



**CHROME IAS**

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# **HOPE WITH CONCERNS**

Relevance: GS 3

Theme of the article

Issues that need to be addressed for India is achieve sustained high growth.

## **The global growth scenario in 2018:**

- Globally, the growth rate in 2018 was high, particularly in the United States.
- But strong signs of a trade war emerged, dimming hopes of faster international trade.

## **Situation of Indian economy in 2018-19:**

- The rupee underwent a severe shock as crude oil prices rose.
- Agrarian distress accentuated.
- India's growth rate in 2018-19 is forecast at 7.4%.
- The international environment is not conducive for growth of Indian economy.

## **Major concerns with Indian Economy:**

- **Investment ratio**
  - The growth rate depends on the investment rate which in turn depends upon a multiple number of factors such as quality of labour, education, skill development, and technology, among others.
  - **Solution:**
    - For ensuring a sustained high growth, we need to raise the investment ratio and keep the incremental capital-output ratio at 4.
- **Banking system**
  - Non-performing assets (NPAs) are at a high level.
  - 11 public sector banks are under Prompt Corrective Action (PCA). This restricts the lending abilities of these banks.
  - Further, the NBFC system is also under stress.
  - **Solutions:**
    - Recapitalisation of public sector banks will partly solve the problem.
    - More capital to banks outside the PCA framework can be provided to increase their lending capacity immediately.
- **Employment growth**
  - There has been inadequate growth of employment.
  - There has been no correspondence between growth in employment.
  - **Solution:**
    - Growth needs to be led by new investment for a significant increase in employment.

- **External sector :**

- India's external sector is well integrated with the rest of the world.. Therefore, what happens in the rest of the world affects India's growth very much.
- The value of the rupee suddenly plummeted when crude oil prices rose and there were simultaneously capital outflows.
- **Solutions:**
  - Strong growth in exports is a must if we have to keep the current account deficit (CAD) at a manageable level.
  - Along with export promotion, we also need to contain some of our large imports.
  - A watch on India's CAD is critically important if we have to achieve growth with stability.

- **Agrarian distress**

- Agrarian distress is widespread.
- There has been fall in prices of agricultural products due to increase in output.
- **Solutions:**
  - The solution to the fall in prices lies in government intervening in the market and buying off the surplus over normal levels.
  - Not only the financial capacity of the government to procure but also adequate physical arrangements to procure and store are required. The procured agricultural products can be sold by the government in later years when output is low.
  - Loan waivers are only short-term solutions. What is needed is increasing productivity and enabling farmers to achieve increased output and better prices.
  - Consolidation of small landholdings is required so that small farmers can get the benefits of larger size.
  - Small farmers will also have to think in terms of higher value-added products like vegetables.
  - Marketing of agriculture produce is needed to assure farmers of better income.

### Conclusion

Thus, the above five broad issues need to be addressed comprehensively, if we have to achieve sustained high growth.

# THE BILATERAL TRANSFORMATION

Relevance: GS 2

## Theme Of The Article

India and Bangladesh must seize the opportunity to further enhance connectivity and trade ties.

### Why has this issue cropped up?

There has been a spectacular victory of Sheikh Hasina, in recently held Bangladesh's 11th general election.

### India-Bangladesh Relations In Recent Times

- During the last decade of Ms. Hasina's tenure as Prime Minister, high-level Bangladesh-India engagement has intensified.
- There is an irrevocable and irreversible bipartisan political consensus in India for upgrading relations across a comprehensive interface of ties.
- **Act East Policy:** India's 'neighbourhood policy' has focussed on Bangladesh, which has emerged as a key interlocutor in India's 'Act East Policy' and sub-regional groupings like BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and the BBIN (Bangladesh, Bhutan, India, Nepal) Initiative.
- **Domestic favour:** In Bangladesh too, a growing domestic political consensus, overriding fractious politics, has emerged in favour of close ties with India.
- **Insurgency:** Denial of support to Indian insurgent groups, with insurgent leaders handed over to India, has progressively built trust and confidence between the two countries.
- **Trade:** Bangladesh is India's largest trading partner in South Asia with an annual turnover of around \$9 billion plus an estimated informal trade of around \$8-9 billion, across the 4,100-km-long porous border.
- **Padma Bridge:** The Padma multipurpose bridge and the Akhaura-Agartala rail link will dramatically change connectivity within Bangladesh and with India.
- **Waterways:** Waterways are also being revived to reduce the cost of trade. Improvement in bilateral ties has led to newer areas of cooperation such as cyberspace.
- **Cyber:** Bangladesh has provided cyber connectivity between the international gateway at Cox's Bazar to Agartala for faster Internet connectivity in India's northeastern States.
- **Nuclear power:** India has also become a partner in Bangladesh's nuclear power programme, with the beginning of construction at the Rooppur nuclear power plant.
- **Power export:** India is poised to export around 1100 MW of power to meet the energy deficit in Bangladesh. Power projects totalling more than 3600 MW are under implementation by Indian companies.

- **SEZ:** An SEZ in Bangladesh for Indian manufacturing companies has been mooted and notified. When operational it will encourage Indian companies to manufacture there and export to India.
- **Investment:** Indian investment in Bangladesh has reached \$3 billion. In 2017, 13 agreements worth around \$10 billion were signed in the power and energy sectors.
- **Credit:** To offset the economic asymmetry, India has granted Bangladesh generous lines of credit (LOCs) and grants, with commitments reaching \$8 billion.
- **Capacity building:** Capacity building under the Indian Technical and Economic Cooperation programme is an important strand in bilateral ties and people-to-people interaction.
- **Tourism:** Bangladeshis are among the largest groups of tourists into India. The visa regime has been liberalised and over a million visas are issued to Bangladeshi citizens annually.
- **Radicalism:** With the rise of religious radicalism and terrorism, defence and security issues will require greater cooperation. Bangladesh has taken strong and effective steps against those who have been inspired by the Islamic State and involved in terrorist strikes.

