



CIVILS360

civils360.com



**TODAY'S TALK ON EDITORIALS  
MONTHLY COMPILATION  
JULY 2017**



Civils 360  
The Pitstop for IAS Preparation

## Civils360 – Today's Talk

July 13, 2017

### Don't fly into the same storm - Air India's disinvestment

- Air India's disinvestment is being revived. The sale bid the last time was a flop, shelved prematurely after all the bidders were either disqualified or dropped out. The many factors that were and may still be at work against the sale unless overcome, they may again endanger the sale.
- The airline had reported losses for six straight years, had \$70 million debt on its books and was fast losing traffic. More than 18,000 workers were on its rolls for a fleet of just about two dozen planes. Its employee-aircraft ratio, 750, was among the worst. Singapore Airlines, in contrast, had 91 employees per aircraft. Inefficiency, typical in a government-controlled set up, was bleeding Air India.

#### Doomed from start

- The sale's stated purpose was to bring on board a strategic partner who would turn around Air India. But the sale's rules were loaded against candidates with a proven track record — foreign airlines. Lufthansa, Swissair, Emirates, British Airways and Air France-Delta in combination were among those to have expressed interest formally in buying the stake.
- However, a bidding rule that required foreign airlines to team up with a local partner forced them to opt out. Singapore Airlines, which had also expressed interest formally, roped in the Tatas to proceed with its bid.
- Those who remained in the fray had their expressions of interest evaluated; those ineligible were disqualified. In the end, the contest was down to two bidders — the Hinduja group and the Singapore Airlines-Tata joint venture.
- The Hindujas' bid was already under fire from the Opposition over allegations related to the Bofors arms scandal. The government barred the Hindujas from pursuing its bid, leaving a sole bidder: The Singapore Airlines-Tatas combine.
- Private airline owners who had so far orchestrated resistance to the sale from the background, now openly pointed out that the majority stakeholder in Singapore Airlines was a foreign government. The unmasked attack made Singapore Airlines pull out.
- The then Disinvestment Minister, Arun Shourie, clarified that the Tata group, Air India's erstwhile owner before its nationalisation in 1953, could proceed with its bid without a partner. But the Tatas too withdrew, forcing the government to abort the disinvestment.

#### A level playing field

- If the mistakes of the past are a guide, the sale's purpose should guide the sale's rules.
- Air India's debt, now about \$8 billion, is growing unsustainably. It was bailed out with \$5.8 billion of taxpayer money in 2012. The sale's purpose should be to compensate taxpayers for shouldering the burden of keeping the national carrier afloat.
- Air India's disinvestment could deliver this if it results in reduced government interference and increased competition. Remember, most taxpayers are also flyers.
- Competition in the air travel market will not increase if Air India gets acquired by a private airline in India. The rules should provide foreign airlines a level playing field. Sharp scrutiny of objections can expose and thwart hidden vested interests.
- Selling only a part of the government's holding will not free Air India of the ills of public ownership. The government will have to exit the airline cleanly and completely.
- The reform demands political courage, economic wisdom and business-like shrewdness.

## CIVILS360 - TODAY'S TALK

JULY 14, 2017

### Is CBI the handmaiden of the government?

- The Central Bureau of Investigation (CBI) acts largely at the behest of the government of the day and this becomes quite obvious from the things done and not done.

#### **Need for autonomy - The CBI has to be placed under an independent body to investigate cases without government interference.**

- The movement against corruption, or the Lokpal movement, had made a plain argument when it sought the delinking of the CBI from the administrative control of the government.
- In that as long as the government of the day has the power to transfer and post officials of its choice in the CBI, the investigating agency will not enjoy autonomy and will be unable to investigate cases freely.
- Then again, there are instances of corrupt officers in the CBI who become pliable in the hands of the government.
- The CBI has to be placed under an independent body.
- The CBI, Income Tax Department and the Enforcement Directorate are three instruments which the government has used for political purposes and the pressure they apply is always by way of inaction. They act only when the government wants them to act.

### The Islamic State after Mosul

- Iraqi Prime Minister Haider al-Abadi declared the end of the 'Caliphate' late last month after his troops captured the Grand al-Nuri Mosque in Mosul from where Abu Bakr al-Baghdadi proclaimed himself the 'Caliph' of the world's Muslims three years ago.
- The 12th century mosque, whose famed leaning minaret had been adorned with the black flag of the Islamic State (IS) since June 2014, was a symbol of power for the jihadists, so much so that they blew it away and retreated as the Iraqi troops closed in. Within weeks, Mr. Abadi was in Mosul to formally announce the liberation of Iraq's second largest city.

#### **Down but not out - IS**

- First, the IS's proto-state is not completely destroyed yet and it will not be in the immediate future.
- Second, there's no guarantee that the IS won't come back to the cities it lost. It had done so earlier.
  - The geopolitical fault lines of West Asia, especially in Iraq and Syria, which helped the IS rise in the first place, remain unchanged. In Iraq, a greater challenge before the government is to win over the people in the north and west, mostly Sunnis, who distrust the Shia-dominated government.
  - In Syria, the battle against the IS is more complicated than that in Iraq. In Iraq at least there is a consensus about what the legitimate force is against the IS. All players, from America and the Kurds to Iran and Shia militias, rallied behind the Iraqi government in the war. But in Syria, there's no such consensus. Raqqa is being attacked by both the SDF and the government troops. The U.S. is supporting the SDF, while Russia is backing the regime. Turkey, another country that's involved through its proxies in the civil war, is wary of the SDF because it's

led by the Kurdish rebels. So even if Raqqa is liberated, it is difficult to reach a consensus on who will eventually run the city. If chaos prevails, that would be good news for the jihadists.

- Third, the IS is fundamentally an insurgency that transformed itself into a proto-state.
  - The IS has already given enough indications that it will move back into insurgency if its proto-state was destroyed
- In fact, the IS has changed its strategy after the ‘Caliphate’ came under attack.
  - Instead of expanding its territories, the group became defensive at its core and unleashed a wave of terror attacks elsewhere in the world, from Paris to Brussels and Berlin to Dhaka.
  - Boko Haram, Africa’s most dreaded terror outfit, has declared loyalty to the IS. o In eastern Afghanistan, the IS has a branch — the Islamic State of Khorasan — which is directing the group’s operations in South Asia.
  - The recent outbreak of a war in the Philippines, where armed jihadist groups that have declared loyalty to the IS.
- All this suggests that the threat is far from over. The IS has already transformed itself into a globalised idea and outsourced its terror mission to groups and individuals who subscribe to its world view. So even if the IS core is destroyed, the IS insurgency, or an ‘al-Qaedafied’ Islamic State, will continue to pose security challenges.

## Inflation conundrum

- The latest Consumer Price Index data show headline retail inflation has decelerated to a record low of 1.54% in June. That the reading has slid below the 2% lower bound of the Reserve Bank of India’s medium-term target for CPI inflation, has understandably led to calls for the RBI to support economic growth by cutting interest rates.
- Core inflation, which strips out the relatively volatile food and fuel prices, has also trended lower and eased below 4% for the first time in at least five years
- With the latest industrial output data from May reflecting weaknesses in key sectors like capital goods and consumer durables, the reasoning behind demands for monetary action that could help spur both investment and consumer demand is evident.
- Others have also flagged concerns about “deflationary trends” and the risks of relying too heavily on forecasting models. The voices exhorting the central bank to reduce interest rates are only going to grow ahead of its next bimonthly policy review at the beginning of August.
- The impact from the July 1 introduction of the Goods and Services Tax will begin to feed into prices only over the coming months —there could be upward pressure on core inflation.
- Similarly, the payment of increased allowances under the Seventh Central Pay Commission’s award, could also start to transmit into price gains.
- Fiscally expansive measures taken by several State governments to address farmers’ demands for debt relief could pose a “tail risk” by triggering generalised inflation over time.
- And the restoration of the health of the banking sector, a key caveat for ensuring effective transmission of monetary policy, is as yet far from being close to a fruitful outcome.
- Ultimately, the RBI will have to weigh whether the current trend in inflation is likely to remain durable enough for it to make a move that doesn’t end up proving to be a costly error in the long run.

## Gender empowerment

- An effort to bring the transgender persons out of the shadows is on with the Kochi Metro, followed by the Chennai Metro, hiring them in their workforce.
- These steps may have been spurred by the Supreme Court's judgment on April 15, 2014 in the *National Legal Services Authority vs. Union of India* case, in which it asked the government to take steps for the welfare of transgender persons and to treat them as a third gender for the purpose of safeguarding their fundamental rights.
- It attempts to bring the community into the mainstream.
- Decades after the Indian Constitution guaranteed the fundamental right to equality, freedom from discrimination on the basis of sex and gender and freedom of speech and expression, transgender persons face problems ranging from social exclusion to discrimination, lack of education facilities, unemployment, lack of medical facilities, to name a few.
- The Bill seeks to define and provide recognition to transgender persons, prohibit discrimination against them, ensure inclusive education, create a statutory obligation on public and private sectors to provide them with employment and recognises their right to "self-perceived gender identity".
- It also seeks to issue a certificate of identity to transgender persons, provide for a grievance redressal mechanism in establishments and to establish a National Council for Transgenders.
- The Bill makes the government responsible for chalking out welfare schemes and programmes which are "transgender sensitive, non-stigmatising and non-discriminatory".
- Noting that it is a crime to push transgender persons into begging or bonded or forced labour, the Bill recognises the rights of transgenders persons to live with their families, not to be excluded from such households and enjoy and use the facilities of those households in a non-discriminatory manner.
- However, the Bill does not address the issue of Section 377 of the Indian Penal Code.
- Further, the definition of a 'transgender person' is left vague. It says a transgender person is one who is "neither wholly female nor wholly male or a combination of female or male or neither female nor male and whose sense of gender does not match with the gender assigned to that person at the time of birth, and includes trans-men and trans-women, persons with intersex variations and gender-queers". The Bill does not separately define any of these terms used, like for example, "trans-men" and "trans-women".

## Domestic Help - It's not help, it's work

- The so-called police verification forms sought to be filled by people who work as domestic help points to the criminalisation of people on the basis of their occupation.
- No such information is sought about the employer, despite there being ample evidence to suggest that the security threat works the other way too.

### Lack of recognition

- For the record, no other category of workers is required to register themselves with the police.



