

IQRA IAS



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POLITY AND GOVERNANCE

Paper II: This section is relevant to Polity and Governance Section of GS Paper II



1.1 DRUGS, MEDICAL DEVICES and COSMETICS BILLS, 2022

Why in News: The Ministry of Health and Family Welfare has released a draft of the proposed Drugs, Medical Devices and Cosmetics Bill, 2022.

- The Bill seeks to replace the existing Drugs and Cosmetics Act, 1940, and several sets of rules which are currently followed by the industry.
- It focuses on <u>regulating medical devices as a separate entity</u>, makes provision for fines and imprisonment for injury and death related to clinical trials or investigations, and seeks to regulate e-pharmacies. The new Bill has been drafted to keep pace with <u>changing needs</u>, <u>times and technology</u>.

Drugs and Cosmetics Act, 1940

- The Act establishes regulatory control over the <u>import, manufacture, distribution, and sale</u>
 of drugs and cosmetics in India. It makes the sale of <u>substandard drugs a punishable</u>
 offence, as these drugs are capable of bringing harm to patients.
- It also established the <u>Central Drugs Standard Control Organization</u> (CDSCO) for discharging functions assigned under the Drugs and Cosmetics Act.
- The <u>State Health department</u> has to regulate the manufacturing, sales, and distribution of drugs. <u>Drug Inspectors</u> control the implementation at ground level. Further, if the drugs are found to be substandard, then the drugs <u>can be recalled from the market</u> and the manufacturer has to conduct a root cause analysis for the faulted reason.
- The Act also has provisions to <u>compensate the families of victims of adulteration</u>. It calls for the penalty to be extracted from a convicted manufacturer and given to families of the victims.

Drugs, Medical Devices and Cosmetics Bill, 2022

- **Regulation:** It seeks to <u>regulate e-pharmacies and medical devices</u> and provides for penalties including imprisonment for failing to pay compensation for injury or death during clinical trials for both drugs and medical devices.
- Drugs and Cosmetics Act of 1940: For the first time, regulations for conduct of clinical trials
 for new drugs and medical devices have been brought under the draft New Drugs, Medical
 Devices and Cosmetics Bill, 2022 which seeks to replace the existing Drugs and Cosmetics
 Act of 1940.



- AYUSH drugs: The draft bill has a separate chapter for AYUSH drugs which proposes to regulate Sowa Rigpa and Homoeopathy for the first time. The existing act regulates Ayurveda, Unani and Siddha drugs and cosmetics.
- **Committee:** In light of recommendations of the central government and the felt need to have comprehensive legislation, a <u>committee was constituted</u> for framing the New Drugs, Cosmetics and Medical Devices Bill.
- **New definitions:** The draft bill <u>introduces various new definitions or provisions</u> like bioequivalence study, bioavailability study, clinical trial, clinical investigation, controlling authority, manufacturer, medical device, new drugs, over the-counter (OTC) drugs, adulterated cosmetics, etc. for more clarity and smooth functioning and implementation.
- Drugs Technical Advisory Board (DTAB) and Medical Devices Technical Advisory Board (MDTAB): It proposes the constitution of a <u>separate Drugs Technical Advisory Board (DTAB)</u> and Medical Devices Technical Advisory Board (MDTAB), comprising experts from various associations to advise the central government in technical matters.
- **Penalties:** The penalties for offences related to import of drugs and cosmetics have been enhanced appropriately. It mentions where any person permitted under sub-section (1) of section 72 fails to provide the required medical management or compensation under section 73, shall be punishable with <u>imprisonment which may extend to one year or with</u> fine which shall not be less than twice the amount of compensation.
- Central Licensing Authority: In the interest of public health or extreme urgency of drugs, the central government is empowered to make <u>provisions for Central Licensing Authority to</u> <u>waive the requirement of conducting clinical trials</u> for manufacture or import of new drugs or investigational new drugs in the country.
- **Compensation:** Where a <u>participant during a clinical trial suffers injury or death</u> on account of his participation in such investigation, provision has been made to provide compensation and medical management to such participants.
- **E-pharmacy:** Permission has to be taken to operate an e-pharmacy. No person shall himself or by any other person on his behalf sell, or stock or exhibit or offer for sale, or distribute, any drug by online mode (e-pharmacy) except under and in accordance with a license or permission issued in such manner as may be prescribed.
- Medical device testing centers: Provisions have been incorporated to <u>designate or establish</u> medical device testing centers by the central government for testing and evaluation of medical devices for regulators and industry.



Significance:

- It is a positive move by the Government to update an over 60-year-old law on drugs. India is third-largest pharmaceutical producer in the world. It is important that the regulatory legislation keeps pace with the changing times.
- A separate **Medical Devices Technical Advisory Board (MDTAB)** will help in catering to the <u>specific and varied needs</u> of the medical device sector vis-a-vis drugs.
- Third, online pharmacies are currently working completely outside the law. Most of the websites have perhaps a license for a physical shop or storage unit. In case of a violation, drug inspectors are unaware of the provisions of the law or Rule under which they can proceed against the websites. Further, drug inspectors often find that the licenses these websites hold are from another state, over which they have no jurisdiction. Sometimes the websites don't have any licenses at all, and actually use the license of the pharmacies with which they have tied-up. This makes it even more difficult to take any action. Thus their inclusion in the new bill was a much needed step.
- Fourth, the Bill prohibits clinical trials or clinical investigations of drugs and medical
 devices without permission from the central licensing authority. While companies have to
 seek permission from the regulator to conduct trials even now, this is not specifically
 mentioned in the existing law.
- Fifth, the current clinical trial Rules have fines, but a fine of few lakh rupees is not enough to deter a big Pharma company. However, the provisions for imprisonment under the draft Bill might act as a deterrent.

Shortcomings

- First, industry's aspirations for a **separate act for medical devices has not been addressed** and startups, developers and engineers will still need to grapple with a complex joint law. Further, it can become a barrier to Make in India or Innovate in India initiatives.
- Second, the draft Bill completely misses post-marketing surveillance, especially for medical devices, because implants can remain within a patient's body for years. There should also be provisions for recalling medicines or devices if any issues are detected.
- Third, the draft Bill defines provisions for imprisonment or fines for 'adulterated' or 'spurious' medical devices. The draft states that a medical device will be considered to be adulterated if it is rusted, corroded, filthy, putrid, or decomposed, packed or stored in unsanitary conditions etc. However, many experts believe that these are engineering products, not homogeneous powders, tablets, or liquids that can be adulterated. Therefore, treating a rusted part of a medical device as adulterated and a criminal offence is absurd.



- Fourth, the new Bill does not provide for the enforcement of provisions of good manufacturing practices (GMPs). GMPs are necessary to ensure quality of the pharmaceuticals. In the US, the drugs manufactured in a facility that fails to comply with GMPs is considered 'adulterated'. The US Drug Inspectors are mandated to publish their inspection reports. In contrast, the Draft Bill envisages no criminal penalties for pharmaceutical companies failing to comply with GMPs. At most, licenses may be canceled, but since inspection reports are never published, citizens have no idea if drug inspectors are conducting GMP compliance-related inspections.
- Fifth, India has 37 agencies along with the Central Drugs Standard Control Organization (CDSCO), for enforcing drug regulation across the country. The Bill does not address the need for a single regulator. Critics argue that States such as Himachal Pradesh, which account for a bulk of pharmaceutical manufacturing on account of tax benefits for the industry, do a poor job in enforcing the Drugs and Cosmetics Act. The fear of scaring away investments by the pharmaceutical industry likely plays a key role in the State's decision to not enforce the law. Drugs manufactured in Himachal Pradesh are sold across the country and even States with relatively more competent drug regulators can do little to stop the flood of these substandard drugs.
- **Sixth,** the Bill is <u>silent on this critical issue of transparency</u> because it is structured largely on the basis of the original colonial-era legislation. It vests huge discretionary power in the hands of unelected bureaucrats with very few requirements of public disclosure.

Way Forward and Conclusion

- First, the <u>Mashelkar Committee in 2003</u> had recommended centralizing drug licensing with the central regulator. This should be created for improving efficiency as witnessed in the U.S which has a single regulator.
- Second, the Bill should have provisions for proactive disclosures related to <u>critical</u> <u>documentation associated with regulatory decisions</u> like disclosure of data related to new drug approval (including clinical trial data), GMP compliance data etc.
- Third, <u>Public hearings or citizen's petitions</u> should be allowed to enable citizens to participate in the regulatory process and register their objections. For example, every drug approval process should be accompanied by a public hearing to allow doctors and ordinary citizens to question regulators and explain their rationale for approving the new drug.

The Drugs, Medical Devices and Cosmetics Bill has some promising provisions but also leaves critical gaps that must be addressed. The Government must address these gaps to make the law more holistic and inclusive in nature. A robust regulatory arrangement will further enhance the global standing of India's pharmaceutical industry.





1.2 RTI ACT

Why in News: According to Thomas Jefferson "Information is the currency of democracy" and critical to the emergence and development of a vibrant civil society. Democracy requires an informed citizenry and transparency of information which are vital to its functioning and also to contain corruption and to hold the government accountable.

Considering this, the Right to Information (RTI) Act was passed by Parliament in 2005 to enable the citizens to exercise their freedom of speech and expression under Article 19(1) (a) of Indian Constitution.

- The RTI Act provides for timely disclosure of information to citizens by Union and State Public Authorities. It seeks to empower citizens and promote accountability and transparency. Under the Act, Public Authorities are required to make disclosures on various aspects of their structure and functioning.
- This includes; (a) Disclosure on their organization; (b) Functions and structure; (c) Powers and duties of its officers and employees; (d) Financial information; (e) Procedure followed in the decision making process, including channels of supervision and accountability etc. among others.
- Section 4 of the Act calls for proactive disclosure of information by all authorities so that the public have minimum resort to the use of this Act to obtain information.
- Section 8 of the Act provides exceptions to the disclosure of information, basis which sharing of information can be denied.
- ✓ Under the Act, the public authorities have to designate some of its officers as Public **Information Officer (PIO).** They are responsible to give information to a person who seeks information under the RTI Act.
- ✓ The Act has established the Central Information Commission at the level of Central Government and State Information Commission in each State. The Commissions address public grievances against public authorities in case of non-fulfilment of obligations under the Act. Under the Act, information is very broadly defined.
- ✓ A citizen can request a range of different types of information in a range of different. formats including: (a) Obtaining certified copies of documents or records; (b) Inspecting records; (c) Inspecting public works and taking samples of material from public works etc. The Act requires that PIOs shall provide information within 30 days but applications requesting information regarding a citizen's life and liberty must be granted or refused within 48 hours.



- ✓ An appeal can be made to a <u>departmental Appellate Authority</u>, who is an officer senior in rank to the PIO but in the same public authority. The Appellate authority has to hear both the parties before giving a decision on the correctness of the order passed by the PIO.
- ✓ A <u>second appeal</u> can also be made to the <u>Information Commission</u> if the decision of the Appellate Authority is not satisfactory.

Significance of RTI

- Anti-corruption tool: In the past 17 years, it has been instrumental in uncovering a list of major scams. Scams like Adarsh Society Scam, 2G scam, Commonwealth Games Scam, Indian Red Cross Society Scam are some noticeable achievements under RTI. The success of the Act earned it the 4th place among 111 countries in the annual rating of similar empowering laws across the world in the year 2016.
- **Empowered people's voice:** It has given ordinary citizens the <u>confidence and the right to</u> <u>ask questions of Government authorities</u>. The RTI Act has empowered people in containing corruption and bringing transparency and accountability in the working of the Government.
- **Strengthened Democracy**: Every citizen has the <u>right to claim information</u> from public authorities under the Act. On the other hand, public authorities have an <u>obligation to provide the sought information</u> to the applicants (with certain exceptions). This has strengthened democracy through active participation of the public.
- Transparency and Accountability: A large amount of information has to be placed in the
 public domain by ways of manuals prescribed under the Act. All the Government
 departments along with a number of bodies which receive substantial funding from the
 Government have been brought under the RTI. This has ushered in an era of transparency
 and accountability

Recent Trends and Effectiveness of RTI

- According to an estimate, between 40 and 60 lakh RTI applications are filed every year, but less than 3% Indian citizens have ever filed an RTI plea.
- A 'Report Card of Information Commissions in India, 2018-19' was released by the Satark Nagrik Sangathan (SSN) and the Centre for Equity Studies (CES). It revealed that, of the applications filed, less than 45% received the information they had sought. Further, of the 55% who didn't receive the information, less than 10% filed appeals.
- As per a study by the Commonwealth Human Rights Initiative, between 2012-13 and 2018-19, the number of RTI pleas with various Union Government offices rose by 83% from 8.86 lakh to 16.30 lakh. However, the number of CPIOs mandated to handle them increased by only about 13% from 21,204 to 24,048. More importantly, there was a sharp fall in the mandatory reporting of data by Ministries and Departments to the CIC.



• As on June **30, 2021, 2.56 lakh appeals were pending with 26 Information Commissions in the country.** It takes 6 years and 8 months to dispose of a matter in Odisha, as per the going rate, according to the **Satark Nagrik Sangathan (SNS) 2021 report.**

Issues

- Threats to RTI Activists: According to the Commonwealth Human Rights Initiative (CHRI), across India, 99 RTI activists have lost their lives, 180 assaulted and 187 were threatened since 2006. While RTI is lauded in public, it faces fierce opposition from many within the bureaucracy and the lawmakers, the two key stakeholders of the RTI regime.
- Shortcomings of CICs and SICs: Barring some notable exceptions, the State Information Commissions have remained <u>dysfunctional</u>. There are lot of vacancies and many Commissions are functioning without the Chiefs e.g., the Government of Andhra Pradesh took over a year to appoint three information commissioners, that too after the intervention of the Supreme Court, while the post of State Chief Information Commissioner had been vacant for over 2 years.
 - Moreover, the Commissions have become a place for adjusting retired government officials. According to the 2018-19 SSN-CES 'Report Card', of the 374 information commissioners appointed in the SICs since 2005, over 58% were former government officials. Of the 115 chief information commissioners appointed during this period, over 83% were retired government servants, with 64% cent from the IAS. According to a former CIC (and bureaucrat), the functioning of the Commissions have been stifled by poor choice of commissioners, untrained staff and a non-cooperative set of public information officers (PIOs).
- Rising Pendency: The pendency of cases under the Central Information Commission has been rising. The CIC takes up two kinds of cases; (a) Appeals on the information shared under the RTI Act by various government entities; (b) Complaints relating to the inability to file an RTI or refusal to give information. In October 2017, the CIC had 24,287 appeals and complaints pending before it. In October 2020, this figure had increased by 52% to 36,894. Though the number came down to 32,000 in December 2021 and 26,500 in July 2022.
- Judicial Bottlenecks: Several RTI cases are embroiled in judicial procedures as courts are quick to give stay orders on CICs' decisions. However, the Act clearly states that the final appeal lies with the information commissions, so the appeals are masked as writs to obtain relief from the Judiciary.



- Frivolous RTIs: An oft-repeated excuse by bureaucrats for their unprofessional attitude is the number of frivolous queries or those with perverse motives. The reality, however, is that such queries constitute only around 4% of the total appeals and can easily be managed.
- Downgrading status of Information Commissioners: The <u>salaries</u>, allowances and other <u>terms of service</u> of information commissioners are now <u>decided by the Union Government</u> while earlier these were at par with election commissioners. Many experts believe this has hindered independence of information commissioners. In 2019, the Union Government reduced the fixed tenure from 5 years to 3 years.
- Low awareness level: Awareness about RTI is still very low. Awareness level is low, especially among the disadvantaged communities such as women rural population, OBC/SC/ST population.

Steps and Solutions Required

- First, a <u>code of conduct must be evolved</u> for the Central and State Information Commissioners. It is imperative for the commissioners to keep a strict distance from government heads and officialdom.
- Second, the <u>Supreme Court's guidelines in DDA vs Skipper Construction (P) Ltd</u> should be followed in letter and spirit. It said; (a) High Courts must <u>resist the temptation to exercise their writ jurisdiction</u> in order to correct errors made by the SICs/CICs; (b) If the High Court quashes a CIC/SIC order, it must categorically find that the order was <u>without jurisdiction or palpably erroneous</u>.
- Third, the Indian information law, rated as one of the strongest in the world, needs to be bolstered by raising awareness amongst the people and organizing rigorous training of government officials.
- Fourth, It is imperative to <u>ensure freedom of the press and democratic institutions</u>, punish errant officials and maintain complete autonomy of the information commissions, in the interest of the people and the nation at large.
- Fifth, all information associated with the RTI Act and its functioning must be <u>made available</u> in the local language considering the diverse nature of our country.
- Sixth, <u>education about the right to information</u>/ right to know should be made <u>mandatory</u> <u>at the school level</u> in our new education policy to develop a sense of responsibility and vigilant citizenship in the forthcoming generation.



1.3 PASSIVE EUTHANASIA

Why in News: A Bengaluru-based woman had recently filed a petition before the Delhi High Court. The woman had appealed the Court to stop her friend from travelling to Switzerland to undergo euthanasia. The man is suffering from Chronic Fatigue Syndrome since 2014.

Nevertheless, the whole episode has reignited debate on euthanasia or mercy-killing.

Euthanasia

The word euthanasia is derived from the Greek words 'eu' which means good and 'thanotos' which means death. Thus the word literally means 'good death'. The idea is that instead of condemning someone to a slow, painful, or undignified death, euthanasia would allow the patient to experience a relatively 'good death'.

The term is commonly known as 'mercy killing' and is legally and medically defined as 'an act of terminating or ending the life of an individual who suffers from an incurable disease or situation especially painful'. There are different types of euthanasia practiced across the world.

Active euthanasia where a patient is killed a patient by active means, for example, injecting a lethal dose of a drug.

There's also **Passive euthanasia**, which is described as letting a patient die by <u>withholding</u> artificial life support such as a ventilator or a feeding tube.