### Challenges Ahead

- **Trade:** The adverse balance of trade has been a bilateral issue. The asymmetry in the economies of India and Bangladesh is the major factor. Bangladeshi exports have plateaued because of demand constraints in India and also because of limited items in the Bangladeshi export basket.
- **Extremism:** Islamist organisations have been breeding grounds for religious radicals and extremist views. These forces will pose a considerable challenge for governance in Bangladesh in the future.
- **Rohingya:** There will be setbacks in India-Bangladesh ties, like the current Rohingya issue, which has imposed a huge economic and security burden on Bangladesh.
- **Migration:** Bilaterally, the issue of the illegal migration has already acquired a high profile in India with the publication of the draft National Register of Citizens in Assam. This will require deft handling of bilateral ties.
- **River:** Sharing of river waters will remain a challenge, but not an insurmountable one.
- **China:** China's security and economic footprint has grown in South Asia and managing this will remain a challenge for both countries.

### Conclusion

Bangladesh-India relations have reached a stage of maturity and with further upgrading and integration of infrastructure, bilateral ties can be expected to grow stronger in the future.

# **POWERING SOUTH ASIAN INTEGRATION**

Relevance: GS 2

## **Why has this article cropped up?**

Recently, the Union Ministry of Power issue a memorandum that set the rules for the flow of electricity across South Asian borders.

## **Significance of this memorandum**

- It is important not only because it leads South Asian electricity trade in progressive directions but is also a concession to India's neighbours in an area of political and economic importance.
- It is a response to two years of intense backroom pressure from neighbours, particularly Bhutan and Nepal, to drop trade barriers put up in 2016.
- India has thus signalled that it is serious about working with neighbours on the issues that should undergird 21st century South Asian regionalism, such as electricity trade.
- This course correction is a return to a trajectory of incremental, hard-earned progress developed over the decades.

## **The idea of cross -border energy flow**

- Ideas of tying South Asian Association for Regional Cooperation (SAARC) countries together with cross-border energy flows — that punctuated the early 2000s — began to gain steam with substantial power trade agreements between India and Bhutan (2006) and Bangladesh (2010).
- These were driven by India's need for affordable power to fuel quickened growth in a recently liberalised economy.
- The apotheosis came in 2014 with the signing of the SAARC Framework Agreement for Energy Cooperation and the India-Nepal Power Trade Agreement in quick succession.

## **The erstwhile roadblocks**

- In 2016, the Union Ministry of Power released guidelines that imposed a slew of major restrictions on who could engage in cross-border electricity trade.
- The guidelines prevented anyone other than Indian generators in the neighbouring country, or generators owned by that country's government, from selling power to India.
- **Nepal:** Excluded were scores of privately held companies, particularly in Nepal, that had hoped to trade with India. In restricting access to the vast Indian market, the economic rationale for Nepali hydropower built for export was lost.
- **Bhutan:** Bhutan was worried about a clause that required the exporting generation companies to be majority owned by an Indian entity. This created friction in joint ventures between India and Bhutan. Bhutan also fretted about limited access to

India's main electricity spot markets, where it would have been well placed to profit from evening peaks in demand.

- **Bangladesh:** Bangladesh had sensed an opportunity to partially address its power crisis with imports from Bhutan and Nepal routed through Indian territory but the guidelines complicated this by giving India disproportionate control over such trade.

### **The resolve**

- After two years of protests from neighbours, the new guidelines resolve all these issues and restore the governance of electricity trade to a less restrictive tone.
- Earlier concerns that India was enabling the incursion of foreign influence into neighbouring power sectors seem to have been replaced by an understanding that India's buyer's monopoly in the region actually give it ultimate leverage.
- More broadly, India seems to have acknowledged that the sinews of economic interdependency created by such arrangements have the political benefit of positioning India as a stable development partner rather than one inclined to defensive realpolitik.

### **Benefits of the new guidelines?**

- A liberal trading regime is in India's national interest.
- As India transitions to a power grid dominated by renewables, regional trade could prove useful in maintaining grid stability.
- Major commitments to renewables, which could amount to half of India's installed power within a decade, have prompted justifiable concerns about stabilising the grid when the sun goes down or in seasons when renewables are less potent.
- Harnessing a wider pool of generation sources, particularly hydropower from the Himalayas that ramps up instantly as India turns on its lights and appliances after sunset, could be an important instrument in achieving a greener grid.
- The new guidelines are a tentative first step towards the creation of a true regional market in which generators across the subcontinent compete to deliver low-cost, green energy to consumers.
- The new guidelines are a significant step in this direction because, for the first time, they allow tripartite trading arrangements, where power generated in a country is routed over the territory of a neighbour to be consumed in a third. This is a crucial move towards the evolution of complex, multi-country market arrangements.

### **Way forward**

- Such markets require the construction of regional institutions that absorb the politics and manage the technicalities of electricity trade.
- At present, this function is managed by the Indian state because of its geographic centrality and the ready availability of institutions that manage its domestic power sector. As volumes increase and experience in regional trade grows, South Asian



nations might feel the need to build joint, independent regional institutions that proffer clear and stable rules of the road.

- The political vision to create this — felt in the new guidelines — must be maintained.

# **INDIA'S ATLANTIC CHALLENGE**

Relevance: GS 2

## **Theme of the article**

Trump's 'America First' policy and the Brexit deal could pose more challenges to India.

## **The concern**

While 2019 is a year of hope for India, a lingering concern is that the Atlantic Ocean may throw up many economic challenges that might rock India's economic growth.

