARFAESI Act, 2002. As loans was recovered by various statutes and contractual obligations there is no need for banks and institutions to disclose the names.
- The publication of photograph of a defaulting borrower or guarantor has the potential of exposing him to irreparable loss, injury to reputation and prejudice; hence publication of photograph cannot be resorted to in the absence of an express power or an agreed term in this behalf.
- It will create mistrust against genuine defaulters whose name came in wilful defaulter's list.
- There may be misuse of policy by banks to shame "targeted" loanee.
- In fear of name and shame, private parties may hesitate to take loans, which is derogatory to economic growth.
- In 2017, the central bank told the Supreme Court that "the disclosure might involve the statutory, contractual and fiduciary rights of the defaulters".
- Reserve Bank of India in 2007 informed the State Bank officials that there is no provision in the SARFAESI Act which was enacted to help recovery of bank loans without court orders that permits publication of photographs of the borrowers in the newspapers or magazines.

#### Penalties Faced by Willful Defaulters

- Being a wilful defaulter means that the individual or company can attract certain penal measures.
- Banks and institutions are required to submit the list of suit-filed accounts of wilful defaulters at the end of every quarter to the Credit Information Bureau (India) Ltd (CIBIL).
- Banks also report the names of current directors as well as directors who were associated with the company at the time the account was classified as defaulter. This helps to put other banks and institution on guard against such individuals. This list can also include independent and nominee directors.
- The worst thing that can happen if one is labelled as a wilful defaulter is that it will pretty much chokes off most credit channels since no additional lending facility will be available from any bank or institution.
- Also, it shuts the door for any new ventures a wilful defaulter is not permitted to float any new business for a period of five years from the date of being declared a wilful defaulter.



- Lenders are also expected to initiate legal process, which can include criminal proceedings if necessary, against the borrowers/guarantors and foreclosure of recovery of dues is expedited.
- But most importantly, banks and institutions have been given the right to change the management of wilfully defaulting company.

#### Steps Taken

#### By Banks:

- The RBI has allowed credit information bureaus such as CIBIL to disclose the identity of wilful defaulters and those borrowers against whom banks have filed suits for recovery of loans.
- Market regulator Securities and Exchange Board of India (SEBI) last year told companies to reveal cases of defaults to the stock exchanges.

#### **By Government:**

- Government directed banks to seek passport details of borrowers taking loans of Rs 50 crore and more. Passport details will help banks to take timely action and inform the relevant authorities to prevent fraudsters from fleeing the country.
- The government has tabled the *Fugitive Economic Offenders Bill* after Nirav Modi and his uncle Mehul Choksi allegedly defrauded state-owned Punjab National Bank (PNB).
- The proposed fugitive law aims to impound and sell assets of Nirav Moditype escapees with a view to quickly recover dues. It also will apply to defaulters who have an outstanding of Rs. 100 crore or more and have escaped from the country.
- The Finance Ministry has also directed Public Sector Banks (PSBs) to probe all NPA accounts of over Rs. 50 crore for possible fraud and accordingly report the cases to CBI.
- The ministry had asked banks to monitor loans above Rs. 250 crore and red flag whenever the original covenants of the loans are violated. This was spelt out as part of 6-point-reform measures announced.
- The SARFAESI Act and DRT Act have been amended to make the recovery process more efficient and expedient. Wherever it was observed that number of cases in which action taken by the banks against guarantors for recovery of defaulted loans is insufficient, the Government has advised the banks to take action against guarantors in the event of default by borrowers under relevant Sections of SARFAESI Act, Indian Contract Act and RDDBFI Act.
- Government has decided to establish six new Debt Recovery Tribunals (DRTs), to speed up the recovery of bad loans of the banking sector. In addition, the Government has advised Public Sector Banks (PSBs) to constitute a Board level Committee for monitoring of recovery and to increase the pace of recovery and manage NPAs.

#### Way Forward

- Declaring a defaulter as wilful defaulter cannot be left to the capricious discretion of a bank as it will only be guided by its own self-interests and will be willing to adopt any measure to retrieve its money.
- The power to decide whether a person is a wilful defaulter or not should be with a neutral adjudicating authority like a court/tribunal to avoid any conflict of interest as no one can be a judge of their own cause. The borrowers have thus





- been denied due process of law and their rights to natural justice have been infringed.
- Undoubtedly, the banks have the right to recover debts but at the same time they cannot infringe upon the privacy of its customers. For a civil offence, predicament cannot be so high which amounts to defamation.
- The Reserve Bank of India has already set up a Central Fraud Registry which is a search database to assist banks to detect swindlers and fraudsters. The Enforcement of Security Interest and Recovery of Debts Laws and Miscellaneous Provisions (Amendment) Act, 2016 is another muscular push by the legislature to reform the debt recovery laws in India.
- These enactments may not prove to be a panpharmacon in the long run but have certainly added teeth to keep a check on bad loans.
- Hence, there is no dearth of legal amenities with the banks. India being a burgeoning economy which is on its way of building its image of being more than just a soft power, putting up pictures of defaulters will be more inhibitive than liberative.



## Rising New Form of **Protectionism**



In order to protect its domestic industries, balance trade deficit, the United State of America has imposed heavy trade tariffs on imported products (Steel and Aluminum) since January, 2018, citing national security concern.

Such measures are worrisome for US trade allies like China, European Union including India resulting in reduced exports and imports of products.

Measures like this will affect global trade and retaliation by these countries will back-fire for US by slowing down its economy along with impacting global economic slowdown triggering trade war.

Hereby, discussing the concept of Protectionism and how the recent steps will impact the global trade.

#### Introduction

- The Trump administration has recently announced a 25% hike in tariff on steel imports and 10% on aluminum imports for an unspecified period.
- A couple of months ago, his administration slapped a 30% and 20% duties respectively on imports of solar panels and washing machines, using a provision within WTO and US Trade laws that allows for temporary "breathing space" or safeguard protection when import surges lead to injuries in the form of serious losses in profits and employment.
- Two countries that have been given exemption from such heavy tariffs are Canada and Mexico (in special case) while negotiations are on for changes in the North America Free Trade Agreement (NAFTA).
- Canada is the biggest exporter of these two metals (totaling about \$12 billion) to the US, the EU (with these exports equaling \$7 billion) is next.
- These above stated government steps showcase a form of protectionism.

#### What is Protectionism?

- It is the economic policy of restricting imports from other countries through methods such as tariffs on imported goods, import quotas, and a variety of other government regulations.
- Proponents claim that protectionist policies shield the producers, businesses, and workers of the import-competing sector in the country from foreign competitors.



- However, they also reduce trade and adversely affect consumers in general (by raising the cost of imported goods), and harm the producers and workers in export sectors, both in the country implementing protectionist policies, and in the countries protected against.
- Countries use a variety of strategies to protect their trade. One way is to enact tariffs that tax imports that immediately raises the price of the imported goods. They become less competitive when compared to local goods. This method works the best for countries with a lot of imports, such as the United States.
- A second way of protecting trade is when the government subsidizes local industries. Subsidies come in the form of tax credits or even direct payments that allows producers to lower the price of local goods and services. This makes the products cheaper even when shipped overseas. That means subsides work even better than tariffs. This method works best for countries that rely mainly on exports.
- A third method is to impose quotas on imported goods. This method is more effective than the first two. No matter how low a foreign country sets the price through subsidies, it can't ship more goods.

#### What could be Possible General Impacts of such Tariffs?

- Such tariffs will end up hurting America's strategic and military allies the most, thereby turning the national security argument on its head.
- Despite China's small loss from these metal tariffs, it has signaled retaliation. It is likely to continue with its strategy of slapping tariffs on US agricultural products, thereby hurting President Trump's rural electoral base of farmers.
- China is quite likely to target its \$14 billion worth of imports of American soybeans.
- But a much stronger retaliation is expected from the EU along with lodging a complaint with the WTO, it is also planning to retaliate immediately and quite strategically with tariffs on bourbon produced in Kentucky, on Harley-Davidson motorcycles and cranberries both produced in Wisconsin, and on oranges produced in the swing state of Florida.
- Although apparently intended to help US steel and aluminum makers, the tariffs could lower profits for companies as well as increasing prices for consumers.
- In U.S., the latest levy is expected to put at risk millions of manufacturing jobs that rely on these metals.
- American steel and aluminum manufacturers will get a boost, but it's not clear that they actually have the capacity to meet a huge surge in demand.
- Other sectors of American manufacturing could be hurt by rising steel and aluminum prices. The tariffs would raise the cost of raw materials for automakers like Ford and General Motors (GM).
- The hefty tariffs could undermine recent tax initiatives to lure investment. These measures severely damage multilateral trade mechanisms represented by the World Trade Organization and will surely have huge impact on normal international trade order.

#### **Impacts on India**

India may not have immediate or direct impact on the Indian metal sectors as only about 4% of Indian steel exports and 2% of aluminum exports are headed to the US. A greater worry for India could be the indirect impact: the potential cascading inflationary impact of the decision in the US itself.





- If more imported products (other than metal) pose a threat to US national security and ban extends to such other products, it will certainly pose a greater threat for India as such items constitute a bigger share of India's export basket.
- Higher tariffs on steel imports leads to increase in domestic prices resulting inflation. The three measures such as higher tariffs, rising interest rates in order to curb inflation, elevated bond sales to reduce liquidity from the market will have grappling effect on other economies of the world including India.
- Rising interest rates in the US could mean a potentially rough ride for the Indian equities market. Higher US rates lead to outflows from emerging bonds and equities markets as investors will look to chase higher returns in their home country.
- While a downfall in domestic inflows, especially mutual fund money, is a reassuring factor for Indian equities as higher interest rates in India (in comparison to America) will attract more investors borrowing cheap money in US and investing in Indian equities for higher returns.
- Increased local inflation in US along with inching yields will lower the prices of bonds resulting in mark-to-market losses for PSBs. Indian banks, stressed by bad loans, may have to incur mark-to-market losses of up to Rs. 20,000 crore in the January-March quarter itself.

#### Conclusion

- The US move is basically to stop China from dumping of its cheap products in US markets. However, China has initiated an investigation on the dumping or, alternatively, subsidization of \$1 billion worth of US exports of sorghum (a multipurpose grain).
- This investigation could lead to anti-dumping or countervailing duties that will hurt American farmers. There could then be further rounds of counter-retaliation by the US and China, through slapping of tariffs on each other, leading to large losses to both countries' producers and consumers.
- India's tariffs, despite recent hikes, are, unlike the US's and still within bindings it has committed to at the WTO.
- While WTO rules don't seem to constrain Trump's actions, India should feel safe and derive comfort from the fact that it is on the right side of the WTO rules and loses relatively little from the new metal tariffs (i.e. \$ 0.3 billion).
- On EU's complain, WTO is likely to rule out such move by US as Trump's own arguments in favour of these tariffs relying on China's action such as dumping, subsidization, building overcapacity in steel and aluminum production etc can be used by the WTO judges to infer that national security was not the actual reason for the tariffs. In that case, the WTO would just go ahead with the evaluation of these as safeguard tariffs and hence may reject them.