Key Terms:

- **Physician Assisted Suicide (PAS):** PAS, sometimes called as aid-in-dying, is a semi-passive method of euthanasia in which a medical practitioner prescribes or introduces the <u>appropriate amount of lethal dose</u> to end life at the patient's request.
- **Permanent Vegetative State (PVS):** It is a state in which a patient is <u>unable to sustain</u> <u>himself or herself and requires the assistance</u> of one or more life support systems or even other people to perform basic human functions.
- **Terminal disease:** It refers to a medically confirmed <u>incurable and irreversible</u> sickness or condition that will, within reasonable medical judgement, result in death.
- Advanced medical directive: It is also known as a 'living will,' and it is a direction issued by a
 person who wishes to avoid receiving extraordinary medical care if he or she is diagnosed
 with a fatal illness. To be legal, such a direction must be voluntary, competent, and given in
 advance.



Status of Passive Euthanasia

Under the IPC, both suicide (Section 309) and abetment to suicide (Section 306) are criminal offences. While person attempting suicide can be <u>imprisoned up to 1 year</u>, the punishment for abetment is imprisonment <u>up to 10 years</u>.

Section 309

- **Regulation 6.7** of the Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 explicitly prohibit the practice of euthanasia.
- In March 2018, the Supreme Court passed an order that allowed passive euthanasia (Common Cause Judgment). The Court declared that right to die with dignity is a fundamental right.

Arguments in Favor of Euthanasia

- **First,** forcing terminally ill patients to live <u>undermines their dignity</u> and exposes them to pain and suffering. In such a scenario, euthanasia ensures a dignified death.
- **Second**, allowing those who are in a vegetative state to undergo euthanasia prevents them from futile treatments and becoming a further <u>financial burden on the family</u>.
- **Third,** the Indian Judiciary has time and again recognized that the right to life means <u>more</u> than a mere animal existence. In such cases, withdrawal of life support is considered valid.
- **Fourth,** some experts argue that in a civilized society, people should have full autonomy over their lives and be able to choose when they want to die.

Arguments against Euthanasia

- **First,** death is decided by fate and a person should live his/her due share of life. <u>No human has a right to take the life of another human</u>. More religious doctors believe that PAS should not be considered since it would be against their faith.
- **Second,** it causes '<u>irreparable loss 'and 'hardship 'to one's parents</u>, other family members, and friends.
- **Third**, many activists argue that legalizing the practice would lead to a 'slippery slope' phenomenon which <u>leads on to more number of non-voluntary euthanasia</u> where the patient's consent isn't known or taken.

Judgments

• P. Rathinam v. Union of India (1994): The Supreme Court ruled that <u>Section 309 (Attempt to Suicide)</u> of the Indian Penal Code, 1860 is <u>violative of Article 21</u> of the Indian



Constitution. The Court stated that Section 309 of the Penal Code should be repealed in order to make our penal rules more humane.

- Gian Kaur v. The State of Punjab (1996): Article 21, which deals with the 'right to life,' was deemed to exclude the 'right to die.' The constitutionality of Sections 306 (Abetment to Suicide) and 309 of the 1860 Code was confirmed.
- Aruna Ramchandra Shanbaug v. Union of India (2011): It was recognized that the patient (Aruna Shanbaug) was no longer a living person and her life was devoid of any human element. The Supreme Court directed a team of three doctors to submit a report to them after assessing the mental and physical conditions of the patient. Accordingly, passive euthanasia was permitted for the first time in the history of India. The Supreme Court also laid down the guidelines for the grant of permission for passive euthanasia.
- Common Cause v. Union of India (2018): The Supreme Court ruled that under Article 21 of the Indian Constitution, an individual has the right to die with dignity as part of his or her right to life and personal liberty. An adult of competent mental capacity is entitled to make an informed decision and has a right to refuse medical treatment including withdrawal from lifesaving devices. As a result of this judgement, life-support systems for the terminally ill or those in incurable comas can be removed.
- The Court also recognised the importance of writing a living will (Advanced Medical Directive) and allowed people to opt out of artificial life support.
- Chandrakant Narayanrao Tandale v. the State of Maharashtra (2020): Active euthanasia is a form of euthanasia that is illegal. The Court expressed sympathy towards the petitioner in this case but his petition of active euthanasia was not allowed.

Way Forward

• **First,** passive euthanasia should strictly be done according to the <u>guidelines of Supreme Court</u>. An application under Article 226 has to be filed with the Chief Justice of the High Court. The High Court shall constitute a <u>bench of at least two judges to decide the application</u>.

Before deciding the same, the bench should seek the opinion of a committee of three reputed doctors. Preferably, one of the three doctors should be a neurologist, one should be a psychiatrist and the third should be a physician. The report of the doctors shall take into account the following factors: (a) Examination of the patient; (b) Records of the patient; (c) View of the hospital staff.

• **Second,** suicide prevention is not just a social and public health goal in India, but also a traditional mental health practice. As a result, the time has come for mental health



practitioners to take a <u>more proactive approach to suicide prevention</u>. In addition, the Government should initiate a national discourse on suicide prevention.

Conclusion

The Judiciary has made it clear that Active Euthanasia is prohibited in India in any form and under any circumstances. But a lenient view has been taken when it comes to passive euthanasia. The Supreme Court has recognized that a person with Persistent Vegetative State (PVS), with no scope of improvement has a right to end his life with dignity. Thus, passive euthanasia has been recognized in India as a facet of the Right to Life under Article 21 of the Indian Constitution.

1.4 SPORTS GOVERNANCE

Why in News: After the dissolution of the Committee of Administrators (CoA) by the Supreme Court (SC), the Bureau of FIFA Council has lifted the suspension on All India Football Federation (AIFF).

Sports Governance

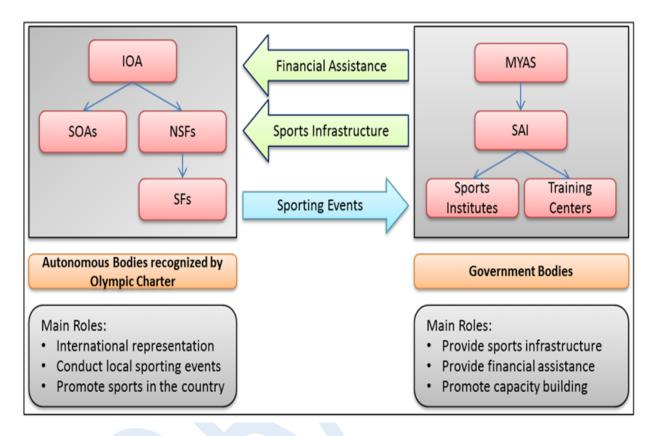
Sports governance is defined as the system by which sports organizations are governed. This includes defining of the strategic <u>objectives and the framework</u>, i.e. the process of oversight (rules and policies). The direction (mission, objectives and strategies), based on which decisions are made and implemented in a sports organization.

History

- In the early 1950s, the Federal Government created the All India Council of Sports (AICS) to apprehend the declining standards of sports in the country.
- In 1982, after Asian games, the department of sports was transformed into the <u>Department of Youth Affairs and Sports</u>.
- In 1984, National Sports Policy was initiated.
- In 2000, the department was converted into a Ministry of Youth Affairs and Sports (MYAS).
- In 2011, the Ministry of Youth Affairs and Sports notified the <u>National Sports Development</u> Code of India 2011.
- In 2022, Ministry of Civil Aviation launched <u>National Air Sport Policy 2022</u> (NASP 2022) for Aerobatics, Aero modeling, Ballooning, Drones, Hang gliding and powered hang gliding, Parachuting etc.



The model in India has stakeholders such as the Ministry of Youth Affairs and Sports (MYAS), Indian Olympic Association (IOA), State Olympic Association (SOA), National Sports Federation (NSF), Sports Authority of India (SAI), etc.



Issues

- Unclear Demarcation of Rights and Responsibility: Sport is delivered by many different parties. Currently, there is very <u>little distinction between management and governance</u> within Indian sport. In many Indian sporting organizations, the executive committee the body ostensibly responsible for governance usually finds itself doing the management work.
- Lack of Checks and Balances: In the <u>pretext of autonomy</u>, they have been allowed to function in any manner without checks and balances.
- Lack of Transparency and Accountability: The current sports model faces accountability issues such as that of having <u>unlimited discretionary powers</u> and also there is no transparency in the decision-making with <u>irregularity in revenue management</u>.
- For instance, in July 2010, the <u>Central Vigilance Commission released a report</u> which showed that there were <u>irregularities in 14 projects of Commonwealth Games</u> held in India. The 2013 Indian Premier League spot-fixing and betting case arose when the Delhi Police



arrested three cricketers, on the charges of alleged spot-fixing. Subsequently, the <u>Lodha Committee</u> was appointed by the Supreme Court of India to analyze and recommend implementable actions for improving the Board of Control for Cricket in India (BCCI).

- Inadequate Professionalization: Many Indian sport organizations, particularly the governing bodies, have <u>not made structural adaptations</u> to meet the associated challenges of a commercialized and professional sector. These organizations continue to rely on volunteers to manage the operations of the organization rather than hiring skilled professionals to handle the increased workload.
- **Sports as a Hobby vs. Profession:** In India, sports is primarily viewed as a hobby due to its low success rate, academic pressures and job-seeker mentality, making it difficult for youth to pursue sports as a profession.
- Lack of Sufficient Infrastructure: Status of sports infrastructure in India is yet to reach the desired level. This creates an obstacle in developing a culture of sports in the country.

According to the Constitution of India, sport is a State subject consequently there is no comprehensive approach for the development of sports infrastructure uniformly throughout the country.

Performance Enhancing Drugs: Use of performance enhancing drugs is still a major problem in the sports sector. This problem still needs to be addressed effectively, <u>despite the creation of the National Anti - Doping Agency</u> in the country.

Solution/Way Forward

- Adequate Infrastructure Investment: To become a leading sports nation, India will have to
 invest heavily in building a modern infrastructure with international best practices in <u>sports</u>
 <u>training</u>, <u>sport medicine</u>, <u>research and analysis</u> across the sport institutions with adequate
 attention to all major sports.
 - The quality of infrastructure can be scaled up to the <u>village level and regional</u> <u>centers</u> should be made available for those who are serious at taking their sport professionally.
- Effective Legislative Backing: In the absence of strong legislation, there will be <u>no efficacy in the functions of the sports authorities</u>. Also, there might be absolute political intervention, which can be easily checked with a well-drafted legislation reducing anomalies.
- Restructuring Governance and Management: There should be a <u>proper demarcating of roles and responsibilities</u> among different bodies involved in the Indian sport sector to maximize the use of resources and ensure there are no gaps in meeting the needs of sport.



- However, this needs to be done in <u>conjunction with the sectors in stake</u> and cannot be dictatorial along with inclusion of professionals in the strategic and management spot.
- Formation of the <u>separate 'Corporate Functions' group for management</u> of sponsorships, media rights and government funding will help fix the responsibility of revenue management.
- **Creating Sports Awareness:** By incorporating <u>sports into children's daily lives</u>, it will not only boost their confidence, self-image and personality, but also open the gateway to a possible career in sports.
 - Towards Bottom-Up Approach: The change has to begin from the primary education level to build a sporting culture in the country.
 - The education system should be revamped to give sports an <u>equal importance in the holistic upbringing of a child.</u>
- **Developing as a Potential Training Hub:** India has an immense coaching talent with vast experience in different sports that can act as a catalyst for the development of India as a training hub for sports like Kabaddi and Cricket at an international sphere.
- Example: Kenya.
 - There is a small town called Iten in Kenya. It has produced more than 10 world champions in athletics in the last couple of decades.
 - Almost every middle-distance runner in the world has been to Iten for training at least once in their lifetime.

Prelims Bits

Vice President

- Jagdeep Dhankhar has been elected as the 14th VP of India.
- VP is the second-highest constitutional post, provided under **Article 63** of the constitution.
- He is elected by, method of <u>indirect election</u>, members of an electoral college consisting of the members of both Houses of Parliament.
- He holds office for a term of five years but can resign and can be removed before completion of 5 years.
- He acts as the ex-officio Chairman of Rajya Sabha.



Electoral Bonds

- Data from State bank of India shows that since 2018, political parties have collected more than Rs 10000 cr. from EBs.
- Union Budget 2017-18 introduced EBs as <u>interest-free bearer instruments</u> to cleanse the system of political funding in the country.
- **Rationale:** To limit the use of cash in political funding, <u>eliminate fraudulent political parties</u>, <u>protecting donor from political victimization</u>, <u>curb black money</u> etc.
- Electoral bonds (valid for 15 days from the date of issue) can be purchased by a citizen of India or entities incorporated or established in India.
- Sold in multiples of Rs 1,000, Rs 10,000, Rs 1 lakh, Rs 10 lakh, and Rs 1 crore. SBI is the only bank authorised to sell them.
- **Eligibility:** Registered political parties that secured at least one percent of votes polled in the most recent General or Assembly elections.
- Buyers of bonds have to <u>submit full KYC details</u> at the time of buying. But the <u>beneficiary</u> <u>political party is not required to reveal the identity</u> of the entity that has given it the bond(s).

Constitutional Bench

• Justice Uday Umesh Lalit, 49th Chief Justice of India (CJI), assured there will be <u>at least one</u>

Constitution Bench functioning throughout the year in the Supreme Court.

Constitutional Bench of the Supreme Court

- A Constitution Bench is a bench of the Supreme Court having <u>five or more judges on it</u>.
 These benches are not a routine phenomenon. A vast majority of cases before the Supreme Court are heard and decided by a <u>bench of two judges (called a Division Bench)</u>, and sometimes of three.
- Presently, a total of <u>492 Constitution bench matters</u>, involving 53 main cases involving key
 questions of law and constitutional interpretations, remains pending in the SC.
- Presently, they are set up by the CJI on an <u>ad-hoc basis</u> as and when the need arises. Constitution Benches are set up only if one or more of the following circumstances exist:
 - Article 143: Case involves a substantial question of law <u>pertaining to the interpretation</u> of the Constitution.
 - Article 145(3): President of India has sought the SC's opinion on a question of fact or law under Article 143. Two or more three-judge benches of SC have delivered



conflicting judgments on the same point of law, thus warranting a definitive pronouncement by a larger bench.

 A later three-judge bench doubts the correctness of a judgment delivered by a previous three-judge bench of SC, and decides to refer to a larger bench for a reconsideration of earlier judgment.





INTERNATIONAL RELATIONS

Paper II (GS): All the Articles of this section are relevant to the following topics:

- India and its Neighbourhood Relations
- Bilateral, Regional and Global Groupings and Agreements involving India and / or affecting India's Interests
- Prelims Oriented Questions and Places in News for Maps/ Matching



2.1 CHINA TAIWAN CRISIS

Why in News: The tensions between the US and China are at their worse in the recent times over the <u>visit of Speaker of the US House of Representatives to Taiwan</u> and the consequent China-Taiwan Crisis.

- China had been warning the US about grave consequences before the visit. Since the Speaker went ahead with her visit, China's People's Liberation Army is now conducting massive military drills in the Taiwan Strait. Although, the US has played down the visit and has called the visit a private affair of the House Speaker.
- The US has confirmed that <u>nothing has changed about the US' 'One-China Policy'</u> and the US does not support Taiwan's independence.
- Nevertheless, tensions in the Taiwan Strait will have profound implications for India as well.

Background and Timeline

- The Taiwan dispute has roots in the early decades of the 20th century. After the collapse of
 the Qing dynasty and the revolution that made China a republic in 1911, there was a bitter
 power struggle between the nationalist Kuomintang (KMT) under Chiang Kai-shek and the
 Communist Party of China (CPC).
- In 1927, after a massacre in Shanghai, the Communist Party rose up against the Kuomintang government, leading to a bloody civil war. The internal was put on a pause during the World War II (WW II) and the Japanese invasion, but resumed again in full force after the WW II.
- In 1949, the Communists under Mao Zedong won the war. The leaders of Kuomintang fled to the island of Taiwan, established Republic of China (ROC) Government and moved their capital from Nanjing to Taipei. The Communist Party took over mainland China and established People's Republic of China (PRC) Government. Taiwan was a Japanese Colony from 1895 to 1945. The Communist Party of China (CPC) views Taiwan as a renegade provide and aims to unify it with Mainland China. Taiwan argues that it was never a part of the modern Chinese State (PRC).
- The relationship between the two nations improved in the 1980s. In 1992, China's CPC and Taiwan's KMT leaders signed an understanding although there were differing interpretations regarding One-China. However, in 1995-96 the two countries came close to a military conflict.



- Taiwan's President was steering the country's foreign policy away from the 'One-China' theory to a 'State-to-State' principle that meant China and Taiwan ought to engage as two separate States. Economic relations improved in late 1990s with the last Kuomintang government adopting a more Beijing friendly position.
- The relationship has soured since 2016. The main reasons are <u>more aggressive nationalism</u> <u>under China's Xi Jinping</u> and the firm stance of Taiwan's Tsai Ing-wen (President) regarding independence from China. The relationship is at a new ebb with the Speaker's visit and given rise to the current China-Taiwan crisis.
- **First**, top leaders of Taiwan and China have shown a contradictory stance over their relationship.
 - **Taiwan's View:** It will <u>not accept the China's use of 'one country, two systems'</u> to downgrade Taiwan and undermine the cross-strait status quo.
 - **China's View:** Resolving the Taiwan question and realizing China's complete reunification is a historic mission. China calls for resolute action to utterly defeat any attempt towards Taiwan's independence.
- **Second,** the Taiwanese have <u>democratically elected governments</u>, and greater prosperity and political rights, so they strongly oppose reunification. But formal secession would be costly because a <u>Chinese law from 2005 warns of military action in case of secession.</u>
- Third, Taiwan's legal status is a grey area, despite China's rising global clout. Majority of countries don't recognize Taiwan (ROC) as a separate nation, but 15 nations do recognize it. This recognition challenges the notion of 'One-China Policy' and China fears that more nations will give recognition to Taiwan in future.
- Fourth, Taiwan-U.S closeness is deteriorating China's relationship with Taiwan. While the
 <u>US has long maintained strategic ambiguity</u>, the previous US administration (under
 President Trump) broke with this diplomatic policy by engaging more directly with Taiwan,
 infuriating China.