## **How US is creating a problem?**

- The Trump administration is attempting to replace the rules-based trade order with a bilateral trade agreements and sanctions network, a system that has distinct disadvantages for India.
- Last year, when Mr. Trump gave the green light to start a trade war by escalating tariffs between U.S. and its three main trade partners – the EU, China and NAFTA – a relatively small yet strategically significant tariff spat broke out between Washington and New Delhi.
- Both countries engaged in a tit-for-tat tariff policy, giving momentum to global trends towards trade protectionism. When India was denied an exemption by the U.S. from increased tariffs on steel and aluminium imports, it reciprocated by hiking import duties on 29 American export products, including pulses and iron and steel products.
- A broader disadvantage for India of a spiralling trade war with the U.S. is that it could easily spin out of control and create rifts in other areas such as security and diplomacy. If that happens, it may be of considerable benefit to China.

## **The U.K. problem**

If the U.K. has a 'hard Brexit', India may be looking at unexpected complications regarding trade adjustment, and a U.K.-India Free Trade Agreement (FTA) may be out of the question.

## **Way forward for India**

- For India to secure its trade interests, it needs to renegotiate with both the EU and the U.K. for goods and services.
- Also, the discussion on FTA with the EU must be resumed and a similar conversation must be launched with the U.K.

- If these negotiations are managed carefully, Brexit may even emerge as an opportunity for India to recalibrate the legal terms of its trade with the U.K. and the EU, at the multilateral level, and through free trade agreements.

# **INTEGRATING THE ISLAND**

Relevance: GS 2

## **Why has this issue cropped up?**

Recently, the Prime Minister visited the Andaman and Nicobar Islands.

### **Historical significance of Andaman Islands**

- In the 17th and 18th centuries, they were the site of contestation between European colonial powers — Portugal, the Netherlands, France and Britain.
- Britain occupied the islands at the end of the 18th century in search of a permanent military base. From a potential platform for power projection, the islands became a penal colony for the Raj.
- After the Second World War, the partition of India and the Cold War between America and Russia, the Andamans became marginal to the new geopolitics.

### **Present geopolitical significance of Andaman Islands**

Today as a rising China projects its economic and military power into the Indian Ocean, any strategy for regional balance would necessarily involve the economic and military development of the Andaman and Nicobar Islands.

### **Way forward**

- As in the Second World War, so in the current juncture, it would involve considerable cooperation between India and its major strategic partners.
- That in turn leads us to the imperative of ending the deliberate isolation of the island chain and promoting economic development, tighter integration with the mainland, strengthening military infrastructure, regional connectivity and international collaboration. The government has initiated some important steps in that direction, including on internet connectivity, visa liberalisation, tourism, building new ports, agreements for cooperation with neighbouring countries in South East Asia.
- Finally, any large-scale development would inevitably raise questions about preserving the pristine environment of the Andamans and protecting its vulnerable indigenous populations. As it tries to turn the outpost in the Andamans into a strategic hub, Delhi can draw much from the wealth of international experience on the sustainable transformation of fragile island territories.

### **Conclusion**

Modi's visit will hopefully begin to change India's national narrative on the Andamans.

# LET THE GRASSROOTS BREATHE

Relevance: GS 2

## **Theme of the article**

Local bodies must not be administrative vessels for implementing programmes of the Central and State governments.

### **Why has this issue cropped up?**

One of the first decisions of the newly elected government in Rajasthan has been to scrap the minimum educational qualification criteria for candidates contesting local body elections.

### **What were the educational criteria?**

- The previous government had introduced amendments which required candidates contesting the zila parishad and panchayat samiti elections to have passed Class 10 and those contesting sarpanch elections to have passed Class 8.
- Further, it disallowed those without functional toilets in their home to contest.

### **Supported by Supreme Court**

The court held that prescription of educational qualification was justifiable for better administration and did not violate the right to equality enshrined in the Constitution.

### **The problems with educational criteria**

- **RIGHTS:** It unduly restricts a citizen's right to contest elections and thereby challenges the basic premise of a republican democracy. Denying the right to contest effectively restricts the right of a citizen to vote for a candidate of her choice since more than half the population is restricted from contesting.
- **MARGINAL SECTIONS:** Further, it disproportionately disenfranchises the more marginal sections of society: women, Dalits and poor. In a country like India with unequal access to education, it is cruel to blame citizens for the failure of the state to fulfil its constitutional obligations.
- **OTHER ELECTIONS:** Such restrictions do not exist for those contesting parliamentary or Assembly elections.
- **ASSUMPTION:** It is an ill-informed assumption that those with formal education will be better in running panchayats.
- **73<sup>rd</sup> and 74<sup>th</sup> AMENDMENTS:** This approach goes against the very objective of the 73rd and 74th Amendments that sought to make panchayats and municipalities representative institutions with adequate representation from Scheduled Castes, Scheduled Tribes and women.

### **Denying local democracy**

- The undermining of local governments as representative institutions does not take place solely through the introduction of restrictions for contesting elections.
- **ELECTIONS:** Over the years, many State governments have sought to defang local governments by simply delaying elections on various grounds. The continual delay in elections goes against the purpose of the 73rd and 74th Amendments.
- **SEC :** In most States, tasks like delimitation of seats are still done by the State government instead of the State Election Commission (SEC).

### **Conclusion**

India prides itself as a robust democracy with regular elections and smooth transfer of power. However, delaying elections and adding restrictions to contest prevent local governments from becoming truly representative institutions.

# **NOT A ZERO-SUM DEAL**

Relevance: GS 2

## **Theme of the article**

India and China can work together, bilaterally and in multilateral groupings, to build a secure Afghanistan.

### **Why has this issue cropped up?**

The likelihood of an American pull-out from Afghanistan raises the spectre of instability in Afghanistan, South and Central Asia. If this happens, security could hinge on efforts made by regional powers to stabilise Afghanistan.