- In a country where 93% of the workforce is in the unorganised sector and therefore beyond the purview of most labour laws, domestic workers represent a new low in terms of disempowerment: they are not even recognised as workers. Their work — cooking, cleaning, dish-washing, baby-sitting — is not recognised as work by the state. Criminalisation is thus the last straw.
- India has only two laws that, in a roundabout way, construe domestic helps as workers. **The Unorganised Workers’ Social Security Act, 2008, (UWSSA) and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.** While the former is a social welfare scheme, the latter aims to protect working women in general. Neither of these recognises domestic helps as rights-bearing workers.
- Yet this recognition is a necessary pre-condition for state regulation — in the form of a draft National Policy for Domestic Workers. This policy not only calls for promoting awareness of domestic work as a “legitimate labour market activity”, but also recommends amending existing labour laws to ensure that domestic workers enjoy all the labour rights that other workers do. But the government seems to be in no hurry to adopt it.

**Domestic work as an economic activity is too vast and employs too many to remain unregulated. Why?**

- The apparently endless supply of domestic workers has a lot to do with the decline of employment opportunities in the agriculture and manufacturing sectors, which took a hit post-2008.
- At the same time, demand kept rising, as the entry of middle class and upper middle class women into the male-dominated world of work was not matched in scale by a corresponding entry of men into the (feminised) realm of unpaid housework.
- Poorer women from the hinterlands stepped in to fill the labour gap, for some remuneration.
- Today, the economic value of housework is no longer disputed. But the nexus of the state and the market has managed to keep domestic work outside the realm of economic regulation.
- Neither the Maternity Benefits Act nor the Minimum Wages Act or any of the scores of other labour laws apply to domestic work. Domestic workers can be hired and fired at will. The employer has no legally binding obligations.

**A regulatory framework**

- The anti-sexual harassment law recognises the private household as a workplace.
- The National Platform for Domestic Workers submitted a draft bill, **the Domestic Workers Regulation of Work and Social Security Bill, 2016**, to the government in January.
  - It calls for the compulsory registration of the employer and the employee with the District Board for regulation of domestic workers.
  - Unlike the UWSSA, which puts the onus on the state, it mandates the collection of cess from the employer for the maintenance of a social security fund for domestic workers, whose access would be mediated through an identity card.

- This framework achieves both the objectives of police verification — security, and documentation of identification data. But in a refreshing contrast, it does so not by criminalising domestic helps but by empowering them as rights-bearing workers.
- Thus, to view domestic workers as a security threat is but another way of denying them the status of workers. The policy mindset regarding domestic workers must shift from a law-and-order paradigm to one about workers' rights. A good place to start would be to consider enacting a Domestic Workers Regulation of Work and Social Security Act.



## CIVILS360 - TODAY'S TALK ON EDITORIALS

July 15,2017

### Adrift at sea - The Ice breakage

- Antarctica is a climate stabilising factor, and the importance of the marine West Antarctic ice sheet was highlighted by U.S. scientists over four decades ago.
- In the context of rising emissions from the burning of fossil fuels, a cautionary note was sounded, on warming seas hastening the melting of the shelves that hold its great mass.
- Indeed, the point made was that except for man-made causes, there was no anticipated factor in the natural geological cycle that would disturb Antarctica.
- The separation of an iceberg almost 6,000 sq. km in size from **the Larsen C Ice Shelf** shows the importance of such alarms.
- Fortunately, newer satellite technologies, which were not available during earlier instances of iceberg calving, will help in the study of the fragile peninsular region and Antarctica as a whole.

#### Possible Effects

- Among the stark effects of changes could be a shift in biodiversity: species like emperor penguins which depend on sea ice to complete their life cycle are at risk if ice cover declines.
- Any dramatic changes will only add to the worry of irreversible effects of climate change, given that the Arctic and Greenland have also been losing ice cover.
- Clearly, the loss of a massive portion of the Larsen C Ice Shelf marks another milestone in the evolution of this remote region. Yet, the lack of long-term data on Antarctica, as opposed to other regions, makes it difficult to arrive at sound conclusions.
- What is clear is that the last pristine continent should be left well alone, with a minimum of human interference, even as research efforts are intensified to study the impact of human activities in the rest of the world on this wilderness.
- 





## How Brexit has begun to unravel

- Questions about the viability of Brexit as the government had laid it out — in Prime Minister Theresa May's crucial Lancaster House speech in January — emerged rapidly after the election and the government's loss of its overall parliamentary majority.
- With the loss of seats, and rise of Labour putting this mandate in question, many asked whether the party would be forced to soften its stance on a number of key issues, particularly given its alliance with the Democratic Unionist Party in Northern Ireland, which had made the issue of the open border between the two Irelands all the more important to solve. (The issue of how to keep an open border while ending the customs union is seen as one of the major practical challenges of Brexit.)

### Source of the questions

- Firstly, the practical issues around Brexit — and the interpretation of the “will of the people” *vis-à-vis* the referendum — seem to be burgeoning rapidly, highlighted by an ongoing controversy over Britain's membership of the European nuclear industry regulator, Euratom.
  - The government had suggested it had little option but to leave as it raised issues around jurisdiction of the European Court of Justice among other things, but legal opinion remains very divided, with many (even strident Brexiteers) suggesting that keeping Britain in Euratom remained completely viable and necessary.
- No deal or bad deal?
  - There's the confusion on what the government policy on crucial areas is: for example, around the now infamous slogan of the Prime Minister that “no deal is better than a bad deal.” That negotiating position has faced widespread criticism from both within and outside Conservative Party circles, for the perception internationally that Britain's aggressive negotiating stance was likely to be counteractive.
- Another crucial area over which confusion reigns is the issue of the transitional period that would ease Britain's exit for it and other member states, in particular what EU precepts or bodies would continue to be relevant over that period.
- These issues arise at a time when economic conditions have toughened,
  - Inflation in May climbed to its highest rate in four years, 2.9%, with weakness of the pound persisting, as wages remain subdued.
  - While the unemployment rate is at its lowest level since the 1970s, the Office for National Statistics said last week that real disposable incomes were falling at their highest rate since 2011, largely as a result of inflation.

### Continental shift

- Foreign Secretary Boris Johnson scoffed at the “divorce bill”, the multibillion-pound payment that Europe believes is owed to it by Britain as it exits the union, telling MPs that the EU could “go whistle.” But his remarks were calmly rejected by Michel Barnier, the EU's chief negotiator.
- He warned that without a recognition of the payments owed by Britain, trust would be broken and there would be little chance of negotiations moving forward. “I am not hearing any whistling, just the clock ticking,” he said this week.
- With just twenty months to go till Britain is meant to leave the union, with the purported mission of “taking back control” of borders, laws, and trade, it's potentially more of a time bomb.

## Today's Talk on Editorials

July 17,2017

### Cash is not trash

- A public sector bank is the latest to join hands in the war against cash. A report released by the State Bank of India last week states that thanks to demonetisation, India has seen a huge increase in digital payments using cards. If not for demonetisation, it says, the economy would have taken three more years to achieve the level of digitisation that it has since November.
- It is unanimously agreed by experts that a cashless world offers many undeniable benefits. In a world where all, or at least most, transactions are digital, the government would be able to track any transaction. This would help prevent tax evasion, thus increasing tax revenue, and also help in dealing with criminal transactions.
- What is ignored is the fact that when the government cracks down on a preferred method of transaction among citizens, the result is a net economic loss to the society. After all, it is not some superstition that holds back citizens from using digital cash. Instead, there are often some good economic reasons for them to choose to deal in cash over other forms of money.

### Low-value transactions

- For one, physical cash often offers the easiest and cheapest way to deal in many low-value transactions
  - It might, for instance, make no economic sense for small businesses to build the infrastructure required for digital payments, or for poor households to pay the price for it. Many businesses and consumers might automatically adopt digital technology as its costs drop. Forcing them to prematurely adopt technology will only be harmful to their interests.
- Two, a broad brush has been used to paint all untaxed cash-based economic activity as a crime that needs to be punished, but it should be remembered that cash actually allows several beneficial economic transactions to thrive.
  - In the absence of cash, a lot of these useful activities would be crushed under the weight of harmful government policy. It is no coincidence that many legitimate economic activities get pushed into the underground economy only under draconian regimes.
- Lastly, it is worth noting that the preference for cash among citizens has traditionally worked against the plans of governments to pursue inflationary policies.
- Simply stated, if citizens are allowed to encash their deposits to escape a situation like negative interest rate policy (NIRP), it would threaten the stability of the banking system.
- Cash thus acts as a natural check on inflationary government policies. It is no wonder that cash has been turned into an evil zombie, which it is clearly not.

### A looming threat

- About 5,500 of over 76,000 children tested in nine Indian cities have been diagnosed with tuberculosis, 9% of them with multi-drug resistant TB (MDR-TB), highlighting the silent spread of the disease.
- According to a 2015 study, of the over 600 children who had tested positive for TB in four cities, about 10% showed resistance to Rifampicin, a first-line drug.
- Very often, children who test positive for TB have been in close contact with adults with the disease in the same household. With up to a couple of months' delay in diagnosing the disease being the norm, there is a continuing threat of TB spreading among household contacts and in the larger community.
- Children below six years of age in the household of a newly diagnosed patient are required to be given the drug Isoniazid as a prophylactic even when they do not have the disease.
- A proactive approach to testing helps in early and correct diagnosis of all contacts and in cutting the transmission chain.
- Fixed-dose combination (FDC) drugs that take into account the revised dosages for children were finally made available in late 2015. The FDCs are meant for treating children with drug-susceptible TB and cannot be used to treat children who require second-line drugs or who have MDR-TB. After more than a year's delay, a few months ago India finally introduced FDCs in six States.