India and Taiwan Relationship

- <u>India does not have formal diplomatic ties with Taiwan yet</u>, as it follows the One-China policy. However, during the Chinese premier's visit to India in December <u>2010</u>, India did not mention support for the One-China policy in the joint communique. There has been <u>no official mention of One-China since then.</u>
- In fact, the ambassador of Taiwan was invited to the Official inauguration of the Government of India after the 2014 General Elections. While following the One-China policy, India has an office in Taipei for diplomatic functions — India-Taipei Association (ITA)

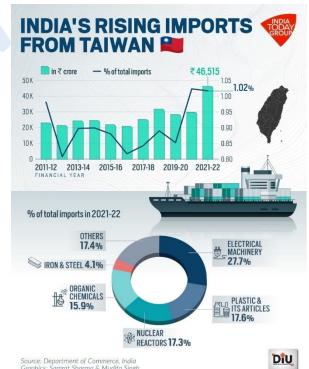


is headed by a senior diplomat. Taiwan has the <u>Taipei Economic and Cultural Center (TECC)</u> in New Delhi. Both were established in 1995.

- India-Taiwan ties focus on commerce, culture and education. Although the relationship is
 its third decade, the ties have been kept <u>low-profile deliberately</u>, owing to China's
 sensitivities e.g., Parliamentary delegation visits and legislature-level dialogues have
 stopped since 2017, around the time the India-China border standoff happened in Doklam.
- However, more recently, India has tried to play up its relationship with Taiwan, as its ties with China have been strained. In August 2020, the Government formally condoled the death of former President of Taiwan, Mr. Lee Teng-hui.
- He was described as 'Mr. Democracy'; a political message directed to China (with poor democratic credentials). The present Taiwanese Government is keen on expanding areas of cooperation with India as it is one of the priority countries for Taiwan's New Southbound Policy. Till now, the relationship had <u>largely been an economic and people-to-people relationship</u>. However, amid rising tension with China, India and Taiwan are paying attention to bolster their ties.

Implications of China-Taiwan Crisis

- First, Taiwan is the world's leading chipmaker, and home to Taiwan Semiconductor <u>Manufacturing Corporation (TSMC)</u>, which holds 90% of the market for advanced chips that power computers and phones. Disruption in the exports of chips will lead to global shortage
 - of electronic goods and appliances, automobiles and other manufacturing industries dependent upon semiconductor chips.
- Second, it will lead to <u>militarization of the region</u>. China has started its military operations against Taiwan while the U.S stationed four warships close to the East of Taiwan. The intensification of the situation may invite more players to the conflict and fuel more militarization.
- Third, any extreme military action and forced annexation attempt might result in a Russia-Ukraine-like conflict. This will be detrimental for the global economy, which is already facing recession fears amid the war in East Europe.





• Fourth, India's trade with Taiwan has risen rapidly in the last decade. <u>India imports iron and Steel</u>, <u>electrical machinery</u>, <u>electronics and chemicals</u> among other things from Taiwan. Disruption in the India-Taiwan trade and a global recession will further add to domestic inflation and slowdown economic growth.

What can be expected in Future

- **First,** China can intensify its attacks on and around Taiwan's territory. It will only worsen the China-Taiwan Crisis. There were <u>cyber-attacks on Taiwanese government</u> websites. Exports of some limited items from Taiwan has also been banned by China. There have been encroachments into Taiwan's Air Defence Identification Zone.
- **Second,** the <u>western countries may impose sanctions on China</u> if it continues its intrusion in Taiwan's territory. It is doubtful if China can withstand economic sanctions at this stage as it already needs to stabilize it's rapidly nose diving economy. An indication of political and economic response by the Western Governments in the form of economic sanctions, in case China doesn't reduce its aggression, can send a message to China.
- **Third,** India should try its best to be part of all attempts to scale down the crisis situation without getting drawn into the vortex of the flashpoint. <u>Greater economic partnership with Taiwan should be followed up by encouraging the domestic manufacturing sector</u>, removing all impediments, liberalizing tax laws and strengthening the supply chain mechanism.
- Fourth, some foreign policy experts argue that <u>India must be more forthright in its criticism of Chinese aggression on India's borders</u>. A small nation like Taiwan withstood immense pressure and went ahead with the Speaker's visit with high-profile meeting. India on the other hand, continues to downplay border stand-off with China domestically as well as at international fora. The fear of disruption in economic ties may be unfounded, as China is stand to lose more than India if trade ties are cut-off.
- **Fifth**, India should also focus on <u>finding alternate destinations of critical import/export item</u>s that are traded with Taiwan as escalation of conflict can choke the supply. Amongst them, the most critical item is semiconductor chips.

Conclusion

For the international community, it is vital to consider the meaning of isolation of Taiwan. It means an aggressive and emboldened China and greater chances of China invading Taiwan. This situation can't be beneficial for geo-political stability of the region and maintenance of international order.



2.2 INDIAN ANTARCTICA ACT

Why in News: Recently, Parliament passed the <u>Indian Antarctic Bill, 202</u>2. It is an important step forward in India's engagement with the gigantic continent which began way back in February 1956.

Indian Antarctic Bill, 2022:

It is the <u>first domestic legislation</u> with regard to Antarctica in India. Applicable to Indian citizens as well as foreign citizens.

Objective:

- To <u>demilitarize Antarctica</u>; use of Antarctica for <u>peaceful purposes</u>; promote <u>international scientific cooperation</u> in Antarctica.
- The Bill <u>seeks to give effect to the Antarctic Treaty</u>, the Convention on the Conservation of Antarctic Marine Living Resources, and the Protocol on Environmental Protection to the Antarctic Treaty.

Key Features:

- Prohibit Indian expedition to Antarctica without permit or written authorisation of another party to Antarctic Treaty.
- <u>Extend jurisdiction of Indian courts</u> to Antarctica and lays out penal provision for crimes on the continent by Indian citizens, foreign citizens who are part of Indian expeditions.
- The act directs creating a fund called the <u>Antarctic fund</u> that will be used for protecting the Antarctic environment.
- The Bill also establishes a '<u>Committee on Antarctic Governance and Environmental Protection.'</u>
- Prohibits mining, dredging and activities that threaten the pristine conditions of the continent.

Antarctica Treaty

- The Treaty covers the area <u>south of 60°S latitude</u>.
- Objective: To demilitarize Antarctica; use for peaceful purposes & resolve disputes.
- Signed in 1959 by <u>12 countries</u>: Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, USSR, the UK and the USA, and came into force in 1961.
- India signed the Antarctic Treaty in 1983.



- Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR): Set up in 1980 for the protection and preservation of the Antarctic.
- Madrid Protocol: Designates Antarctica as a "natural reserve, devoted to peace and science" (Signed by India).

Antarctic Treaty

This treaty came into force in 1961 after ratification by 12 original members: Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, USSR (now Russia) the UK, and the US.

Parties: Currently <u>54 countries</u> have acceded it. **India signed the treaty in 1983** and is one of the 29 Consultative Parties to the treaty.

Objectives of the treaty:

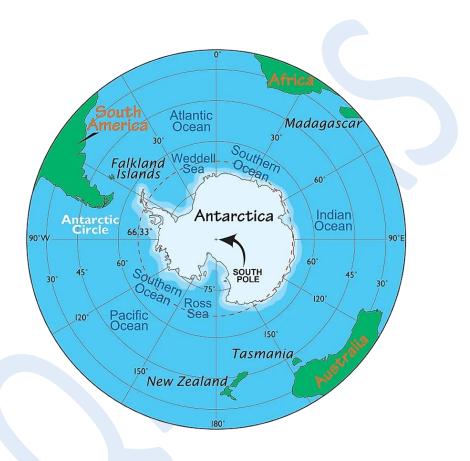
- <u>Demilitarize</u> Antarctica, making it free of nuclear tests and the disposal of radioactive waste.
- Establish it as a zone for <u>peaceful research activities</u>.
- <u>Set aside disputes</u> over territorial sovereignty.
- It covers the area south of 60°S latitude.
- The Treaty parties have also negotiated <u>three international agreements</u> which govern activities in Antarctica, collectively known as the **Antarctic Treaty System:**
 - 1. Convention for the Conservation of Antarctic Seals, 1972
 - 2. Convention on the Conservation of Antarctic Marine Living Resources (CCAMLR), 1980 (ratified by India in 1985)
 - 3. Protocol on Environmental Protection to the Antarctic Treaty (Madrid Protocol), 1991 (signed by India in 1998)

Antarctica

- The world's southernmost and fifth-largest continent has the geographic South Pole.
- The continent is divided into East Antarctica (which is largely composed of a high icecovered plateau) and West Antarctica (which is largely an ice sheet covering an archipelago of mountainous islands).
- Antarctica is a unique continent in that it <u>does not have a native population</u>. There are no countries in Antarctica, although seven nations claim different parts of it: New Zealand, Australia, France, Norway, the United Kingdom, Chile, and Argentina.
- The Indian Antarctic program (1981) has completed <u>41 scientific expeditions</u> and built three permanent research base stations in Antarctica.



- Dakshin Gangotri (1983), Maitri (1988) and Bharati (2012)
- 'Himadri' station in Svalbard, above the Arctic Circle
- The National Centre for Polar and Ocean Research (NCPOR), Goa: an autonomous institute under the Ministry of Earth Sciences—manages the entire Indian Antarctic program.
- Longest River: Onyx.
- Largest Lake: Vostok, is one of the largest sub-glacial lakes in the world.



2.3 SAARC

Why in News: Former Prime Minister of Bhutan expressed concerns about the current status of the South Asian Association for Regional Cooperation (SAARC) and called for greater efforts to rejuvenate the organisation.



SAARC

- SAARC is a regional intergovernmental organisation established with the signing of the SAARC Charter in Dhaka in 1985.
- SAARC comprises of <u>eight Member States</u>: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.
- Its secretariat is in Kathmandu, Nepal.
- **Objectives:** To promote the <u>welfare of the people of South Asia</u> and to improve their quality of life, and to accelerate <u>economic growth, territorial integrity, mutual trust, strengthen collective self- reliance</u> etc.
- The last SAARC summit was held in 2014 and subsequent summits could not be held after 2016 Summit scheduled in Pakistan got cancelled in the backdrop of <u>terrorist attacks in</u> Pathankot and Uri.
 - SAARC works on the <u>principle of consensus</u> and the summit cannot be held if even one member decides not to attend.
 - In 2016, India along with Afghanistan, Bangladesh, Bhutan, Maldives and Sri Lanka declined from participating in the Islamabad SAARC summit.

Need for revival of SAARC

Representative of the entire South Asian Region: SAARC, as an organisation, geographically and culturally reflects the South Asian identity of the countries.

Dealing with common issues of the region: South Asian countries are closely tied in their socio-political state as they face similar traditional as well as <u>emerging issues</u> like terrorism, energy shortage, hydro-politics, and climate change among many others.

Critical for economic integration of the region: As per World Bank report, with intra-regional trade at less than 5% of total trade, South Asia is the <u>least integrated region</u> in the world, dwarfed by East Asia's 35% and Europe's 60%.

Central pillar of India's Neighbourhood first policy: For India to play global role, its regional role is the key pillar.

No real alternative: BIMSTEC cannot replace SAARC for reasons such as <u>lack of a common identity and history</u> among all BIMSTEC members. Moreover, BIMSTEC's focus is on the Bay of Bengal region, thus making it an inappropriate forum to engage all South Asian nations.

Achievements of SAARC



Free Trade Area (FTA): SAARC is comparatively a new organization in the global arena. The member countries have established <u>a Free Trade Area</u> (FTA) which will increase their internal trade and lessen the trade gap of some states considerably.

- **SAPTA:** South Asia Preferential Trading Agreement for promoting trade amongst the member countries came into effect in 1995.
- **SAFTA:** A Free Trade Agreement confined to goods, but <u>excluding all services</u> like information technology. Agreement was signed to reduce customs duties of all traded goods to zero by the year 2016.
- **SAARC Agreement on Trade in Services (SATIS):** SATIS is following the GATS-plus 'positive list' approach for trade in services liberalization.
- **SAARC University:** Establish a SAARC university in India, a food bank and also an energy reserve in Pakistan.

Challenges

- Strained relation between India and Pakistan escalated tensions and conflicts which severely hampers the prospects of SAARC. For instance, Pakistan's noncooperation has stalled some major initiatives like Motor Vehicles Agreement (MVA) and SAARC satellite project.
- In SAARC Minister's Meeting 2019, India and Pakistan's ministers boycotted each other's speeches.
- Lack of dispute resolution mechanism: SAARC does <u>not have any arrangement for resolving</u> disputes or mediating conflicts.
- **South Asia Free Trade Agreement (SAFTA):** Given the <u>presence of sensitive lists</u>, SAFTA is yet to be implemented in spirit.
- Lack of transit facilities also prevent trade relations to flourish. For instance, although India has road and rail links with Bangladesh and Pakistan, trade is conducted through trans-shipment due to lack of transit facilities.
- **Failure in reaching a common ground on issues:** Despite having similarities, the policies of the states have not shifted to take advantage of the ideas developed by exchanges.
- Languishing for want of Political Will: With political tensions and clashes nearby, the South Asian countries pose a query of insecurity and challenge to the <u>creation of South Asian Union</u> at balance with European Union.
- **Dealing with Terrorism:** Despite adopting and formulating a number of strategies and mechanisms on bilateral/ multilateral levels, the organization has <u>not been able to evolve a common and comprehensive approach to counterterrorism.</u>



- Asymmetry between India and other member countries: They perceive India as "Big Brother" and have been reluctant to implement various agreements under SAARC.
- Lack of resources: SAARC faces a shortage of resources, and countries have been reluctant to increase their contributions.
- Water Disputes South Asian water problems may become a source of future intra and inter-state conflict unless an effective and supportive mechanism is developed soon.

2.4 INDIA-EGYPT RELATIONSHIP

Why in News: Recently, Egypt released a Postage Stamp celebrating the 75th Anniversary of diplomatic ties with India.

Ancient times

- India's relations with Egypt began when the <u>trade contacts</u> between the two ancient civilizations grew along the banks of the river Nile and the river Indus.
- Under Nehru's leadership: In 1955, Egypt under Gamal Abdel Nasser and India under Jawaharlal Nehru became the founders of the <u>Non-Aligned Movement</u>. During the 1956 War, Nehru stood supporting Egypt to the point of threatening to withdraw his country from the British Commonwealth.

Friendship Treaty & bilateral relations

- The two nations became even closer in the 1950s and concluded a historic <u>Friendship Treaty</u> in 1955.
- During the last couple of years, the traditionally strong bilateral relations enjoyed by the two countries have received an impetus with regular exchange of high-level meetings and contacts between the two sides.

Trade & Commerce

- Egypt has traditionally been <u>one of India's most important trading partners</u> in the African continent.
- The <u>India-Egypt Bilateral Trade Agreement</u> has been in operation since March 1978 and is based on the Most Favoured Nation clause.

Major Egyptian exports to India include: Raw cotton, raw and manufactured fertilizers, oil and oil products, organic and non-organic chemicals, leather and iron products.



Major imports into Egypt from India are: Cotton yarn, sesame, coffee, herbs, tobacco and lentils. Mineral fuel; vehicle parts; Ship, boat and floating structure; cuts of boneless bovine frozen meat; and Electrical machinery and parts are also exported from India. There is a significant Indian presence in almost every field in Egypt.

Technical and Scientific Cooperation:

- <u>Technical cooperation and assistance</u> have been a major part of the bilateral relationship.
- Egyptian candidates visit India under the Indian Technical and Economic Cooperation Program (ITEC).
- In the field of Scientific Cooperation, ICAR and the Agricultural Research Center of the Ministry of Agriculture & Land of Egypt signed a MoU for cooperation in the field of agricultural research in 1998.

Cultural Links

- The Maulana Azad Centre for Indian Culture (MACIC) was set up in Cairo in 1992
- It aims to promote cultural cooperation between the two countries, through the implementation of the Cultural Exchange Program (CEP).
- The Centre, in addition to popularizing Indian culture through Hindi, Urdu and Yoga classes and the screening of movies, also organizes cultural festivals.
- 'India by the Nile' festival: It is a cultural festival celebrated annually in Egypt.

The defence partnership

It is being revived with among other developments the visit of the Indian Navy ship to Egypt, a month-long Air Force exercise and the visit of the Egyptian Air Force chief to India in recent months.

Way Forward

Increasing economic engagement:

- Exploring sectors with most untapped potential such as Tourism, food security and natural gas, green hydrogen and green ammonia pharmaceuticals, IT, new age technologies, tourism and so on.
- <u>Expeditiously address all issues impeding bilateral trade</u>; facilitate trade promotion between the two countries; and identify bilateral focal points to further strengthen bilateral institutional cooperation.
- Indian investment in the proposed Suez Canal Free Trade Zone, could eventually help in boosting Indian exports to Africa and Europe.



Pragmatic approach of dealing with the sensitive regional issues:

- With its proximity to an Arab world in turmoil, an <u>intensification of the political and</u> intelligence contacts between the two countries will be mutually beneficial.
- With Egypt's close intelligence exchanges with Israel, the <u>possibility of a three-way</u> <u>interaction</u> between Egypt, India and Israel would be advantageous to all.
- Tapping opportunities in Africa: Indian exporters can avail of a wide range of opportunities in the African continent by taking Egypt as a hub for Africa and benefiting from the Tripartite Free Trade Agreement.
- The Tripartite Free Trade Agreement brought together the markets common to the Regional Economic Communities of Common Market for Eastern and Southern Africa (COMESA), the East African Commission (EAC) and the Southern African Development Community (SADC).
- Investment opportunities for Indian companies in the field of solar energy: Egypt can become a <u>regional electricity inter-connection hub</u> by establishing electricity connections with neighbouring countries like Jordan, Sudan etc.

PRELIMS BITS

❖ NEW START TREATY

Why in News: Recently, Russia approved the extension of the New START Treaty. It is the last remaining nuclear Russia-USA arms control treaty which is about to expire in February 2021.