### **Regional powers and Afghanistan**

- **CHINA:**

- Sharing part of a border with Afghanistan, China has a great interest in its stability.
- China would be adversely affected by war and chaos, which could spill over into north-western China, Pakistan, and Central Asia. As all these areas are vital in its Belt and Road Initiative (BRI), peace in Afghanistan is critical.
- Over the last decade, China has gained considerable economic and diplomatic influence in Afghanistan.
- It has joined the U.S. and Russia in several peace talks with the Taliban and is part of the four-nation Quadrilateral Coordination Group (with Afghanistan, Pakistan and the U.S.).
- It is giving military aid to Afghanistan, with the express intent of fighting terrorism and increasing security cooperation.
- It has invested in projects such as mining, roads and railways, and health.
- In 2012, it brought Afghanistan into the regional diplomatic processes by giving it observer status in the Shanghai Cooperation Organisation (SCO).

- **INDIA:**

- India supports China's role in international negotiations on Afghanistan, the activation of the SCO-Afghanistan Contact Group and other mechanisms of dialogue and cooperation for restoration of peace and development in Afghanistan.
- India has certainly contributed much 'soft power' ranging from telecommunications to education, Bollywood movies and pop music.

- The building for the National Assembly was built with Indian assistance to support Afghanistan's democracy.
- Indian reconstruction largesse, amounting to some \$3 billion, has earned it goodwill and popularity.
- But India's lengthy absence from regional diplomacy has resulted in its limited contribution to the negotiations that are necessary to stabilise Afghanistan.

### **India- China cooperation in Afghanistan**

- The Afghan government would like to see India-China economic cooperation in Afghanistan that could boost progress and enhance human security.
- Last October, in a first, India and China started a joint training project for Afghan diplomats.
- They could expand cooperation by facilitating Afghanistan's full membership of the SCO.
- China's leadership role of the SCO could give it a vantage in crafting a regional solution on Afghanistan. That should not prevent India and China from working together, bilaterally and in the SCO, to build a secure Afghanistan.



# **PARLIAMENTARY DISRUPTION**

Relevance: GS 2

## **Theme of the article**

Parliamentary disruption has become the norm, this Lok Sabha mirrors the decline.

### **The parliamentary disruption**

- Disruption of parliamentary proceedings is not a new phenomenon. MPs have disrupted House proceedings from the early days of Parliament.
- But disruption which was an exception earlier, seems to have become the new normal. In the last decade, MPs have raised slogans, snatched papers from ministers and used pepper spray in the House.

### **The role of the presiding officers**

- What was different during this session was the firmness of the presiding officers.
- Disrupting MPs were warned by the Chair and then suspended from the proceedings of Parliament.
- The presiding officers of both Houses also initiated steps to change the rules of procedure of the Parliament to better deal with disruptions

### **The nature of disruptions**

- In most cases, disorders in the House arise out of a sense of frustration felt by members due to lack of opportunities to make his point. They are perhaps easier to deal with.
- What is more difficult to tackle is planned parliamentary offences and deliberate disturbances for publicity or for political motives.

### **Loss due to disruptions**

- During this session, Lok Sabha lost about 60 per cent and Rajya Sabha about 80 per cent of its scheduled time.
- Disruptions also derailed the legislative agenda. Of the 10 Bills passed by Lok Sabha till January 7, nine were discussed for less than an hour-and-a-half.
- In the Rajya Sabha, disruptions leading to adjournment resulted in only one bill being passed by it till January 8.
- The problem of inadequate legislative deliberation was compounded in the session by non-reference of bills to parliamentary committees for detailed scrutiny. In the 16th Lok Sabha, fewer Bills (26 per cent) are being referred to Parliamentary

Committees as compared to the 15th Lok Sabha (71 per cent) and the 14th Lok Sabha (60 per cent).

- Disruptions also did not leave any time for discussions on any national issues in the Parliament. Parliamentary debates are recorded for posterity. They offer an insight into the thinking of our elected representatives.

### **Conclusion**

When we look at the work done by the Parliament, our MPs might have fallen short of their constitutional duty.

# HURRYING THROUGH A LEGISLATION

Relevance: GS 2

## Theme of the article

The passage of the quota Bill highlights grave gaps in India's parliamentary procedures.

### Why has this issue cropped up?

Parliament ended the penultimate session of this Lok Sabha with both Houses passing the Constitution (124th Amendment) Bill, 2019. The process by which this was done illustrates the collective failure of parliamentarians to review the government's proposals and hold it to account.

### Hasty steps

- **CIRCULATION:** The rules of procedure of the Lok Sabha require every Bill to be circulated at least two days ahead of introduction. This is to give time for MPs to read the Bill and discuss it (or make objections) when the vote on the motion to introduce the Bill is taken up. This procedure was not followed for this Bill as it was not circulated ahead of being introduced.
- **STANDING COMMITTEE:** The usual practice is to refer Bills to the respective standing committee of Parliament. This step allows MPs to solicit public feedback and interact with experts before forming their recommendations. In the case of this Constitution Amendment this scrutiny mechanism was bypassed.
- **TIME:** There was hardly any time between its introduction and final discussion.

### The British contrast

Three important ways in which the British Parliament works better than ours:

- First, the absence of an anti-defection law, so that each MP can vote her conscience.
- Second, it is known exactly how each MP voted. In India, most votes are through voice votes — just 7% of other Bills had a recorded vote over the last 10 years.
- Third, the Speaker insisted on the supremacy of Parliament, and allowed a motion against the wishes of the government. Unlike in India, the independence of the Speaker is secured in the U.K. as no party contests against the Speaker in the next general election.

### Falling short

- Parliament is the primary body of accountability that translates the wishes and aspirations of citizens into appropriate laws and policies.
- However, our Parliament often falls short of these goals due to some structural reasons. These include

- the anti-defection law (that restrains MPs from voting according to their conscience),
- lack of recorded voting as a norm (which reduces the accountability of the MP as voters don't know which way they voted on each issue),
- party affiliation of the Speaker (making her dependent on the party leadership for re-election prospects),
- frequent bypassing of committees (just 25% of Bills have been referred to committees in this Lok Sabha),
- insufficient time and research support to examine Bills, and the lack of a calendar (Parliament is held at the convenience of the government). We need to address each of these issues to strengthen Parliament and protect our democracy.