## When too much is too little

- According to the Food and Agriculture Organisation (FAO), “One third of food produced for human consumption is lost or wasted globally, which amounts to about 1.3 billion tons per year.”
- Food wastage has multiple socio-economic and environmental impacts. In a country like India, not only is food scarce for many poor families, it is a luxury for many others.
- Though hunger cannot be tackled directly by preventing food wastage, a substantial amount of food that is wasted in our country can feed many hungry people.
- **India ranked 97th among 118 countries in the Global Hunger Index for 2016.**
- About 20 crore people go to bed hungry and 7,000 people die of hunger every day; wastage of food is not less than a social delinquency.
- According to one estimate, 21 million tonnes of wheat are wasted in India every year. A recent study by the Indian Institute of Management, Calcutta, revealed that only 10% of food is covered by cold storage facilities in India. This, coupled with poor supply-chain management, results in significant wastage, both at pre- and post-harvest stages, of cereals, pulses, fruits and vegetables.
- The wastage of food entails loss of considerable amount of resources in the form of inputs used during production. For example, 25% of fresh water and nearly 300 million barrels of oil used to produce food are ultimately wasted
- The increasing wastage also results in land degradation by about 45%, mainly due to deforestation, unsustainable agricultural practices, and excessive groundwater extraction. Wastage results in national economic loss. To put a monetary value to the loss in terms of wastage, India loses Rs. 58,000 crore every year
- The energy spent over wasted food results in 3.3 billion tonnes of carbon dioxide production every year. Decay also leads to harmful emission of other gases in the atmosphere; for instance, decaying of rice produces methane. Food waste emissions have a major impact on climate change and result in greater carbon footprint.

### Laws to encourage donation

- In India, there are many civil society, private sector and community initiatives aimed at distributing food among the poor.
- The government is also committed to securing availability of food grains for two-thirds of the 1.3 billion population, under the National Food Security Act, 2013.
- There are initiatives such as India Food Banking Network (IFBN), which is promoting the concept of collaborative consumption with support from the private sector and civil society organisations.
- The government needs to do more and should play a larger facilitating role. The Prime Minister’s call to the nation needs to be followed up with further interventions.
- There is an urgent need to understand the complexity of the problem and then to devise a national-level strategy to combat it so that surplus of food can be turned into an advantage instead of resulting in wastage.

## TODAY'S TALK ON EDITORIALS

July 18,2017

### After globalisation's promise

- 'Hyperglobalisation' has been used to describe the dramatic increase in international trade witnessed for about a decade and a half from the early 1990s up to the global financial crisis of 2008.
- The imagery intended is one of an increasing connectedness among nations leading to a virtuous cycle of economic expansion.

### End of a phase

- The phase of high trade starting 1870 came to an end with the First World War and was to revive, slowly, only after the Second.
- Following the collapse of East European communism in the early 1990s, there was a resurgence in global trade.
- Now even this phase has somewhat abruptly ended with the global financial crisis.

### Role of technology

- 9th century globalisation was underpinned by technological advances that facilitated trade.
- The advent of the telegraph is alluded to along with the invention of the internal combustion engine. o The former enabled the communications infrastructure intrinsic to trade and the latter enabled the fast, reliable and cheap transportation of goods across seas.
- This account of how advances in technology fuelled trade is of undoubted relevance but remains partial in that it leaves out the role of the growth in demand for these technologies.
  - o It was, after all, the growing market for British goods as Indian manufacturing was dislodged following military conquest and as British capital flowed into the laying of a rail network in parts of Latin America and Africa that provided the demand for development of cheaper communication and transportation technology.
  - o Therefore, it may as well be said that trade expanded as the demand for goods grew
- However, it is yet true that when global demand expands, countries can exploit the trade route to grow their economies.
- This was the great promise of globalisation held out to the developing countries in the 1990s.

### The slowdown and India

- Recognising the diminished tempo of globalisation, India's economic policymakers must address the growth of the home market, which is the demand for goods and services emanating from within the country.
- The immediate points of action and the appropriate instruments can be identified without much strain on our ingenuity.
- In the short run or the present, when the global economy is sluggish, only domestic investment can move demand.
- In India, we have been witnessing slowing or depressed private investment for close to five years by now. There is a view that this has to do with tight monetary policy.
  - o It is true that the real lending rate for firms has been rising as inflation is falling.
  - o Much a policy stance can be justified only by resorting to the claim that the Reserve Bank of India knows something about future inflation that we don't, in particular that inflation is set to rise again soon.
  - o Given that they hold non-performing assets, the banks are extremely wary of lending.
  - o Any significant resumption of lending by banks may be hostage to their first resolving the bad loans problem.

### On public investment

- Independent of the 'twin balance sheet problem', Keynesian economics has long recognised that lowering the rate of interest may not do much for private investment if the expected rate of return is depressed.
- In response to the argument heard at the highest level of policymaking that there are no viable projects to be had, one need only refer to a recent news report on the state of our roads and bridges.



- It is reported that 23 bridges and tunnels on India's national highways are over 100 years old, of which 17 require rehabilitation or major maintenance.
  - As many as 123 other bridges in the country require immediate attention and 6,000 are "structurally distressed".
  - Infrastructure is unique in that spending on it raises aggregate demand and when it actually comes on stream, it raises the productivity of investment elsewhere in the economy. 'Roads and bridges' are a metaphor for the public infrastructure that the Indian economy can fruitfully absorb today.
- For the country's political leadership, the task is no longer to find trading partners to hug but to buckle down to the heavy lifting of expanding physical infrastructure.

### Masking the flaws

- The government claims to have made substantial progress in achievement of the Sustainable Development Goals (SDGs).
- In its Voluntary National Review (VNR) report, to be presented at the ongoing UN High-Level Political Forum (HLPF) in New York, it portrays a picture of 'all is well'.

### The ground reality

- India's report, prepared by the NITI Aayog, attributes the sharp reduction of poverty from 45.3% in 1993-94 to 22% in 2011-12 to the economic growth after liberalisation.
  - However, a shadow report on SDGs prepared by civil society organisations in India, led by the Wada Na Todo Abhiyan (WNTA), states that India's growth story of the last two decades has accentuated inequalities, perpetuated poverty and limited the choices of historically marginalised communities.
- The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has lifted millions out of poverty since its inception in 2005. It created more than two billion person-days of employment in 2016-17 alone, states the VNR report.
  - However, budgetary allocation to the scheme has slowed down in recent years, resulting in pending payments of Rs. 7,000 crore, according to the Centre for Policy Research
- To reduce hunger and malnutrition, the National Food Security Act aims to provide foodgrains to 66% of the population, covering about 800 million people. To ensure transparency, 77% of the ration cards have been linked to Aadhaar.
  - "But field evidence suggests that mandatory linkage with Aadhaar is excluding the most-neediest in interior tribal areas," points out Rajkishor Mishra of Right to Food Campaign.

### Helping the farmers

- The government, through its National Mission on Sustainable Agriculture, provision of soil health cards and crop insurance, claims to have helped small and marginal farmers, who form 80% of our farmer population.
  - However, the claim falls flat in view of nearly 3,00,000 farmers committing suicide in last two decades.
- The NDA government may have promised to double farmers' income, but the increase in MSP is strikingly meagre.
- Further, the Shanta Kumar committee's recommendation of replacing PDS by cash transfer which will dispense with the procurement system, if it materialises, will sound the death knell to small-scale farming.
- India has made significant progress over the years on basic health indicators like Infant Mortality Rate (IMR), Maternal Mortality Rate (MMR), institutional deliveries and vaccination coverage.
  - However, 62.4% of the total health expenditure is still out of pocket, putting a huge burden on the poor and the middle class, says the civil society report.
- In this regard, the aim of the National Health Policy, 2017 of providing affordable health care is welcome. Inclusion of a 'gaps and lesson learned' section in performance reviews will go a long way towards the attainment of the SDGs.





## Easing the rhetoric

- ❑ The Centre's briefing to the Opposition on the ongoing stand-off with China on the Doklam plateau was long overdue.
- ❑ The message the government sent, beyond the facts of how the stand-off began, was threefold:
  - that Indian troops now sit across from Chinese troops for a second month at a part of the tri-junction claimed by Bhutan;
  - that India is upholding its commitment to Bhutan with its military presence there; and
  - that it is pursuing all diplomatic options in order to resolve differences with China on the dispute.
- ❑ China has so far rejected any talks until the Indian troops move back
- ❑ But New Delhi's insistence on neither asking the troops to step back nor stopping the pursuit of dialogue is a mature response.

- It is to be hoped that National Security Adviser Ajit Doval's coming visit to Beijing to attend a BRICS meeting hosted by his counterpart, and other engagements in the run-up to Prime Minister Narendra Modi's scheduled visit to Xiamen for the BRICS summit in September, will see this strategy bear fruit.
- However, India will have to do much more than control the message to resolve this stand-off.
- China's continued belligerence, amplified by its state-owned media outlets, on the issue suggests that the 'Astana consensus' between Prime Minister Narendra Modi and President Xi Jinping to not "allow differences to become disputes" is a fragile one.
- It should be kept in mind that Indian troops stand not on Indian territory but on territory claimed by Bhutan, and at Thimphu's request.
- China's actions at Doklam are aimed as much at putting a spotlight on the Indian presence there as they are at compelling Bhutan to loosen the tight bonds that have historically held New Delhi and Thimphu together
- The government must ensure that every step it takes is in consultation with Thimphu, and make it clear that any final decision it takes will not be about a "win or lose" for India, but dictated by what is in Bhutan's best interests.

#### **BRAZIL, RUSSIA, INDIA, CHINA & SOUTH AFRICA (BRICS)**

- BRICS brings together five major emerging economies, comprising 43% of the world population, having 30% of the world GDP and 17% share in the world trade.
- As a formal grouping, BRIC started after the meeting of the Leaders of Russia, India and China in St. Petersburg on the margins of G8 Outreach Summit in 2006.
- The grouping was formalized during the 1st meeting of BRIC Foreign Ministers on the margins of UNGA in New York in 2006.
- The 1st BRIC Summit was held in Yekaterinburg, Russia, on 16 June 2009.
- It was agreed to expand BRIC into BRICS with the inclusion of South Africa at the BRIC Foreign Ministers' meeting in New York in September 2010.
- Accordingly, South Africa attended the 3rd BRICS Summit in Sanya, China on 14 April 2011.



**CIVILS360- TODAY'S TALK ON EDITORIALS****JULY 19,2017****Partners in regional security and prosperity – INDIA -AUSTRALIA**

- Australia is committed to working with India and other nations to ensure our region continues to be underpinned by a predictable and resilient rules-based order.
- The existing post-World War II order has underpinned the extraordinary economic growth we have seen in many parts of the world, and more recently in our region.
- It has allowed Indo-Pacific states — large and small — to pursue their national and collective interests, while also providing the mechanisms to resolve any disputes peacefully.
- India's growing economic weight has the potential to help lift standards of living in India as well as contribute to prosperity in the wider Indo-Pacific.