Key Points

About the Approval

- Both houses of Russian Parliament (Kremlin) approved the extension of the New START treaty for five years. It was done after a recent telephonic conversation between the newly elected USA President and the Russian President.
- At the World Economic Forum's virtual meeting, the President of Russia hailed the decision to extend the treaty as "a step in the right direction," but also warned about the rising global rivalries and threats of new conflicts.
- The pact's extension <u>doesn't require congressional approval</u> in the USA, but Russian lawmakers must ratify the move and its President has to sign the relevant Bill into law.

The New START Treaty

Objective:



- It is a treaty between the United States of America and the Russian Federation on measures for the further reduction and limitation of strategic offensive arms.
- The <u>term 'strategic offensive arms'</u> applies to nuclear warheads deployed by Strategic Nuclear Delivery Vehicles ('SNDVs').
- <u>SNDVs are</u> Inter-Continental Ballistic Missiles ('ICBMs') with a range exceeding 5,500 kilometers, strategic bombers, warships (including strategic submarines) and cruise missiles, including air and sea-launched cruise missiles.
- **Enforcement:** It came into force on 5th February, 2011.
- Replaced START I Treaty (1991): New START has replaced the 1991 START I treaty, which
 expired in December 2009, and superseded the 2002 Strategic Offensive Reductions Treaty
 (SORT), which terminated when New START entered into force.
- The START Framework of 1991 (at the end of the Cold War) <u>limited both sides to 1,600 strategic delivery vehicles and 6,000 warheads.</u> The May 2002 Strategic Offensive Reductions Treaty (SORT), also known as the Moscow Treaty, committed the United States and Russia to reduce their deployed strategic nuclear forces to <u>1,700-2,200 warheads</u> apiece.
- Limiting Strategic Nuclear Arsenals: It continues the bipartisan process of verifiably reducing the USA and Russian strategic nuclear arsenals by limiting both sides to 700 strategic launchers and 1,550 operational warheads.
- Renewal: It was to lapse in February 2021, but after receiving renewal approval from USA and Russia, will be extended for a five-year period.

This step by Russia is a welcome move after suspension of the Intermediate-Range Nuclear Force Treaty (INF Treaty) in 2019 and withdrawal of USA and Russia from Open Skies Treaty recently.

An extension of the New START Treaty would mark a rare bright spot in the fraught USA-Russian relationship. This opportunity could be used by both the countries for conducting comprehensive bilateral negotiations on future control over nuclear missile weapons.





SECURITY AND DEFENCE

- **❖** Paper III: This section is relevant to the following topics:
- Linkages between development and spread of extremism.
- Role of external state and non-state actors in creating challenges to internal security.
- Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security; money-laundering and its prevention
- Security challenges and their management in border areas; linkages of organized crime with terrorism
- Various Security forces and agencies and their mandate
- Prelims Oriented Questions



3.1 DATA PROTECTION FRAMEWORK IN INDIA

Why in News: The Union Government has withdrawn the Personal Data Protection Bill, 2019 from the Parliament. The Government has said that it is considering a 'comprehensive legal framework' to regulate the online space.

- This includes bringing separate laws on data privacy, the overall Internet ecosystem, cybersecurity, telecom regulations, and harnessing non-personal data to boost innovation in the country.
- The Government has withdrawn the Bill after nearly 4 years of the Bill being in the works. It had gone through multiple iterations, including a <u>review by a Joint Parliamentary Committee (JPC).</u>
- The Bill had faced major pushback from a range of stakeholders including big tech companies (like Facebook and Google), privacy and civil society activists.
- The Joint Committee of Parliament had proposed <u>81 amendments</u> to the Bill and gave 12 recommendations on creating a comprehensive legal framework for the digital ecosystem in India. The Government will consider the report of the JPC and work on the new framework.

Provisions of Data Protection Bill, 2019

- **Personal data definition**: The Bill defined 'personal data' <u>as any information which renders</u> <u>an individual identifiable</u>. Also, it defined data 'processing' as collection, manipulation, sharing or storage of data.
- Territorial applicability: The Bill included the <u>processing of personal data by both</u> government and <u>private entities</u> incorporated in India. It also covered the <u>entities</u> <u>incorporated overseas</u> if they systematically deal with data principals within the territory of India.
- **Grounds for data processing:** The Bill <u>allowed data processing by fiduciaries</u> if consent was provided by the individual.
- Sensitive personal data: It included <u>passwords</u>, <u>financial data</u>, <u>bio-metric and genetic data</u>, <u>and caste</u>, <u>religious or political beliefs</u>. The Bill specifies more stringent grounds for the processing of sensitive personal data, such as seeking explicit consent of an individual prior to processing.
- **Data Protection Authority:** The Bill provided for the establishment of a <u>Data Protection</u> <u>Authority (DPA)</u>. The DPA would have been empowered to: (a) Draft specific regulations for all data fiduciaries across different sectors; (b) Supervise and monitor data fiduciaries.



- Cross-border storage of data: The Bill stated that every fiduciary shall keep a 'serving copy'
 of all personal data in a server or data center located in India.
- Transfer of data outside the country: Personal data (<u>except sensitive personal data</u> which is 'critical') may be transferred outside India under certain circumstances.

JPC Recommendations

- The JPC had called for expanding the scope of the proposed law to <u>cover discussions on</u> <u>non-personal data</u>. It had thus changed the mandate of the Bill from personal data protection to broader data protection.
- Non-personal data are any set of data that <u>does not contain personally identifiable</u> <u>information</u>. It had recommended changes on issues such as regulation of social media companies, and on using only "trusted hardware" in smartphones, etc.
- It proposed that <u>social media companies</u> that do not act as intermediaries <u>should be treated</u> <u>as content publishers</u> making them liable for the content they host.

Need for Data Protection Bill

- First, India has one of the highest numbers of data breaches each year and many sites, both government and private, suffer from data losses and leaks. Recently, data of almost 28 crore Indian citizens registered in the Employees' Provident Fund Organization (EPFO) were leaked online. This included sensitive information like full name, nominee details, Aadhaar details, bank account details, etc.
- **Second,** with a billion population, India has the <u>second highest internet user base</u> in the world. India has 450 million internet users and is expected to increase up to 730 million by 2020. Therefore, a strong data protection law is needed to protect their personal data.
- Third, for <u>efficient management of data</u> in the age of digitisation, a data protection law is needed. One of the major challenges to big data is information privacy which necessitates a robust data protection.
- Further, the Supreme Court (SC) in **K.S Puttaswamy vs Union of India** case, maintained the <u>right to privacy</u> as an inherent part of the fundamental right under Article 21 of the constitution.
- **Fourth**, the delay will result in an <u>unnecessary vacuum</u> for many of the laws already taking shape, like the Criminal Procedure Identification Act used for police surveillance and digital policing.
- **Fifth,** to <u>curtail the perils of unregulated and arbitrary use</u> of personal data. As most of the servers like Google and Facebook are outside India.



GLOBAL SCENARIO

- EU: The most important data protection legislation enacted to date is the General Data Protection Regulation (GDPR). It governs the collection, use, transmission, and security of data collected from residents of any of the 28 member countries of the European Union. The law applies to all EU residents, regardless of the entity's location that collects the personal data. Fines of up to € 20 million or 4% of total global turnover may be imposed on organizations that fail to comply with the GDPR.
- Some important requirements of the GDPR include: (a) Consent: Data subjects must be allowed to give explicit, unambiguous consent before the collection of personal data; (b) <u>Data Breach</u>: Organizations are required to notify supervisory authorities and data subjects within 72 hours in the event of a data breach affecting users' personal information in most cases; (c) Rights of the Users: Data subjects (people whose data is collected and processed) have certain rights regarding their personal information.
- The e-Privacy Regulation (ePR) was supposed come into force alongside the EU's General Data Protection Regulation in 2018 but has been stalled for years. It is now expected to come to force in 2023. The e-Privacy Regulation, if passed, would create privacy rules for traditional electronic communications services and entities such as WhatsApp, Facebook Messenger, and Skype. It would create stronger rules on electronic communication's privacy. It would cover content of the communications as well as metadata. Service providers and electronic communications networks have to get prior consent from the user before processing their electronic communications metadata.
- **US:** There is no one comprehensive federal law that governs data privacy in the U.S. There's a complex patchwork of sector-specific and medium-specific laws like: (a) The Children's Online Privacy Protection Act (COPPA), which governs the collection of information about minors; (b) The Health Insurance Portability and Accounting Act (HIPAA), which governs the collection of health information. In addition, many States in the US have their own data protection and privacy acts like California Consumer Privacy Act (CCPA), California Privacy Rights Act (CPRA), Virginia's Consumer Data Protection Act (CDPA), Colorado Privacy Act (CPA), New York SHIELD Act etc.

Way Ahead

• First, the new Law should focus on personal data and exclude non-personal data. Personal data protection falls in domain of privacy and allows an individual to control how information about her is used. Non-personal data regulation more related to economic aims. The mandate of BN Srikrishna Committee was to suggest framework for protection



of personal data. Brining in non-personal data, the Government had diluted the proposed law.

- Second, there must be checks on the use of the data by the Government and its Agencies.
 Privacy advocates have been calling for reform of Indian surveillance laws. The new law must minimize the amount of data collected by security agencies, limiting how long it can be stored, requiring agencies to adopt security measures to safeguard the data.
- **Third,** there is a need for a <u>strong data regulator</u>. The new regulator should work closely with other regulators and stakeholders like the RBI, TRAI etc. for <u>sector specific regulations</u> e.g., RBI has already issued some data related regulations like mandating local storage of payments data, barring merchants and payment aggregators from storing card data.
- **Fourth,** the Government should also <u>allow cross-border flow of data.</u> <u>Data localisation should be limited only to clearly and narrowly defined critical data.</u> Cross-border data flows add to the economy growth. A McKinsey Global Institute paper from 2016 estimates that global data flows contributed US\$ 2. 8 trillion to the global GDP.
- **Fifth,** the new legal framework should be finalized <u>only after extensive public consultation</u>. This will ensure that the protection of the rights of Indian citizens is the cornerstone on which this new legal framework is built.

It has been close to 10 years since the (Justice) A P Shah Committee Report on privacy, 5 years since the Puttaswamy Judgment and 4 years since the Justice B N Srikrishna Committee's Report. All of this signals an urgency for a data protection law and surveillance reforms.

3.2 SC ON PREVENTION OF MONET LAUNDERING

Why in News: The Supreme Court, in the Vijay Madanlal Choudhary and Ors versus Union of India case, has <u>upheld the provisions of the PMLA</u> (Prevention of Money Laundering Act) and retained the powers of the Enforcement Directorate (ED).

A number of petitions had been filed in the Supreme Court challenging the amendments to the PMLA Act through the Finance Acts. The petitioners claimed that these amendments would violate personal liberty, procedures of law and the Constitutional mandate. The Court said that the <u>provisions pertaining to arrest and bail are reasonable and have direct nexus to the objectives of the Act</u>. However, several experts have criticized the Judgment and raised concerns regarding misuse of the Act by the State.

Money Laundering



Money laundering is the method adopted to mask the criminal proceeds to disguise their illegal origin. Money laundering enables the criminal to enjoy these profits without jeopardizing their source. In a developing country like India, the main source of criminal proceeds could be corruption, extortion, blackmailing, illegal arms sales, smuggling, and the activities of organized crime. Other sources would include fraud, theft, insider trading, bribery and Ponzi schemes etc.

The possessors of the ill-gotten wealth devise clever methods to avoid attention and scrutiny of the law-enforcement agencies. They do so by disguising the sources, changing the form, or moving the funds to a place where they are less likely to attract attention. Money Laundering has been defined under the Article 3.1 of the UN Vienna 1988 Convention (United Nations Convention Against Illicit Traffic in Narcotics Drugs and Psychotropic Substances, 1988).

UN Vienna 1988 Convention Article 3.1 "The conversion or transfer of property, knowing that such property is derived from any offense(s), for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in such offense(s) to evade the legal consequences of his actions"

Money Laundering Cycle Dirty Money integrates into the Collection of dirty money **PLACEMENT Financial System LAYERING** Payment by "Y" of false invoice to company "X" Transfer on the bank account of company "X" Purchase of Luxury Assets, Loan to company "Y" Financial Investments, INTEGRATION Commercial/Industrial Investments

Legal Framework

• Since the mid-1980s, there has been global concern over the proceeds of criminal activities such as drug-trafficking being 'laundered' or and used in financing terrorism.



- The UN Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
 adopted in Vienna in 1988 (<u>Vienna Convention</u>) was the first treaty that called upon nations
 to adopt domestic laws to combat drug trafficking. As part of these laws, countries were
 asked to <u>prohibit the conversion or transfer of property gained through dealing in narcotics</u>
 to conceal its illicit origin. India acceded to the Treat in March, 1990.
- The Financial Action Task Force (FATF) was established in the G-7 Summit in Paris in 1989 in response to mounting concern over money-laundering. The Task Force made recommendations from time to time to strengthen laws on the subject.
- The UN Convention against Transnational Organized Crime of 2000 (Palermo Convention) also advocated legislative and other measures to combat organised crime, and specifically called for 'criminalizing the laundering of proceeds of crime'.
- The Prevention of Money Laundering Act (PMLA) was enacted in 2002 and came into force in 2005. Its provisions gave effect to India's obligations to abide by International Conventions. The Union Government used this background to argue that PMLA provisions as well as subsequent amendments were valid and necessary to fulfil India's obligations to combat the menace of money-laundering.

In its verdict, the Supreme Court agreed with the Government's contention. "Every provision in the 2002 Act will have to be given its due significance while keeping in mind the legislative intent for providing a special mechanism to deal with the scourge of money-laundering recognized world over and with the need to deal with it sternly".

SC Judgement on PMLA

- Section 3: The Section <u>defines the offence of money laundering</u>. In the original Act, to prove the offence of money laundering, the prosecution had to establish that: (a) The accused was in possession of proceeds of crime and concealing it; (b) The accused was projecting the proceeds as <u>'untainted property'</u> (i.e., clean money gained through legitimate means). In 2012, the Act was amended to bring it in line with the recommendations of the FATF. The SC upheld the amendment, and observed that <u>projecting proceeds as untainted property is no longer necessary and mere possession and concealment will suffice as crime</u>. The Court held that generating black money is also money laundering, even without proof of actually laundering it or converting it to white money.
- Further, the SC made it clear that the offence of money laundering gets triggered <u>only if</u>
 there are proceeds of crime resulting from criminal activity relating to a scheduled offence
 (mentioned in the Schedule to the Act). Absent proceeds of crime, the authorities cannot
 initiate any prosecution.



- Section 5, 8(4), 17 and 19: Under this, the ED has <u>discretionary powers to attach property</u> of the accused, enter and search suspected property without judicial permission and power of arrest. The Court rejected the notion that the ED has been given blanket powers of arrest, search of person and property and seizure. The SC said there were '<u>in-built safeguards'</u> within the Act, including the recording of reasons in writing while effecting an arrest.
- Section 24: The Section <u>reverses the usual burden of proof</u> in criminal law. In a PMLA case, <u>burden of proof is on the accused</u> to prove that the assets in question are not proceeds of a crime. The Court upheld this provision and said that this provision did not suffer from the "vice of arbitrariness or unreasonableness".
- Section 45: The Section deals with the conditions of bail. The SC <u>upheld the stringent 'twin bail conditions'</u> required under the law for granting bail to an accused. It requires a court to hear the public prosecutor against the bail plea and reach a satisfaction that there are reasonable grounds to believe that: (a) The accused is not guilty of the offense; (b) The accused is not likely to commit any offence while on bail.
- The SC said that <u>stringent bail conditions can be imposed in exceptional circumstances such as anti-terrorism laws, but cannot be manifestly arbitrary</u>. The SC also <u>relied on Article 39</u> of the Constitution to uphold the stringent bail conditions under PMLA. It is a part of the Directive Principles of State Policy that mandates the State to <u>prevent concentration of</u> wealth.
- Section 50: The SC held that proceedings under Section 50 are an <u>inquiry</u>, not a <u>criminal investigation</u>. ED officers are hence not police and <u>CrPC rules for investigation do not apply to the ED</u>. Therefore, it is <u>not mandatory for the ED to provide a copy of the Enforcement Case Information Report (ECIR)</u> to the accused. For the same reason, any statement recorded by the Directorate is admissible in evidence.

Concerns Associated with PMLA

- First, in upholding the reverse burden of proof condition for grant of bail, the Court overruled its own order of November 2017 that had declared the bail criteria unconstitutional. In Nikesh Tarachand Shah vs Union of India (2017), the Court had declared the 'twin test' of bail under PMLA as unconstitutional since it was manifestly arbitrary.
- **Second,** the list of crimes included in the PMLA overrides similar crimes in other parts of the law. It can override the safeguards of the Criminal Code of Procedure.
- **Third**, the burden of proof is on the accused. Given the long drawn process of criminal law in India, and the tough conditions associated with grant of bail, the <u>process of proving innocence itself is the punishment.</u>



- **Fourth,** critics argue that International treaties are often used to override domestic rights safeguards. By fulfilling India's global commitment under the Vienna Convention, the Government has <u>restricted civil liberties and the value of dissent</u>.
- **Fifth**, the <u>conviction rate under PMLA is less than 0.5%.</u> But every year thousands of cases are registered, and people are arrested.
- **Sixth**, there are also concerns that the provisions of the PMLA and the ED can be used by the Government to <u>target political opponents</u>.

Way Forward

- **First,** the petitions had questioned the Amendments to the PMLA through Finance Act (Money Bill). The SC has referred the issue to the <u>larger bench</u>.
- **Second,** various activists and organizations are contemplating filing review petition before the SC. There is possibility that the Judgment might be referred to a larger bench.
- Third, setting up and strengthening institutions dealing with illicit money like the
 Directorate of Criminal Investigation Cell for Exchange of Information, Tax Research and
 Investigation Division of the CBDT is needed to reduce the menace of black money and
 money laundering.

Conclusion

Money laundering and its use in terror financing is a big security threat. However, critics argue that the stringent provisions of the PMLA are disproportionate to the threat and provide too much power to the ED. By upholding these provisions, the Court has diluted some well-established principles of criminal law. Thus, the verdict must be revisited.