## SOCIAL ISSUES

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# **Inadequacies in Existing Human Trafficking Rules**



The Union Cabinet chaired by the Prime Minister has approved the Trafficking of Persons (Prevention, Protection and Rehabilitation) Bill, 2018 for introduction in the Parliament; and also, Chief Justice of India (CJI) Dipak Misra voiced a need for a policy to combat the menace of Human Trafficking and advocated for the need for "judicial activism" in this regard.

In this article, we will look deeper into the prevailing Inadequacies and reach a suitable Conclusion.

#### What is Human Trafficking?

Human trafficking involves recruitment, harbouring or transporting people into a situation of exploitation through the use of violence, deception or coercion and forced to work against their will or in simple words it means to Exploit and Coerce any Person by enslaving them against their will.

#### **Statistics**

- Trafficking in human beings is the third largest organized crime violating basic human rights.
- Around 80% of the human trafficking across the world is done for sexual exploitation and the rest for bonded labor.
- As per the statistics of the government, in every 8 minutes a child goes missing in our country. In 2011, about 35,000 children were reported missing.

#### Causes of Human Trafficking in India

- **Poverty and Economic Injustice** leads people into this dark world of crime.
- Social inequality, regional gender preference, imbalance and corruption are the other leading causes of human trafficking in India.
- Lack of sound and robust laws against Human Trafficking is a hindrance for investigation and police agencies.
- Porous borders with many regional countries is also a contributing factor for Cross Border Human Trafficking.
- Girls and women are not only trafficked for prostitution but also bought and sold like commodity in many regions of India where female ratio is less as compared to male due to female infanticide.

#### **Existing Rules in India**

**Article 23** of the **Indian Constitution** explicitly prohibits and criminalises human trafficking and forced labour.





- Immoral Trafficking Prevention Act (ITPA): It penalizes trafficking for > commercial sexual exploitation, with prescribed penalty of 7 years' to life imprisonment.
- Sections 370 and 370(A) of the Indian Penal Code, prohibits kidnapping and selling minors into prostitution respectively. Penalties under these provisions are a maximum of 10 years' imprisonment and a fine.
- Protection of children from Sexual Offences (POCSO) Act, 2012 is a special law to protect children from sexual abuse and exploitation. It provides definition for different forms of sexual abuse, including penetrative and non-penetrative sexual assault, sexual harassment.
- There are other specific legislations enacted relating to trafficking in women and children like Prohibition of Child Marriage Act, 2006, Bonded Labour System (Abolition) Act, 1976, Child Labour (Prohibition and Regulation) Act, 1986, Transplantation of Human Organs Act, 1994, apart from specific Sections in the IPC, e.g., Sections 372 and 373 dealing with selling and buying of girls for the purpose of prostitution.

#### **Inadequacies in the Existing Laws**

- Immoral Trafficking Prevention Act (ITPA), only discusses trafficking in relation to prostitution and not in relation to other purposes of trafficking such as Domestic work, Child Labour, Organ Harvesting, etc.
- The IPC does not define slavery, bondage, forced labour or 'begar'. Many IPC provisions reflecting the colonial government's interests in native labour are still in force.
- The Constitution prohibits the trafficking of human beings, begary and other similar forms of forced labour, making its contravention an offence. However, Article 23 also does not define these terms.
- The huge enforcement gap of labour laws, despite activist judges, the NHRC and several dedicated IAS officers, is a painful reminder of the callous indifference on the part of sections of the executive and Indian society towards labour exploitation.
- Although being Illegal Debt Labour is prevalent in india. According to the International Labour Organisation, there are more than 11.7 million people working as a forced labour in the Asia-Pacific region. People running out on cash sell their kids as debt labour in exchange for cash.

#### Steps to Tackle these Inadequacies

- Trafficking of Persons (Prevention, Protection and Rehabilitation) Bill, 2018 The Bill broadly has the following features:
  - It addresses the issue of trafficking from the point of view of prevention, rescue and rehabilitation.
  - It covers aggravated forms of trafficking, which includes trafficking for the purpose of forced labour, begging, trafficking by administering chemical substance or hormones on a person for the purpose of early sexual maturity, trafficking of a woman or child for the purpose of marriage or under the pretext of marriage or after marriage etc.
  - Punishment for promoting or facilitating trafficking of person which includes producing, printing, issuing or distributing unissued, tampered or fake certificates, registration or stickers as proof of compliance with Government



- requirements; or commits fraud for procuring or facilitating the acquisition of clearances and necessary documents from Government agencies.
- It addresses confidentiality of victims/witnesses and complainants by not disclosing their identity. Further, the confidentiality of the victims is maintained by recording their statement through video conferencing (this also helps in trans-border and inter-State crimes).
- **Time bound trial and repatriation of the victims** within a period of one year from taking into cognizance.
- Immediate protection of rescued victims and their rehabilitation. The victims are entitled to interim relief immediately within 30 days to address their physical, mental trauma etc. and further appropriate relief within 60 days from the date of filing of charge sheet.
- **Rehabilitation Fund created for the first time.** To be used for the physical, psychological and social well-being of the victim including education, skill development, health care/ psychological support, legal aid, safe accommodation, etc.
- The Bill creates dedicated institutional mechanisms at District, State and Central Level. These will be responsible for prevention, protection, investigation and rehabilitation work related to trafficking. National Investigation Agency (NIA) will perform the tasks of Anti-Trafficking **Bureau** at the national level present under the MHA.
- In order to break the organized nexus, both at the national and international level, the Bill provides for the attachment & forfeiture of property and also the proceeds for crime.
- The Bill comprehensively addresses the trans-national nature of the crime. The National Anti-Trafficking Bureau will perform the functions of international coordination with authorities in foreign countries and international organizations; international assistance in investigation; facilitate inter-State and trans-border transfer of evidence and materials, witnesses and others for expediting prosecution; facilitate inter-state and international video conferencing in judicial proceedings etc.
- Anti Trafficking Cell (ATC): It was set up in the Ministry of Home Affairs (MHA) in 2006 to act as a focal point for communicating various decisions and follow up on action taken by the State Governments to combat the crime of Human Trafficking.
- Ministry of Home Affairs' Scheme: Ministry of Home Affairs under a Comprehensive Scheme strengthening law enforcement response in India against Trafficking in Persons through Training and Capacity Building has released fund for establishment of Anti Human Trafficking Units for 270 districts of the country.
- **Judicial Colloquium:** In order to train and sensitize the trial court judicial officers, Judicial Colloquium on human trafficking are held at the High Court level with an aim to sensitize the judicial officers about the various issues concerning human trafficking and to ensure speedy court process. So far, 11 Judicial Colloquiums have been held.
- UN Convention: India has ratified the United Nations Convention on Transnational Organised Crime (UNCTOC) Protocol to Prevent, Suppress and Punish Trafficking in Persons, particularly Women and Children.





#### Way Forward

- The Bill, Trafficking of Persons (Prevention, Protection and Rehabilitation) Bill, 2018, indicates a welcome move away from the antiquated, bureaucratic, and loophole-packed legislature that currently exists in India. The new law will also make India a leader among South Asian countries to combat trafficking. Trafficking is a global concern also affecting a number of South Asian nations. Amongst them, India is now a pioneer in formulating a comprehensive legislation. UNODC and SAARC nations are looking forward to India to take lead by enacting this law.
- The focus should also be on reducing poverty and economic inequality as these two are the major contributing factors behind human trafficking.
- Judiciary should also be strengthened to handle such cases on a priority basis and fast track their disposal to achieve speedy and fair Justice.
- Bilateral agreements and cooperation must be elevated to curb the menace of trans-national human trafficking.
- **Proper implementation** of the existing laws must be done by all the involved state and central government agencies.

#### Conclusion

The Bill tries to addresses one of the most **pervasive** yet **invisible** crimes affecting the **most vulnerable** persons especially women and children. This is welcome step in the right direction to achieve **respectable and humane lives** for all the people rescued from human trafficking and also to prevent people from doing such inhumane crimes.

The Bill has been formulated after much deliberations and consultations with all the involved stakeholders which makes it even more refined and robust for steady implementation.

The government must earnestly undertake a fundamental redistribution of wealth and resources to provide a true social and economic equality as envisioned in our Constitution. Only then can the inhumane crime like human trafficking can be eradicated from India.





### Debate Over Death Penalty in India



Death sentence is a legal punishment in India, though its ethicality and state's authority to end the life of individual is a long standing debate which still continues. Though many countries in the world retain it but there have been declining trend of death punishment award in many countries due to the issue of gross human rights violation.

The practice continues in India, however, recently Home Ministry had put forward proposal to abolish death penalty. In this context, 12 out of 14 States and Union Territories responded to a proposal, they expressed a preference for persisting with the practice, possibly ensuring that India will stay, for now.

#### Introduction

#### Meaning of capital punishment

- Capital punishment, also called death penalty, is execution of an offender sentenced to death after conviction by a court of law for a criminal offense.
- The term death penalty is sometimes used interchangeably with capital punishment, though imposition of the penalty is not always followed by execution (even when it is upheld on appeal), because of the possibility of commutation to life imprisonment.
- The term "Capital Punishment" stands for most severe form of punishment. It is the punishment which is to be awarded for the most heinous, grievous and detestable crimes against humanity.

#### Some IPC Provisions and other statutes involving Capital Punishment:

- Under Indian Penal Code, some of the grave offences are there which involves Capital Punishment such as Murder (Section 302), Rape with injuries which may result in the death of a victim and a repeated offender, Waging war against the state, terrorism related offences causing death etc. in which the maximum punishment (apart from other) which a court can award is Capital Punishment.
- Similarly, there are provisions under the Arms Act, the Narcotic Drugs and Psychotropic Substances Act, the Scheduled Caste and Scheduled Tribes (Prevention of Atrocities) Act, the Commission of Sati (Prevention) Act, the Air Force Act, the Army Act and the Navy Act wherein capital punishment is prescribed as one of the punishment for serious offences.



#### **Death Penalty Statistics in Indian States:**

- According to the Centre's data, Indian session courts handed down nearly 50% more death sentences in 2016 than they did in 2015: a total of 136 in 2016 versus 70 in 2015.
- Over the last 15 years, pretty consistently, around 100 convicts have been sentenced to death every year.
- Regionally, the largest increase in 2016 came from West Bengal where in 2016, a total of 39 convicts were sitting on death row (compared to around 14 in 2015).
- In other states, figures stayed fairly steady, with the most popular state Uttar Pradesh naturally 'leading' with 70 death row prisoners in 2016 which is the highest absolute number.
- However, death penalty appeals from states like Maharashtra (47 death row convicts) and Madhya Pradesh (37) were much more often in the Supreme Court than UP's, where a larger number of cases tended to languish at the high court level.
- Delhi, Uttarakhand, Assam, Orissa, Tripura and Telangana kept their figures constant since 2017. In these states and in Gujarat the death penalty was handed down in 2017 but none this year.