### **Conclusion**

Parliament has a central role to secure the interest of citizens. It must follow the due process.

## **BASIC INCOME WORKS AND WORKS WELL**

Relevance: GS 3

### **Theme of the article**

India has the capacity and the need for a basic income scheme.

### **A ripe idea**

- The international debate on basic income has advanced considerably in the past five years.
- Experiments have been launched in countries of different levels of per capita income, which include Canada, Finland, Kenya, Namibia, the Netherlands, Spain and the U.S., with plans being drawn up in England, Scotland, South Korea and elsewhere.

### **India could take the lead**

India has the technological capacity, the financial resources and, above all, the need for a simple, transparent scheme to liberate the energies of the masses now mired in economic insecurity, deprivation and degradation.

### **Feasibility of basic income**

- Planning the phased implementation of basic income will be a serious but manageable challenge. It will require goodwill, integrity, knowledge and humility about what will be inevitable mistakes.
- If properly planned, it is possible to introduce a comprehensive scheme even in rural or urban low-income communities, without too much cost.

### **Basic income vs loan waivers**

- Loan waiver will not alter structures and is bad economics.
- If one type of loan could be declared non-repayable, why not others? It would be a dangerous precedent to declare that one type of debt and not others need not be repaid.
- That is why a basic income would be a more equitable and economically rational way of addressing an unfolding rural tragedy.
- The beauty of moving towards a modest basic income would be that all groups would gain.

### **Way forward**

- It is essential to obtain local cooperation and awareness at the outset, and the backing of key local institutions.

- If the government is to go ahead, it should phase in the scheme gradually, rolling it out from low-income to higher-income communities, after local officials have been trained and prepared.
- The authorities should not select particular types of individuals and give it only to them. For example, if money is given only to women, men will demand a share; it will be divisive.

### **Conclusion**

Basic income would not preclude special additional support for those with special needs, nor be any threat to a progressive welfare state in the long-term. It would merely be an anchor of a 21st century income distribution system.

# ALLIANCES AND STRATEGIC AUTONOMY

The Indian Express | GS 2

## Introduction

Is “non-alignment” a special attribute of Indian foreign policy? Given Delhi’s continuing preoccupation with the idea of non-alignment, most visible recently at last week’s Raisina Dialogue in Delhi, it seems it is.

### The present situation of NAM

- More than a hundred countries are members of the so-called Non-Aligned Movement (NAM).
- They swear, at least formally, by the idea of non-alignment and show up at the triennial NAM summits.
- But few of them think of non-alignment as the defining idea of their foreign policies.
- Even fewer believe it is worth debating on a perennial basis.
- India has certainly moved away from the straitjacket of non-alignment — in practice if not in theory.

Non-alignment belongs to the past, is “strategic autonomy” something unique to India?

- All countries, big and small, try to maximise their freedom of action.
- And the autonomy that a nation can exercise depends on its specific circumstances such as size, location, comprehensive national power, and the nature of the threats among many other things.

### India’s trouble with alliances

- Indian foreign policy community continues to be troubled by the question of alliances and autonomy when it comes to dealing with China and the US.
- Delhi’s traditional fear of alliances is based on a profound misreading of what they might mean.

### What do alliances actually mean?

- Alliances are not a “permanent wedlock” or some kind of a “bondage”.
- They are a political/military arrangement to cope with a common threat.
- When the shared understanding of the threat breaks down, so does the alliance.
- For example, to cope with the American threat Mao Zedong aligned with Soviet Russia in 1950. Two decades later, he moved closer to America to counter Russia.

Now China is once again buddies with Russia in trying to limit American influence in Eurasia.

### Present situation of international alliances

- Not many countries in the world today are members of alliances.
- The few alliances that have survived since the Second World War are undergoing stress on the supply as well as demand side.
- In America, President Donald Trump is questioning the costs and benefits of these alliances.
- Presidents Tayyip Erdogan of Turkey and Moon Jae-in of South Korea, both treaty allies of the US, hardly share American perceptions on the regional threat in the Middle East and the Korean Peninsula respectively.

### Conclusion

India is a large and globalised economy with big stakes in all parts of the world. It should focus on a pragmatic assessment of India's interests and the best means to secure them — including partnerships and coalitions — against current and potential threats.



# **LEARNING TO COMPETE**

The Hindu | GS 3

## **Theme of the article**

Skill India needs a sharp realignment if it is to meaningfully transform people's life chances.

## **Introduction**

In 2013, India's skill agenda got a push when the government introduced the National Skills Qualification Framework (NSQF). This organises all qualifications according to a series of levels of knowledge, skills and aptitude, just like classes in general academic education.

## **Pillars of skill development**

There are five pillars of the skills ecosystem:

- the secondary schools/polytechnics;
- industrial training institutes;
- National Skill Development Corporation (NSDC)-funded private training providers offering short-term training;
- 16 Ministries providing mostly short-term training; and
- employers offering enterprise-based training.

## **Efforts towards skill development**

- Govt has mandated that all training/educational programmes/courses be NSQF-compliant.
- National skill competitions, or India Skills, is a commendable initiative of the Ministry of Skill Development and Entrepreneurship (MSDE).
- Teams will be selected to represent India at the 45th World Skills Competition, scheduled in Russia this year.
- Abilympics was included in India Skills 2018, for Persons with Disabilities.
- Sharda Prasad Expert Group report submitted to the MSDE in 2016.

## **Hurdles**

- A majority of the participants in India Skills were from corporates and industrial training institutes; only less than 20% were from the short-term courses of the NSDC.
- Neither industrial training institutes nor corporates' courses are aligned with the NSQF.
- If India Skills 2018 was only open for the NSQF-aligned institutions, it would have been a big failure. This indicates that the NSQF has not been well accepted or adopted across India.