PRELIMS UPDATE

NIDAAN

- India's first portal named NIDAAN' on arrested narco offenders 'gets operational.
- The National Integrated Database on Arrested Narco-offenders portal has been developed by the Narcotics Control Bureau (NCB). It is part of the <u>narcotics coordination mechanism</u> (NCORD) portal that was launched in July 2022 during the national conference on 'Drug trafficking and national security'.
 - It sources its data from the ICJS (inter-operable criminal justice system) and the e-Prisons (a cloud-based application) repository and it is planned to integrate it in the future with the crime and criminal tracking network system or CCTNS.



■ The ICJS, an <u>initiative of the Supreme Court e-committee</u>, was created to enable seamless transfer of data and information among different pillars of the criminal justice system, like courts, police, jails and forensic science laboratories, from one platform.

Significance

- It is a one-stop solution for <u>all narcotics offenders' related data</u> and will help investigative agencies as an <u>effective tool to connect the dots</u> while probing narcotics cases.
- It hosts data about those accused who have been arrested and jailed for drug offenses and those who are "directly or indirectly involved in any narcotics or psychotropic substance.
- Any agency can search for the crime history, personal details, fingerprints, court cases and appeals made etc. with regard to a drug offender from any part of the country.

Operation Skylight

- The Indian Army reportedly tested the operational readiness of its satellite-based systems deployed across the country under operation 'Skylight'.
- Satellite-based systems provide <u>resilience to communication capabilities in case terrestrial</u> <u>connectivity is disrupted in conflicts.</u>
- Unlike the Indian Air Force and the navy, the <u>army currently does not have a dedicated</u> <u>satellite.</u> Currently, the Army is using 30% of the communication capabilities of the GSAT 7A.
- The Defence Acquisition Council has cleared an army proposal for a GSAT-7B satellite to sharpen its operational capabilities.
- GSAT 7 series satellites are advanced satellites developed by ISRO to meet the communication needs of the defence services.
- GSAT 7 satellite (launched in 2013) is mainly used by the Indian Navy for its communication needs. It helps the Navy to have a secure, real time communication link.
- GSAT 7A (launched in 2018) helps in boosting the connectivity between the ground radar stations, airbases and the airborne early warning and control aircraft (AEW&C) of the IAF (Indian Air Force).
- GSAT 7B will primarily fulfil the communication needs of the Army. It will help the Army enhance its surveillance in border areas.

❖ MILITARY EXERCISE



- VINBAX 2022: Vietnam-India Bilateral Army Exercise concluded recently. The exercise was
 unique as it was the first time that the Vietnam People's Army (VPA) was undertaking a
 Field Training Exercise with any foreign Army.
- Exercise 'Pitch Black': It is a biennial multi-national large force employment exercise conducted by the Royal Australian Air Force (RAAF). o India will take part in the exercise along with 16 other nations.
- Ex Vajra Prahar 2022: It is an Indo-US Joint Special Forces exercise. AL NAJAH-IV: It is a joint military exercise between Indian Army and Royal Army of Oman.





ECONOMY

- **❖** Paper III: The articles in this section are relevant to the following topics:
- Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.
- Inclusive growth and issues arising from it.
- Government Budgeting.
- Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.
- Infrastructure: Energy, Ports, Roads, Airports, Railways etc.
- Investment models.
- Agriculture



4.1 **JUTE INDUSTRY**

Why in News: The <u>Jute Industry in West Bengal is in a state of disarray</u>. The area under jute cultivation has been falling and so is the price of jute. Several mills are on the verge of closure, putting the livelihood of thousands of people dependent on them in jeopardy.

In contrast, the <u>jute industry in Bangladesh is thriving</u>, with Bangladesh accounting for 75% of global jute exports. The Member of Parliament from Barrack pore constituency recently met the Union Minister for Textiles to apprise him about the gravity of the crisis.

Jute Industry

The Jute Industry in India is 150 years old. According to the Indian Jute Mills Association (IJMA), there are about 93 jute mills in India, of which 70 are in West Bengal. Of the 70, 54 are located in the three districts of North 24 Parganas (25), Howrah (15) and Hooghly (14).

The factors behind present localization of the jute industry in Eastern India especially West Bengal are:

- (a) Raw material: West Bengal is the largest producer of jute and most mill are located there;
- **(b) Water supply:** <u>High rainfall and presence of rivers</u> ensure abundant water for processing raw jute
- **(c) Easy Transportation:** The region is well connected by a good network of railways, waterways, and roadways to facilitate the movement of raw materials to the mills. Inexpensive water transport is also provided by the Hugli river;
- **(d)** Labour: Availability of cheap labour from West Bengal and the adjoining States of Bihar, Orissa, and Uttar Pradesh;
- (e) **Kolkata** as a port and large urban center, provides banking, insurance, and port facilities for the export of jute goods.

Significance

Multiple Uses: It is used in insulation (replacing glass wool), packaging, geo-textiles, activated carbon powder, wall coverings, flooring, garments, rugs, ropes, gunny bags, handicrafts, curtains, carpet backings, paper, sandals and furniture. About 80% of the finished product – or B. Twill jute bag — is bought by the Government for packaging food grains and agricultural produce like sugar.



- **Employment Generation:** Jute production is a labour-intensive industry. Jute sector provides <u>direct employment to 3.7 lakh workers</u> and support livelihood of more than 40 lakh farm families.
- **Environment Friendly:** Jute provides a <u>sustainable and environment-friendly alternative to single-use plastic.</u> It is biodegradable and recyclable. Cultivation of just improves fertility of soil if grown in crop rotations. It does not produce toxic gases while burnt.
- **Agriculture Development:** The sustenance of jute industry is crucial for jute cultivators. According to the Indian Jute Mills Association (IJMA), about 40 lakh farmers are associated with the production and trade of the golden fibre.

Challenges

Stiff Competition: India lags behind Bangladesh in producing superior quality jute fibre. Bangladesh accounts for 75% of global jute exports while India's share is only 7%. Even India imports jute products like yarn, floor coverings and jute hessian from Bangladesh.

Climate Change: Intensified cyclonic activity in the region as a result of climate change has impacted production of jute e.g., In May 2020, Cyclone Amphan caused considerable damage to the crop. A report by the Commission for Agricultural Costs and Prices (CACP) said that a lower quality of jute fibre was produced in 2020-21 due to the cyclone. Farmers had to hervest/harvest/harvest/

Availability of Cheap Alternatives: Jute products <u>costs higher than synthetic fibers</u> and packing materials, particularly nylon and thus losing its market.

High procurement cost: The mills procure raw jute at higher prices than what they sell them at after processing. Mills do not acquire their raw material directly from the farmers, but instead through intermediaries due to <u>cumbersome procurement process</u> (many farmers are far-off from location of mills). The middlemen charge mills for their services which involve procuring jute from farmers, grading, bailing and then bringing the bales to the mills. The government has a fixed Minimum Support Price (MSP) for raw jute procurement from farmers which is INR 4,750 per quintal for the 2022-23 season. However, jute reaches mill at INR 7,200 per quintal.

Policy Issues: The recent crisis began with the <u>recent notification of Office of Jute Commissioner which capped the price of raw jute</u> at INR 6,500 per quintal. However, mills are procuring material at INR 7,200; INR 700 more than the price cap on the final product. A mill owner in West Bengal estimated INR 12 Lakh loss per day forcing him to shutdown his mill. 10 mills have already closed down, and more mills are feared to follow suit.



Another issue is the <u>non-implementation of the Tariff Commission's report</u> for fair price of B. Twill jute bags (bought by the Government). At present, the <u>bags are priced on the basis of provisional rates of 2016</u>. The price was meant to last for only 6 months till Tariff Commission recommended new price. The Commission submitted report in March 2021 but it has not been implemented. This has led to a loss of INR 1,500 crore to the industry, according to jute mill owners. The losses have hampered to ability of mill owners to invest in new machines/technology or undertake innovation to diversify the products.

Raw material supply: India is <u>not self-sufficient in the supply of raw material</u>. To meet the growing need of the industry, raw material is <u>imported from Bangladesh</u>, <u>Brazil</u>, <u>and Philippines</u>.

Bangladesh vs India Jute Industry

- **First,** Jute produced in <u>Bangladesh is of superior quality</u>. This is because Bangladesh has favourable conditions that <u>allow better retting of the crop</u>. Under retting, jute bundles are kept under water at a depth of about 30 cm. This process gives the fibre its shine, colour, and strength. It should ideally be done in <u>slow moving</u>, <u>clean water bodies like rivers</u>. But Indian farmers do not have access to such resources.
- **Second,** Bangladesh provided <u>3-4 different kinds of subsidies</u> to the jute industry. For instance, it gives 9-10% export subsidy for food-grade packing bags, which is much higher than India's 1.5-3% subsidy.
- **Third,** Bangladesh has been successful in capturing the <u>diversified jute products market</u>, for which there is a huge international demand. India's major jute exports, in contrast, are sacking and hessian bags.
- **Fourth**, jute production in Bangladesh is more cost competitive than India. This is because of <u>lower procurement cost</u>, <u>lower wages and lower power tariffs</u> etc. compared to India.

Indian Initiative for Jute Industry

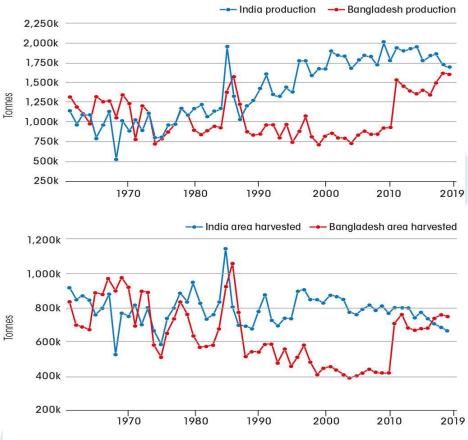
- Jute-ICARE: It was launched by <u>National Jute Board</u> (NJB) in technical collaboration with ICARCentral Research Institute for Jute and Allied Fibers (ICAR- CRIJAF). The objective of the scheme is to support the small and marginal jute growers with <u>adequate pre- and postharvesting operations</u> so that they can grow good quality jute & receive higher prices for their produce.
- Jute Packaging Material (Compulsory use in Packing Commodities) Act, 1987: It mandates that 100% production of food grains and 20% sugar production must be packaged in jute bags.





Study in contrast

Production and area under jute has declined in India in the past decade, but in Bangladesh the cash crop has shown a significant rise



Source: Food and Agriculture Organization

AVIATION SECTOR IN INDIA

Introduction: Aviation is integral to equitable economic growth and for the economy to be globally competitive. The civil aviation sector in India has the potential to become one of the largest in the world. India has become the third largest domestic aviation market in the world and is expected to overtake the UK to become the third largest air passenger market by 2024.

However, the sector is also facing some critical issues which are hindering its progress. While the aviation industry is still recovering from the aftermath of the pandemic, a spate of incidents related to safety has forced the Directorate General of Civil Aviation (DGCA) to step-in. Experts have also raised concerns about the financial health of the airline operators in India



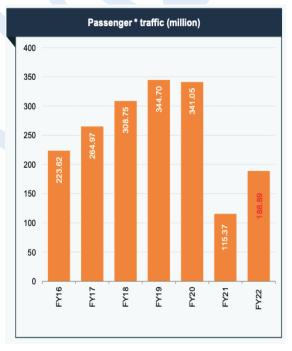
Current Scenario of Aviation Sector

- India is the 7th largest civil aviation market in the world and is set to become the world's 3rd largest by 2024. Total Passenger traffic (International + Domestic) had been constantly increasing before the drastic fall in FY2020-21 due to COVID-19.
- However, the recovery has been strong with 64% increase in traffic in FY2021-22 (with respect to FY2020-21). By 2036, India's total passenger traffic (International + Domestic) is expected to be 480 million surpassing combined traffic of Japan and Germany.
- There are 464 Airports and Airstrips in India, of which 125 are managed by the Airports Authority of India. India plans to open 100 additional airports by 2024.

Potential

Robust Demand: Rising working group and widening middle class demography is expected

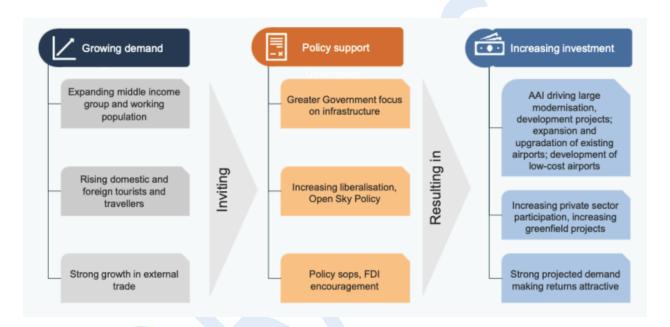
to boost demand for air travel. Emergence of business hubs like Mumbai (Finance), Bengaluru (IT), Chennai (IT), and Delhi (Manufacturing, IT) is likely to boost business travel as well. The passenger traffic is expected to increase manifold in coming years. Aviation sector will need 2,380 new commercial airplanes by 2038. In line with the anticipated demand, the Government has envisaged increasing the number of operational airports to 190-200 by FY40. This necessitates a focused towards approach investments to support infrastructure in the sector. Further, as India's international trade increases, the demand for cargo services will see a rise.



Huge potential to develop India as an MRO hub: As the aviation market expands, and number of aircraft increase, the demand for Maintenance, Repair and Operations (MRO) will also rise. (MRO centers can be considered as service centers for aircraft). India's MRO industry is expected to grow from US\$ 800 million in 2018 to more than US\$ 2.4 billion by 2028. Indian airline companies will spend over 12-15% of their revenues on maintenance, which is the second highest cost component after fuel. There is lack of adequate MRO <u>facilities at present</u> and India's share is <u>only 2.5%</u> in the Global MRO market.



• Regional Connectivity and Development: Aviation sector will be <u>crucial in ensuring balanced regional growth</u> especially in rural and Northeast India. Aviation sector acts as a hub of various activities. The Airports function as a growth pole. They propel growth in the region as <u>a result of spill-over & trickledown effect</u>. The sector can give boost to tourism sector which in turn drives the supporting infrastructure in a region, like roads, railways, hotels, markets, etc. providing direct and indirect livelihood opportunities for the locals.



Challenges

Safety Concerns: Last couple of months have witnessed several instances of malfunctions before/during flights resulting in diversions/delays. The malfunctions are being attributed to lower turnaround times by airlines to maximize profits after a pandemic-induced slowdown. Experts have argued that low-cost airlines (which dominate the sector) give low priority to maintenance in order to save costs e.g., many snag rectifications are being undertaken by technicians rather than qualified engineers. Moreover, the ongoing Russia-Ukraine war has created shortage of spare parts, especially those containing titanium.

Profitability of the Sector: Most airline operators have poor financial health. The situation worsened during the COVID-19 pandemic due to lockdowns and flight restrictions. Consistent losses <u>drive down number of operators impacting competition and efficiency</u>. To reduce losses, operators increase turnaround times of aircraft and cut-down on maintenance/safety aspects



Absence of robust competition: While the policy is being liberalized; still, there are <u>stiff regulations which act as barrier</u> to the expansion of the sector. According to Mr. GR Gopinath (founder of Air Deccan) <u>tough entry barriers for new entrants</u> reduce competition, high fuel prices on account of taxes reduce profitability of airlines which prohibit the sector from operating at full efficiency. <u>Public sector airports are inefficient</u> and still have a monopoly in the airport segment.

Poor rural connectivity: With <u>mega airports controlling air and ground space</u>, it is almost impossible to connect rural and small towns from the large metros. Although UDAN has showed some positive impact, regional connectivity still remain poor.

Policy Lacunae: There are many policy gaps that remain to be addressed e.g., the Aircraft Act, 1934 and Aircraft Rules, 1937 have <u>not kept pace with modern technology</u> in aerospace. This has increased costs to the industry and ultimately affected passenger growth.

Government Initiatives

Northeast India: Over 30 airport development projects are under progress across various regions in Northeast India. AAI plans to develop <u>over 20 airports in Tier-II and Tier-III cities in the next 5 years.</u> It also plans to develop Guwahati as an inter-regional hub and Agartala, Imphal and Dibrugarh as intra-regional hubs.

Greater focus on infrastructure: AAI plans to invest INR 25,000 crore (US\$ 3.58 billion) in the next 5 years to augment facilities and infrastructure at airports. The Government is planning to invest US\$ 1.83 billion for development of airport infrastructure along with aviation navigation services by 2026.

Liberalization and Open sky policy: With the opening of the airport sector to private participation, 6 airports across major cities are being developed under PPP. Currently, 60% of airport traffic is handled under PPP, while the remaining 40% is managed by AAI. Participation by the private sector has improved the service levels and enhanced the passenger experience. Increased traffic rights are being enjoyed under bilateral agreements with foreign countries. India has signed Open Sky Agreements with multiple nations like the US, Greece, Jamaica, Japan, Finland, Sri Lanka etc. An Open Sky Air Service Agreement allows for airlines from the two countries to have an unlimited number of flights as well as seats to each other's jurisdictions.

National Civil Aviation Policy, 2016: The policy covers <u>22 areas of the civil aviation sector</u>. Under the policy, Airlines can commence international operations and will have to deploy 20



aircrafts or 20% of their total capacity (whichever is higher) for domestic operations. This will improve international footprint of India-based airline services.

Regional Connectivity Scheme (RCS)/UDAN (Ude Desh ka Aam Nagrik) has been launched under the policy. This has expanded access to air travel. In 2016, India's top 6 airports handled 66% of India's domestic air traffic. This has come down to ~55% in June 2022. This indicates shift of traffic pattern away from Metro routes.

Taxes and duties: 100% tax exemption has been provided for airport projects for a period of 10 years. Indian aircraft Manufacture, Repair and Overhaul (MRO) service providers are exempted completely from customs and countervailing duties. The Airport Authority of India plans to abolish royalty and offer steep discounts in lease rent to encourage MRO units to set up facilities at its airports.

Union Budget 2022-23: The Government has allocated INR 10,667 crore for the Ministry of Civil Aviation. INR 600 Crore has been provided for UDAN Scheme.