#### **Arguments Against Death Penalty**

- Case dealing with the question of constitutional validity of Capital Punishment came for the first time in Jagmohan Singh v/s State of UP 1972 case where some argument were put to invalidate the Section 302 of the IPC.
  - The execution takes away all the fundamental rights guaranteed under Article 19 of Indian Constitution.
  - The discretion invested in the Judges to impose capital punishment is not based on any standard policy required by the Legislature for imposing capital punishment in preference to imprisonment for life.
  - The uncontrolled and unguided discretion in the Judges to impose capital punishment or imprisonment for life is hit by Article 14 of the Constitution because two persons found guilty of murder on similar facts are liable to be treated differently, one forfeiting his life and the other suffering merely a sentence of life imprisonment.
  - The provisions of the law do not provide a procedure for trial of factors and circumstances crucial for making the choice between the capital penalty and imprisonment for life. The trial under the Criminal Procedure Code is limited to the question of guilt.
  - In the absence of any procedure established by law in the matter of sentence, the protection given by Article 21 of the Constitution is violated and hence for that reason also the sentence of death is unconstitutional.
- The above provisions clearly mention that, taking life of individual is not the right of state and it is a gross violation of human rights. However, the fact also arises that the person committing heinous crime cannot be treated as normal person and hence curtailing the rights under Part III of Indian Constitution for the particular person is justifiable.
- Justice Krishna Iyer reiterated a similar opinion in the case of Rajendra Prasad v/ s State of Uttar Pradesh. However, in the case of Bachan Singh v/s State of Punjab, the 5 judges' bench pronounced the "rarest of the rare case" doctrine, where it restricts judiciary to pronounce capital punishment in rarest of the rare case only. The rarest of the rare case means, where the application of death sentence could be justified.





- Poor and marginalized groups are more likely to be sentenced to death because of discrimination in the justice system. Poor and marginalized groups have less access to the legal resources needed to defend themselves. Many death sentences are issued after confessions' that have been obtained through torture.
- There is no evidence that deterrence of harsher punishment is more effective in reducing the crime than imprisonment and the claim of deterrence has been repeatedly discredited.
- As per the Universal Declaration of Human Rights adopted by the United Nations in 1948, the death penalty breaches two essential human rights: The Right to Life and The Right to Live Free From Torture.

#### **Arguments in Favour of Death Penalty**

- Punishment which is to be given to a criminal must be dependent on the gravity of the crime which he has committed. For example, if someone has committed a crime like murder or rape, then that person must be given a death penalty because the crime which he has committed is of a very grave nature.
- Giving death penalty would set an example for other criminals, and thus, it would act as a deterrent, and others who are likely to commit such crimes would refrain from doing so, because of the fear of losing their life. Thus, this would definitely help in reducing the crime rate in the society.
- The next point is that the criminal, who has committed such a heinous crime, might re-indulge himself in the same crime, or any other heinous crime after he has served his term of imprisonment and has been released. Thus, instead of giving him imprisonment, if he is awarded a death penalty, the society would not be under threat from such person. Thus, to prevent the happening of any such crime, the offender must be given the death penalty.
- It is also argued that those who are awarded the life imprisonment, are left with no other option but to live a futile life behind the bars, and hence, it is better to award them the death penalty.
- Another point is that imprisoning someone is far more expensive than executing him. This, however, cannot be said to be justified to execute every criminal, but only to those who are repeated offenders and are likely to commit heinous crimes in future also.
- The proponents of the application of death penalty, argues that those who have taken other person's life does not have a right to live and hence must be executed. There is an emotional point attached to it, that the family members of the victims sense a feeling of justice.
- Another point is regarding the safety of fellow prison inmates and guards. Criminals who have committed heinous crimes like murder, and are serving their life-imprisonment sentence, are believed to have a violent personality, and such criminals may, in future, attack someone during imprisonment.

#### How Death Penalty Affects the Society and the Person?

- Loss of life for any action is ultimate threat for a person, family as well as society. The harsher punishment in form of deterrence is not the ultimate solution towards stopping the crime.
- The mindset also deals with, that when there is same punishment of death penalty for rape and for murder as well, the person will tend to kill the victim after raping because his mindset will be to provide maximum harm as the punishment is same.





- When a crime is committed, the perpetrator is not the only one breaking the social contract. Obviously the state has failed to protect the victim and society but at the same time it has also failed the perpetrator in equal measure albeit in a different way. At the risk of repetition, it is not to suggest that the perpetrator has no individual responsibility but that we must also recognise the failure of society and state.
- Crimes are as much about social failure as they are about individual responsibility. Arguments on deterrence assume that crimes are individual problems, imagined and carried out by reasons of pure individual will. It assumes that fear will trump the massive influence of everything else in our lives.
- By hanging the individual we do not aim to correct the man we hang, we correct and warn others by him. State sanctioned death penalty acts as a catalyst to promote the law and the fear of law which acts as a deterrent to future offenders.

#### Views of Law Commission on Death Penalty

Law Commission in its 262<sup>nd</sup> Report recommends abolition of capital punishment. (Except the crime of waging war against the nation or for terrorism-related offences).

The death penalty does not serve the penological goal of deterrence any more than life imprisonment. Further, life imprisonment under Indian law means imprisonment for the whole of life subject to just remissions which, in many states in cases of serious crimes, are granted only after many years of imprisonment which range from 30-60 years.

Retribution has an important role to play in punishment. However, it cannot be reduced to vengeance. The notion of "an eye for an eye, tooth for a tooth" has no place in our constitutionally mediated criminal justice system. Capital punishment fails to achieve any constitutionally valid penological goals. In focusing on death penalty as the ultimate measure of justice to victims, the restorative and rehabilitative aspects of justice are lost sight of. Reliance on the death penalty diverts attention from other problems ailing the criminal justice system such as poor investigation, crime prevention and rights of victims of crime. It is essential that the State establish effective victim compensation schemes to rehabilitate victims of crime.

At the same time, it is also essential that courts use the power granted to them under the Code of Criminal Procedure, 1973, to grant appropriate compensation to victims in suitable cases. The voices of victims and witnesses are often silenced by threats and other coercive techniques employed by powerful accused persons. Hence, it is essential that a witness protection scheme should also be established. The need for police reforms for better and more effective investigation and prosecution has also been universally felt for some time now and measures regarding the same need to be taken on a priority basic.

Internationally, this practice has been discarded by majority of the nation today. As a leader of human rights and emerging nations, it does not set a right example.



# INTERNATIONAL RELATIONS ISSUES

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# Gwadar, Chabahar not Comparable

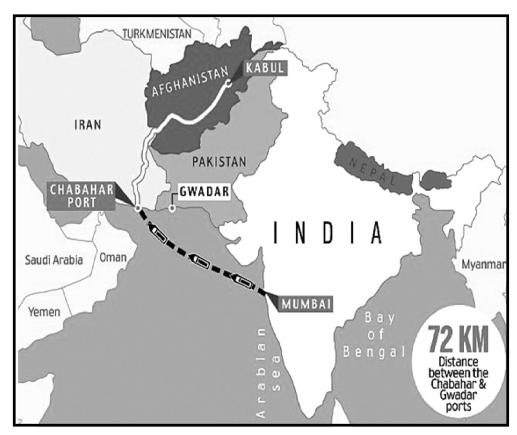


It has been recently stated that the development of Chabahar port in Iran is a commercial enterprise, whereas that of Gwadar port in Pakistan by China is a strategic venture with long term implications on the region, which are not comparable.

Hereby, comparing the two ports and their significance or challenges with respect to India.

#### Introduction

- The Gwadar Port is a deep-sea port situated in the Arabian Sea at Gwadar in Balochistan province of Pakistan. The port features prominently in the China-Pakistan Economic Corridor (CPEC) plan, and is considered to be a link between the ambitious One Belt, One Road and Maritime Silk Road projects.
- Chabahar Port is a seaport in Chabahar located in south-eastern Iran, in the Gulf of Oman. It serves as Iran's only oceanic port, and consists of two separate ports named Shahid Kalantari and Shahid Beheshti.





#### About Chahabar Port in Context of India

It is located on the Makran coast, Chabahar in south-eastern Iran. Its location lies in the Gulf of Oman. This coast is a relatively underdeveloped free trade and industrial zone, especially when compared to the sprawling port of Bandar Abbas further west. Also, it is the only Iranian port with direct access to the ocean.

#### For India, Chabahar is of strategic importance for the following reasons:

- It is the nearest port to India on the Iranian coast.
- It is located less than 150 km west of the Pakistani port of Gwadar, being developed by China. This makes it ideal for keeping track of Chinese or Pakistani military activities based out of Gwadar.
- The port will cut transport costs/time for Indian goods by a third.
- Chabahar port is suitably located to serve India's outreach in the region to Afghanistan and beyond as well as link with International North-South Transport Corridor (INSTC) to which India is one of the initial signatories.
- The Zaranj-Delaram road constructed by India in 2009 can give access to Afghanistan's Garland Highway, setting up road access to four major cities in Afghanistan — Herat, Kandahar, Kabul and Mazar-e-Sharif.

#### Comparison of the two Ports

Critics argued that Gwadar port has advantages over Chabahar because of following reasons.

- **Experience:** This is the first time India has plunged into a foreign port development venture with such vigor. In Chabahar, India would be a guest state, whose borders and territorial waters are at a much greater distance. Moreover, the vessels transporting goods to Chabahar would also be subject to the active monitoring of the Pakistani Navy, which would keep a hawk-eyed watch on the high seas and adjacent international waters.
- Gwadar is not only developed by China which has a wealth of experience in overseas infrastructure projects — but the government of Pakistan has handed over the control of the port to China. Iran won't do the same, at least judging by the existing agreement with India.
- **Security:** India has enjoyed cordial terms with the successive post-2001 governments of Afghanistan together with its \$2 billion investment there; the security situation is inadequate in major areas. Besides, the Taliban, the major insurgent group in Afghanistan has no love for India, since the latter historically supported the anti-Taliban Northern Alliance. Gwadar too is witnessing security issues, since Balochistan province is subject to low-scale belligerency. Still, the scope and extent of separatist brawls in the area have decreased in recent years while many militant groups have voluntarily surrendered to security agencies.
- The Afghanistan Pressure Point: Despite enhanced Indo-Afghan diplomatic, political, and economic connections, Pakistan's role and influence in Afghanistan has not withered. Though the central government of Afghanistan leans more toward India, Pakistan has connections with several ethnic groups who represent a major portion of Afghan society. Additionally, Pakistan and China are vigorously working together on the \$46 billion China-Pakistan Economic Corridor (CPEC), which culminates in Gwadar. China would not want such a huge investment going to waste. Thus, there is every possibility that Beijing and Islamabad join hands to obstruct the political and economic maze of Afghanistan, so as to obstruct India's dreams of reaching Central Asia. Pakistan could also see an India-Iran covert partnership to cause dysfunction in Gwadar, but Tehran



would likely to refrain as it is trying to pacify relations with its neighbors and the international community in the wake of 2015 agreement. Any entanglement with Pakistan would also endanger the eastern border of Iran.