**A new phase of investment**

- Australia welcomes India's ambitious reform agenda, including the recent introduction of a Goods and Services Tax, and stands ready to lend support, drawing on our own experience.
- Economic growth and prosperity in the region will also require continued investment in infrastructure.
- Increasingly, China is lending its enormous economic weight to a new phase of investment in the region and beyond.
- The Asian Infrastructure Investment Bank — which Australia and India joined as founding members — has a role to play in funding infrastructure.
- Likewise, Japan makes a significant contribution to investment, both commercially and through development banks.
- We endorse the concept behind these investments — of enhancing connectivity, in land, air, sea and cyber.
- The more connected our region, the more business opportunities there will be for the private sector, including Australian firms.
- India is also fully committed to supporting the role of key regional institutions and to strengthening collective leadership.
- While less developed than the extensive regional architecture in Southeast and East Asia, the regional architecture of the Indian Ocean is increasingly promoting coordinated approaches with South Asia, in response to shared interests and emerging challenges.
- India and Australia need to increase our bilateral cooperation and our collective efforts with other like-minded countries.

**'We are slow to adopt science for conservation'**

- The National Tiger Conservation Authority (NTCA) has estimated a rise in the number of tigers killed in the first half of this year compared to the same period last year.
  - The real concern is whether these deaths are due to poaching and if they are being killed inside protected zones where the breeding is taking place.
- The latest government figures estimate 2,226 tigers, which translates to 60% of the world's tiger population of about 3,890.
- We have roughly 3,00,000 sq. km of forest suitable for tigers and we have only about 10% of it capable of holding them naturally.
- We are spending too much money in too few sectors and that's generally true of wildlife conservation in India, not only of tiger conservation.
- Some tiger reserves have budgets of Rs. 10 crore when the job can be done in Rs. 2 crore. This (lopsided funding) attracts the worst elements of bureaucracy to come here. Places like Bandipur, Nagarhole and Ranthambore reserves — these spectacular ones — are examples of those flush with funds and boast large tiger habitats.
- You need money for, say, relocation and resettling of foresters; but, beyond that, spending money on areas such as procuring water for reserves (during droughts) and mangroves. This needs to be fixed first.

- Interlinking the Ken and Betwa rivers by building a dam and a canal will inundate a portion of the tiger reserve. But it won't wipe out the tigers there however the proposed reservoir is massive and Panna is among the few good reserves that we have. So we should have seen if there were alternative locations or if a suitable alternative site could have been established to compensate for the loss of forests.

#### **Is poaching as big a threat to tigers — and other wildlife — as it was a few decades ago?**

- Law enforcement has worked to an extent, else we wouldn't have had any tigers left. However this efficiency is again uneven. In the Northeast, for instance, law enforcement is practically non-existent. This is due to a number of social and cultural factors. The attention should be over there rather than pumping more and more money into reserves where there are enough resources in place.

#### **Too much money is being spent on tiger conservation**

- There is certainly a lack of attention to several other key species. These include, for instance, wolves and the bustard because they don't share a tiger habitat.
- We are the 10th largest economy in the world. We should have at least 5,000-10,000 tigers and not pat our back with 3,000

#### **Major obstacles:**

- government is slow to adopt good science for conservation purposes
- The other key hurdle is the lack of access to data.

### **No common ground on the Doklam plateau**

- The Doklam plateau has become the unlikely scene of the latest India-China imbroglio.
- The region falls within Bhutanese territory, but this is now questioned by China. The Chumbi valley is vital for India, and any change is fraught with dangerous possibilities. The incident stems from differences between Bhutan and India on the one hand and China on the other as to the exact location of the tri-junction between the three countries.
- In 2007, India and Bhutan had negotiated a Friendship Treaty to replace an earlier one. According to the revised treaty, the two countries are committed to coordinate on issues relating to their national interests.

#### **Cartographic aggression**

- China's current claims over the Doklam plateau should be seen as yet another instance of cartographic aggression, which China often engages in. It is, however, China's action of building an all-weather road on Bhutan's territory, one capable of sustaining heavy vehicles, that has prompted Bhutan and India to coordinate their actions in their joint national interests, under the terms of the 2007 Friendship Treaty.
- The Sikkim (India)-China border was the only settled segment of the nearly 4,000-km-long India-China border. It adheres to the Anglo-Chinese Convention of 1890, signed between Britain and China, though the exact location of the tri-junction is today in dispute. The Indian side puts it near Batang La, while China claims that it is located at Mt. Gipmochi further south. The Bhutanese are rather equivocal about China's claims, acknowledging that Tibetan graziers had free access to the Doklam plateau and the Dorsa Nala area, but accept the fact that the tri-junction is at Batang La.
- With China's Belt and Road Initiative (BRI) gaining momentum, and completion of infrastructure programmes such as the Lhasa-Shigatse Railway, China appears to have turned its attention to the Doklam plateau, eyeing an opportunity to establish a strong presence close to the Indian border.
- It would be a serious mistake to treat the present incident as another run-of-the-mill border incident on the pattern of incidents reported from different points on the disputed Sino-Indian border. There are substantial differences, for instance, between the current incident in the Doklam plateau and past stand-offs such as the ones in Depsang and Chumar, or even for that matter, the 1986-87 Wangdung incident near Sumdorong Chu in Arunachal Pradesh.
- The rhetoric from the Chinese side has been unusually shrill with China laying down 'conditionalities' that "India should withdraw its troops to the Indian side of the border to uphold the peace/tranquillity of the China-India border areas as a precondition for essential peace



talks". Implicit threats of an even more serious situation developing, leading to even more serious consequences, if India did not step back have also been made.

#### **Unintended consequences**

- China and India see the Doklam stand-off very differently.
  - For China, the issue is one of territorial 'sovereignty'.
  - For India, the issue is one of national security.
- If Chinese claims to the Doklam plateau are accepted and the tri-junction is accepted to be further south at Mt. Gipmochi. It would bring China within striking distance of India's vulnerable 'Chicken Neck', the Siliguri Corridor, the life-line to India's Northeast. This has always been seen as India's 'Achilles heel', and ensuring its security has figured prominently in India's calculation from the beginning. The possibilities and consequences are both immense and serious.
- No bilateral meeting took place between Prime Minister Narendra Modi and Chinese President Xi Jinping at the G20 summit in Hamburg earlier this month. There were no consequential meetings subsequently, including during the BRICS conclave.
- One implication could possibly be that the Chinese wish to convey the impression that this is an issue between China and Bhutan, and it does not recognise the India-Bhutan 'special relationship' which provides an Indian guarantee for Bhutanese sovereignty.
- Another is that the Chinese believe that on their own they can make peace with Bhutan and it is India's 'interference' that is complicating matters. China can be expected to pursue this line vigorously from now on.
- India's friends are most unlikely to pressurise or persuade China to step back. This leaves India to play a lone hand.
- The only silver lining is that both India and China, though for different reasons, are reluctant to engage in an open conflict — one that could prove detrimental to both.
- The Chinese economy is slowing down at present and the main preoccupation is to regain its past momentum. China is also preparing for its 19th Party Congress, at which Xi Jinping hopes to establish full control. It is, hence, anxious to avoid any kind of major distraction.
- India's reluctance again centres on the economy. Its concerns are that a conflict would stymie economic growth.
- If the deadlock is to be broken, and if diplomacy is ruled out for the present, other measures will need to be considered. One available option is the Special Representative Meeting (SRM) that was set up primarily to deal with border issues.
- The Special Representatives should, hence, urgently establish contact and work out a modus vivendi that would ensure a solution without loss of face for either side.



## TODAY'S TALK ON EDITORIALS

JULY 20,2017

## Think beyond loan waivers

- Indian agriculture is characterised by low scale and low productivity. About 85% of the operational landholdings in the country are below 5 acres and 67% farm households survive on an average landholding of one acre. More than half of the area under cultivation does not have access to irrigation. Agriculture income generated at average size of landholding is not adequate to meet farmers' needs.
- The problem is exacerbated by weather and market risks.
- According to the latest National Sample Survey on Situation Assessment Survey of Agricultural Households (NSS-SAS), 13.9% farm households experienced negative return from crop production during 2012-13.

•Non-farm income comprised 40% of the income of farm households, but access to non-farm sources of income is highly skewed as about 40% of farm households reported zero income from such sources.

## Increasing debt burden

- Modern agriculture requires investment in farm machinery and use of purchased inputs like seed, fertiliser, agri-chemicals, diesel and hired labour.
- Most often, savings generated from unremunerative crop enterprise are inadequate for such investments.
- Rising expenses on health, education, social ceremonies and non-food items put additional financial demand on farm families.
- Consequently, majority of the farmers have to take loans from institutional or non-institutional sources or both.
- The share of institutional loans disbursed during a year to agriculture and allied sectors has risen from 8.9% of the value of output in 2000-01 to 31.4% in 2015-16.
- The ultimate goal of farm loan waiver is to lessen the debt burden of distressed and vulnerable farmers and help them qualify for fresh loans.
- The success of the loan waiver lies on the extent to which the benefits reach the needy farmers.

Loan waivers suffer from several drawbacks in this respect.

- First, it covers only a tiny fraction of farmers.
- According to 2012-13 NSS-SAS, 48% of the agricultural households did not have any outstanding loan.
- The farmers investing from their own savings and those borrowing from non-institutional sources are equally vulnerable to weather and market risks.
- But all such households are outside the purview of loan waiver.
- Second, it provides only a partial relief to the indebted farmers as about half of the institutional borrowing of a cultivator is for non-farm purposes.

- Third, in many cases, one household has multiple loans either from different sources or in the name of different family members, which entitles it to multiple loan waiving.
- Fourth, loan waiving excludes agricultural labourers who are even weaker than cultivators in bearing the consequences of economic distress.
- Fifth, it severely erodes the credit culture, with dire long-run consequences to the banking business.
- Sixth, the scheme is prone to serious exclusion and inclusion errors, as evidenced by the Comptroller and Auditor General's (CAG) findings in the Agricultural Debt Waiver and Debt Relief Scheme, 2008.
- It appears that loan waiving can provide a short-term relief to a limited section of farmers; it has a meagre chance of bringing farmers out of the vicious cycle of indebtedness.
- There is no concrete evidence on reduction in agrarian distress following the first spell of all-India farm loan waiver in 2008.
- In the longer run, strengthening the repayment capacity of the farmers by improving and stabilising their income is the only way to keep them out of distress.