Encouragement to FDI: The Government has <u>allowed 100% FDI under automatic route for greenfield projects</u>, whereas 74% FDI is allowed under automatic route for brownfield projects. 100% FDI is allowed under automatic route in scheduled air transport service, regional air transport service and domestic scheduled passenger airline. FDI over 49% would require Government approval. FDI inflows in India's air transport sector (including air freight) reached US\$ 3.54 billion between April 2000-March 2022.

Way Forward

First, the statutory regulatory authority, the Directorate General of Civil Aviation (DGCA) should be <u>modernized</u>, <u>well-staffed and incentivized</u>. Experts recommend that DGCA should be headed by <u>aviation professionals rather than by bureaucrats</u> from the government.

Second, The 'Start-up India' initiative must be promoted to the aviation sector. Young entrepreneurs are the driving force in hi-tech companies and disrupting many conventional businesses.

Third, Airport developers can now draw on wider revenue opportunities such as retail, advertising and vehicle parking. Future operators will benefit from greater operational efficiency due to satellite-based navigation systems like 'Project Gagan' which is in development phase.



Fourth, <u>reforms should be undertaken in all areas of aviation</u> for passenger airlines to grow. This includes air cargo, airports, aviation fuel taxes (State and Central, which in India are among the highest in the world) and Maintenance, Repair and Overhaul (MRO).

Fifth, since there are thousands of <u>pilots and technicians unemployed in India</u>, airlines should not look for foreign pilots and engineers as it can further push up the costs.

Sixth, there is a need to <u>modify the India's Aircraft Act, 1934 and Aircraft Rules, 1937</u> as it is necessary to keep pace with modern technology in aerospace, growth of industry and passenger.

Conclusion

India has a huge aviation market with large untapped potential. There is a need for continuous support to the sector from the Government through appropriate policy interventions. This will benefit domestic economy, as well as enhance the global footprint of India's aviation sector, both in passenger and freight traffic.

4.3 PRADHAN MANTRI FASAL BIMA YOJANA

Why in News: The Union Agriculture Ministry recently announced that Andhra Pradesh has decided to rejoin the crop insurance scheme Pradhan Mantri Fasal Bima Yojana (PMFBY) from the ongoing kharif season. Andhra Pradesh was one of six states that have stopped implementation of the scheme over the last four years. The States had opted out citing various issues with the design and implementation of the Scheme.

Agriculture insurance is vital to provide income security to the farmers, and to achieve the Government's target to double farm incomes. However, since inception, the PMFBY Scheme has faced several issues; so much so that the Union Government had to undertake major revisions in the Guidelines in September 2018 and February 2020. Nevertheless, the Government has shown flexibility in its approach and has addressed the concerns of Andhra Pradesh and persuaded to join back. Other States may follow suit.

PRADHAN MANTRI FASAL BIMA YOJANA

 PMFBY is the flagship agriculture insurance scheme being implemented by the Union Government. It was launched in 2016 by the Ministry of Agriculture. The aim of the scheme is to provide comprehensive insurance cover to the farmers against failure of crops and help in stabilizing the income of farmers.



- The Scheme covers <u>food crops</u>, <u>oilseed crops</u>, and <u>commercial horticulture crops</u>. According to the Union Government.
- PMFBY is the largest crop insurance scheme globally in terms of farmer participation and the third largest in terms of the premium.
- The <u>prescribed premium is 2% for Kharif Crops, 1.5% for Rabi crops and 5% for commercial and horticulture crops.</u> Balance of the actuarial premium (95%-98.5%) is shared equally between Union and State Governments. However, in 2020, the share of the Union Government was capped at 25% for irrigated areas and 30% for un-irrigated areas.
- The Scheme was initially compulsory for the loanee farmers but has been made <u>voluntary</u> <u>since 2020</u>. It is a <u>yield-based index scheme</u> and is implemented on an area approach basis. This approach is distinct form 'individual farm' based approach.
- Area based approach assumes that villages are homogenous from the point of view of crop
 production, whose annual yield and variability of crop production is similar. This approach is
 logical in the absence of granular level historical data of farm yields at individual farm levels.
- The claims are worked out on the basis of shortfall in the actual yield vis-à-vis the threshold yield in the notified area e.g., if the long-term yield of rice in an area is 2.5 tonnes/hectare and a production has fallen to 1.5 tonne in a farm of 1 hectare due to drought, the claim will be on (2.5-1.5) tonne of rice.
- The risks covered include: (a) Yield Losses (on standing crops) due to non-preventable risks like Natural Fire and Lightning; Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane, Tornado etc.; Flood, Inundation and Landslide; Drought, Dry spells; Pests/ Diseases etc.; (b) Prevented Sowing due to adverse weather conditions; (c) Post-harvest losses; (d) Localized calamities like hailstorm, landslide, and inundation affecting isolated farms in the notified area.

Issues

Since the launch, <u>6 states have opted out of the scheme</u> viz., Gujarat, Bihar, West Bengal, Andhra Pradesh (joining back), Telangana and Jharkhand while Punjab had never joined. There are several reasons:

- First, Fiscal Burden on States: The Scheme <u>limits farmer's share of actuarial premium to 1.5-5%.</u> The rest was to be shared equally by the Union and State Governments. However, in 2020 the Government <u>capped its share to 25%-30%</u> (irrigated and unirrigated areas respectively). This has <u>increased the fiscal burden of States</u>. Consequently, many States have opted out.
- Second, Delayed Pay-outs and Denial of Claims: There are frequent <u>disputes related to compensation</u>. Farmers complain the compensation paid by insurance companies is less



than the losses. There are <u>long delays in payments</u>, sometimes up to 18 months. <u>Yield-related disputes</u>, <u>delayed transmission of yield data and delay in release of their share in premium subsidy by State Governments</u> are the major reasons for delays in settlement of claims. Farmers claim that the private insurers are not following the assessment by the government officials based on <u>Crop Cutting Experiments</u> (CCEs) and rejecting many claims on the basis of their own assessment.

Note: CCEs are conducted just before harvest to assess crop loss by estimating average yield for all notified crops in the notified insurance units. Insurance companies are bound to settle the claims within two weeks of receiving the yield data.

- Third, Implementation Issues: Farmers face <u>hurdles</u> in uploading the documents and <u>claiming damages as network connectivity is poor</u> in rural areas. Under the scheme, both Public and Private insurance companies bid their premium rates for a district in a State. The lowest bidder is awarded the contract to provide insurance under the scheme <u>for one agricultural season only</u>. This discouraged the companies from investing in that district in terms of awareness activities, assigning personnel or setting up offices. This led to farmer grievances.
- In 2020, the Government has <u>increased the contract duration to 3 years in one district</u> (6 agriculture seasons). It is hoped that companies would set up help centers and employ more personnel to gather yield data and faster claim settlement.
- Fourth, Absence of Grievance Redressal Committees (GRCs): Only 15 States and UTs have notified GRCs at both the State and District level, as mandated under the PMFBY scheme. Farmers are left with no resort in case of under-payment or delay in claim settlement.
- Fifth, Opposition from States: States have cited multiple reasons for opting out e.g., <u>Bihar</u> Government wanted zero premium from farmers. <u>Jharkhand</u> left after the revised guidelines were issued in 2020 that mandated strict timeline for the State Government to pay their share of premium. <u>Gujarat</u> opted out because of high premiums quoted by the insurance companies. <u>Telangana</u> faced hurdles on payment of its share of premium which have been pending since 2018-19 season.
- Sixth, Opposition from Farm Leaders: Farm leaders claim insurance companies have made
 windfall gains at the behest of the public exchequer and farmers. Data from <u>Maharashtra</u>
 show that Insurance companies often earn more in premiums than paid in claims. However,
 for some years the trend is opposite.

Way Forward

• First, the Union Government should consult with State Governments and explore the possibility of replicating the Beed Model in the PMFBY.



- Second; The Parliamentary Standing Committee on Agriculture had given several recommendations on reforming the Scheme. These include: (a) <u>Using technology and the coordination of all institutional mechanisms</u> to ensure faster claim settlement; (b) <u>Implementing timeline</u> for settlement of claims by insurance companies; (c) <u>Uploading the contact details of officials insurance companies</u> on the insurance portal so that they are accessible to farmers; (d) <u>Penalising defaulting insurance companies</u> in a time-bound manner; (e) <u>Ensure the formulation of GRCs in all States</u>. Nominate local public representatives (including Members of Parliament) in the Committees to ensure accountability.
- Third, the <u>disputes related to yields should be addressed by enhancing quality of yield data</u> and making it readily available. State Government should also be prompt in release of their share of premium subsidy Farm insurance is critical to provide income security to the farmers. The Union and State Governments must take appropriate steps to remove all the bottlenecks in the proper implementation of the scheme.

4.4 DIGITAL LENDING

Introduction: The lending business, in recent years, has been disrupted by digital technologies. The transformation of lending landscape has been driven by the need for superior customer experience, faster turn-around time, and adoption of modern technologies like Artificial Intelligence (AI) and Machine Learning (ML). However, the digital lending ecosystem has given rise to several concerns. In its effort to mitigate these concerns, the Reserve Bank of India (RBI) has come out with guidelines aimed at firming up the regulatory framework for such activities. The latest set of regulations are based on recommendations received from its Working Group on 'Digital Lending including lending through online platforms and mobile apps' (WGDL) which was constituted in January 2021.

Digital Lending

Digital Lending refers to <u>lending through web platforms or mobile apps by use of technology</u>. It utilizes automated technologies and algorithms for customer acquisition, credit evaluation, decision making, authentication, disbursements and recovery. Not only does it <u>lower costs but also ensures speedy disbursal</u>. Lending Service Providers (LSPs) act in partnership with Non-Banking Financial Companies (NBFCs) who disburse credit (or a line of credit) to the customer using the former's platform, making it a multi-sided platform.

• Digital lending is one of the fastest growing fintech segments in India. It has grown exponentially from a volume of US\$ 9 billion in 2012 to nearly US\$ 110 billion in 2019. It is



further expected that the digital lending market would reach a value of around <u>US\$ 350</u> billion by 2023.

- This business is mainly covered by fintech startups, neo-banks and Non-Banking Finance
 <u>Companies (NBFCs)</u>. Its customers particularly include small borrowers without a
 documented credit history and thus, not served by traditional financial institutions. Their
 product mix primarily imbibes <u>short-term loans</u>, especially those which have shorter
 tenures of less than 30 days.
- <u>Commercial banks</u> are also fast joining the genre of financial intermediaries either lending digitally on their own or joining with NBFCs to share the synergies.

Reasons for Growth

- First, rapid advancements in <u>cloud computing</u>, <u>artificial intelligence</u>, <u>and block chain</u>, as well as faster and more affordable internet connectivity, have fuelled the rise of FinTech startups, and lending has also transformed and become "digital."
- Second, further, the <u>synergy of the robust customer base created by banks in the last ten</u> <u>years</u>, more importantly after the launch of Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme in August 2015 is now available to lenders.
- Third, the sector presents a huge opportunity which is attracting a lot of investment towards it. The digital lending platforms have witnessed a compound annual growth rate of 19.6% over the previous 7 years. Fourth, according to KPMG, the rapid digitization of the economy and services has been a key driver in financial inclusion and digital lending.

Key Benefits of Digital Lending

- **Easier loan disbursement:** The digital lending platforms have <u>minimized the geographical</u> <u>barriers</u> allowing borrowers to quickly take up loan applications. They come with easy data entry, personalized user experience, and smooth loan application procedures.
- Less Errors: With digital lending, the <u>chances of human errors are minimal</u> as it is easier to capture an applicant's details. The validity of documents can be scanned digitally making the process quicker and error-free.
- Increases efficiency: A digital lending platform can <u>cut down overheads by half and increase</u> <u>efficiency at the same time</u>. Digital lending saves time, boosts revenue, growth and improves lender borrower relationships.
- **Better customer experience:** Digital lending has a quick turnaround time, is <u>transparent</u>, <u>and relieves applicants from the long waiting period for a credit decision</u>. For banks, it also reduces the cost of managing loans, reduces time spent on underwriting loans. Banks can



process more loans and products and offer a better experience to borrowers with quick loan approval and funds.

The RBI has divided the digital lenders into 3 groups:

- (a) Entities regulated by the RBI and permitted to carry out lending business;
- (b) Entities authorized to carry out <u>lending according to other statutory/regulatory provisions</u> but not regulated by the RBI;
- (c) Entities lending <u>outside</u> the <u>purview of any statutory/regulatory provision</u>. These guidelines are for the first category i.e., entities regulated by the RBI. <u>For other entities under the second and the third categories</u>, the RBI has asked the respective regulator/controlling authority/ the Union Government to formulate guidelines.

The share of digital lending may be small at present, but given their scalability they may soon become significant players. It is yet to be seen what kind of changes the digital lenders make to their operating models in light of the new regulations. The regulations have done well to protect consumer (borrowers) interests without putting any undue pressure on lending entities or the platforms. The digital lending ecosystem has a great <u>potential to further the financial inclusion goal of the Government.</u> Hence the ecosystem should be carefully nurtured and supported.



SCIENCE AND TECHNOLOGY

- **❖** Paper III: The articles in this section are relevant to the following topics:
- Science and Technology- developments and their applications and effects in everyday life
- Achievements of Indians in science & technology; indigenization of technology and developing new technology.
- Awareness in the fields of IT, Space, Computers, robotics, Nano-technology, biotechnology and issues relating to intellectual property rights.
- Prelims



5.1 WEAPONS OF MASS DESTRUCTION

Why in News: The Parliament has passed the <u>Weapon of Mass Destruction and their Delivery</u> Systems (Prohibition of Unlawful Activities) Amendment Bill 2022.

The Bill amends the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.

The 2005 Act prohibits unlawful activities (such as manufacturing, transport, or transfer) related to the weapons of mass destruction, and their means of delivery. It is a step towards ensuring that WMD's don't come in the hands of non-state actors and the domestic law becomes more aligned to the changing international scenario. However, a global cooperation is required for properly managing these WMDs and aiming for their abolition in the long run.

Weapons of Mass Destruction

- The closest definition of WMDs is provided in the 1977 resolution of the UN General Assembly, "atomic explosive weapons, radioactive material weapons, lethal chemical and biological weapons, and any weapons developed in the future which might have characteristics comparable in destructive effect to those of the atomic bomb or other weapons mentioned above".
- Weapons of mass destruction (WMDs) constitute a class of weaponry with the potential to:

 (a) Produce in a single moment an enormous destructive effect capable of killing millions of civilians, jeopardize the natural environment, and fundamentally alter the lives of future generations through their catastrophic effects;
 (b) Cause death or serious injury of people through toxic or poisonous chemicals;
 (c) Disseminate disease-causing organisms or toxins to harm or kill humans, animals or plants;
 (d) Deliver nuclear explosive devices, chemical, biological or toxin agents to use for hostile purposes or in armed conflict.

International Treaties

<u>The Biological Weapons Convention (BWC), 1972</u> effectively <u>prohibits the development, production, acquisition, transfer, stockpiling and use of biological and toxin weapons</u>. It was the first multilateral disarmament treaty banning an entire category of weapons of mass destruction (WMD).

The Geneva Protocol (1925) prohibited the use of chemical weapons in warfare. However, the Protocol had a number of significant shortcomings e.g., it did not prohibit the development, production or stockpiling of chemical weapons. Many States that ratified the Protocol reserved



the right to use prohibited weapons against States that were not party to the Protocol. To address the shortcomings, the <u>Chemical Weapons Convention (CWC)</u>, 1992 was signed. It prohibits the large-scale use, development, production, stockpiling and transfer of chemical weapons, except for very limited purposes (research, medical, pharmaceutical or protective).

The treaty is administered by the Organisation for the Prohibition of Chemical Weapons (OPCW). Multilateral treaties targeting the proliferation, testing and achieving progress on the disarmament of nuclear weapons include:

- (a) The Treaty on the Non-Proliferation of Nuclear Weapons (NPT);
- (b) The Treaty on the Prohibition of Nuclear Weapons (TPNW);
- (c) The Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water, also known as the Partial Test Ban Treaty (PTBT);
- (d) The Comprehensive Nuclear-Test-Ban Treaty, which was signed in 1996 but has yet to enter into force.

Several treaties also exist to prevent the proliferation of missiles and related technologies, which can be used as a vehicle to deliver WMD payloads. These treaties include the Hague Code of Conduct (HCOC) and the Missile Technology Control Regime (MTCR).

India's Status with International Treaties

- It has signed and ratified the Biological Weapons Convention and the Chemical Weapons Convention. India is also a subscribing state to the Hague Code of Conduct. India is a member of three multilateral export control regimes: the Missile Technology Control Regime, Wassenaar Arrangement and Australia Group.
- <u>India has not signed the Comprehensive Nuclear-Test-Ban Treaty nor the Nuclear Non Proliferation Treaty</u>, considering both to be flawed and discriminatory.
- India previously possessed chemical weapons, but voluntarily destroyed its entire stockpile in 2009: one of the seven countries to meet the OPCW extended deadline.
- India maintains a "<u>no first use</u>" <u>nuclear policy</u> and has <u>developed a nuclear triad</u> capability as a part of its "<u>Minimum Credible Deterrence</u>" doctrine.

India's status with respect to WMD's

• India has developed weapons of mass destruction in the form of nuclear and chemical weapons. India had ratified the Chemical Weapons Convention (CWC) in 1996 and declared a stockpile of 1,044 tons of sulfur mustard in 1997. India established the National Authority



for Chemical Weapons Convention (NA CWC) in April 1997 as an office in the Cabinet Secretariat. India also signed an India-Pakistan Agreement on Chemical Weapons (1992) under which both countries agreed to "never under any circumstances... develop, produce, or otherwise acquire chemical weapons".

- India has not released any official statements about the size of its nuclear arsenal. Recent estimates suggest that India has 160 nuclear weapons and has produced enough weapons-grade plutonium for up to 200 nuclear weapons. India has conducted nuclear weapons tests in 1974 and 1998. India has ratified the Biological Weapons Convention (BWC).
- India has a well-developed biotechnology infrastructure (including bio-containment laboratories for working with lethal pathogens) and has enough talent pool of qualified scientists to launch a biological warfare program. However, there is no evidence of India possessing biological weapons or having an offensive biological warfare program. India pledges to abide by the BWC. Former President Dr. Kalam, during his tenure (in 2002), had said that, "India will not make biological weapons. It is cruel to human beings".