- There is no clear definition of the course curriculum within the NSQF that enables upward mobility.
- There is no connection of the tertiary level vocational courses to prior real knowledge of theory or practical experience in a vocational field, making alignment with the NSQF meaningless.
- Efforts to introduce new Bachelor of Vocation and Bachelor of Skills courses were made, but the alignment of these UGC-approved Bachelor of Vocation courses was half-hearted.
- There is no real alignment between the Human Resource Development Ministry (responsible for the school level and Bachelor of Vocation courses) and the Ministry of Skill Development (responsible for non-school/non-university-related vocational courses).

### **Way forward**

- There is a need for more holistic training and the need to re-examine the narrow, short-term NSQF-based NSDC courses to include skills in broader occupation groups, so that trainees are skilled enough to compete at the international level.
- We must reduce complications caused by too many Sector Skill Councils (SSCs) anchoring skill courses. For example, there is no reason to have four SSCs (instead of one) each of textile, apparel made-ups and home furnishing, leather and handicrafts.
- If we want Skill India trainees to win international competitions and if we want competitors to come from schemes of the Ministry, we must find a way to provide broader skills in broader occupational groups.
- Sectors should be consolidated in line with the National Industrial Classification of India. This will improve quality, ensure better outcomes, strengthen the ecosystem, and help in directly assessing the trainee's competence. It might also bring some coherence to our skills data collection system.
- India could learn a lesson from Germany, which imparts skills in just 340 occupation groups.
- Vocational education must be imparted in broadly defined occupational skills, so that if job descriptions change over a youth's career, she is able to adapt to changing technologies and changing job roles.

### **Conclusion**

Skill India needs a sharp realignment, if India is to perform well in the World Skills competition later this year.

## LEARNING LITTLE

Relevance: GS 2

Theme of the article

The reading and arithmetic abilities in rural schools are shockingly dismal.

Why has this issue cropped up?

The latest assessment of how children are faring in schools in rural areas indicates there has been no dramatic improvement in learning outcomes. This picture has emerged from the Annual Status of Education Report.

What ASER Report says

- While 53% of students in Class 5 in rural government schools could in 2008 read a text meant for Class 2, the corresponding figure for 2018 stood at 44 %;
- Himachal Pradesh, Punjab, Kerala and Haryana did better on the arithmetic question with over 50% students clearing it, compared to Uttar Pradesh, Madhya Pradesh, Rajasthan and even Karnataka, which scored below 20%.
- A significant percentage of students were not even able to recognise letters appropriate for their class, highlighting a severe barrier to learning.

Way forward

- **REVIEW MECHANISM:** Now that the ASER measure is available for 10 years, the Centre should institute a review mechanism involving all States for both government and private institutions, covering elementary education and middle school.
- **PUBLIC CONSULTATION:** A public consultation on activity-based learning outcomes, deficits in early childhood education, and innovations in better performing States can help.
- **RTI:** At present, children start learning in a variety of environments: from poorly equipped anganwadi centres to private nurseries. The RTI Act needs a supportive framework to cater to learners from different backgrounds who often cannot rely on parental support or coaching.
- **INNOVATION:** It is worth looking at innovation in schools and incentivising good outcomes; one study in Andhra Pradesh indicated that bonus pay offered to teachers led to better student scores in an independently administered test in mathematics and language.

Conclusion

The solutions may lie in multiple approaches. What is beyond doubt is that governments are not doing their duty by India's children.

# **THE VIEW FROM THE OUTSIDE**

The Hindu | GS 2

Theme of the article

As a democracy, India must have a better record of upholding human rights.

Introduction

It is often stated that it is time for India, as the world's largest democracy, to take on an increasingly significant mantle in the international realm. Aspects such as economic and military power have been the usual focus of this debate. However, an important component of this enhanced stature necessarily relates to the safeguarding and protecting of human rights.

India's position on international human rights

- In India, there is a blind spot in relation to rights and the intersection with foreign relations and policy discussions.
- India is a torchbearer of democracy and should therefore have a greater say in upholding international laws and standards pertaining to human rights.

Human rights situation in India

- Within the country, many lawyers, activists, academics and human rights organisations have pointed to the deteriorating climate in relation to human rights.
- UN independent experts issued a statement drawing attention to "extrajudicial" killings in Uttar Pradesh.
- This enhanced and negative scrutiny by Independent Experts follows on the heels of the first ever UN report on human rights violations in Kashmir, conducted by the Office of the High Commissioner for Human Rights.
- A review of the press releases by the UN human rights office from 2010 to date shows that there have been 26 critical statements. The statements have dealt with a number of issues, including the Assam National Register of Citizens process, online hate speech, the killing of journalist Gauri Lankesh, jailing of human rights defenders, deportation of Rohingya refugees, and excessive police response to protests.

Way forward

- India's record of upholding human rights is abysmal; it must do better.
- The primary consideration should be the welfare and rights of individuals within the purview of the state.
- The secondary consideration should be perception and the place that India wants for itself in terms of stature and prestige.

### Conclusion

The respect of the rights of individuals must be non-negotiable.

## LIMITS OF CLASS

The Indian Express | GS 2

Why has this article cropped up?

The RTE Amendment Bill, recently passed in Rajya Sabha, has again triggered the periodic debate between anti-detentionists — votaries of No-Detention Policy (NDP) — and detentionists.

The amendment

The amendment allows states to decide whether to withdraw automatic promotion at the end of 5th and 8th grades, which is the point of contention.

Arguments given by pro-detention

- If children know that they will automatically pass, they don't study, thus learning achievements come down
- Since Continuous and Comprehensive Evaluation (CCE) is not implemented seriously, if no-detention is practised then certificate of elementary education will certify no learning.

Arguments given by anti-detention

- Fear of failure causes stress and trauma and failure demotivates and pushes children out of system. Stigma of failure mainly harms Dalit and tribal children.
- Detention will weaken many other provisions of RTE, like admission in age-appropriate class.
- Failing children does not make them learn ; no-detention produces improved learning achievements.

