

# 03 July 2019: UPSC Exam Comprehensive News Analysis

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### Category: POLITY AND GOVERNANCE

#### 1. Govt. bats for sharing biological research data

##### Background:

- Advances in DNA sequencing and other high-throughput technologies along with a steep drop in DNA sequencing cost have enabled government agencies to fund research towards generation of large volumes of biological data in various sectors of Biosciences.
- Towards this, two major urgent needs got highlighted:
  - To have a National Biological Data Centre and
  - To have a National Policy which will guide on biological data collection, storage, access and sharing.
- Government of India has given emphasis on open data policy and recently issued 'National Data Sharing and Accessibility Policy (NDSAP)' through Meity and DST for implementation by all the ministries/ departments.

- In conformity to this, the Department of Biotechnology (DBT) had prepared Zero Draft on 'Biological Data Storage, Access and Sharing Policy of India (BDSASP)' aiming at broad research use of biological data that enhances public benefits by facilitating speedy discoveries in biosciences directly associated with the human being.

### What's in the news?

- In a recent development, a draft note was released by the Government of India, on the use and sharing of biological data requiring **researchers who collect such data and use public funds for the same, to ensure that this data is made public within two years at the latest.**
- The draft document, called the **Biological Data Storage, Access and Sharing Policy of India**, is primarily meant to address a long-standing issue among many scientists, that several scientists use government funds to conduct research and collect biological specimens and data such as DNA samples, cell and tissue samples, store these details in databases and often lock them up — sometimes for good, barring access to other researchers and scientists who may be interested in them.

### What does this lead to?

- This leads to duplication of data collection exercises, lost opportunities to access data collected over the years and wastage of public money.

### What does the note specifically say?

- The note says that raw (Level-1) data must be shared, by placement on a database identified and approved by the funding agency of the Government of India, within one year of generation of the data.
- If no such database is identified by the agency, then raw data must be made available to anyone working in any Indian institution, public or private, requesting for these data.
- The note adds that while data generated from public funds will now be open to private companies too, the data has to be excised of all features that would identify individuals.

## 2. T.N. opposes 3-language formula

### Background:

- The Central government recently released a draft **National Education Policy 2019**, a report prepared by a committee headed by space scientist K. Kasturirangan.
- Its reference to mandatory teaching of Hindi in non-Hindi speaking States set off a political storm in Tamil Nadu, which is traditionally opposed to the compulsory study of Hindi.
- The draft had a sentence on flexibility on choice of language for school students. Those who wished to change the three languages may do so in Grade 6, it said. However, this could be done so long as the study of three languages by students in Hindi-speaking States would continue to include Hindi and English, and one of the modern Indian languages from other parts of India, while the study of languages by students in the non-Hindi-speaking states would include the regional language, Hindi and English.

### Reaction from Tamil Nadu:

- The draft evoked a hostile response from political leaders in Tamil Nadu, who were quick to dub the proposal as an attempt to impose Hindi on the unwilling State.
- Dravida Munnetra Kazhgam president M.K. Stalin warned that his party would be forced to launch another agitation against Hindi imposition.

- It is important to note that the State had witnessed massive protests against earlier attempts to impose Hindi in 1937 and 1965.
- **The Centre sought to defuse the situation by first reminding them that it was only a draft, and that the policy was yet to be finalised.**
- Subsequently, the reference to Hindi was dropped by the committee. It reworked the sentence to the effect that students could change their language preference in Grades 6 or 7, so long as they are able to still demonstrate proficiency in three languages (one at the literature level) in their modular Board examination some time during secondary school.

#### Analysis:

- It is important to note that the State of Tamil Nadu has been traditionally opposed to any attempt to introduce Hindi as a compulsory language of learning or administration.
- The origin of the linguistic row, however, goes back to the debate on official language.
- In the Constituent Assembly, Hindi was voted as the official language by a single vote.
- However, it added that English would continue to be used as an associate official language for 15 years.
- **The Official Languages Act** came into effect on the expiry of this 15-year period in 1965.
- This was the background in which the anti-Hindi agitation took place. However, as early as in 1959, Jawaharlal Nehru had given an assurance in Parliament that English would continue to be in use as long as non-Hindi speaking people wanted it.