WMD Act 2005

- Its primary objective is to provide an integrated and overarching legislation on prohibiting unlawful activities in relation to all three types of WMD, their delivery systems and related materials, equipment and technologies.
- It institutes penalties for contravention of these provisions such as imprisonment for a term not less than 5 years (extendable for life) as well as fines.
- The Act was passed to meet an international obligation enforced by the UN Security Council Resolution (UNSCR) 1540 of 2004.

Amendments

The Amendment expands the scope to include prohibition of financing of any activity related to WMD and their delivery systems. To prevent such financing, the Union Government shall have the power to freeze, seize or attach funds, financial assets, or economic resources of suspected individuals (whether owned, held, or controlled directly or indirectly). It also prohibits persons from making finances or related services available for other persons indulging in such activity. The Amendment was needed because:

- First, the relevant organizations at the international level, such as the <u>Financial Action Task</u> <u>Force have expanded the scope of targeted financial sanctions and demand tighter controls</u> on the financing of WMD activities.
- Second, with advancements in technologies, new kinds of threats have emerged that were not sufficiently catered for in the existing legislation. These notably include developments in



the field of drones <u>or unauthorised work in biomedical labs that could maliciously be used</u> <u>for terrorist activity</u>. Therefore, the Amendment keeps pace with evolving threats.

 Third, having now updated its own legislation, India can demand the same of others, especially from those in its neighbourhood that have a history of proliferation and of supporting terrorist organisations.

Way Forward

- **First,** at the domestic level, this Amendment will <u>have to be enforced through proper</u> <u>outreach measures to the industry and other stakeholders</u> to make them realize their obligations under the new provisions.
- **Second,** it is also necessary that India keeps WMD security in international focus. Even countries which do not have WMD technology have to be sensitized to their role in the control framework to prevent weak links in the global control system. India can offer help to other countries on developing national legislation, institutions and regulatory framework through the IAEA (International Atomic Energy Agency) or on a bilateral basis.
- **Third,** to help secure the world, India should propose a global treaty that commits every State to 'no first use' of WMDs, in line with India's nuclear doctrine.

Conclusion

Preventing acts of terrorism that involve WMDs or their delivery systems requires building a network of national and international measures in which all Nation States are equally invested. India's impeccable record as a responsible State provides it an opportunity to lead the discourse on complete global disarmament.

5.2 PATENT REGIME IN INDIA

Introduction: India, the 5th largest economy in the world, has more than 1.2 million businesses and one of the largest workforce. With such a magnitude, it has the potential to create and share a huge amount of patented products with the world.

However, India has failed to unleash its potential in this domain. Further, many other nations including the U.S have criticized India's patent regime for being too lenient on violation of patent rights and placing significant barriers for getting a patent. This situation demands a honest introspection along with a plethora of proactive measures for improving the patent landscape in the nation.



India's Patent Regime

- A patent is an exclusive set of rights granted for an invention, which may be a product or process that provides a new way of doing something or offers a new technical solution to a problem.
- In India, patents are governed by the Patents Act, 1970. Under the act, patents are granted if the invention fulfils the following criteria: (a) It should be novel; (b) It should have inventive step/s or it must be non-obvious; (c) It should be capable of Industrial application; (d) It should not attract the provisions of sections 3 and 4 of the Patents Act 1970.
- India has gradually aligned itself with international regimes pertaining to intellectual property rights. It became a party to the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement following its membership to the World Trade Organization on January 1, 1995. Following this, India amended its internal patent laws to comply with TRIPS, most notably in 2005, when it introduced pharmaceutical product patents into the legislation.
- India is also a signatory to several IPR related conventions, including:
 - (a) The Berne Convention, which governs copyright, the Budapest Treaty;
 - (b) The Paris Convention for the Protection of Industrial Property;
 - (c) The Patent Cooperation Treaty (PCT), all of which govern various patent related matters.

Global Patent Landscape

- WIPO: It is the global forum for intellectual property (IP) services, policy, information and cooperation. It is a self-funding agency of the United Nations, with 193 member states. The mission is to lead the development of a balanced and effective international IP system that enables innovation and creativity for the benefit of all.
- TRIPs: Trade Related Aspects Trade-Related Aspects of Intellectual Property Rights is an agreement on international IP rights. It came into force in 1995, as part of the agreement that established the World Trade Organisation (WTO). It establishes minimum standards for the availability, scope, and use of seven forms of intellectual property. This includes trademarks, copyrights, geographical indications, patents, and industrial designs, layout designs for integrated circuits, and undisclosed information or trade secrets.
- IP5: It is a forum of the world's five largest intellectual property offices. These offices are set up to improve the efficiency of the examination process for patents worldwide. The forum facilitates greater integration of the global patent system through sharing of patent data.
- The members of IP5 are: (a) The European Patent Office (EPO); (b) The Japan Patent Office (JPO); (c) The Korean Intellectual Property Office (KIPO); (d) The National Intellectual



Property Administration of the People's Republic of China (CNIPA); (e) The United States Patent and Trademark Office (USPTO)

- India has been ranked 40th out of 53 countries on the Global Intellectual Property Index. India's score increased from 36.04% (16.22 out of 45) in 2019 to 38.46% (19.23 out of 50) in 2020. India's relative score increased by 6.71%, according to the International IP Index released by the Global Innovation Policy Center of the US Chamber of Commerce.
- Compared to the five big patent offices (the US, Europe, Japan, Korea and China), the patent
 offices of India show relatively low application volume. According to the annual report by
 the Ministry of Commerce and Industry, India has a very minute growth, seeing its
 application-level increase from 8,538 in 2000, to 50,659 in 2019. Moreover, a recent study
 pointed out that between 2000-2020, more than 40% Indian-origin applicants chose to file
 patents in foreign countries.

India on Patent Improvement

- **First,** high technology exports constituted a meagre 0.81% of total exports in 2014 and India still relies heavily on agriculture exports. There is a huge potential to upgrade India's patent regime and boost exports.
- Second, a robust patent regime is a basic requirement <u>for creating a culture of research and designing innovative products in a country</u>. Patent is simply a reward bestowed on the creator for making his/her invention public. Effective rewards provide incentives to innovate and create new products.
- **Third,** patents would play a pivotal role in solving the contemporary issues of poverty, hunger, climate change etc.
- **Fourth,** the world is currently being dominated by MNCs and the investment they pour into any nation. Having a robust patent regime will allow India to attract greater investment.
- **Fifth,** India, as a member of the WTO and signatory to the TRIPS is obliged to align its intellectual property rights laws with the TRIPS agreement. If the domestic law is not strengthened, then it will undermine India's global image.

Government Initiative on Patent Regime

- **National IPR Policy 2016:** The policy aims to push IPRs as a marketable financial asset, promote innovation and entrepreneurship, while protecting public interest.
- <u>Kalam Program for Intellectual Property Literacy and Awareness</u>: It was launched by the Indian government to increase IP awareness and literacy.
- <u>Cell for IPR Promotion and Management</u>: It ensures focused action on issues related to IPRs and addresses the 7 identified objectives of the policy. CIPAM assists in simplifying and



streamlining of IP processes, apart from undertaking steps for furthering IPR awareness, commercialization and enforcement.

- <u>Digitization</u>: Undertaking a massive digitisation exercise to clear the backlog of patent and trademark applications.
- **Government Schemes:** Recent investments and government initiatives such <u>as Make in India</u>, <u>Skill India</u>, <u>Digital India</u>, <u>and Start-up India</u> have significantly contributed to establishing the country as an attractive destination for Engineering R&D and innovation.

The promotion and protection of intellectual property <u>spurs economic growth</u>, <u>creates new jobs and industries</u>, <u>and enhances the quality and enjoyment of life</u>. They are important not only for individuals or an organization but for the whole of humanity. Thus the need of the hour is to balance between profits of the organization and needs of the poor through a robust Patent Regime.

5.3 GENOMIC SURVELLIANCE

Why in News: With outbreaks of several pathogens and their variants, including COVID-19, monkeypox etc, in recent years, need to build a sustainable system for genomic surveillance is felt.

Genomic Surveillance

<u>Genomic surveillance</u> is the process of constantly monitoring pathogens and analyzing their genetic similarities and differences to identify variants of concern.

Scientists use genomic sequencing to identify different variants of pathogen in a specimen.

Genomic surveillance <u>is critical for stronger pandemic and epidemic preparedness and response.</u>

• In the past, genomic surveillance systems have proven to be instrumental in controlling polio in India and around the globe.

Significance of Genomic Surveillance:

• To enhance pandemic preparedness: It helps governments to strengthen predictive interventions and serves as an early warning system by integrating with other epidemiological and metadata to provide real-time, actionable insights.



- **To support vaccine development:** It helps to track and analyze circulating strains and informs vaccine development and redesign for emerging and existing infectious diseases.
- **To support diagnostics and therapeutics**: smart surveillance can provide insights in <u>real-time for development and calibration of diagnostics</u> and can also help pharmaceutical companies to shape their research and design efforts.

Challenges in Genomic Surveillance

- <u>Inequity among nations:</u> The complexities of genomics and the challenges of sustaining capacities in different settings, including workforce needs, means that most countries cannot develop these capabilities on their own.
- <u>Lack of integration</u>: Scale, geographic representativeness, timeliness, quality, comparability and integration of genomic surveillance outputs with epidemiological and clinical surveillance findings remain weak.
- <u>Technological challenges:</u> Key challenges include how to integrate genomic data with metadata from multiple sources and how to generate efficient computational algorithms to enable robust conclusions.
- <u>Newer variants of concern</u>: Upsurge in the newly emerging variants (like in COVID-19) make it difficult to understand nature and trends of the newer variants through existing genomic surveillance tools.

PRELIMS UPDATE

Small Satellite Launch Vehicle

- <u>ISRO's maiden small satellite launch vehicle (SSLV) flight</u> failed to deploy satellites. Satellites were injected into a wrong elliptical orbit (instead of circular).
- An orbit is curved path that an object in space (such as a star, planet, moon, asteroid or spacecraft) takes around another object due to gravity.

SSLV

- It is a three-stage all solid vehicle with the capability to launch up to 500 kg satellite mass into 500 km low earth orbit (LEO).
- It aims to cater to the emerging market for the launch of small satellites into LEOs.
- It is the smallest vehicle at 110-ton mass at ISRO

Roshini



- It is India's first <u>Saline Water Lantern</u> which uses sea water as electrolyte between specially designed electrodes to power the LED lamps.
- Developed by: National Institute of Ocean Technology (NIOT), Chennai.
- Technology can also be used in hinterlands, as any saline/normal water mixed with common salt can be used to power the lantern
- Significance: Cost-effective and feasible to operate
 - Bring 'Ease of Living' to the poor and needy, particularly fishing community.

Lumpy Skin Disease

Recently, nearly 57,000 cattle across India were killed due to a viral infection called the Lumpy Skin Disease (LSD).

Lumpy Skin Disease (LSD)

- <u>LSD is a vector-borne</u> pox disease that is caused by <u>Capripoxvirus</u> and is an emerging threat to livestock worldwide.
 - It is genetically related to the goat pox and sheep pox virus family.
- LSD infects cattle and water buffalo mainly through vectors such <u>as blood-feeding insects</u>.
 - Signs of infection <u>include the appearance of circular, firm nodes on the animal's hide or</u> skin that look similar to lumps.
 - Infected animals immediately start losing weight and may have fever and lesions in the mouth, along with a reduced milk yield.
- The disease has been <u>endemic in most African countries</u>, and since 2012 it has spread rapidly through the Middle East, Southeast Europe and West and Central Asia.
- LSD was reported for the first time in India in 2019 from Odisha.
- <u>The disease is not zoonotic</u>, meaning it does not spread from animals to humans, and humans cannot get infected with it.
- Recently, <u>Lumpi-ProVacInd</u> vaccine has been developed by Indian Council of Agricultural Research (ICAR) – National Equine Research Center, Hisar (Haryana) in collaboration with the Indian Veterinary Research Institute, Izzatnagar (Bareilly).
- It is a homologous, live attenuated vaccine specifically targeted to protect cattle against LSD virus.





ECOLOGY and ENVIRONMENT

- **❖** Paper III: The articles in this section are relevant to the following topics:
- Conservation, environmental pollution and degradation, environmental impact assessment
- Disaster and disaster management.
- Prelims Oriented Questions



6.1 INDIA'S NEW CLIMATE TARGETS

Why in News: The Union Government has revised India's <u>INDCs</u> (Intended Nationally <u>Determined Contributions)</u> under the Paris Agreement.

- The Paris Agreement is a global treaty wherein some 200 countries have agreed to cooperate to reduce GHG emissions and rein in the climate change. The Agreement seeks to <u>'limit global warming to well below 2°C, and preferably to 1.5°C</u>, in comparison to the preindustry levels'.
- According to the Paris Agreement's provisions, countries must 'update' their pledges every
 5 years to make higher commitments to greenhouse gas (GHG) emissions reductions. In this regard, the Government has given approval to <u>India's New Climate Targets</u>.
- The pledge will lay out India's clean energy transition pathway from now through 2030 and will be communicated to the United Nations Framework Convention on Climate Change (UNFCCC).

India's INDC

India had submitted its first pledge in 2015. India's first pledge had three primary targets: (a) Reduce emissions intensity of the economy by 33–35% below 2005 levels; (b) Have 40% of installed electric power from non-fossil-based energy resources by 2030; (c) Create an additional (cumulative) carbon sink of 2.5-3 gigatonnes of carbon dioxide equivalent (GtCO2e) by 2030 through additional forest and tree cover.

In 2021, the Prime Minister of India had announced a new 5-point set of targets at COP-26 (Panchamrit) (a) India will increase its non-fossil fuel energy capacity to 500 gigawatt (GW) by 2030; (b) It will meet 50% of its energy requirements from renewable sources by 2030; (c) The total projected carbon emissions will be reduced by 1 billion tonnes from now through 2030; (d) The carbon intensity of its economy will be brought down to less than 45%; (e) India will achieve its target of Net Zero by 2070.

- A press statement on August 3 confirmed that 2 of these, viz. Reduction in Emission Intensity by 45% and Achieve 50% cumulative electric power installed capacity from nonfossil fuel-based technology by 2030, were upward revision of existing targets and would become part of India's INDCs.
- The notable change from COP-26 declaration is that the 50% installed power capacity target will now be from non-fossil sources, which include large hydropower and not just from renewable energy (RE) sources like solar and wind. The statement issued by the



Government also noted that the Net Zero is a long-term target and does not qualify to be included in the NDCs which seeks five to 10 year climate targets from countries.

• The remaining two targets linked with carbon intensity and carbon sink, announced at Glasgow COP-26, have not been converted into official targets. But these are closely linked with others, and any progress on official targets would get reflected in these goals as well. India's INDCs do talk about the need for low-cost international finance and transfer of technology, but do not make achievement of targets contingent on their availability.

Significance of India's New Climate Targets

- **First,** it demonstrates India's commitment at the highest level for <u>decoupling of economic growth</u> from greenhouse gas emissions (GHGs).
- Second, it takes forward the Prime Minister's vision of sustainable lifestyles and climate
 justice to protect the poor and vulnerable from adverse impacts of climate change. The
 Prime Minister had proposed a <u>'One-Word Movement'</u>, to the global community; <u>LIFE i.e.</u>
 Lifestyle For Environment.
- **Third,** the updated INDCs also represents the framework for <u>India's transition to cleaner</u> energy for the period 2021-2030.
- **Fourth**, the updated framework, together with many other initiatives of the Government will provide an opportunity for enhancing India's manufacturing capabilities and enhancing exports. It will lead to an overall increase in green jobs.

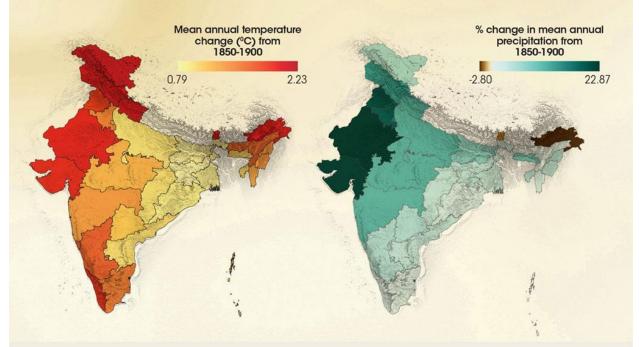
Criticism of New Target

- First, India's 2015 INDCs contained a target to create new forest cover capable of absorbing 2.5 billion tons of carbon from the atmosphere by 2030. However, this has been dropped from the new INDCs altogether. This was an ambitious target. Critics argue that there was little clarity on its actual scope and it was dropped because India was unlikely to meet it.
- Second, India's emission intensity had already fallen by 24% (of its 2005 levels) by 2016. The
 new target of 45% is thus not a significant improvement, but more of 'business-as-usual'
 target, because this reduction can be achieved without any significant enhancement in
 climate action.
- Third, India hasn't made the target of 500 GW non-fossil fuel electricity by 2030 as official target. This show continued dependence on coal for power generation in the near future.
 Environmentalists are saying that India has dropped the tough-to-achieve targets from its INDCs.