The limits of 'class'

- The school is organised class-wise and the textbooks are written class-wise. Therefore, promotion to the next class is not a matter of age, but of learning achievements; implying that the very concept of class as used in RTE contains the idea of detention, if need be.
- The class-wise structure of curriculum and school on one hand, and CCE on the other, pull the system in opposite directions.

Way forward

- Defining elementary education in terms of learning standards;
- Organising curriculum as a free-paced learning path, and not boxed into classes;
- Organising schools as ungraded heterogeneous learning groups, composed of children at various levels; and
- Introduce the ideas of self-learning and peer group learning, a necessity to manage a heterogeneous learning group.
- All this will require systemic reforms and to prepare teachers for this change through massive and serious in-service professional development.



## **A TRAGEDY THAT WAS LONG IN THE MAKING**

*Category: GS 3 [Disaster Management]*

Why has this issue cropped up?

The efforts to reach the 15 miners trapped in an illegal coal mine in the East Jaintia hills of Meghalaya since December 13 continue.

Issues with illegal coal mining in Meghalaya

- The Meghalaya government has no idea what happens inside these rat-hole mines, which are barely 2 ft wide, since mining is a private activity.
- Despite the National Green Tribunal ban of April 2014, mining continues in the State.

Was the recent disaster managed well?

- The district administration assumed the miners to be dead on the very day of the tragedy.
- The socio-economic profile also worked against them. They were the poorest of the poor who took a huge risk to enter a mine and dig for coal without any safety gear.
- When a mine is flooded, the immediate response is to stop further flow of water into it. This requires a hydrologist. In this case, a hydrologist arrived only two weeks after the disaster. So did the divers from the Indian Navy and the 100 HP water pumps. So did the geologists from Hyderabad.
- All these delays happened because there was no one person or agency to coordinate the rescue mission. This shows the kind of disaster preparedness we have in our country.

Questions that arise

There are many questions that arise with respect to rat-hole mining of coal.

- One, why does the state allow this archaic mining system, which has complete disregard for human life and safety?
- And two, why is Meghalaya exempted from national mining laws?

Impact on environment

- Rat-hole mining, which started in the 1980s, has poisoned three rivers in the Jaintia hills: the Myntdu, Lunar and Lukha.
- These rivers have very high acidic levels. pH of the water and sulphate and iron concentrations indicate significant deterioration of the rivers.
- Acid mine drainage from abandoned mines was a major cause for water pollution.

- Acid mine drainage has rendered even agricultural land non-productive.

### Arguments given for coal mining

- The coal mine owners say that rat-hole mining should continue because no other form of mining is viable.
- They claim that coal mining provides livelihoods for many.
- The other troubling factor is that coal mine owners are insisting that since Meghalaya is a State under the Sixth Schedule of the Constitution, national mining laws should be exempted here.

### The scale of the coal mining problem

- The scale of the problem is clear in this one fact: there are 3,923 coal mines in one district with a geographical area of 2126 sq. km.
- Coal mine owners have left thousands of abandoned mines as human graves. The State does not insist that they reclaim and afforest those mines.
- In 40 years of mining and profiteering, the mine owners have till date not constructed a single hospital or even a school. There is complete disregard for corporate social responsibility because the mines are privately owned by the tribals.

### What people of Meghalaya want?

- The tribes of Meghalaya are divided on the issue of rat-hole mining.
- Those who care for the environment and for a future for their children and grandchildren have been clamouring for an end to the practice of rat-hole mining and reckless limestone mining.
- On the other hand, the mining elite have mobilised forces to demonise environmental activists. A community of just over a million is now fragmented.

### Should Meghalaya be exempted of national laws?

The Sixth Schedule was enacted to protect the community rights of tribals from any form of exploitation of their land and resources. How can it now be used as an instrument to protect an activity that is a private enterprise, that is inhuman, and that violates Article 21 of the Constitution?

### Conclusion

The Central government and the highest court of the land should not allow this to carry on in one part of the country when strict laws are applied elsewhere.



# **EXAMINING FARM LOAN WAIVERS**

*Category : GS 3 [Agriculture]*

## **Theme of the article**

The solution lies in better schemes that ensure universal coverage for small, marginal and medium-sized farmers.

## **Why has this issue cropped up?**

Till now, at least 11 States have announced schemes to waive outstanding farm loans. The pitch for waivers among States has added to the pressure on the Central government for a nationwide farm loan waiver.

## **Problems with loan waivers**

- **REPAYMENT:** Loan waivers have “reputational consequences”; that is, they adversely affect the repayment discipline of farmers, leading to a rise in defaults in future.
- **PRODUCTIVITY:** Earlier debt waiver schemes have not led to increases in investment or productivity in agriculture.
- **CREDIT:** After the implementation of debt waiver schemes, a farmer’s access to formal sector lenders declines, leading to a rise in his dependence on informal sector lenders; in other words, waivers lead to the shrinkage of a farmer’s future access to formal sector credit.

## **Critical assessment of above arguments**

- **REPAYMENT:** Farmers are most disciplined in their repayment behaviour. In September 2018, agricultural NPAs (about 8%) were far lower than in industry (about 21%).
- **DEFAULT:** There is no evidence to argue that the 2008 loan waiver led to a rise in default rates among farmers.
- **PRODUCTIVITY:** The argument that loan waivers do not promote investment or raise productivity is a bit absurd because nowhere has investment or productivity figured as the official objectives of these schemes.
- **CREDIT:** The argument that loan waivers shrink access to formal credit sector for farmers is only partly true. But the culprits here are banks and not farmers. After every waiver, banks become conservative in issuing fresh loans to beneficiaries, as they are perceived to be less creditworthy.

## **Arguments for loan waivers**

Firms have always received debt waivers. Just as for firms, farms also need a reduction of debt burden, followed by fresh infusion of credit, when their economic cycle is on a

downturn. The demand for loan waivers in India is absolutely logical when viewed from such a standpoint.