#### Sustainable solutions

- For providing immediate relief to the needy farmers, a more inclusive alternative approach is to identify the vulnerable farmers' based on certain criteria and give an equal amount as financial relief to the vulnerable and distressed families.
- the sustainable solution to indebtedness and agrarian distress is to raise income from agricultural activities and enhance access to non-farm sources of income.
- Improved technology, expansion of irrigation coverage, and crop diversification towards high-value crops are appropriate measures for raising productivity and farmers' income.
- Another major source of increase in farmers' income is remunerative prices for farm produce.
- Another major source of increase in farmers' income is remunerative prices for farm produce.
- This requires removal of old regulations and restrictions on agriculture to enable creation of a liberalised environment for investment, trading and marketing. Agrarian distress and farmers' income will be addressed much better if States undertake and sincerely implement long-pending reforms in the agriculture sector with urgency.

#### Conserving water, the ancient way

- Temples today are primarily religious monuments, occasionally visited for their art and architecture. However, in the past, their walls served as record-keepers
- Reverence for the resource
- Temple inscriptions were always documents connected with the sale, transfer and maintenance of irrigated lands.
- Temple inscriptions were always documents connected with the sale, transfer and maintenance of irrigated lands.

- Today, we consider water to be a right. However, in the older traditions, it was a representation of god that residents were duty-bound to protect and conserve. Further, the respect for water transcended the public sphere and was part of individual homes as well.

- In the Pandya empire, water conservation was a completely local affair. The entire community, through the elected temple mahasabha, managed it. This meant that there was constant supervision, ownership and responsibility

- Water from the Tamirabarani and the Vaigai rivers was taken through channels into formations like eris (small lakes) and per-eris (bigger lakes). Channels created square parcels of lands called sadirams and they were subdivided into smaller padagams of land, all of which had numbers. There were as many as 20-24 padagams in a sadiram. They were taxed differently based on how fertile they were — a system far more complex and farmer-friendly than today!

Care for the local terrain

- Maintenance of the tanks through desilting and enlargement and building and maintaining of new canals was a continuous process. More than a hundred inscriptions across the region deal exclusively with this. Fishing rights for the lakes helped defray maintenance costs. Revenues were high enough for the excess profits to be deployed in building larger halls in temples that could be used for public functions.

- Many inscriptions also talk of reclaimed lands and tax concessions provided following natural disasters and how, after a disaster, the community quickly acted together to set the system right.

- True, the inscriptions don't paint a utopian world. They talk about disputes related to water sharing and taxes; deaths that happened during desilting; and fights over excess water for more rounds of crops. However, these disputes were quickly resolved and in a way that the river or tank was respected.



**TODAY’S TALK ON EDITORIALS**

**JULY 21, 2017**

**Should urbanisation score over conservation?**

- The latest amendments to the Ancient Monuments and Archaeological Sites and Remains (AMASR) Act, 1958, have been placed before Parliament, to do away with the prohibited zones around protected national monuments whenever it chooses to do so for some supposed “public” purpose.
- To justify this, we are offered a note for the Cabinet prepared by the Ministry of Culture. Significantly, the ministry here speaks not on behalf of our cultural heritage, as it should, but pleads the cause of roadways, railway tracks, and unknown private landed interests.
- Nowhere is it stated in it that the Archaeological Survey of India (under the Ministry of Culture) has cleared the proposal or that the Central Advisory Board of Archaeology has been consulted about it. Nor does even the ministry’s note itself care to consider the probable effects of the intruding structures on the security and appearance of the protected monuments concerned, or the effect of heavy traffic on the structures of the monuments (as in Sikandra, Agra).
- Our members of Parliament, before whom the proposed amendments to the AMASR Act are being put, should be reminded of how in 1876 James Fergusson, a great Anglo-Indian student of Indian architecture, had the courage to describe such ill-treatment of Mughal monuments by the British government as “vandalism”.

**Retrospective comfort**

- A comparative study between the demonetisation exercise of January 16, 1978 under The High Denomination Bank Notes (Demonetisation) Ordinance, 1978 (1 of 1978) and the recent one of 2016 which was later given statutory recognition under The Specified Bank Notes (Cessation of Liabilities) Act.
  - The Centre reasoned that compared to the 1978 exercise, the 2016 made only “extremely reasonable” demands from the public.

1978	2016
People were allowed over-the-counter exchange of their demonetised notes only if they did not have a bank account	The public was allowed to do such exchanges up to a limit. This limit was monitored closely and was modified according to the prevailing situation.
Only the RBI offices and few branches of State Bank of India/designated nationalised banks were allowed	More types of banking establishments were allowed to exchange demonetised banknotes. <ul style="list-style-type: none"> <li>□ The notes could be exchanged at any issue office of the RBI or any branch of public sector banks, private sector banks, foreign banks, regional rural banks, urban cooperative banks, State cooperative banks and banking companies as defined in the Banking Regulation Act, 1949.</li> </ul>

No transactions with demonetised banknotes were allowed immediately on declaration of demonetisation	Various essential goods and services were allowed to be available on tendering of the specified banknotes for a limited period.
	Electronic media and social media played a major part in disseminating information to the masses
People were given just six days to exchange their demonetised notes	They had 51 days' time





## TODAY'S TALK ON EDITORIALS

JULY 24, 2017

### Taming inflationary expectations

•The official inflation rate dipped to 1.5% last month, the lowest in almost two decades. Inflation is a politically more sensitive challenge than joblessness for the simple reason that it affects everyone, whether you have a job or not.

•There have been very few instances of such persistent, multi-year, high inflationary episodes in our history. The credit for this goes to the vigilance of the political system and also to effective monetary management. Inflation is after all a monetary phenomenon — more money chasing fewer goods. So, controlling money supply is part of the strategy for controlling inflation.

#### Food prices as indicator

•Inflation is also an indicator of whether there is an excess demand or supply of goods.

- The recent drop in the inflation rate has been caused by a steep fall in the prices of vegetables (-17%) and pulses (-22%). Conversely, and rather ironically, unseasonal rains in the north have destroyed a large part of the tomato crop causing prices to skyrocket.

•Food prices are a big component in the determinant of the overall inflation rate based on the consumer price index basket.

•Inflation control thus involves a combination of monetary management along with measures to increase supply of goods (in the medium term) as also anti-hoarding measures or the release of stocks from government warehouses.

•The new paradigm, called the “flexible inflation targeting” framework, aims for a numerical target given by the government.

The main tool to achieve it is by setting the benchmark interest rate. This decision is now taken by the six-member monetary policy committee (MPC), chaired by the Governor.

The current inflation target is 4% plus or minus 2%. The MPC is deemed to have failed if for three consecutive quarters the inflation rate falls outside the band.

#### Low inflation pointer

•The benchmark rate (called the repo rate, or the rate at which the RBI gives money to banks) at 6.25% may be too high. Interest rates are the “price” of money, so if they are too high, money becomes scarce. If it is lowered, then there will be more money in circulation, more loans given out. But low inflation is also because of a steep fall in prices of fruits, vegetables and pulses, none of which was caused by high interest rates. These steep falls are highly seasonal. We have also benefited from low and stable crude oil prices, which are a crucial determinant of transport and energy costs.

#### MPC Expectations

•India needs much lower rates for higher GDP growth.

- High rates are crippling borrowers who try to come out of near-bankruptcy and are preventing a restructuring of stressed bank loans. India's real interest rates, i.e. net of inflation, are quite high even compared to other developing countries
- The short run impact of the Goods and Services Tax (GST) is bound to be inflationary. That's because a bulk of India's GDP is in services whose tax rate has moved from 15% to 18%.
  - Besides, while sellers wait for their refund, i.e. input tax credit under the GST, their cost of capital locked up might go up
- Besides the GST, there is the impact of the award of the Seventh Pay Commission to government employees.
  - This effect will cascade to public sector organisations and State-level employees as well, and put pressure on prices.
- The loan waivers announced in some States which can cause fiscal stress. High deficit spending is not compatible with lower interest rates.
- A fourth factor is the uptick in commodity prices worldwide as metals and food prices are looking up
- The last, and probably the most important, factor weighing on the MPC's mind would be inflation expectations.
  - Expectations are irrational, but they do affect behaviour.

## The boycott ban

- Maharashtra's new law prohibiting the social boycott of individuals, families or any community by informal village councils is a step in the right direction, given the pervasive nature of the problem.
- It targets the pernicious practice of informal caste panchayats or dominant sections using ostracism as a means of enforcing social conformity.
- The Maharashtra Protection of People from Social Boycott (Prevention, Prohibition and Redressal) Act, 2016, may serve as a template for similar legislation in other States.
  - The Act lists over a dozen types of actions that may amount to 'social boycott', which has been made a criminal offence punishable with imprisonment up to three years or a fine of Rs. 1 lakh or both.
  - The practices it prohibits range from preventing the performance of a social or religious custom, denial of the right to perform funerals or marriages, cutting off someone's social or commercial ties to preventing access to educational or medical institutions or community halls and public facilities, or any form of social ostracism on any ground.
- This is not the first law of its type. Bombay enacted a law against excommunication in 1949, but it was struck down by the Supreme Court in 1962 after the Dawoodi Bohra community successfully argued that it violated the community's constitutional right to manage its own religious affairs.
- **Article 17 of the Constitution and the Protection of Civil Rights Act outlaw untouchability in all its forms, but these are legal protections intended for the Scheduled Castes.**
  - In reality, members of various castes and communities also require such protection from informal village councils and gatherings of elders who draw on their own notions of conformity,



**CIVILS360**

[civils360.com](http://civils360.com)

community discipline, morality and social mores to issue diktats to the village or the community to cut off ties with supposedly offending persons and families.



## TODAY'S TALK ON EDITORIALS

JULY 25,2017

## Bilateral catalyst

Prime Minister Narendra Modi's recent visit to the U.S. is likely to deepen bilateral ties in multiple strategic areas. Among them, science and technology, a key driver for innovation and job creation in both countries, needs to take centre stage.

Over the years, knowledge and technology have become central to most of the bilateral agreements and strategic dialogues between the two countries. Bilateral agreements such as the Partnership to Advance Clean Energy and joint participation in mega projects in the areas of fundamental science such as the High Intensity Superconducting Proton Accelerator, the Thirty Meter Telescope, the Laser Interferometer Gravitational Observatory and the NASA-ISRO Synthetic Aperture Radar Mission will have a far-reaching impact.