Partnerships and Rivalries: There is no economic competition between Pakistan and China. Chinese investment in Pakistan is also aimed at boosting trade with the rest of Asia, and Pakistan won't become a hurdle in China's quest to reach the Middle East and Persian Gulf. That's because Pakistan is currently on the receiving end of a huge Chinese investment, which will revamp Pakistan's feeble economic structure. The infrastructural development at Gwadar at the CPEC in general will help Pakistan to enhance trade with both China and the Middle East, but this doesn't necessarily mean it would interrupt the flow of Chinese trade and goods to the same destination. However, the Iran-India dynamic is different.

#### Why both Ports are not Comparable

- The strategic Gwadar Port in Balochistan province is being built by China under a multi-billion economic corridor. The Chabahar port in Iran is being considered by India, Iran and Afghanistan as a gateway to major opportunities for trade with central Asian countries.
- China-Pakistan Economic Corridor is not a connectivity project. It is a strategic project by which China seeks access to the Arabian Sea and surmounts the Straits of Malacca through Gwadar and entire CPEC paradigm.

#### Way Forward

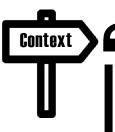
Whether Gwadar or Chabahar, the developments of both ports can assist millions of people. Gwadar may well hold a slight edge because of its importance and utility, but it can produce best results only when there are no major regional threats. The same goes for Chabahar. Economic cooperation and integration is what's needed in South Asia and even beyond. That, however, demands enhanced cooperation among all involved parties and the dissolution of all outstanding strategic and political misunderstandings.

#### Conclusion

India should get major part in Chahabar opportunity to secure her strategic interests. Any rivalry on the part of Iran's Chabahar Port is still mainly speculative. The other side of the picture remains that Iran has also been expressing the wish to join the CPEC, thus Chabahar could even become part of that corridor further down the road. So, India should take calculative steps for further development.



### Relevance of NAM in Present **Situation**



The Cold War is breaking out again. The United States has identified both China and Russia as adversaries, whose leaders, Xi Jinping and Vladimir Putin, are strong and determined to stand up to a faltering Donald Trump, who is desperately clinging on to doctrines of ultranationalism and nuclear hegemony.

Thus, the question arises about the role that NAM can play in this new form of cold war. Hereby, discussing the relevance of NAM in present era.

#### Introduction

Non Alignment Movement was started by the Third world nations or the newly independent nations who don't wanted to join any of the existing power blocs. Non-Alignment Movement in this context emerged as most desirable platform which provided these nations independence to follow their own foreign policy.

It was adopted by Asian, African, and Latin American countries. The emergence of NAM in the cold war situation provided the world politics a new twist. For the newly independent countries NAM became a protector to escape from race of militarization promoted by two world powers at that time, i.e., USSR and USA.

Non-alignment countries were in favor of disarmament and were against social discrimination. It emerged as great moral force and initiated the co-operation for world peace in cold war era. The policy of Non-alignment that is staying away from alliance should not be considered as neutrality or isolation.

#### **Objectives of NAM**

- Objectives of the non-aligned countries focused on the support of selfdetermination, national independence and the sovereignty and territorial integrity of States; opposition to apartheid; non-adherence to multilateral military pacts and the independence of non-aligned countries from great power or block influences and rivalries; the struggle against imperialism in all its forms and manifestations; the struggle against colonialism, neocolonialism, racism, foreign occupation and domination; disarmament; non-interference into the internal affairs of States and peaceful coexistence among all nations; rejection of the use or threat of use of force in international relations; the strengthening of the United Nations; the democratization of international relations; socio-economic development and the restructuring of the international economic system; as well as international cooperation on an equal footing.
- During the 1970s and 1980s, the Movement of Non-Aligned Countries played a key role in the struggle for the establishment of a new international economic order that allowed all the peoples of the world to make use of their wealth and



natural resources and provided a wide platform for a fundamental change in international economic relations and the economic emancipation of the countries of the South.

#### Factors for NAM Being Irrelevant in Present World Order

As the world has transitioned from bi-polar to multipolar is NAM irrelevant today?

- New world powers like China, India are rising, thus world is moving towards multi-lateralism.
- Emergence of new regional groupings like G20, BRICS which have clearly laid down scope and objective of engagement and outcome overshadow NAM which does not have any of these.
- Members of the NAM have different political, social and economic structure which hinders any cohesive action and each have their own set of interests.
- Most of the NAM countries are facing domestic political, social and economic crisis. For India, NAM lacks utility for protecting and promoting India's security and interests.

#### Factors for NAM Being Relevant in Present World Order

- NAM establishes itself as a deliberative and coordinating platform for the developing countries. But more than that world became more violent and big power rivalries from Middle East and North Africa to the South China Sea have increased in recent times. NAM provides an alternative medium to tackle these issues in fresh and innovative ways.
- NAM declaration has several elements which developing nations need to take note of. These included—to decisively addressing the challenges posed in the areas of peace, economic and social development, human rights and international cooperation, to promote the peaceful settlement of disputes.

#### **Other Relevant Factors**

- World peace NAM promotes disarmament and even prohibited invasion of any country, henceforth creation of a sovereign world order.
- Preservation of territorial integrity and sovereignty NAM respect sovereignty of each nation by preserving independence of every nation. So, weather world is uni-polar, multi-polar or bi-polar NAM as policy will grow stronger.
- Platform for Third World Nations Third world countries are fighting against sociological-economical problems since they have been exploited for long time by other developed nation, after end of colonization their new motive is to look forward for development. In this situation, NAM acted as a protector for these new formed small countries against the western hegemony.
- Base of South-South Co-operation NAM acts as catalyst to foster the co-operation between south-south nations. It raises issues that are of major concern for the south countries. It initiates economic, political and social development corners to achieve the desired result of moving from developing to developed nations. Many developing nation including India still follows NAM policy as its major international and foreign policy tool. The policy to avoid colonization and imperialism continues to remain valid for all small and developing countries.
- Peaceful settlement of International disputes NAM since its foundation act as a platform that protects the interest of developing countries. It protect it from the huge and influential power in the international sphere, so if disputes arises between developed and developing nation at any point of concerned topic then NAM act





as platform which negotiate and conclude disputes peacefully securing the favorable decisions for each member nation.

- Voice of developing nations NAM is emerging as majority day by day, each year its strength increases which act as a force and give its members strengthen to put their point on international issues. For example-NAM recently challenges the Ban-ki-Moon decisions on Srilanka panel is plausible.
- Sustainable development NAM supported the concept of sustainable development. They even determine what are the factors which hinder the development and discuss it at large, and bigger platforms like United Nations.

#### How can NAM be Strengthened?

- Its role in the present century would be strengthened by more South-South cooperation, which would mean, by and large, collaboration between and among the NAM countries and defending their interests from fast expanding economic and technological power of the North.
- NAM should develop a progressive agenda on the fundamental values of democracy, human rights and multiculturalism. The preservation and consolidation of democracy throughout its membership is a major challenge.
- NAM can be made relevant by widening its spectrum to:
  - Environmental issues like greenhouse gas emissions,
  - Health concerns especially AIDS,
  - Drug trafficking,
  - Rising instances of poverty, food crisis and unemployment,
  - The rising digital divide between the rich and poor and fight against all shades of extremism, and
  - Xenophobia, ethnic nationalism and regional wars.
- NAM in its older form has lost relevance and needs re-invention to stay vibrant and relevant.

#### Way Forward

Today, we need to revive NAM by breathing new life into it and making it fit to deal with the new norms. A movement conceived in the context of a bipolar world may not suit a tripolar world, which could become a multipolar world. A partnership of near equals like IBSA (India, Brazil and South Africa) with similar interests without any ideological conflict is probably the best model to follow. Something on the lines of the G-15 organised by India and like-minded countries some years ago could be put together with the objective of dealing with the kind of issues identified at Davos — climate change, terrorism, protectionism etc.

NAM nature and scope changed but its relevance thrives to the height of success in the contemporary world. In-fact its relevance is being more prominent than ever before, in present scenario NAM's nature is more inclined towards economic relevance than political relevance. Hence, NAM in the present time is well embedded in the international politics.





## Why Saudi Arabia is Moving **Towards Reforms?**



Oil rich Saudi Arabia is witnessing series of new progressive reforms since Mohammed Bin Salman, popularly known as Prince MBS, was appointed as the Crown Prince in June 2017. Under his leadership, oil rich kingdom is undergoing an economic reform to reduce its dependency on oil and make country more liberal and modern economy.

The Prince has pledged 'a moderate and open Saudi Arabia' breaking with decades old ultra conservative rule for catering needs of foreign investors and appease Saudi youth. Prince is also chief architect behind Saudi Arabia's 'Vision 2030' reform programme, which seeks to elevate percentage of women in workforce from 22% to nearly one-third.

These measures gained international recognition and Saudi Arabia was elected in 2017 to the UN Women's Rights Commission for a four-year term.

#### Introduction

- In October, the Crown Prince made moves to end the ancient pact between Saudi Wahhabist clerics and the ruling class by demanding a more open and moderate Islam in the country.
- Hai'a Police: The Committee for the Promotion of Virtue and the Prevention of Vice also informally referred to as *Hai*'a, is the Saudi Arabian government agency employing "religious police" or "Mutaween" to enforce Sharia Law within the Islamic nation.
- The new Crown Prince has worked actively in diversifying the existing economy and the long dependency of the country's economy on fossil fuels. He has encouraged measures to promote entrepreneurship, innovation, investment and other means to diversify the economy.
- Recognizing that an economy wholly reliant on fossil fuel revenues is not sustainable, he has pushed for a modernized economy that encourages innovation, entrepreneurship and outside investment.

He had openly led the battle against the fundamentalist forces in Saudi by stripping the infamous Hai'a religious police of its powers and has even lifted the long existed and mocked law against the women which did now allow them to drive.