### **Not a panacea**

- To consider loan waivers as a panacea for the agrarian distress would be wrong.
- Access to India's rural banks is skewed in favour of large farmers.
- While public banks actively service the credit needs of large farmers, a majority of small and marginal farmers are not proportionately included.
- The latter are forced to rely on informal sources, particularly moneylenders, for much of their credit needs.
- As a result, the benefits of loan waivers accrue disproportionately to large farmers while only marginally benefiting the small and marginal farmers.

### **The solution**

- The solution lies in carefully designing waiver schemes that ensure universal coverage for small, marginal and medium-sized farmers while covering both the formal and informal sources of debt.
- The Kerala Farmers' Debt Relief Commission Act, 2006 is an excellent model in this regard. This scheme defines debt as "any sum borrowed by a farmer from the creditor", with the creditor defined as "any person engaged in money lending, whether under a licence or not".
- Legislations such as Kerala's are blueprints to design comprehensive, inclusive and less-leaky loan waiver schemes in other States.
- While loan waiver schemes are like a band-aid on a wound, it is the larger agrarian distress that demands urgent policy attention.
- Unless there are steps to raise productivity, reduce costs of cultivation, provide remunerative prices, ensure assured procurement of output, expand access to institutional credit, enhance public investment, institute effective crop insurance systems and establish affordable scientific storage facilities and agro-processing industries for value addition, etc, farmers will continue to be bonded to low income equilibrium and repeated debt traps.

## **REMOVE THE ROOTS OF FARMERS DISTRESS**

***Category: GS 3 [Agriculture]***

### **Theme of the article**

Steps like limited procurement, boosting productivity and consolidating land holdings can help reduce agrarian distress.

### **Why has this issue cropped up?**

Recently, there has been active discussion on the strategies addressing farm distress.

### **The farm problems**

Agrarian distress, in the present context, is mainly in terms of

- low agricultural prices
- poor farm incomes
- Low productivity in agriculture
- supply side factors
- declining average size of farm holdings

### **Prices And Incomes**

- Prices play a key role in affecting the incomes of farmers.
- The rise in prices for agriculture was much lower than general inflation in recent years.
- Market prices for several agricultural commodities have been lower than those of minimum support prices (MSP).
- When output increases well beyond the market demand market prices decline. And in the absence of an effective price support policy, farmers are faced with a loss in income.
- A few schemes have been suggested to address the problem of managing declining output prices when output increases significantly.
- The scheme of 'price deficiency compensation' is one such mechanism which amounts to paying the difference between market price and the MSP.
- At the other extreme is the 'open procurement system' that has been in vogue quite effectively in the case of rice and wheat, where procurement is open ended at the MSP.
- A 'price deficiency' scheme may compensate farmers when prices decrease below a certain specified level. However, market prices may continue to fall as supply exceeds 'normal demand'.

- An alternative is the limited procurement scheme. Under this scheme, the government will procure the 'excess', leaving the normal production level to clear the market at a remunerative price. Thus, procurement will continue until the market price rises to touch the MSP.
- Some States have introduced farm support schemes, examples being the Rythu Bandhu Scheme (Telangana) and the Krushak Assistance for Livelihood and Income Augmentation (KALIA) scheme (Odisha). One problem with the Telangana model is that it does not cover tenants, who are the actual cultivators.
- Thus, raising the MSP, price deficiency payments or income support schemes can only be a partial solution to the problem of providing remunerative returns to farmers.
- A sustainable solution is market reforms to enable better price discovery combined with long-term trade policies favourable to exports.
- The creation of a competitive, stable and unified national market is needed for farmers to get better prices.
- For better price for farmers, agriculture has to go beyond farming and develop a value chain comprising farming, wholesaling, warehousing, logistics, processing and retailing.

### **Low productivity**

- The next issue is the low productivity of Indian agriculture. Basics such as seeds, fertilizers, credit, land and water management and technology are important and should not be forgotten.
- Similarly, investment in infrastructure and research and development are needed.
- Water is the leading input in agriculture. Basically, it is not investment alone but efficiency in water management in both canal and groundwater that is important.
- India uses upto three times the water used to produce one tonne of grain in countries such as Brazil, China and the U.S. This implies that water-use efficiency can be improved significantly with better use of technologies that include drip irrigation.
- Yields of several crops are lower in India when compared to several other countries. Technology can help to reduce 'yield gaps' and thus improve productivity.
- Government policies have been biased towards cereals particularly rice and wheat. There is a need to make a shift from rice and wheat-centric policies to millets, pulses, fruits, vegetables, livestock and fish.

### **Land size**

- Another major issue relates to the shrinking size of farms which is also responsible for low incomes and farmers' distress.

- The average size of farm holdings declined from 2.3 hectares in 1970-71 to 1.08 hectares in 2015-16.
- The share of small and marginal farmers increased from 70% in 1980-81 to 86% in 2015-16.
- The average size of marginal holdings is only 0.38 hectares (less than one acre) in 2015-16.
- The monthly income of small and marginal farmers from all sources is only around ₹4,000 and ₹5,000 as compared to ₹41,000 for large farmers.
- Thus, the viability of marginal and small farmers is a major challenge for Indian agriculture.
- Many small farmers cannot leave agriculture because of a lack of opportunities in the non-farm sector. They can get only partial income from the non-farm sector.
- In this context, a consolidation of land holdings becomes important to raise farmer incomes.
- We need to have policies for land consolidation along with land development activities in order to tackle the challenge of the low average size of holdings.
- Farmers can voluntarily come together and pool land to gain the benefits of size.
- Through consolidation, farmers can reap the economies of scale both in input procurement and output marketing.

### **Conclusion**

To conclude, farmers' distress is due to low prices and low productivity. The suggestions we have made, such as limited procurement, measures to improve low productivity, and consolidation of land holdings to gain the benefits of size, can help in reducing agrarian distress. We need a long-term policy to tackle the situation.