#### A Closer Look at the Formula:

- It is commonly understood that the three languages referred to are Hindi, English and the regional language of the respective States.
- Though the teaching of Hindi across the country was part of a long-standing system, it was crystallised into a policy in an official document only in the **National Policy on Education, 1968**.
- This document said regional languages were already in use as the media of education in the primary and secondary stages.
- In addition, it said that **at the secondary stage, State governments should adopt and vigorously implement the three-language formula, which includes the study of a modern Indian language, preferably one of the southern languages, apart from Hindi and English in the Hindi-speaking States.** While, in the 'non-Hindi speaking States', Hindi should be studied along with the regional language and English.
- It also went on to add that **suitable courses in Hindi and/or English should also be available in universities and colleges with a view to improving the proficiency of students in these languages up to the prescribed university standards.**

#### What did the NPE 1968 say on the promotion of Hindi?

- On promotion of Hindi, the NPE 1968 said that every effort should be made to promote the language and that **in developing Hindi as the link language, due care should be taken to ensure that it will serve, as provided for in Article 351 of the Constitution, as a medium of expression for all the elements of the composite culture of India.**
- It also went on to add that **the establishment, in non-Hindi States, of colleges and other institutions of higher education which use Hindi, as the medium of education should be encouraged.**
- Incidentally, the NPE 1986 made no change in the 1968 policy on the three-language formula and the promotion of Hindi and repeated it verbatim.

#### Position Taken up by the State of Tamil Nadu:

- Leaders in Tamil Nadu are often at pains to emphasise that they do not oppose the voluntary learning of Hindi and cite the unhindered work of the **Dakshina Bharat Hindi Prachar Sabha**, established in Chennai by Mahatma Gandhi in 1918.
- The institution imparts Hindi teaching at various levels to anyone who enrolls for its programme.
- Also, there is no bar on private schools, most of them affiliated to the Central Board of Secondary Education, offering Hindi.
- The State has been following the two-language formula for many decades, under which only English and one regional language are compulsory in schools.
- In 2006, facing criticism that many manage to avoid learning Tamil by opting for Hindi or Sanskrit in private schools, the State government enacted **The Tamil Nadu Tamil Learning Act** under which Tamil has to be compulsorily learnt in schools operating in the State.
- The State is also opposed to the establishment of Navodaya schools by the Centre in any part of Tamil Nadu.
- An important aspect of the opposition to Hindi imposition is that many in Tamil Nadu see it as a fight to retain English.
- English is seen as a bulwark against Hindi as well as the language of empowerment and knowledge.
- There is an entrenched belief that the continued attempts to impose Hindi are essentially driven by those who want to eliminate English as the country's link language.

### 3. Congress seeks Lok Sabha post

#### What's in the news?

- In a recent development, the Indian National Congress party's chief whip in the Lok Sabha, Kodikunnil Suresh, said that it was technically eligible for the post of the Leader of the Opposition in the Lok Sabha and added that Prime Minister Narendra Modi should accord it the position if he was sincere about his comments on the Opposition.

#### Analysis:

#### A look at the norms:

- By norms, the Leader of the Opposition is the leader of the largest party that has not less than a tenth of the total strength of the House.
- It is important to note that this is only a norm and not mandated by law.
- The total strength of the Lok Sabha is 545, so any party that has 55 members can get the post. The Congress, which is the second largest party in the House after the BJP, has only 52 members, which is three short of the figure.
- The Salary and Allowances of Leaders of Opposition in Parliament Act, 1977 only says that the largest Opposition party should get the post.
- The **"Leader of the Opposition"** is the "Leader in that House of the party in opposition to the Government having the greatest numerical strength and recognised as such by the Chairman of the Council of States or the Speaker of the House of the People, as the case may be," says the Act.

#### Importance of the role of the Leader of Opposition:

- It is important to note that the leader of the opposition is one of the key parliamentary functionaries whose role, though not defined in any rule, is of very great importance in the functioning of a legislature.
- As a matter of fact, he or she is invariably a senior leader representing the main opposition party in the legislature.

(a) Example from Britain:

- In the British parliament, the leader of opposition is referred to as the ‘**shadow prime minister**’, so called because he or she is always in a state of readiness to take over the government if the incumbent government falls.
- There, the leader of opposition forms a shadow cabinet too. Thus, the role of this parliamentary functionary under the Westminster tradition is not only to oppose and criticise the government, but also to take the responsibility of forming an alternate government should it become possible to do so in the event of the fall of the existing one.

(b) Examining the Post of the Leader of Opposition:

The leader of the opposition in the houses of Indian parliament is a statutory post.