#### Why Suddenly towards Reforms?

- The reforms are must needed at present to bring Saudi Arabia into a global leadership role in the 21st century. The reforms are designed to improve gender equality, promote economic diversification, root out corruption and make it more open and attractive to visitors.
- The most momentous of these have been on gender equality by allowing girls in public schools to play sports and get physical education, allowing women the right to drive in the country, encouraging women entrepreneurship and ensuring women's active participation in administration as well.
- Other than the major social impact, shrewd economic thoughts are behind these measures, as increasing women's participation in the workplace will boost the economy and combat corruption.
- "The National Transformation Programme 2020" and "Vision 2030" aims to capitalize on the Kingdom's youth dividend by opening up the country to more employment opportunities through sports and entertainment and to empower women.
- Opening the country to more entertainment, allowing musical concerts and even a Comic-Con event (a three-day festival of anime, pop art, video gaming and film-related events in 2017) was part of a wide-ranging push to reform the economy and society and restore the "moderate" face of Islam.
- Equally far-reaching are efforts to open up the Kingdom to outsiders, by offering tourist visas for foreigners, from this year, and creating facilities to promote the country as a tourist destination.
- Doing away with the kingdom's conservative rules, the plan is to project Red Sea as an unparalleled tourist destination along with development of leading global hospitality firms.
- Over 18 million foreigners visited Saudi Arabia yearly, almost all on pilgrimage to Mecca. As tourism is the country's second-most important sector, the Red Sea project will spearhead the diversification of the Saudi's leisure industry.
- Saudi is known for fair punishment for the crimes. By detaining the high profile entrepreneurs and 11 Princes, including a son of former King Abdullah and multi-billionaire Alwaleed bin Talal on the charges of corruption, the nation has sent out a clear message that even the royal family is not immune from facing the law.
- The Crown Prince plans this year to sell about five per cent government stake in Aramco, the national oil company. He intends to create the world's largest sovereign wealth fund, worth up to \$3 trillion, with money generated by partially privatising Saudi Aramco.
- He also plans to create a \$500 billion business and industrial zone extending to Jordan and Egypt. The 26,500 sq km city, known as NEOM, will focus on industries including advanced manufacturing, biotechnology, energy, entertainment, food and water. It will be powered entirely with wind power and solar energy.

#### Conclusion

Saudi Arabia through these reforms is moving towards a greater liberalism, democracy, pluralism or freedom of speech under the Kingdom. The reform made is/are most welcomed by the citizens who are not religious conservatives and are aware of global changes in order to involve Saudi Arabia in the arena of global leadership.





- Reforms are must if the Saudi government is to defuse a demographic time bomb that makes it essential to create jobs at fast pace. The shrinking Saudi state cannot provide enough jobs for these new workers and unemployment is growing, hitting 12.7 percent earlier this year, underlining the priority of private sector growth.
- Meanwhile, Prince Mohammed faces a Saudi public that remains religiously conservative. That means he still needs public support from the state's top clerics in order to position his reforms as Islamic and religiously permissible.



# Why China is Winning in **India's Neighborhood?**



India-China relations, though occasionally showing signs of peace and cooperation, have often been afflicted by tension and mistrust. With the potential to make big contributions to regional peace and development, these two Asian powers have, themselves been the sources of regional tension and insecurity to some extent.

The current government is actively pursuing 'Neighbourhood First' policy. However, despite significant diplomatic meets and deep bilateral relations, India has been losing its neighbours to China.

China's recent economic rise and military strength is gradually eroding India's geographical advantage that it possessed in it's neighbourhood.

#### Introduction

- A peaceful and friendly neighborhood is essential for India's security. Wars with Pakistan and China reflect how dangerous an enemy in neighborhood can be. Since ancient times, India have maintained deep cultural, economic and friendly relations with its neighbors. Such ties were imbedded in trade, religion, missionaries etc. However, the recent rise of China has posed a significant challenge for India's predominance in its neighborhood.
- According to foreign experts, the current climate of South Asia has been described as a geopolitical struggle between India and China to win over their common neighbors.
- Many foreign experts believe that India's foreign policy has not been able to deliver a friendly neighborhood and China because of its rise has been winning over India's neighbors.

#### Reasons for China Winning Over India's Neighbors

- Geopolitical Balancing: India is the only major actor in the subcontinent. Hence, small neighbors want an extra-regional balancer to influence India and to secure better terms from India. Foreign experts have termed it as 'flashing the China card.' China is the most obvious option to balance India.
- Aggressive Expansion Policy: Republic of China, since its inception is pursuing an aggressively expansionist policy – both territorial and maritime. This expansionism policy clashes with India's interests in its neighborhood.
- Economic Rise of China: China's gross domestic product (GDP) is five times that of India. This enables China to extend loans, Line of credit etc. towards India's neighbors and win over them. Ex.: development of Hambantota port.



- Military Advantage: China's defense budget is more than three times that of > India. This huge difference means that China has more resources to influence South Asian countries away from India.
- Belt and Road Initiative: Its offer of infrastructural, trade and economic opportunities for India's neighbors and hence they have joined it. Example – Nepal joined Belt and Road Initiative despite India's displeasure.
- String of Pearl Theory: According to foreign experts, China is building a String of Pearls around India. To contain India's influence, China is maintaining friendly relation with India's neighbors.
- Ancient Chineses Kingdom: Current territories of Bhutan, parts of Arunachal Pradesh, Kashmir etc. were part of China's ancient kingdom according to their ancient maps and beliefs. Hence, China wants these territories under its traditional sphere of influence.

#### **Examples that Show China Winning**

China in the past has been deliberately strengthening its ties with the countries having common terrestrial or maritime border with India. Some of the examples that reflect it are:

- Pakistan: Development of CPEC (China Pakistan Economic Corridor) and construction of Gwadar port.
- Myanmar: Development of Kyaukphyu port. China is also one of the biggest arms supplier to Myanmar.
- **Sri Lanka:** Development of Hambantota port. China also has stakes in Colombo port.
- Nepal: China has been taking advantage of the growing differences between India and Nepal. The latest two instances are where India and Nepal could not come on the same page over internet access and the rights of Madhesi people. China filled the void and provided Internet access to Nepal.
  - In Nepal, K.P. Oli is elected as Prime Minister. China helped him get elected by brokering an alliance of the left parties to take on the pro-India Nepalese Congress.
- Maldives: Maldives President Abdulla Yameen has gone against India's repeated warnings and imposed a state of emergency.

#### Why India is Loosing over its Neighborhood

- Historical factor: India's independence came with price of partition. Because of this Independent India did not have the adequate resources to establish influence.
- India's relative size by itself is another problem. It is no surprise that small neighbours would want an extra-regional balancer to temper Indian influence and even to secure better terms from India. China is the most obvious option to balance India.
- Geopolitical rivalry between India and China has been skewed in favour of the China because of its economic and military advantage.
- China has gross domestic product (GDP) five times that of India and its defence budget is more than three times that of India. Because of this power disparity China has more resources to wean South Asian countries away from India.
- Besides geopolitical balancing, there is genuine need for capital for infrastructure projects in India's neighbouring countries. If India cannot fulfil those needs, then China can help to fulfill these needs.





- China has invested or committed more than \$150 billion in the economies of Bangladesh, the Maldives, Myanmar, Pakistan, Nepal and Sri Lanka.
- China is now the largest overseas investor in the Maldives, Myanmar, Pakistan and Sri Lanka.
- Chinese penetration is the highest in Myanmar and Pakistan.
- Chinese investment is concentrated in hard infrastructure such as power, roads, railways, bridges, ports and airports.
- China is also investing in the financial systems of these countries. It has taken stakes in the Dhaka and Karachi stock exchanges and cultivated a Yuan trade between China and Pakistan.
- It is establishing China-based courts for arbitration or disputes. It seeks to create new rules, governing business and financial systems in the region.

#### **Solutions**

- **Infrastructure Development in Neighbouring Countries:** Efforts in Afghanistan by India reflects how positive steps can help reap long strategic relations.
- Not Meddling with Domestic Issue: The recent Rohingya crisis and Nepal's economic blockade effected its relations with Bangladesh and Nepal.
- Using Traditional Ties: India has a long history of shared culture, P2P contact and deep religious ties with its neighboring countries. They should be reaped through cultural engagements, tourist circuits etc.
- **Engaging in Mulitlateral Forums:** Forums and initiatives like BIMSTEC, BBIN, SAGAR (Security and Growth for all in the Region) should be used to counter China's Belt and Road Initiative.
- Reviving SAARC: SAARC originally conceived regional grouping has been a non-starter. It can be effectively used as a forum to engage with neighboring countries.
- **Highlighting China's Dominance Motive:** Mounting debt of Sri Lanka shows China's use of hard power and money power against India's neighbors.
- Soft Power: Favorable visa policy, tourism, Bollywood etc. can be used to build favorable image of India amongst its neighboring population.
- Abiding by Panchsheel while dealing with neighbors.
- Ironing Out Issues With China: China should not always be seen as a hostile adversary. Being two big powers in South Asia, they can engage to bring prosperity and economic development to the region.

#### Way Forward

- The future of India's relationship with its neighbors depends a lot on China's policies towards the same. India's foreign policy should be guided by a short term and a long term solution.
- In short and medium term India needs more partnerships and careful maneuvering of its foreign policy while dealing with its neighbors.
- In long-term India needs to focus on accelerating its economic growth and also upgrading its military capabilities.
- India must recognize that doing better with its neighbours is not about investing more or undue favours. It is about following a policy of mutual interests and of respect, which India is more culturally attuned to than its large rival is.



Each of India's neighbours shares more than a geographical context with India. They share history, language, tradition and even cuisine. With the exception of Pakistan, none of them sees itself as a rival to India, or India as inimical to its sovereignty.

#### Conclusion

- A peaceful neighborhood is very crucial for the peace and economic prosperity of a country.
- India holds a position of pre-eminence in its neighborhood because of its size and recent economic development. However, it has been recently losing its strong hold to China.
- China's rapid rise cannot be matched by India in short-term. However, careful steps while dealing with neighbors can help to win them back. In the long term, consistent engagement and development through mutual efforts is the key to let both neighbors and India to prosper.



# **Asian Infrastructure Investment Bank: Critical Analysis**



The Multilateral Development Bank (MDB) was established in January 2016 with its headquarters located in Beijing. At the launch of the AIIB, there were 57 prospective founding members (including India) and 20 from outside the region (including France, Germany, Italy and the UK). The membership stands at 84 as of end 2017 (the US and Japan being notably absent).

It has been two years since its opening. Thus, hereby critically analysing the Bank, its working and its role in economic growth.

#### Introduction

- AIIB is a multilateral development bank initiated by China, which aimed to provide financial support to infrastructural projects in Asia-Pacific region.
- It was officially established in December 2015 and opened for business in January 2016. It has headquarters located in Beijing, China.
- It has currently 84 approved members including India. It has been started with authorised capital of US \$100 billion.
- China is the largest shareholder of AIIB with 26.06% voting shares. India hold's 7.5% voting share and is second largest shareholder followed by Russia, Germany and South Korea.

#### **Objectives**

- The main objective of AIIB to invest in sustainable infrastructure and other productive sectors to connect people, services and markets that over time will impact the lives of billions and build a better future. It has emphasized on three areas of particular relevance, which have now evolved into the Bank's emerging thematic priorities. They are:
  - Sustainable Infrastructure: Promoting green infrastructure and supporting countries to meet their environmental and development goals.
  - **Cross-country Connectivity:** Prioritizing cross-border infrastructure, ranging from roads and rail, to ports, energy pipelines and telecoms across Central Asia, and the maritime routes in South East and South Asia, and the Middle East, and beyond.



**Private Capital Mobilization:** Devising innovative solutions that catalyze private capital, in partnership with other MDBs, governments, private financiers and other partners.