## The science landscape

Learning from U.S. institutions the practices of the innovation value chain — ranging from ideation to prototyping and business-friendly incubation of the prototypes and the fostering of a proper legal and investor-friendly milieu — will make a visible difference on the ground. Second, an innovation does not necessarily have to be of the cutting-edge kind. The right solutions should be need-based and affordable.

The ongoing efforts to promote innovation and entrepreneurship through initiatives like the U.S.-India Science and Technology Endowment Fund, the Stanford-India Biodesign Programme and the Khorana Technology Transfer programme should be strengthened to enhance the efficiency and productivity of our emerging innovation system.

## Deepening of ties

A database of U.S.-based inventors, their inventions and technologies relevant to India needs to be created. Further, the existing collaborative partnerships and student exchange programmes between research institutions and universities in both the countries need to be strengthened at various levels — including university-to-university, university-to-industry, industry-to-industry, and consortia-to-consortia levels. Joint incubators, to enable Indian start-ups to introduce products in the U.S. market and to facilitate U.S.-based start-ups to enter India with inflow of technologies, mentors and best business practices, should be set up.

Finally, the knowledge and skills of the successful Indian diaspora and Indophiles in the American administration should be leveraged to not only support the Indian start-up ecosystem but also to raise funds for programmes that will help India achieve inclusive development. India's pledge to manufacture locally, create more jobs and stay ahead of the competition can be redeemed to a great extent by marrying the Indian skills of low-cost innovation, for example in launching satellites and in space exploration, with the American prowess in science and technology.

## Taxing times for the States

The new Goods and Services Tax (GST) regime, introduced by way of the 101st Constitutional Amendment, is based on a fundamental notion that uniformity in tax administration across the country is an idea worth cherishing.

#### Denting fiscal autonomy

the GST, far from being a case of “cooperative federalism”, is really an incursion into the authority that India’s States have been permitted under the Constitution. The resultant withering of the States’ fiscal independence strikes at the core of the Constitution’s basic structure which the Supreme Court has held is inviolable.

#### Partners in taxation

In this constitutional scheme, where State governments are seen as equal partners, the founders thought it necessary to be very careful in allocating the powers of taxation. The partition made for this purpose was highly intricate, and they ensured that the taxes assigned to the Union and the States were mutually exclusive.

This division of fiscal responsibility was made with a view to making States self-sufficient, and with a view to supplying to regional powers the flexibility needed to govern according to the respective needs of their people. The underlying idea here was that States should be uninhibited in tinkering taxation policies in whatever manner they desired so long as their laws conformed to the other constitutional diktats.

#### Confusion over GST Council

In endeavouring to pursue the goal of creating a single market through a homogenisation of the tax regime, the amendment grants to both the Union and the State governments concomitant powers over nearly all indirect taxes. To further effectuate this effort, the law also creates a GST Council, which comprises the Union Finance Minister, the Union Minister of State in charge of revenue or finance, and the minister in charge of finance from each State government. In acting as a nodal agency of sorts, this council will recommend a number of things, among others the list of taxes that will be subsumed by the GST, the goods and services that will be exempt from the levy of tax, the rates at which tax shall be levied, and so forth.

The council’s decisions will require a three-fourths majority, but the Central government’s votes will have a weightage of one-third of the total votes cast, according, thereby, to the Union a virtual veto.

The newly introduced Article 279A, which creates the council, describes its decisions as “recommendations”, but it also grants the council the power to establish a mechanism to adjudicate any dispute that might arise between any of its members in implementing the recommendations. If the council’s recommendations are to be treated as purely advisory, it leaves us wondering why we need a dispute resolution mechanism at all.

On the other hand, if these recommendations are treated as obligatory, we are left with a situation where States would have altogether surrendered their fiscal autonomy to the Central government. In such a case, a State would be barred from fashioning its laws in a manner befitting the necessities of its people.

#### What’s brewing in Darjeeling

#### The current crisis



In May, the West Bengal government announced Bengali as a compulsory language in schools across the State. By June, this triggered protests and claims of ‘linguistic imperialism’ in the Darjeeling and Kalimpong districts (where the lingua franca is Nepali). Chief Minister Mamata Banerjee then decided to hold a Cabinet meeting in Darjeeling for the first time in over 40 years. Little effort was made to include representatives of the Gorkhaland Territorial Administration (GTA) or the three hill MLAs, eliciting protests. The ensuing clash with police left government property destroyed and many protesters injured. The Army was brought in to staunch unrest, but it escalated instead. Subsequent protests and crackdowns have led to further destruction and deaths.

The crux of the movement

The Gorkhaland movement is a long-standing quest for a separate State of Gorkhaland within India for Nepali-speaking Indian citizens (often known as ‘Gorkhas’).

Contra popular misunderstanding, the movement is neither separatist nor anti-nationalist; it is about inclusion and belonging in India. As Gorkha National Liberation Front founder Subash Ghisingh explained during the first Gorkhaland agitation in the 1980s, “We Nepali-Indians who have nothing to do with Nepal are constantly confused with ‘Nepalis’, that is, citizens of Nepal, a foreign country. But if there is Gorkhaland then our belonging to an Indian State, just like your identity, will be clear.”

With those demands unrequited, a second Gorkhaland movement emerged in 2007 under the leadership of Bimal Gurung of the Gorkha Janmukti Morcha (GJM) and has flared intermittently.

It stands as a key means to redress the Gorkhas’ enduring history of discrimination, misconception, and marginalisation in India.

By demanding Gorkhaland, the people of Darjeeling-Kalimpong are opting out of West Bengal’s domination, and opting in to the democratic frameworks of India writ large.

Reasons for resurgence

The political circumstances are equally frustrating.

West Bengal’s recent creation of the Kalimpong district (2017) and the State’s doling out of Tribal Development Boards to ethnicities within the Gorkha conglomerate (Tamang, Sherpa, etc.) might appear well-intended gestures but in paving the way for the TMC’s electoral gains, they appear to many as clear examples of ‘divide and rule’ — causing splits in the Gorkha electorate and undermining the already-limited authority of the GTA.

For Gorkhas, the troubling realities of colonial and present-day Darjeeling are eerily similar: linguistic chauvinism, ethnic and racial discrimination, resource extraction, unilateral territorial claims, the denial of self-governance, political suppression; and ultimately, an unwillingness to respect the ‘native point of view’. This double bind of colonial nostalgia and neocolonial regional domination produces a sense of constant déjà vu, leading to the desperate feeling that genuine progress is out of reach.

**'Weak public institutions best way to ensure social injustice'**

- In the next few decades, there will be a youth bulge with a skewed sex ratio, one where people, the young people, have ostensible credentials but no real skills or knowledge because of how bad our education system is. So they have expectations and aspirations which are not going to be met.
- Add to it employment in the face of technological change which in every area requires fewer workers.
- All of this is coming together with a background of weak, if not weakening, public institutions to manage this.

In some ways, everywhere public institutions are challenged.

- All institutions are some form of checks and balances, but if those in power do not want those checks and balances and they get re-elected repeatedly, then over time there is erosion and — I want to emphasise this — this is across political parties.
- we have the most regulated higher education system... the UGC (University Grants Commission), AICTE (All India Council for Technical Education), etc.
- For universities- the underlying ethos of higher education is a spirit of inquiry, a spirit of curiosity, a spirit of tolerance, a spirit that says excellence is important. In that sense higher education should be elitist.
- Very few universities, they are islands of excellence. But for the bulk of our population, public universities will, and should, continue to be very important. But we seem to be writing them off. Other than the very elite narrow technical institutes like IITs and AIIMS and IIMs, these have reduced what the purpose of education means to a basic functional instrument.
- If you want to create a sense of genuine nationalism, of service to the nation, that's where it begins. It doesn't begin in sloganeering. Why shouldn't IIT graduates be sent to help out panchayats with technical expertise?
- If you look at public loans for higher education, they were about Rs. 300 crore in 2000. Now they are Rs. 72,000 crore, the fastest-growing NPAs (non-performing assets) in the banking system. Basically, these moneys go to private colleges, many are run by politicians, teaching rubbish and in the end, the public sector will pay in any case.

What ails our public institutions?

- One of the extraordinary things is how undermanned they are. It's not only about shortage of personnel in numbers, we have a shortage in quality. Partly I think this whole thing of everything at the top being reserved for the IAS, IPS has to go.
- Ironically, weak public institutions are the best way to ensure social injustice. Who needs strong public institutions? It is the weak, not the strong. The strong will always be able to buy their way, whether it is education, police protection. The irony is in the name of social justice, we have undermined the very social justice we have claimed we were doing this for.
- One of the things we should do in our Central universities is besides reservation, insist that half the students come from outside.

if you are in a research programme funded by public money, what should be your role? Should it be activism or research?

- Research is not a part-time activity. Good research requires tremendous commitment over a sustained period of time. You cannot get around it. That is the bottom line. An ordinary taxpayer may say, main kyon paise doon (why should I pay)? Or from the point of view of the young person: there are so many injustices, do you want me to keep aloof? There is an inherent tension we should recognise.

### In the age of data

- As India awaits the judgment of a nine-member Bench headed by Chief Justice J.S. Khehar on whether privacy is a fundamental right, the moment is ideal for the country to redefine and reconstruct some of the elementary definitions and laws associated with 'privacy'.
- The present time period is said to be the 'age of data' with private companies — ranging from social media platforms to e-mail services and messaging applications — storing humongous volumes of information, a lot of it outside India's borders.
- Both Facebook and WhatsApp have more than 200 million active users in India, with India recently surpassing the United States in terms of the number of Facebook users.

### EU regulation

- To protect the privacy of its individual users, the European Union is to implement the General Data Protection Regulation (GDPR) in May 2018. Aimed at harmonising data privacy laws across Europe, it will impose stiff penalty of up to 4% of the company's worldwide turnover in the event of a breach. Many companies will also have to ensure that even their vendors are fully compliant with the GDPR as a condition for running their businesses. **Recognition of privacy as an individual right in India, without similar enforceable regulations, will be akin to raking water up a hill.**
- Coming to collection of data by governments and agencies, we need to keep in mind the Internet and the more virulent Darknet are being increasingly used these days by criminals and antisocial elements for illegal trade, trafficking and money laundering apart from recruitment to various terror outfits like the Islamic State (IS).
- **Regulations that impinge on the effectiveness of our intelligence and law enforcement agencies as they battle these challenges would significantly compromise our social harmony and national security.**
- Hence, what India needs more is effective data protection laws, along with strong independent watchdog institutions to ensure that the organisations handling our data do not go astray.