- This post is defined in the **Salaries and Allowances of Leaders of Opposition in Parliament Act, 1977** as simply the leader of the numerically biggest party in opposition to the government and recognised as such by the speaker/chairman.
- In this Act, the “**Leader of the Opposition**”, in relation to either House of Parliament, means that member of the Council of States or the House of the People, as the case may be, who is, for the time being, the Leader in that House of the party in opposition to the Government having the greatest numerical strength and recognised as such by the Chairman of the Council of States or the Speaker of the House of the People, as the case may be.
- It is important to note that where there are two or more parties in opposition to the Government, in the Council of States or in the House of the People having the same numerical strength, the Chairman of the Council of States or the Speaker of the House of the People, as the case may be, shall, having regard to the status of the parties, recognise any one of the Leaders of such parties as the Leader of the Opposition for the purposes of this section and such recognition shall be final and conclusive.

(c) Procedure for recognising the leader of Opposition:

- The procedure for recognising the leader of the opposition is well laid down.
- On a request being made by the numerically largest party in the opposition that its designated leader be recognised as the leader of the opposition, the speaker, after the request is examined by her or his secretariat, accords recognition to that person.
- The point to note here is that the statute gives the numerically largest party in the opposition the right to have a leader recognised as leader of the opposition by the speaker.

(d) Is the Indian National Congress the rightful claimant?

- In the new Lok Sabha, with 52 members, the Congress is the largest party in the opposition, and is therefore the rightful claimant to this post under the law.
- There is no ambiguity about it as the law is absolutely clear on this point.
- Experts opine that it is hence very surprising to hear from the media that the Congress will not get the post of the leader of opposition this time too since its strength in the Lok Sabha is less than 10% of the total number of MPs in the house. **The law does not contain any such condition.**
- Since the leader of the opposition is a statutory post, one needs to only look into the concerned law to find out who can become the leader of the opposition and how he or she is to be recognised etc.
- There is no room for ifs and buts, under the Salaries and Allowances of Leaders of Opposition in Parliament Act, 1977, the duty of the speaker is to recognise the eligible person as leader of the opposition.
- When a request comes from the largest party in opposition, the speaker is legally bound to recognise



the leader of that party as the leader of the opposition.

(e) Can the Speaker exercise discretion in the matter?

- Since the speaker is performing a statutory duty in recognising the leader of the opposition, she or he cannot exercise any discretion in the matter. This needs to be underlined again: **No power of discretion is vested in the speaker in the matter of recognising the leader of the opposition.**
- Recognising a member of the house as leader of opposition is not a political or arithmetical decision, but a statutory decision.
- The speaker has to merely ascertain whether the party claiming this post is the largest party in the opposition.
- Important questions arise: When the law is clear, why is there still this confusion and disinformation on the subject?

(f) Looking back at the historical context:

- Way back in the 1950s, the speaker started the practice of recognising parliamentary parties as 'parties' and 'groups' for the limited purpose of allotting seats in the house, time for participating in the debates, rooms in Parliament House etc.
- He issued a direction under which a party is recognised as such only if it had 10% of the strength of the house. A party which had less than 10% members was categorised as a 'group'.
- But there was no reference to the leader of the opposition in the above direction.
- It would appear that the people who administered the house rules and directions acted under the erroneous belief that only a party having 10% members can claim the post of leader of opposition.
- Whatever the origin of this practice, there was no scope for confusion after the enactment of the Salaries and Allowances of Leaders of Opposition in Parliament Act in 1977.
- That law made the post of leader of the opposition a statutory post, governed by the statute. Directions or rules made by the speaker cannot override a law made by parliament.
- In any case, after the enactment of the 10th Schedule of the constitution which brought in anti-defection provisions, every party – irrespective of the number of members it has in the house – is considered a 'party'. Even a one-member party is a party in the house.
- Thus, the categorisation of parliamentary parties as 'parties' and 'groups' by the speaker became irrelevant and hence this practice became obsolete.
- Therefore, to say that the Congress cannot claim the post of leader of the opposition because it does not have at least 10% of the membership of the house is devoid of any merit.