#### Why AIIB has been Set up?

The AIIB has been seen by the westerners, as a potential competitor to global financial institutions such as ADB and the US-led IMF and World Bank. But there are some reasons that caused China to take the initiative to set up AIIB.

There has been greater failure of existing financial institutions to reform the governance structure and weightage according to the demands of the growing economies.

China has been consistently demanding for raise of resources, voting shares and focus on infrastructure at IMF and WB. But these were stalled by the dominating countries like USA and Japan.

A High-Level Commission on Modernization of World Bank Group Governance has been constituted under chairmanship of Ernesto Zedillo, former President of Mexico.

The **Zedillo report** is quite critical of the current World Bank arrangement of a resident board that approves all loans which is responsible for the slowness of the project preparation, poor performance and makes the bank less efficient.

In view of this, AIIB have instituted with non-resident board that meets periodically in Beijing and also by videoconference to ensure efficient, transparent and quick decision making and approval process of projects. It has also incorporated the environmental and social safeguards unlike the Bretton wood's institutions while approving the projects.

In Geo-political scenario, although originally conceived of as an institution from Asia, as its name suggests, AIIB has expanded its mandate to involve non-Asian countries as well. Out of 84 countries, 20 are non-Asian members, including five members from the G-8 and three permanent members of the UNSC. The decision of three leading European countries (United Kingdom, Germany and France) to become members made AIIB secure the tag of being a truly global institution, signifying that global financial power is rapidly moving eastward with China forming the core. But the US sees the establishment of the AIIB as an attempt by China to pull South- East Asian countries closer to its orbit and a soft-power play that promises economic benefits while refurbishing its image among its Asian neighbours. This is despite the fact that neither the World Bank nor the ADB are in a position to cater to the rising demands of Asian countries for infrastructure funding.

#### AIIB vs WB, IMF and ADB

- With the \$100 billion capital it is quite smaller than that of the \$165 billion Asian Development Bank (ADB), 2/3rd of IMF and half of the World Bank.
- Unlike the Bretton-Woods institutions, that service all countries with development problems and the management of temporary balance of payments problems, the goals of the AIIB are much more limited. This is straightforward lending bank and specifically infrastructure lending institution.
- This is a much more specialized task as compared to managing global financial frictions and development. Any institution with these goals requires much greater membership and acceptability—which IMF and the World Bank have.
- The corollary is clear, with greater scope of lending by China comes much greater political leverage. Unlike the IMF and WB, no country in the AIIB has veto rights. The voting rights are based on GDP adjusted for Purchasing Power Parity (PPP).



- AIIB has two features which distinguish it from many other international financial institutions, and also allow China to gain confidence internationally.
  - One, it does not have a permanent board of directors.
  - And two, in contrast to the existing international banks, AIIB has a flexible investment model.

These features make AIIB a hassle free, non-bureaucratic institution. Many, especially Japan however see these as potential weaknesses of the bank, which offer an advantage to China to influence the decision-making process.

#### AIIB's Flipside

A review of AIIB's signed contracts and priority areas reveals that the bank is systematically promoting China's economic interests in Asia and beyond, and principally complementing the Beijing's Silk Road Economic Belt (SREB) and Maritime Silk Road (MSR), the two core aspects of OBOR. 'One Belt', which supplements SREB, implies land corridor connectivity from China to Central Asia and thence to West Asia and Europe.

China is the AIIB's single largest contributor and holds around 28% voting share, giving it veto power over major decisions at the AIIB (as major bank decisions require at least 75% support). The initial projects approved by the AIIB in 2016 were granted to China's close allies—mainly in Central Asia and Pakistan, as well as Oman, which was a strategic centre of trade and exchange along the historic maritime Silk Road.

For instance, the National Motorway M-4 Gojra-Shorkot Section Project supplements the China-Pakistan Economic Corridor (CPEC).

The Trans Anatolian Natural Gas Pipeline project (TANAP) which will transport natural gas from Azerbaijan's Shah Deniz-2 gas field as well as from other Caspian Sea ports to Turkey and Europe. These projects are funded by AIIB and with other financial institutions that supplements the China's outreach to Turkey and Europe.

#### **India and AIIB**

With 7.5% of voting share and second largest share holder, India's participation in the AIIB as a founding member undoubtedly clarified New Delhi's open approach to the bank as well as its determination not to be left out of this newly established development bank with its special focus on infrastructure investment.

India was one of the first countries to agree to join AIIB, which was a striking reference for many countries that were initially hesitant to join the bank. 12th Five year plan says that we need \$1 trillion dollar investment in infrastructure. While ambitious programmes like Make in India and ease of doing business are stressing for infrastructure development.

However, given New Delhi's 'political reservation' to China's OBOR, it needs to be seen how India would react to projects within the AIIB that facilitate Beijing's 'Belt & Road' initiative. In fact, Beijing had formally invited India to join and support the OBOR in 2014 during the Special Representatives (SRs) level dialogue. Since then, the Chinese leadership has been constantly encouraging India to politically endorse OBOR. Most of the regional or neighbouring countries around India have extended their support for China's OBOR, while New Delhi has maintained a strategic silence so far. Beijing's promotion of OBOR projects within the bank would certainly test the character of China's and India's roles within AIIB.

#### Conclusion

In the scenario of the rising infrastructure needs, the AIIB will play an important role in terms of closing the widening gap in regional development financing. It is believed





that establishment of the AIIB is a step towards a multi-polar financial architecture that is no longer only shaped by US-dominated institutions. Not only does it reinforce the already existing trend to a regionalization of international financial governance, but it also puts increased pressure on the World Bank and the IMF to implement internal reforms.

The initial success of AIIB is a diplomatic victory for China over the adamant nature of global financial institutions. But this will depend on the demonstration of its high governance and decision taking standards when it makes lending decisions in the short to medium-term.

There are apprehensions about the China's capability to block major decisions of lending as a strategic share holder and no clear principles laid down to provide resources, it's allocation and lending norms. If it not provides transparency, equal rights and bridge the gaps which already existed in other financial institutions, it may likely end up with one more robust and inclusive set of financial institution among them.



# **ENVIRONMENT AND** SCIENCE ISSUES

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### Sea Level Rise and its Impact



The Fourth Assessment Report of IPCC (Intergovernmental Panel on Climate Change) projected the rise of sea level by 18-59 centimeters by the end of this century.

Also, recent researches have shown increased melting of polar icecaps. The glaciers (particularly in the Himalayas) have also shown accelerated rates of melting. This will lead to sea level rise with devastating impact on humanity and environment.

Sea level rise negatively influence human population, particularly in coastal areas and island regions. It will also harm the coastal and marine ecosystems.

Hereby, discussing the reasons for sea level change and its impact.

#### Introduction

- A sea-level rise generally means "increase in the global mean sea level." It is the result of increase in volume of water in the oceans.
- Recently, increase in sea level has been attributed to global climate change and various anthropogenic causes.
- There are two mechanisms attributed to sea level rise:
  - Thermal expansion ocean water expanding due to increased temperature.
  - Melting of major stores of land ice. Example polar ice-caps and glaciers.
- A report namely Global Environment Outlook Regional Assessment for Asia and the Pacific, published in 2016 by United Nations Environment Programme (UNEP), projected that nearly 40 million people in India will be at risk from sealevel rise by 2050. Hence, the issue is of particular importance both globally and nationally.

#### Reasons for Increase in Sea-Level Rise

The factors behind increase in mean sea-level can be categorized into two parts – short term and long term. These are as follows:

#### Short Terms Factors:

- Change in Tides: Due to different position of Sun and Moon along with gravitational force, sea level rises.
- Natural Disasters: Cyclones, storm surges, Tsunamis also tend to increase sea level in particular areas. Example: Some islands of Andaman and Nicobar submerged during the 2004 Tsunami.
- **Monsoon:** Increased rainfall over a short period of time (as it happens during the monsoons) can lead to temporary rise in sea level in coastal areas.



#### Long Terms Factors:

- Tectonic Changes: Changes in tectonic plates and earthquakes can affect the sea level by uplifting the plate.
- Melting of Ice-Caps: Melting of ice-bergs, Polar ice-caps and glaciers have contributed to rise of sea-level. This has been due to global warming and associated climate change.
- **Thermal Expansion:** Due to climate change and thawing of ice.
- Change in Ocean Basin: Subsidence or emergence of ocean floor.

However, among these reasons sea level rise due to climate change reasons has assumed alarming pace in recent times due to increased Global House Gases emissions and thus global warming. This is causing climate change and rise in temperature of the world.

#### Impact of Sea Level Rise

- Increased Coastal Erosion and Submergence of Coastal Areas: It leads to wastage of scarce land resource and also affects coastal population.
- Vulnerability to Disasters: Higher storm surge flooding, destruction by cyclones and tsunamis. Increased flood risk and potential loss of life.
- Changes in Surface Water Quality and Groundwater Characteristics: Due to mixing of water of different profiles.
- Loss of Property and Coastal Habitats: Coastal areas are one of the most populated areas of the country. Loss of property and coastal habitat will impact the national economy and resources.
- Non-Monetary Loss: Loss of non-monetary cultural resources, culture and values.
- Impact on Agriculture and Aquaculture: Through decline in soil and water quality.
- Loss of tourism, recreation, and transportation functions: Eg- Maldives economy is based on tourism. Submergence of islands can cripple the whole nation.
- Melting Of Himalayas: The IPCC report of 2007 predicted that melting of the Himalayan ice caps and the resulting rise in sea levels would likely increase the severity of flooding in the short term during the rainy season.
- **Displacement of People:** It is estimated that a sea level rise of just 200 mm could make 740,000 people in Nigeria homeless.
- IPCC assessments suggest that deltas and small island states are particularly vulnerable to sea-level rise caused by both thermal expansion and increased ocean water.
- Maldives, Tuvalu, and other low-lying countries are among the areas that are at the highest level of risk. The UN's environmental panel has warned that, at current rates, sea level would be high enough to make the Maldives uninhabitable by 2100.
- Loss of Bio-diversity: Fish, birds, and coastal plants could lose parts of their habitat.
- Climate Refugees: Large population will be displaced due to loss of livelihood and shelter. Rehabilitation of such climate refugees would be a global concern.