India in a 1.5°C warmer world

Northern and western parts of the country are likely to see a drastic increase in annual average temperature and precipitation; a moderate rise in eastern parts



	Mean annual temperature change (°C)	Annual precipitation change (%)		Mean annual temperature change (°C)	Annual precipitation change (%)
Andaman & Nicobar	1.14	-0.19	Lakshadweep	1.23	7.84
Andhra Pradesh	1	4.19	Madhya Pradesh	1.07	11
Arunachal Pradesh	1.47	-2.8	Maharashtra	1.16	10.84
Assam	1.21	1.45	Manipur	1.16	4.98
Bihar	0.81	8.04	Meghalaya	1.04	8.81
Chandigarh	1.26	18.17	Mizoram	1.12	2.65
Chhattisgarh	1	3.99	Nagaland	1.16	5.29
Dadra & Nagar Haveli*	1.2	19.77	Odisha	0.9	2.5
Delhi	1.1	16.26	Puducherry	1.06	3.19
Goa	1.25	8.83	Punjab	1.27	20.54
Gujarat	1.33	22.16	Rajasthan	1.43	22.87
Haryana	1.17	19.41	Sikkim	1.55	-1.76
Himachal Pradesh	1.73	13.92	Tamil Nadu	1.18	1.68
Jammu & Kashmir	1.76	13.51	Telangana	1.05	5.41
Jharkhand	0.79	4.56	Tripura	1.03	4.87
Karnataka	1.21	5.32	Uttar Pradesh	0.98	11.18
Kerala	1.31	2.01	Uttarakhand	1.62	11.72
Ladakh	2.23	6.23	West Bengal	0.81	4.11

Note: State-wise temperature and rainfall deviation calculated for a period when the global temperature increases by 1.5°C from 1850-1900 average. Source: Down to Earth analysis of the IPCC Working Group I Interactive Atlas. The raw data is based on CMIP6 modelling for 1.5°C warming from 1850-1900 on the SSP5-8.5 pathway



6.2 ENERGY CONSERVATION (AMENDMENT) BILL, 2001

Why in News: Recently, the Lok Sabha passed the Energy Conservation (Amendment) Bill, 2022. The Bill seeks to amend the Energy Conservation Act, 2001.

The Energy Conservation Act, 2001 <u>promotes energy efficiency and conservation</u>. It provides for the regulation of energy consumption by equipment, appliances, buildings, and industries.

Key provisions of the Energy Conservation (Amendment) Bill:

- The bill seeks to <u>mandate the use of non-fossil sources</u>, including Green hydrogen, green ammonia, biomass, and Ethanol for energy and feedstock;
- Establish Carbon Markets;
- Bring large <u>residential buildings</u> within the fold of the Energy Conservation regime;
- Enhance the scope of the <u>Energy Conservation Building Code</u>;
- Amend penalty provisions;
- Increase members in the governing council of the Bureau of Energy Efficiency (BEE);
- <u>Empower the State Electricity Regulatory Commissions</u> to make regulations for smooth discharge of its functions
- To put in place <u>enabling provisions</u> to make the use of clean energy, including green hydrogen, mandatory and to establish carbon markets.

Significance

Climate Change & Paris Agreement: Climate change has become a reality and governments across the world are making stronger commitments towards climate action to avert the crisis. India made a commitment as a part of the <u>Paris Agreement, which is a legally binding international treaty on climate change</u>.

Updated NDCs:

According to the recently updated Nationally Determined Contribution (NDC),

- India now aims to reduce emissions intensity of its GDP by 45 percent by 2030 from 2005 levels, and
- Source 50 percent of electricity from non-fossil sources.

The new Bill is in line with the country's commitments and will act as a facilitator for achieving the targets.



Carbon Market

- The Bill empowers the central government to specify a carbon credit trading scheme.
- The proposed amendments aim to encourage the development of a carbon market by laying the framework for issuance of carbon credits against deployment of clean technology.
- Investment in clean technology will help corporations in greening their business profiles and the attached carbon credits will provide an additional revenue stream.
- Hence, the proposed amendments seek to address a prominent gap in the climate change narrative with respect to involvement of the private sector.

Carbon Credit

- A carbon credit is a permit that allows the company that holds it to emit a certain amount of CO2 or other greenhouse gases.
- One credit permits the emission of a mass equal to one tonne of carbon dioxide.
- These were devised as a market-oriented mechanism to reduce greenhouse gas emissions.
- Companies get a set number of credits, which decline over time.
- They can sell any excess to another company.

Panchamrit strategy

- 'Panchamrit' strategy was announced at the <u>COP 26 in Glasgow</u> conference into enhanced climate targets.
- India will increase its non-fossil fuel energy capacity to 500 gigawatt (GW) by 2030.
- It will meet 50 percent of its energy requirements from renewable sources by 2030.
- The total projected carbon emissions will be reduced by 1 billion tonnes from now through 2030.
- The carbon intensity of its economy will be brought down to less than 45 percent.
- India will achieve its target of net zero by 2070.

India needs to align public financial flows with announced targets on energy transition, to leverage private finance. This includes

- Shifting subsidies to clean energy,
- Mandating SOE (state-owned enterprises) investments in clean energy and Increasing targets on public finance for clean energy.



6.3 ARTH GANGA

Why in News: The Arth Ganga model was mentioned by Indian delegates at Stockholm World Water Week 2022. Since 1991, the Stockholm International Water Institute has been organising the World Water Week every year to address global water concerns.

Arth Ganga Concept

Prime Minister of India first introduced the concept during the first National Ganga Council meeting 2019, where he urged for a shift from Namami Gange, to the model of Arth Ganga.

The latter focuses on the sustainable development of the Ganga and its surrounding areas, by focusing on economic activities related to the river. At its core, the Arth Ganga model seeks to use economics to bridge people with the river.

Features

Under Arth Ganga, the government is working on six verticals.

- The first is Zero Budget Natural Farming, which involves chemical-free farming on 10 km on either side of the river, and the promotion of cow dung as fertiliser through the GOBAR dhan scheme.
- The Monetization and Reuse of Sludge & Wastewater is the second, which seeks to reuse treated water for irrigation, industries and revenue generation for Urban Local Bodies (ULBs).
- It involves Livelihood Generation Opportunities, by creating haats where people can sell local products, medicinal plants and Ayurveda.
- The fourth is to increase public participation by increasing synergies between the stakeholders involved with the river.
- The model promotes the cultural heritage and tourism of Ganga and its surroundings, through boat tourism, adventure sports and by conducting yoga activities.
- Lastly, the model seeks to promote institutional building by empowering local administration for improved water governance.

Arth Ganga Initiatives

Recently Jal Shakti Ministry unveiled many new initiatives under Arth Ganga

Jalaj initiative



- Jalaj is being implemented in association with Wildlife Institute of India. A trained cadre of Ganga Praharis have been created from among the local people by WII for biodiversity conservation and Ganga rejuvenation.
- Jalaj, innovative mobile livelihood center, are aimed at aligning the skill enhancement activities with Ganga conservation.
- MoU was signed <u>between NMCG and Sahakar Bharati</u>: To achieve the vision of a sustainable and viable economic development by public participation, creation and strengthening of local cooperatives directing their cooperation towards realizing the mandate of Arth Ganga.
- **ImAvatar:** A tourism related <u>portal ImAvatar</u> to promote livelihood opportunities along the Ganga basin by promoting Arth Ganga initiative through <u>tourism</u>, <u>marketing of local</u> products, both agriculture and handicrafts.
- **New course 'River Champ' on CLAP**: The continuous learning and activity portal (CLAP) is an online platform for raising awareness, actions and debates around river conservation in India.

Coalition for Disaster Resilient Infrastructure

- India signed '<u>Headquarter Agreement'</u> with <u>CDRI</u>, thereby according the status of an 'independent and international legal entity' to CDRI.
- Agreement will enable CDRI to pursue functions internationally with all rights, immunities, and privileges, as per United Nations (Privileges & Immunities) Act, 1947.
- India enacted UN (Privileges & Immunities) Act, 1947 to give effect to Convention on Privileges and Immunities of United Nations, adopted by UN General Assembly in 1946.
- International legal personality refers to entities endowed with rights and obligations under public international law. This includes states, international organizations, NGOs etc.
- It will help CDRI to deploy funds & experts globally and receive funds or bring experts from member countries to achieve its commitments for disaster resilient infrastructure.
- Headquarter Agreement is an agreement between an international organisation and host state to determine the privileges and immunities necessary for its good functioning.

CDRI (Headquartered: New Delhi)

- It is a global partnership of national governments, UN agencies and programs, private sector, and academic and research institutions.
- It aims to promote resilience of infrastructure systems to climate and disaster risks, thereby ensuring sustainable development.



SOCIAL ISSUES

- **Paper I: The articles in this section are relevant to the following topics:**
- Salient features of Indian Society, Diversity of India.
- Role of women and women's organization, population and associated issues, poverty and developmental issues, urbanization, their problems and their remedies.
- Effects of globalization on Indian society
- Social empowerment, communalism, regionalism & secularism.



7.1 ASPIRATIONAL DISTRICT PROGRAM

Why in News: The Aspirational Districts Program (ADP) was launched by the Prime Minister in January 2018. The program seeks to improve socio-economic outcomes. With this initiative, the Government has tried to change the development narrative by referring to these districts as 'aspirational' instead of 'backward'.

It calls for reimagining governance, vesting greater ownership and accountability in the district administration, facilitating convergence and collaboration among stakeholders to contribute to the development process. Since its launch, all 112 underdeveloped districts included in the program have improved their performance. While some have surpassed the State averages on key indicators, many aspirational districts are now the best performing of all districts in their state.

Aspirational District Program

- It was launched in 2018 to improve the socio-economic status of 112 aspirational districts across 28 States. These districts had witnessed the least progress along certain development parameters. The districts accounted for more than 20% of the country's population and covered over 8,600 gram panchayats. The Program is coordinated by Niti Aayog with support from Central Ministries and the State Governments.
- The 5 core themes include: (a) Health & Nutrition (30% weightage); (b) Education (30% weightage); (c) Agriculture & Water Resources (20% weightage); (d) Financial Inclusion & Skill Development (10%); (e) Basic Infrastructure (10%).
- The delta ranking of the Aspirational Districts combines the innovative use of data with pragmatic administration. The program ranks districts based on the improvement achieved month-on-month through the Champions of Change dashboard (An online Dashboard).
- NITI Aayog anchors the program at Central level while individual Ministries have been responsibility to drive progress in districts. The States are the main drivers of the program.
 For each district, a central Prabhari officer has been nominated. He/she should possess a rank of joint secretary/additional secretary.
- The ADP is based on the following strategy: (a) Work on the strength of each district; (b) Make development as a mass movement in these districts; (c) Identify low hanging fruits and the strength of each district which can act as a catalyst for development; (d) Measure progress and rank districts to spur a sense of competition; (e) Districts shall aspire from becoming State's best to Nation's best.



Significance

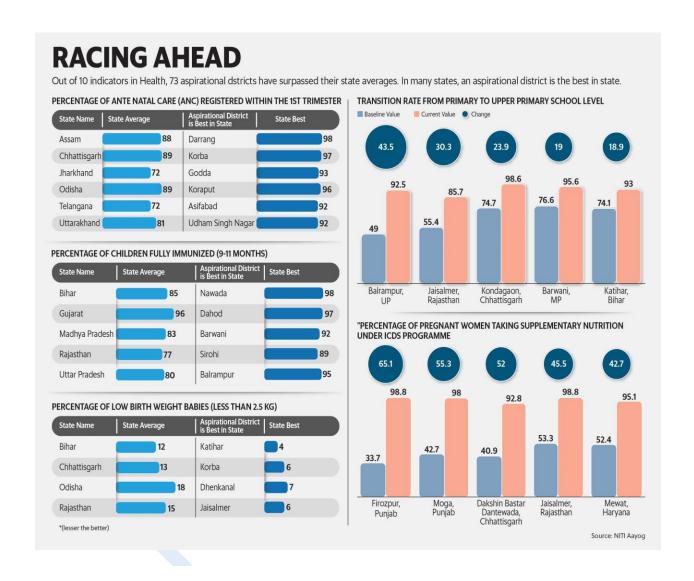
- **First,** it has ensured that States and districts have a greater say in their own development. Local challenges differ significantly across the country, therefore, State and Local Governments are best-positioned to recognize their development challenges, and design customized policy interventions.
- **Second,** instead of making a dedicated financial allocation for the ADP, the program has focused on <u>improving governance</u>, making use of existing resources more smartly and achieving better outcomes for the same amount of money.
- Third, working collaboratively has enabled innovative service delivery approaches, currently limited to one or a few districts in the country, to be replicated in other areas. For instance, the smart classroom initiative being implemented in Banka, Bihar, to improve student learning outcomes, is being replicated in the aspirational districts across Bihar, Arunachal Pradesh, Odisha and Jharkhand.
- **Fourth**, by collaborating with the private sector, philanthropic organizations and technical partners, the ADP is changing the deeply entrenched popular perception that development is the prerogative of the government alone. These partnerships are helping to infuse the program with new ideas, and acting as force multipliers on outcomes.
- **Fifth,** it has also <u>spurred competition among districts</u> by allowing them to regularly assess their position vis-à-vis other aspirational districts as well as the best performing districts in the country.

Issues

- **Inadequate Coverage:** Although the program is highly inclusive in nature it fails to capture crucial variables like environment and gender.
- **Imbalance in implementation:** Most districts channelized their efforts focused on health and nutrition, education, and agriculture and water resources. <u>They paid less emphasis on the sectors of Skill Development and Financial Inclusion</u>.
- Budgetary Constraints: ADP is affected by the issue pertaining to <u>insufficient budgetary</u> resources. This sustains the lack of human resources and dearth of technical capacities at the district and block level.
- **Issues in Coordination:** NITI Aayog plays a mentoring role in 27 districts in eight states. 12 Central Government Ministries have similarly adopted the remaining districts. Implementation involving multiple ministries leads to a lack of coordination.



Shortcomings of Delta Ranking: It is largely focused on assessing quantity (that is, coverage
of access) rather than quality e.g., timely delivery of textbooks in schools is part of the
ranking index however very less weightage is given to the quality of education rendered in
these districts.



The success of the Aspirational Districts Program has been testified by national as well as international agencies. It is a flagship initiative for improving the lives of citizens residing in most backward regions of the country. The need of the hour demands overcoming its challenges and realizing the vision of <u>'SABKA SATH, SABKA VIKAS'</u> for ensuring inclusive development.



7.2 RIGHT TO HEALTH

Introduction: Recently, Rajya Sabha discussed a private member's bill seeking to provide for health as a fundamental right to all citizens.

- Understanding health as a human right creates a legal obligation on states to ensure access
 to timely, acceptable, and affordable health care of appropriate quality as well as to
 providing for the underlying determinants of health.
- This includes safe and potable water, sanitation, food, housing, health-related information and education, and gender equality.

The right to health includes both freedoms and entitlements:

- Freedoms include the right to control one's health and body (for example, sexual and reproductive rights) and to be free from interference (for example, free from torture and non-consensual medical treatment and experimentation).
- Entitlements include the right to a system of health protection that gives everyone an equal opportunity to enjoy the highest attainable level of health.

Key features of RTH

- Inclusivity: A rights-based approach to health requires that health policy and program must prioritize the needs of those furthest behind first towards greater equity as envisaged in 2030 Agenda for Sustainable Development and Universal Health Coverage.
- **Non-discriminatory:** The right to health must be enjoyed <u>without discrimination</u> on the grounds of race, age, ethnicity or any other status.
- **Participatory**: Ensuring that national stakeholders including non-state actors such as non-governmental organizations are meaningfully involved in all phases of programming: assessment, analysis, planning, implementation, monitoring and evaluation.

WHO envisages "the highest attainable standard of health as a fundamental right of every human being."

More than half of the world's countries including Uruguay, Latvia, and Senegal have some degree of a guaranteed, specific right to public health and medical care for their citizens written into their national constitutions.



Challenges in providing RTH

- Low healthcare spending: Overall, India's public health expenditure has remained less than 2% of the GDP.
- Suboptimal capacity: Every allopathic doctor in India caters to at least 1,511 against WHO's recommendations of one doctor for every 1,000 people. Nurse-to-population ratio is of 1:670 against the WHO norm of 1:300. Also, there are mere 0.5 beds for every 1,000 population.
- Weak Primary health care (PHC) sector: Declaration of Alma-Ata, 1978 identified PHC as the key to the attainment of the goal of Health for All. 60% of PHCs in India have only one doctor while about 5% have none. This adversely impacts filtering of patients as well as prevention and early detection.
- Regional disparity in accessibility: About 70% of Indian population lives in rural areas. o However, about 80 percent of doctors, 75 percent of dispensaries and 60 percent of hospitals are present in urban areas.
- Non availability of skilled workforce: India currently needs an additional 6.4 million healthcare resources (overall) to serve its population.
- Neglected diseases: These diseases, almost exclusively, affect poor and marginalized populations in low-income countries, in rural areas and settings where poverty is widespread. Hence, they do not get adequate attention by pharma industry.
- Poor governance: The public sector offers healthcare at low or no cost but is perceived as being unreliable, of indifferent quality and generally is not the first choice, unless one cannot afford private care

Way Forward

Comprehensive law for RTH: A legislatively guaranteed right will make access to health legally binding and ensure accountability. It must also include the following provisions to ensure health care to citizens:

The role of the Union, state, and local governments: Panchayats and municipalities should be clearly defined without creating any conflicts.

- The RTH should be explicitly mentioned in the Indian Constitution through this act and include provisions for strengthening the medical infrastructure.
- An institutional mechanism that can establish a network with governments, research institutions, and health care providers should be included.



- The Act should clearly state various processes and mechanisms for tracing testing and treatment for controlling the epidemics through appropriate and timely interventions at national, state, and local levels.
- <u>Fiscal and momentary relief for states and local bodies</u> during medical emergencies should be included.
- Special protection should be given to <u>health care and sanitation workers</u> keeping in mind the social dynamics of society.
- Enhance funding: Enhancing expenditure on health up to 3% of GDP is necessary to ensure RTH to each citizen.
- Digitize healthcare system: This would ensure evidence-based planning and decision making.

PRELIMS UPDATE

e-Samadhan Portal

- University Grants Commission (UGC) will soon <u>launch UGC e-samadhan</u>, a single window for submitting grievances by merging the different portals and helplines that exist currently.
- Aim is to fast-track resolution of complaints and monitor institutes that are slow in responding to them.
- Portal will be available 24x7 and also specific timelines have been laid down for addressing the grievances registered at the portal.

Moonlighting

Moonlighting refers to pursuing more than one job at a time without the awareness of the main employer (hence, considered unethical by many).

- Remote working has helped employees take up this option.
- It provides people with high skills to do side gig.
- It has become very popular after the COVID-19 pandemic as people got time and opportunities to do more than one thing for a living.