**Looking at the example from the Delhi Assembly:**

- In the Delhi assembly, the only opposition party, namely the Bharatiya Janata Party, got the post of leader of the opposition although it had only three members in an assembly of 70 members.
- Speaker Ram Niwas Goyal acted under the Leader of Opposition in the **Legislative Assembly of the National Capital Territory of Delhi (Salaries and Allowances) Act, 2001**, which has a provision identical to the central law.
- The Delhi speaker was absolutely right in recognising a member of the three-member legislature party of the BJP as leader of the opposition, as that party, being the numerically biggest party in opposition to the AAP government in the assembly, **was legally entitled to the post.**

**Concluding Remarks:**

- Finally, it is important to note that recognising a member of the house as leader of opposition is a statutory decision. No political consideration can be brought into it.

#### 4. SC seeks Centre's view on Jairam Ramesh's petition

##### What's in the news?

- The Supreme Court recently sought the response of the Government of India on a special leave petition filed by Rajya Sabha MP Jairam Ramesh against a decision of the Delhi High Court, rejecting his challenge to amendments enacted to the **Prevention of Money Laundering Act (PMLA) from 2015 onwards, through Finance Acts as 'Money Bills'**.
- A Bench led by Justice S.A. Bobde issued notice to the government on the petition, represented by senior advocate P. Chidambaram.

##### Mechanism of amendment adopted:

- Chidambaram submitted that before 2015, **the PMLA was amended on various occasions through Ordinary Bills** as defined under Article 109 of the Constitution.
- However, post 2015, the Act has been amended through Money Bills.
- It is important to note that a **Money Bill is deemed to contain only provisions dealing with all or any of the matters under clauses (a) to (g) of Article 110(1), largely including the appropriation of money from the Consolidated Fund of India and taxation.**
- In other words, a Money Bill is restricted only to the specified matters and cannot include within its ambit any other matter.
- In the High Court, Mr. Chidambaram had pointed out that amendments were made in the years 2015, 2016 and 2018, which were **per se unconstitutional and liable to be set aside.**
- Justice Bobde prima facie agreed, during the short hearing, that as per the Constitution Bench decision in the Justice K.S. Puttuswamy case — dealing with the Aadhaar Act — the court had held that the decision of the Speaker on whether a Bill was a Money Bill or not, was justiciable.

#### 5. Trinamool says Centre is flouting Parliament rules

##### What's in the news?

- The **All India Trinamool Congress** recently accused the BJP government of bypassing the rules of Parliament to try to push its agenda.
- Party leader in the Rajya Sabha Derek O'Brien said the government had listed the **Central Educational Institutions (Reservations in Teachers' Cadre) Bill, 2019** without giving adequate time for the Opposition members to study it.

##### Looking at the Central Education Institutions (Reservations in Teachers' Cadre) Bill, 2019:

- The Central Educational Institutions (Reservation in Teachers' Cadre) Ordinance, 2019 was promulgated on March 7, 2019.
- The Ordinance provides for reservation of teaching positions in central educational institutions for persons belonging to the Scheduled Castes, Scheduled Tribes, and the socially and educationally backward classes.
- **Reservation of posts:** The Ordinance provides for reservation of posts in direct recruitment of teachers (out of the sanctioned strength) in central educational institutions.
- **For the purpose of such reservation, a central educational institution will be regarded as one unit.**
- Coverage and exceptions: The Ordinance will apply to 'central educational institutions' which include universities set up by Acts of Parliament, institutions deemed to be a university, institutions of national importance, and institutions receiving aid from the central government.
- However, it excludes certain institutions of excellence, research institutions, and institutions of national and strategic importance which have been specified in the Schedule to the Ordinance. It also

excludes minority education institutions.

- **The Bill seeks to provide for reservation in direct recruitment of persons belonging to the Scheduled Castes, Scheduled Tribes, Educationally Backward Classes and Economically Weaker Sections for the teaching cadre in Central educational institutions.**
- The Bill will replace the ordinance promulgated in this regard.

## 6. Lok Sabha clears fresh Medical Council Bill

### What's in the news?

- The Indian Medical Council (Amendment) Bill, 2019, was passed by a voice vote in the Lok Sabha recently.
- The Bill provides for supersession of the Medical Council of India for a period of two years with effect from September 26, 2018.
- The Bill was introduced by Health Minister Harsh Vardhan to replace an ordinance promulgated on February 21<sup>st</sup>, 2019.
- The government will soon come out with a **National Medical Commission (NMC) Bill** to usher in comprehensive reforms in the medical education sector.