### For a hygienic track

- The report of the Comptroller and Auditor General on catering services for the year ended March 2016 provides further evidence that little has changed in the system: food unsuitable for human consumption, contaminated and recycled items, packaged articles past their use-by date, and unauthorised items are sold on trains, all endangering the health of passengers.
- In the area of passenger services, any reform has to contend with the 'open access' character of rail travel in the country, since coaches are open to unlicensed vendors who sell food, water and other goods.
- Given the need for employment, it would be pragmatic to broaden the network and enrol more local distributors of certified articles, while implementing the core idea of the IRCTC running modern base kitchens.
- Audit findings of contractors on railway premises overcharging users and selling packaged food items at prices inflated over the open market are serious, and require immediate resolution.

**Questions of age**

- The Supreme Court has shown due restraint in declining to apply the provisions of the Protection of Children from Sexual Offences Act to mentally retarded adults whose mental age may be that of a child. It would have been tempting to give a purposive interpretation to the term 'child' under POCSO, which refers to those below 18 years of age, and rule that it encompasses those with a 'mental age' of a person below 18.
- POCSO is meant to protect children from sexual offences. To extend it to adult victims based on mental age would require determination of their mental competence. This would need statutory provisions and rules; the legislature alone is competent to enact them. Judicial conferment of power to trial courts to treat some adults as children based on mental capacity would, in the Bench's opinion, do violence to the existing law protecting children from sexual offences.
- It is now up to the legislature to consider the introduction of legal provisions to determine mental competence so victims with inadequate mental development may effectively testify against sexual offenders.

**Time to change course**

- Since December 2015, Chennai has limped from one extreme weather-related shock to another — the floods, the failed monsoon of 2016, Cyclone Vardah, and now the water crisis. Chennai's defining element is water. But the city shows scant regard for this precious but dangerous resource.
- Located squarely in the intervening floodplains of three rivers on a high-energy coastline, Chennai is a disaster-prone location. Any badly located city can be vulnerable merely by virtue of its location.

**The importance of Ennore**

- Ennore Creek, a sprawling 8,000-acre tidal waterbody, is a place where climate change and disastrous land-use change converge.
- When cyclonic weather pushes the sea surging landwards, or when rainwaters from the two rivers come rushing to meet the sea, the waterspread in the creek swells to its majestic fullness. Come rain or storm surge, the availability of room for the rain or sea water to stay is what keeps the city from going under.
- The creek offers another protection too. It buffers the rich aquifers of the Araniyar-Kosasthalaiyar Basin from the sea, and keeps salt water from invading groundwater resources that supply several hundred million litres daily to Chennai even during the worst droughts.

**Seeds of disaster**

- Political leaders and bureaucrats have been told that the creek is a protected waterbody, and that encroaching on it is both illegal and dangerous.
- But neither impending danger nor illegality has stopped the State government from clearing KPL's proposal to construct coal yards, warehouse zones, car parking and export terminals



for Ford, Hyundai and Nissan on 1,000 acres of Ennore wetlands. Justifying the decision taken in June, the State Coastal Zone Management Authority published a new map — subsequently exposed to be a fraudulent map — that denied the existence of the 6,500-acre creek.

### Privacy in the public domain

- Privacy is not a concept like the other fundamental rights. Moreover, our notions of privacy have changed and will continue to change. If there is one major catalyst for this change, it has been technology.
- Two common ways of understanding privacy are through secrecy and anonymity.
  - We believe that our bank balance must be private. Companies do not normally make public the salaries of all their employees. Universities do not make public the marks or grades of their students in a way that violates the privacy of the student.
- These notions of privacy are based on the need for security and protection.
  - We do not want to divulge certain things about our wealth or life practices since they may be used by others to potentially harm us. So privacy becomes a way of protecting individuals or groups. But we also often overthrow privacy arguments for security purposes. We do not object to giving our biometrics when we apply for visas or when we join some private jobs.
- Contemporary technology has made possible many new innovations that have changed the very meaning and significance of privacy.
  - From smartphones to the darknet, the fundamental trajectory is one to do with privacy.
- Today, in times of growing privatisation, the greatest challenge to privacy comes from the private sector.
  - Social experiments have shown that people are willing to have private information about themselves made public if they receive some monetary advantage.
- Today, privacy has been deeply compromised through the offering of ‘free’ goods - free emails and free Internet access!

### The state and private players

- Very often when we worry about questions of privacy, it is about the role of the government or the state.
- However, information about individuals is arguably much more in the private domain today than it is within various governments.
- Private groups know best the power of the idea of privacy.
  - They use this notion to protect themselves from governments and the public. They also realise that the greatest market that is perennially available to them is the market of trading information on privacy.
- A related problem is that the government has begun to look more and more like the private sector. Today, almost all politicians are rich entrepreneurs and hold powerful business interests.

### No free lunches

- The price we pay for modern technologies is not only money.

- We are seduced by the amount of free things we get in a technological gadget. The websites are free; we can download millions of books and songs for which we had to pay earlier.
- **The major cost that we pay is the cost of our privacy — the information on each one of our private lives and, through this information, more effective control on how we act and behave.**
- This raises deeply troubling questions about making privacy a fundamental right. How will the Supreme Court judges be able to give a judgment on privacy as a fundamental right without also making possession, and the making, of technology as ‘rights’? How can they do this without imposing controls on predator technologies that enter the social world in the guise of making our lives comfortable? Some might argue that technology is only an intermediary tool that enables certain things, both good and bad.



JULY 28, 2017

**Regulation of DNA profiling**

- The Law Commission has drafted a Bill on the use and regulation of human DNA profiling. The 271st report of the Commission has prepared the draft Bill named 'The DNA Based Technology (Use and Regulation) Bill, 2017'
- The Commission records that DNA profiling is used for disaster victim identification, investigation of crimes, identification of missing persons and human remains and for medical research purposes. It notes that privacy concerns and the ethics involved in this scientific collection of data are very serious.
- Primarily, the Bill provides for the setting up of a statutory DNA Profiling Board to spell out procedures and standards to establish DNA laboratories.
- It provides for the creation of DNA data banks, at national and regional levels, which would be responsible for storing DNA profiles received from the accredited laboratories.
- Sharing of DNA profiles with foreign governments or other government agencies, organisations or institutions would only be for the purpose of this Act or any of its agencies, including identification of missing persons, disaster victims, suspects. Any violation would lead to imprisonment, which may extend up to three years, and a fine which may extend up to Rs. 2 lakh.

**Public health, private players?**

- The NITI Aayog has recently unveiled a grand plan to effectively privatise district hospitals in Tier-I and Tier-II towns. It has developed what it calls a "model concessionaire agreement" for provision of healthcare services for cardiac and pulmonary (lung) diseases and cancers.
- It is proposed that public facilities in district hospitals would be outsourced to private providers. They would be free to charge full treatment costs from patients not covered by government schemes (such as the Rashtriya Swasthya Bima Yojana) and the providers would be reimbursed by the government for treating patients referred by the government

**What are the implications for accessible healthcare services?**

- First, the proposal implies that most patients would have to pay for care even in public facilities.
  - The promise that patients covered by government health insurance schemes would access care free of cost needs to be seen in the context of recent surveys which show that just 12-13% of people are covered by public-funded insurance.
- Second, the proposal is designed to further worsen inequity in access to healthcare services. o Private providers will concentrate on better-off districts, leaving the poor and remote districts for the public sector to manage. This will further weaken the ability of public hospitals to attract and retain trained doctors and other health workers.
- Third, the scheme will expose thousands of patients to unethical practices by private providers, compromises in quality and rationality of services and additional 'top-up services'.
  - A specific section in the document on 'risk management' is primarily concerned about risks of private providers, with very little about robust mechanisms to protect patients from unethical practices.

- Fourth, outsourcing of hospital care to private providers inevitably becomes increasingly unsustainable over time as they ratchet up demands on reimbursements and fees.
  - The proposal to hive off hospital care to the private sector is justified by the argument that public services are not financed adequately and face an acute shortage of trained human resources.

### **REMEDY?**

- The simple remedy could be to significantly enhance investment in public healthcare services, including in the training of health workers.
  - Success stories of public health, in diverse settings such as the U.K., France, Cuba, Thailand and Sri Lanka, are all related to public systems.

The NITI Aayog's proposal involves the handing over of public assets to for-profit companies, and represents a clear abdication of duty by the government.





## TODAY'S TALK ON EDITORIALS CIVILS360

JULY 29, 2017

**Not just a question of weeks****In News**

- On Friday, the Supreme Court of India declined the abortion request of a 10-year-old rape survivor who was reportedly 32 weeks pregnant. Doctors who examined the adolescent opined that an abortion at this stage posed a risk to her life.

**An arbitrary cap**

- The Medical Termination of Pregnancy Act stipulates a cap of 20 weeks within which an abortion can be performed.
- While advising an abortion, medical practitioners are expected to evaluate whether continuing with the pregnancy would involve a risk to the life of the mother or cause grave injury to her physical and mental health.
- Alternatively, the decision is based on whether there would be a substantial risk of the child being handicapped by physical or mental abnormalities. N
- otably, the Act also provides that if any of these medical eventualities is likely to arise, then the mother's actual or foreseeable environment must also be taken into consideration.

**Criticism**

- The 20-week cap is somewhat arbitrary and has drawn rightful criticism. Foetal impairments often get detected at the ultrasound done between 18 to 22 weeks, when the foetus is said to have "substantially developed".
- But in a country where a majority of expectant mothers still seek advice from midwives and Accredited Social Health Activists (ASHA), ultrasounds are only done when something "unusual" is suspected.

**Govt. Initiatives**

- The government, in 2016, launched **the Pradhan Mantri Surakshit Matritva Abhiyan** under which **doctors at private and government facilities are required to provide free antenatal care on the ninth of every month**. While ultrasounds are also covered, some ASHAs report that free ultrasounds are often not offered.
- The government, in 2014, introduced **the Medical Termination of Pregnancy (Amendment) Bill**. A step forward, it proposed **increasing the abortion ceiling limit from 20 to 24 weeks**. It **introduced the concept of "substantial foetal abnormalities"** — in which case the time period of pregnancy is irrelevant — and widened the scope of who could carry out the abortions by introducing the term **"registered health care provider"**, which included recognised practitioners of Ayurveda, Unani and homoeopathy.