#### **Solutions**

Sea level rise is a global concern. Any step to mitigate it should adopt a multi-pronged strategy and include all the stakeholders. Some of the solutions are:

- Rehabilitation and Migraton: Population of vulnerable areas should be rehabilitated to higher places. This would prevent loss of life and livelihood.
- Compensation to the Affected Nations and Population: Vulnerable nations such as Maldives, Pacific-group of islands etc. need to be provided with financial assistance.
- Reducing GHG Emissions: Global warming is one of chief causes of thawing of ice. Reducing GHG emissions will help to arrest climate change and hence slowdown sea level rise.
- **Coastal Protection:** Vulnerable nations should come out with coastal protection plans. Example- The Government of India has published Coastal Regulation Zone Notification, 2011 with a view to ensure livelihood security to the fisheries communities and other local communities, living in the coastal areas and to conserve and protect coastal stretches.
- Vulnerability Mapping and Mitigation Plan: This will help to prepare a detailed mitigation plan. Also it will aid in rescue and evacuation in case of disaster.
- Developed nations should provide vulnerable nations with technology and financial aid.
- Corporate Social Responsibility: Coastal communities can be provided with alternate source of livelihood by partnering with companies.
- Need to Recognize Climate Refugees: United Nations should recognize climate refugees. This will help to absorb refugees in case of migration.
- **Disaster Mitigation:** Early warning systems, regular drills, ocean buoys etc. can help mitigate disasters like storm surges, tidal changes, tsunamis etc.
- Development of zone-specific coastal zone circulation models and impact assessment tools
- Quantification and assessment of the factors contributing to the manifested sea level rise over the Indian Ocean and assess the associated impacts over the Indian coastline.

The Government of India has come out with an 'Integrated Coastal Management **Project'** with the objective of building national capacity for implementation of comprehensive coastal management approach in the country and piloting the integrated coastal zone management approach in selected states.

#### Sea Level 2017 Conference looks into Coastal Sea Level Rise Impact

They recommended the following:

- A commitment to sustained global and regional sea level observations, accounting for all components of sea level change and making use of both remotely sensed and in situ technologies.
- Application of paleodata and other data to better understand—over a broad range of time and space scales—the natural variability and non-anthropogenic contributions to ongoing sea level rise, sea level highstands, and rates of change.
- Improvements in understanding the dynamics of ice sheets and the ice-ocean interaction for better projections of their contributions to future sea level change.



- Assessment of uplift and subsidence, especially human-induced subsidence, to guide analysis of regional sea level change and improve attribution of changes.
- Open climate model developments to provide high-resolution regional coastal sea level information, which should incorporate a range of models with advanced process parameterizations and enhanced calibration by observations and should include storm surges, waves, and subsidence.
- Improvement of sea level forecasts and projections for planning, early warning, adaptation, and mitigation, which need to extend beyond 2100.
- Development of a stakeholder forum that enables timely and effective information exchange for mitigation of, and adaptation to, sea level change, which should include the present states and projected changes in mean and extreme sea levels, wave conditions, and potential impacts, including changes in coastal floods, coastal erosion, and saltwater intrusion.
- Development of policies and regulatory frameworks for impact and adaptation assessments for all vulnerable coastal areas, such as major cities, deltas, and islands.

#### Way Forward

- Government of India is committed to the cause of mitigating sea-level rise and climate change. India's National Action Plan on Climate Change (NAPCC) outlines a strategy that aims to enable the country to adapt to climate change and enhance the ecological sustainability.
- A National Centre for Sustainable Coastal Management (NCSCM) has been established to promote research and development in the area of coastal management.
- However, any strategy to mitigate sea level rise should not be based on "one size fits all" approach. Each nation and coastal community has it's own set of problems. Any strategy should be holistic and include all these stakeholders.
- Marine ecosystems will be the most harmful and irreversible impact of global climate change. Adequate steps need to be taken by government and coastal communities to preserve coastal and marine ecosystems. Example - mangroves can help to mitigate coastal erosion and also enhance bio-diversity.

#### Conclusion

- For centuries, the coastal areas have been important for industry, agriculture, recreation etc. The coastline is our national heritage and in order to maintain it for future generations, proper management of coastal areas is perquisite.
- The short and long term variations in sea level impact the coastal ocean in many different ways. A broad holistic approach can however mitigate the impact of seal level rise.
- It is also aligned with achieving the Sustainable Development Goals.





### **Waste To Wealth**



Bio-gas is fast becoming a popular source of fuel in rural areas. Bio-gas fuels such as 'Gobar Gas' has gained popularity displacing LPG as a source of clean fuel.

Government of India has launched GOBAR Dhan scheme which would make the farmers more self-reliant apart from converting 'waste to energy.'

Honorable Prime Minister has been talking about moving from "waste to wealth" in his recent 'Mann Ki Baat' programme.

This all recent activities defines the importance of converting waste to energy. Hereby, discussing the concept of waste to wealth, its advantages and challenges associated with it.

#### Introduction

- Currently, of the estimated 62 million tons of MSW generated annually by 377 million people in urban areas, more than 80% is disposed of indiscriminately at dump yards in an unhygienic manner by the municipal authorities leading to problems of health and environmental degradation. The untapped waste has a potential of generating 439 MW of power from 32,890 TPD of combustible wastes including Refuse Derived Fuel (RDF), 1.3 million cubic metre of biogas per day or 72 MW of electricity from biogas and 5.4 million metric tons of compost annually to support agriculture.
- To meet the challenge government has initiated Galvanizing Organic Bio-Agro Resources Dhan (GOBAR-DHAN) scheme recently with an objective of achieving 'waste-to-wealth.' It aims to provide clean bio-gas fuel to the local surroundings.

#### What is Biogas?

Biogas is a mixture of about 55% methane and 45% CO2 and other trace contaminant gases. The gas is created from anaerobically decaying organic matter. It is produced by means of a process known as anaerobic digestion, whereby organic matter is broken down by microbiological activity and, as the name suggests, takes place in the absence of air.

28 cubic metres of biogas is equivalent to one domestic LPG cylinder. Organic waste of 200 kgs can contribute to one LPG cylinder daily. 1 cubic metre of gas can generate 1.5 units of electricity.

- Biogas makes our energy production safer. It has no negative implications on the environment and is one of the cleanest fuels available.
- It is good for the climate and saves CO2.
- Organic residues can be sensibly utilised and do not need to be simply disposed of.





- Biogas manure can replace mineral fertiliser.
- Biogas plants can be utilised by both urban and rural population, industry as well as households.

#### Reasons for Popularity of Bio-Gas

Though Liquefied Petroleum Gas (LPG) is a clean fuel, it is being fast replaced by Bio-gas due to various reasons:

- **Local Procurement:** Unlike LPG which requires transportation through cylinders, bio-gas (such as gobar gas) can be sourced and produced locally. Eg. - The centralized biogas plant at Lambra in Punjab.
- Hassle Free Availability: Villagers no longer need to book cylinders and wait for delivery. Biogas production is location independent and the feasibility is dependent only on the feedstock, which is organic waste. Hence, biogas projects are feasible irrespective of the terrain and geography.
- **Cheaper than LPG:** Bio-gas production and supply cost is cheaper than LPG cylinders. Hence, many rural households are switching towards gobar-gas.
- Waste to Wealth: Bio-gas generation reflects efficient conversion of waste into clean energy. It leaves no residue and burns as efficiently as LPG.
- Swacchh Bharat Abhiyan: Cow dung and local waste are chief source of solid waste in rural areas. Using this waste to produce energy will help to achieve the objective of Swachh Bharat Abhiyan - Grameen.
- Generates Additional Revenue for Farmers: Farmers can supplement their income by selling cow-dung to gobar-gas plants.
- **Helps Sustain Bovine Population**
- Reduces Cost and Headache of Maintaining Waste: Earlier households and panchayat were responsible for waste disposal. With 'waste-to-energy' it can be handled efficiently.

#### **Problems**

However, despite being of immense potential, waste energy is still untapped. The reasons for poor popularity of waste energy (particularly bio-waste) are:

- Funding: Setting up a gobar gas plant requires considerable funding (roughly 30 lakhs). With poor financial devolvement to panchayat, setting up such a plant remains the major problem in achieving 'waste to wealth.'
- Sourcing: Collection and efficient management of cow dung and bio waste. Poor awareness leads to no proper separation of solid waste, bio-waste and liquid waste.
- Awareness: Many villages and rural population still use cow dung cakes or woods as a source of fuel. This is because of lack of awareness about better alternatives.
- Government and Local Community Support: Setting up of a bio-gas plant requires considerable area of land. It also needs conscious community efforts to run it effectively.
- Technology and Know-How: Poor availability of technicians, technology and machines hinders the setting up of such plants.
- **Infrastructure:** Connecting every local household through pipelines also remains a challenge.





Share of Biogas in Energy Mix being Low: It is still around 16% of the total > renewable energy capacity.

#### **Solutions**

- Government Funds: Government of India is committed to the cause of shifting to cleaner alternate fuels. Adequate funding and schemes such as GOBAR-Dhan scheme can help provide financial assistance in setting up bio-gas plants.
- Cooperative Societies and SHGS: The centralised biogas plant at Lambra in Punjab was set up by a local cooperative society.
- Capacity Building Programme: In order to build technical know-how and skill of operating a bio-gas plant.
- Proper Segration of Waste: Rural households should be made aware about segregation of different types of waste.
- Awareness About Waste to Wealth: Rural households which are still using unclean fuel need to be made aware of better clean alternatives.
- Corporate Social Responsibility: Renewable energy is a part of CSR projects. Companies can help to build and operate 'waste to energy' plants.

#### Way Forward

- Honorable Primse Minister had pointed towards the potential bio-energy conversion opportunity from the estimated 3 million tonnes of dung generated by India's 300 million bovine population.
- Shifting to cleaner fuels generated through waste will help in reducing both pollution and also achieving cleanliness.
- Cleaner fuel will also help in reducing instances of women related health issues due to unclean fuel - asthma, cataract, etc.
- It is a renewable source of energy. It is aligned with India's objective to achieve Intended Nationally Determined Contributions (INDCs).

#### Conclusion

- In order for Swachh Bharat Mission to be a success, it is important that we look at waste as a resource and not as garbage that should be discarded at the landfill site. Overflowing landfill sites are leading cause of pollution in addition to loss of valuable wealth that could have been extracted from the waste.
- Also though LPG is a clean fuel, its alternatives should be also supported. This will help to increase the share of renewable energy and also achieve 'waste to wealth.'



## Hailstorm and its Impact on **Crops**



Recently, hailstorms occurred in parts of Madhya Pradesh and Maharashtra. The hailstorms led to destruction of over 2.9 lakh hectares of rabi crops and could affect the standing wheat, chana and mustard crop. The damaged crops were worth around Rs. 200 crores.

Such natural events are harmful for the crops and also effect the agricultural economy. This necessitated the need for strong institutional arrangements and techniques to combat hailstorm

Hereby, discussing about the hailstorms and its impact on the agriculture.

#### Introduction

Indian agriculture continues to be vulnerable to weather vagaries despite selfsufficiency in food grain production. Climate change and increased extreme weather events in recent decades as well as uncertainty in prediction of those events further add to the woes of the farmers causing widespread losses of agricultural output. Thus, it is of paramount importance to predict our climate better and adopt climate smart management practices for ensuring food security.