**Why the bill is pending?**

- The Prime Minister's Office is reported to have returned the proposed amendments and called for stricter implementation of the law.
- It believes that amendments to the Act are likely to give rise to illegal sex selection and abortion rackets.

### Downside to legal restrictions

- In contrast, the World Health Organisation notes:” Restricting legal access to abortion does not decrease the need for abortion, but it is likely to increase the number of women seeking illegal and unsafe abortions, leading to increased morbidity and mortality.”

### From a women’s rights perspective:

- Should not a pregnant mother have the right to decide whether to go through full-term when there is even the slightest chance of a foetal infirmity and not “substantial foetal abnormalities”? It is fair to state that no woman who voluntarily chose to get pregnant is likely to seek an abortion unless there are compelling circumstances. Should not the wishes and desires of the person who will be the caretaker be considered?

### Cinema & censorship

- In a system that sets much store by retaining the power to censor films in the name of certifying them, random attempts by petitioners seeking cuts or even a ban often add to the pre-release anxieties of filmmakers.
- While rejecting the petition filed by a person claiming to be the daughter of the late Sanjay Gandhi to set aside the certificate granted to Indu Sarkar , a film directed by Madhur Bhandarkar, **the Supreme Court has rightly banked on a well-established principle that freedom of expression cannot be curtailed without a valid reason.**
- **It has reiterated that the film is nothing but artistic expression within the parameters of law and that there is no warrant or justification to curtail it.**
- Recent experience suggests that the CBFC does not always see itself as a certifying authority, but rather plays the censor quite merrily.

### Recent Cases

- In the case of Uda Punjab last year, it was seeking to be the guardian of Punjab’s honour against the depiction of the high prevalence of drug addiction in the State.
  - The Bombay High Court had to remind the CBFC that certification, and not censorship, is its primary role and that its power to order changes and cuts must be exercised in accordance with constitutional principles.
- More recently, the CBFC sought to play the moral censor with regard to Lipstick Under My Burkha , a film it thought was too “lady-oriented” to be given a certificate, presumably because it depicts their fantasies.
  - The Film Certification Appellate Tribunal had to intervene to secure the release of the film, with an ‘A’ certificate.
- These instances demonstrate that challenges to freedom come from both within the systemic framework and outside.
- It is a matter of satisfaction that the courts prefer to protect the right to free expression rather than entertain excuses such as maintenance of law and order and public tranquillity, or someone’s sense of hurt or the fear of someone being portrayed in a bad light.

### The state’s domain

### In News:

- The proposal of the NITI Aayog and the Union Health Ministry to allow private entities to use the premises of the district hospitals to provide treatment for cardiac and pulmonary diseases and cancer.
- A quick scaling-up of care for such non-communicable diseases is possible under the arrangement, because there are 763 functional district hospitals, with just five States led by Uttar Pradesh accounting for over 42% of the facilities. Yet, **contracting out services in a virtually unregulated and largely commercial private system is fraught with risks:**
  - One major concern in such an arrangement is to ensure that the bulk of health spending, whether from government funds, subsidy or private insurance, goes into actual care provision, and that administrative expenditure is capped under the contract.
  - Moreover, in consonance with the goal to provide health for all under the National Health Policy, care should be universal, and free at the point of delivery.
    - A market-driven approach to providing district hospital beds for only those with the means would defeat the objective.
- **Providing 50 or 100 beds in a district hospital may expand access to care**, but such arrangements do not offer a cure for the larger problem of the growing non-communicable disease burden.
- **Lifestyle choices and social determinants, such as tobacco and alcohol use, and environmental pollution, are often linked to such diseases.** Controlling the epidemic, therefore, requires other policy approaches too.
- If the contract is implemented, a provision for audits, penalties and cancellation of contracts is essential. Given the recourse to tax funds for viability gap funding and use of public infrastructure, **the operations should be audited by the Comptroller and Auditor General.**



**Today's Talk on Editorials Civils360****July 31, 2017****At The Half-way Mark**

- India is midway into the **Swachh Bharat Mission (SBM)**. Since its inception on October 2, 2014, the ministries of Urban Development and Drinking Water and Sanitation have been spearheading the programme, with implementation happening at the state level and now to district and block levels.
- The SBM has witnessed several notable achievements in reducing open defecation thanks to the focus on behaviour change, need-based capacity building and constant measuring of outcomes.
  - o An increase from 42 per cent to 65.02 per cent in national sanitation coverage. o Five states, 149 districts and 2.08 lakh villages have already been declared Open Defecation Free (ODF).
  - o Nearly 22 per cent of the cities and towns have been declared ODF; 50 per cent of the urban wards have achieved 100 per cent door-to-door solid waste collection; and over 20,000 Swachhagrahi volunteers are working across urban local bodies, and over a lakh are working in rural India.
  - o The number of schools with separate toilet facilities for girls has increased from 0.4 million (37 per cent) to almost one million (91 per cent).
- Sanitation, in a diverse country like India, encompasses a number of factors which are important determinants for the success of the mission. It has a direct relationship to caste, creed, religion and gender.
- Achieving ODF status alone is not sufficient for the success of SBM. Attention to the complete sanitation cycle is required, where toilets not only need to be built and used but the waste generated also needs to be collected and treated properly.
- The India Sanitation Coalition advocates safe and sustainable sanitation including design, implementation and practice. This is evident in the tag line BUMT (Build, Use, Maintain and Treat) to complete the entire sanitation chain. .

**The right to be left alone**

- Privacy is not only about hiding something or keeping it secret. It is, at its core, the right to be left alone. It doesn't mean that one is withdrawing from society. It is an expectation that society will not interfere in the choices made by the person so long as they do not cause harm to others. It means that one's right to eat whatever one chooses, the right to drink what one chooses, the right to love and marry whom one chooses, to wear what one chooses, among others, are rights which the state cannot interfere with.
- Although the nine-judge bench has been constituted to decide whether there is a fundamental right to privacy protected under the Constitution in the specific context of the Aadhaar case, privacy has many more dimensions than just data protection or surveillance by the state.
- A fundamental right to privacy, enshrined and protected in the Constitution, would mean that all persons have the right to be left alone by the state unless such intrusion is necessitated by a just, reasonable, and fair law.



- The Union government has argued that it does not think that the right to privacy is a fundamental right protected under the Constitution. The arguments of the Union government and state governments supporting it have been premised on an “originalist” interpretation of the Constitution — that the framers never intended privacy to be a fundamental right available to citizens.
- Given the Supreme Court’s recent approach where it has not been hesitant to depart from the narrow interpretation of the Constitution when the situation demands it (such as appointment of judges), perhaps this approach may not find much judicial favour.
- A nine-judge bench of the Supreme Court holding that the Constitution guarantees a right to privacy will, however, only settle one issue — that there is a right to privacy guaranteed against state intervention. To what extent this right can be claimed and in what circumstances the state may be allowed to intrude will have to be decided on a case by case basis.
- Whatever the final judgment, the implications will go far beyond just the Aadhar scheme and law. The law laid down by the Supreme Court on privacy could affect the course of development of the law governing reproductive rights, gay rights, beef bans, prohibition, among a host of other issues that the Indian state and society are grappling with.

### From plate to plough: Everybody loves a good crop

- Recent floods in Gujarat, Rajasthan and Assam show that even in an otherwise normal monsoon year, farmers in certain pockets could still suffer due to natural calamities. The droughts of 2014-15 and 2015-16 exposed that the existing crop insurance schemes were not enough to alleviate farmers’ woes.
- The sums insured under National Agriculture Insurance Scheme (NAIS), modified NAIS, and Weather Based Crop Insurance Scheme (WBCIS) were too low, as premiums were kept low. Further, the compensation was too meagre, and the long wait which the farmers had to go through meant that the relief wasn’t meaningful.
- So, governments often used the National Disaster Relief Funds to address the situation. Unfortunately, it was not based on any robust scientific system and had its own loopholes.
- The prime minister realised that and in kharif 2016, he announced a revamped **Pradhan Mantri Fasal Bima Yojna (PMFBY)**, hoping it to be a game changer.
  - o The PMFBY raised the sums insured to realistic levels, basically to cover the cost of cultivation of farmers.
    - The premiums were heavily subsidised by the Centre and the states in equal proportions, with farmers paying only 2 per cent of the premium for kharif and 1.5 percent for rabi (for horticulture crops it was 5 per cent). Farmers found the PMFBY attractive.
- Consequently, in the very first kharif season (2016), area (in ha) and number of farmers covered under PMFBY, both increased to 37.5 million.
- But despite the increasing coverage, the premiums, as percentage of sums insured, increased. With greater competition, there is surely scope for negotiating lower premiums. But the litmus test of any crop insurance scheme is how fast it can settle the claims of farmers. It is here that the governance of the state is tested. There are three critical steps in this process:
  - o First, the state has to notify the crops, make clusters of districts, determine the sums to be insured based on district level committees, and invite tenders from insurance companies;

- o Second, the state and the Centre have to pay premium to the companies providing insurance; and
- o Third, in case of crop damages, quickly assess the damages and ask companies to pay the claims of farmers.
- Unfortunately, in this entire process, farmers have almost no role. That's the reason why its implementation and effectiveness has fallen between the cracks.
- If states delay notifications, or payment of premiums, or crop cutting data, there is no way companies can pay compensation to the farmers in time. It is exactly this slow pace and casual attitude of several state agencies that delayed compensations to farmers for losses in kharif 2016, and it may happen again in kharif 2017.

**So what is the future of crop insurance in addressing farmers' woes from natural calamities?**

- The PMFBY has moved in the right direction and made substantial progress in terms of coverage, but failed in quick dispensation of claims to farmers. The primary reason behind this failure is the lethargy and casual attitude of state agencies.
- If the PMFBY has to succeed, farmers must have a bigger stake in its functioning.
- There is an urgent need to link the insurance database with Core Banking Solution (CBS) so that when premium is deducted from a farmer's bank account, the bank sends him a message informing about the premium, sum insured and name of insurance company.
- IRCTC has a similar system in place for railway tickets and there is no reason why our technology-savvy banks and insurance companies cannot do it quickly.
- Currently, several loanee farmers may not even be aware that they are insured. If the system remains locked between state agencies and insurance companies, chances are that farmers will get short changed.
- It is time that the PM makes this flagship program farmer-centric with effective implementation. It can pay rich dividends.





CIVILS360

[civils360.com](http://civils360.com)