#### **About Hailstorms**

- Hailstorms are associated with regular thunderstorms, and are typically localized events. However, hailstorms can cover wide swaths of land.
- Thunderstorms form when air heats up during the day, rising (because it is lighter) and then cools; the moisture within the air condenses to form clouds. Sometimes condensed water within thunderclouds will become super cooled (cooled to below the point of freezing, without freezing) in the strong updraft winds that are common in thunderheads. Updrafts can keep the suspended moisture from falling. Once the super cooled moisture contacts something to form around (such as dust, ice crystals, etc), a hailstone will be formed. Once the hailstones are too heavy to be held up by the winds, they will fall.
- The size of the hailstone will be determined by the amount of moisture and the strength of the updrafts.
- The overall effect of hail damage will depend on the size of the hail, the duration of the hailstorm and the type and growth stage of crop.
- Though, hailstorms are natural events their effect on crops can be effectively mitigated and reduced through preventive measures.



#### Reasons for Occurrence of Hailstorm

- Hailstorms are the result of four atmospheric factors which are characterised as:
  - Strong convective instability creating strong updrafts.
  - Abundant moisture at low levels feeding into the updrafts.
  - Strong wind shear aloft, usually veering with height, enhancing updrafts.
  - Some dynamical mechanisms that can assist the release of instability such as air flow over mountain ridges.
- According to the Indian Meteorological Department (IMD), the recent episode of hailstorm was due to the discontinued pattern of interactions between westflowing and east-flowing wind systems at the lower levels of the atmosphere.
- Also, a strong cyclonic circulation was reported over east Maharashtra, under whose influence there was interaction between warm and moist winds from the Bay of Bengal and cold Westerlies.

#### **Effect of Damage of Crops**

- Hailstorms have been known to be harmful to trees, plants, crops and flower beds.
- Hailstones combined with strong winds can be damaging to vegetation.
- This can leave farmers who rely on agricultural production as one of their main sources of income to become financially devastated.
- Food Inflation: Damaged crop can create scarcity of food crops resulting in sharp increase in prices. Example – it is believed that the price of oranges this season will shoot up as large tracts of orchards were damaged in Vidarbha due to hailstorms.
- Loss to Farmers: Indian farmers mainly rely on agricultural produce as the main source of income. Loss of remuneration due to damaged crops can push them into debt and poverty.
- **Damage to Livestock:** Bigger hailstones can also injure the farm animals.
- Supply of Crops would be Restricted: Destruction of agricultural produce can result in demand-supply mismatch.

**Examples:** Surface damage to potatoes is typically some amount of defoliation, ranging from leaf damage to complete destruction of leaves and stems. Foliar damage reduces photosynthetic capacity of the plants and may reduce yields, depending on how early or late the damage occurs.

#### **Hail Control Mechanisms**

Artificial hail control is an important measure in disaster prevention and mitigation. With the development of atmospheric science and related science and techniques, the ability of hail cloud identification and subsequent hail suppression technique has been improving continuously. Some of the methodologies have been discussed below:

- Forecasting of Hailstorms: Radar technology can be employed to forcast hailstorms. This can help to issue prior warning and mitigate damage.
- **Probability Mapping:** Probability maps can be prepared for a long-term (say 30 years or more) based on actual hail events of the past. Farmers can plan their cropping cycle accordingly.
- Cloud Seeding: Artificial hail control methods such as cloud seeding can reduce the size of hailstones. This will help to reduce the damage caused by them.





- **Shock Waves:** Creation of shock waves can prevent the formation and growth of hail by melting them altogether. Shock waves are produced using hail guns or hail cannons.
- **Anti-Hailnets:** Protective screens termed as anti-hailnets above the crops be appropriately utilized to protect crops.
- Tree Shelter Belts: They can be planted to reduce hail damage in their immediate vicinity since hails are usually associated with strong winds. Tree belts will help to break the effect of such strong winds.
- **Payment and Compensation:** Affected farmers should be paid due compensation for the loss of the their damaged crops. This will help them to buffer their losses. It will also give them credit to plan their next agricultural cycle.
- Crop Insurance: Schemes like Pradhan Mantri Fasal Bima Yojana can be effectively used to cover the areas, which are suspected of hailstorms. Insuring the crops will provide farmers with financial security in case of hailstorms.

#### Way Forward

- Hailstorms are natural events and there can be little control over such events. Though largely, hailstorms are destructive to the crops, sometimes they are beneficial also.
- The rains accompanied by hailstorms are very beneficial for the wheat crop in north and north-west India as temperature comes down.
- However, with climate change, the instances of severe weather aberrations are increasing the demand for strong institutional arrangements to combat such challenges. While occurrence, losses and post disaster management have been discussed extensively for the other climatic hazards such as excess rainfall, drought and flood, little attention has been given to hailstorm.
- Hail being a very short term and localized phenomena, its prediction well in advance to inform all stakeholders for adequate preventive measures is a major challenge.
- Though its damage to the crops cannot be prevented all together, its impact on crops and agricultural produce can be mitigated.





### Law Against Genetic **Discrimination**

In a significant judgement, the Delhi High Court has directed the Insurance Regulatory Development Authority of India (IRDA) to have a re-look at the exclusion clauses in the insurance contracts to ensure that claims were not rejected on the basis of exclusions relating to "genetic disorders" like cardiac conditions, high blood pressure and diabetes.

The court held, "Discrimination in health insurance against individuals based on their genetic disposition or genetic heritage, in the absence of appropriate genetic testing and laying down of intelligible differentia, is unconstitutional."

Hereby, discussing the concept of genetic discrimination and the judgment related to it.

#### What is Genetic Discrimination?

Genetic discrimination occurs when people are treated differently, for example by their employer or insurance company, because they have or are perceived to have a gene mutation that causes or increases the risk of an inherited disorder. A country which is already suffering from caste, religion, sex, colour discrimination, this is another discrimination bomb waiting to explode.

Every person has dozens of DNA differences that could increase or decrease his or her chance of getting a disease such as diabetes, heart disease, cancer or Alzheimer's disease. More and more tests are being developed to find DNA differences that affect our health. These tests will become a routine part of health care in the future. Health care providers will use information about each person's DNA to develop more individualized ways of detecting, treating and preventing disease. But unless this DNA information is protected, it could be used to discriminate against people specially in the insurance sector to decrease the benefits.

Thus, law is needed to help to ease concerns about discrimination that might keep some people from getting genetic tests that could benefit their health. The law should also enables people to take part in research studies without fear that their DNA information might be used against them in health insurance or the workplace.

#### Methodology of Accessing Genetic

Genetic testing is a type of medical test that identifies changes in chromosomes, genes, or proteins. The results of a genetic test can confirm or rule out a suspected genetic condition or help determine a person's chance of developing or passing on a genetic disorder.



Genetic tests are performed on a sample of blood, hair, skin, amniotic fluid (the fluid that surrounds a fetus during pregnancy), or other tissue.

#### **Advantages of Genetic Testing**

- For a lot of disorders, genetic testing is the only way to make an accurate diagnosis and help avoid additional unnecessary clinical investigations.
- Genetic testing can guide the clinician in choosing the most suitable therapy and support for the patient.
- A definite diagnosis can be of a great relief to patients and families, especially if they have been searching for the answer for long time.
- In some genetic diseases good surveillance and early intervention can save the patient's life (e.g. early diagnosis of hereditary cancer).
- The results of genetic testing may be useful for future family planning.

However, the expansion of genetic tests means that the discrimination will likely increase.

During the past ten years, there has been an explosion in the number of available tests for genetic conditions. Ten years ago we had only a handful of genetic tests; today we have hundreds...

As these tests become simpler to administer and their use expands, the employers and insurers will continue to use genetic information in a discriminatory manner and that a growing number of people will be stigmatized on the basis of their genetic makeup.

#### **Employment Discrimination**

The tragedies of race and sex discrimination illustrate the dangers of basing employment decisions on inborn characteristics. Like these, discrimination on the basis of genetics ignores the present abilities and health status of workers and substitutes questionable stereotypes about future performance.

Basing employment decisions on genetic status opens the door to unfounded generalizations about employee performance and increases acceptance of the notion that employers need to exercise such discrimination in order to lower labor costs. Indeed, without countervailing equitable forces, employers face economic pressures to identify workers who are likely to remain healthy. Less absenteeism, reduced life and health insurance costs, and longer returns on investments in employee training all reduce the costs of labor. To the extent that employers believe that genetic information can help identify workers who have a "healthy constitution," they have strong economic incentives to screen applicants and workers.

Such policies victimize all workers. Discrimination against individuals with particular genetic characteristics harms all workers by diverting attention from the need to improve and, if possible, eliminate workplace and environmental conditions that contribute to ill health for everyone. Moreover, such genetic discrimination masks the fundamental need for adequate leave policies and insurance coverage as well as for reasonable workplace accommodation for all workers who experience temporary or permanent disabilities, for whatever reasons.

#### **Insurance Discrimination**

In the case of health insurance, the goal is to ensure access to health care by providing adequate financing mechanisms. In the case of life and disability insurance, the goal is to provide families some measure of economic security following a tragic death or disability.





Genetic information is potentially discriminating factor that cannot be fairly included in insurance underwriting practices.

Recent developments in human genetic science and the technology of testing are not identifying new costly diseases that were not previously accounted for by the insurance industry's actuarial data. Rather, these developments are only facilitating the identification of those individuals who carry disease-associated genes at earlier times; many of these people will never have a related illness, or will experience a lifetime of the asymptomatic, presymptomatic or minimally symptomatic phases of the condition. It is not, therefore, the cost of financing the care of genetic conditions which is driving the call for access and inclusion of genetic information in insurance practices. There is no reason for insurers to begin to use this new predictive information now, merely because it is available.

#### **International Rules**

#### Canada

Canadian lawmakers passed the Genetic Non-Discrimination Act on March 8, 2017. This law would make it illegal for employers or insurance companies in Canada to discriminate against people based on their genetic information.

#### United States of America

The Genetic Information Nondiscrimination Act of 2008, also referred to as GINA, is a new federal law that protects Americans from being treated unfairly because of differences in their DNA that may affect their health. The new law prevents discrimination from health insurers and employers.

GINA protects a person's genetic information when seeking genetic testing or participating in a research study. It also protects a person's family medical history, including a family member's genetic information. For example, an employer can not legally ask an employee if Huntington's disease runs in his or her family. This law provides a path of legal recourse for people who believe that they have experienced genetic discrimination.

India too needs a law that prevents genetic discrimination. In this era of rampant genetic testing, we need to prevent discrimination and uphold "equal treatment under the law".

#### Conclusion

Any effort to address genetic discrimination inevitably implicates broader and extremely contentious issues, such as the right to health care. If we wish to eliminate genetic discrimination in health insurance without creating questionable distinctions between genetic and other conditions, and without risking system collapse through adverse selection, we need to work toward mandatory participation, guaranteed issue and renewal, community-rated health insurance. If we wish to eliminate genetic discrimination in employment, without endorsing questionable distinctions, and without risking a system in which protections against discrimination are vitiated by ease of access to information and the difficulties involved in policing its use, we need to prohibit employers from obtaining all non-job-related medical information.

There should therefore be no discrimination based on genetic information. Only universal health care can therefore be a viable solution.