### Analysis:

#### Quick Look at the Indian Medical Council (Amendment) Bill, 2019:

- The Indian Medical Council (Amendment) Second Bill, 2019 was introduced in Lok Sabha by Mr. Harshvardhan, Minister of Health and Family Welfare on June 27, 2019.
- The Bill amends the Indian Medical Council Act, 1956 and replaces the Indian Medical Council (Amendment) Second Ordinance, 2019 which was promulgated on February 21, 2019. The Act sets up the Medical Council of India (MCI) which regulates medical education and practice. Provisions of this Bill will be effective from September 26, 2018.
- **Supersession of the MCI:** The 1956 Act provides for supersession of the MCI and its reconstitution within a period of three years from the date of its supersession.
- In the interim period, the Act requires the central government to constitute a Board of Governors, to exercise the powers of the MCI.
- The Bill amends the Act to reduce the time period for supersession of the MCI from three years to two years.
- The Act provides for the Board of Governors to consist of up to seven members including persons of eminence in medical education, appointed by the central government. **The Bill amends this provision to increase the strength of the Board from seven members to 12 members.**
- Further, it allows for persons with proven administrative capacity and experience to be selected in the Board.
- **The Bill provides for the Board of Governors to be assisted by a Secretary General appointed by the central government.**

#### Key issues regarding the regulation of medical education and practice:

- Several experts have examined the functioning of the MCI and suggested a different structure and governance system for its regulatory powers. Some of the issues raised by them include:

##### (a) Separation of regulatory powers

- Over the years, the MCI has been criticised for its slow and unwieldy functioning owing to the concentration and centralisation of all regulatory functions in one single body.
- This is because the Council regulates medical education as well as medical practice.



- In this context, there have been recommendations that all professional councils like the MCI, should be divested of their academic functions, which should be subsumed under an apex body for higher education to be called the National Commission for Higher Education and Research.
- This way there would be a separation between the regulation of medical education from regulation of medical practice.

#### **(b) Looking at Recommendations by an Expert Committee:**

- As a matter of fact, an Expert Committee led by Prof. Ranjit Roy Chaudhury (2015), recommended structurally reconfiguring the MCI's functions and suggested the formation of a **National Medical Commission through a new Act**.
- Here, the National Medical Commission would be an umbrella body for supervision of medical education and oversight of medical practice.
- It will have four segregated verticals under it to look at: (i) under-graduate medical education, (ii) post-graduate medical education, (iii) accreditation of medical institutions, and (iv) the registration of doctors.

#### **(c) Composition of MCI**

- With most members of the MCI being elected, the NITI Aayog Committee (2016) noted the conflict of interest where the regulated elect the regulators, preventing the entry of skilled professionals for the job.
- The Committee recommended that a framework must be set up under which regulators are appointed through an independent selection process instead.

#### **(d) Fee Regulation :**

- The NITI Aayog Committee (2016) recommended that a medical regulatory authority, such as the MCI, should not engage in fee regulation of private colleges.
- Such regulation of fee by regulatory authorities may encourage an underground economy for medical education seats with capitation fees (any payment in excess of the regular fee), in regulated private colleges.
- Further, the Committee stated that having a fee cap may discourage the entry of private colleges limiting the expansion of medical education in the country.

#### **(e) Professional conduct:**

- The Standing Committee on Health (2016) observed that the present focus of the MCI is only on licensing of medical colleges.
- There is no emphasis given to the enforcement of medical ethics in education and on instances of corruption noted within the MCI.
- In light of this, the Committee recommended that the areas of medical education and medical practice should be separated in terms of enforcement of the appropriate ethics for each of these stages.

#### **What does the National Medical Commission, 2017 Bill seek do to?**

- The 2017 Bill sets up the National Medical Commission (NMC) as an umbrella regulatory body with certain other bodies under it.
- The NMC will subsume the MCI and will regulate the medical education and practice in India.
- Under the Bill, states will establish their respective State Medical Councils within three years.
- These Councils will have a role similar to the NMC, at the state level.

Functions of the NMC include:

- laying down policies for regulating medical institutions and medical professionals,
- assessing the requirements of human resources and infrastructure in healthcare,
- ensuring compliance by the State Medical Councils with the regulations made under the Bill, and
- framing guidelines for determination of fee for up to 40% of the seats in the private medical institutions and deemed universities which are governed by the Bill.

## B. GS2 Related

### Category: INTERNATIONAL RELATIONS

#### 1. Senate Bill grants India NATO ally-like status

What's in the news?

- In a recent development, the U.S. Senate has passed a legislative provision that brings **India at par with America's NATO allies and countries such as Israel and South Korea for increasing defence cooperation.**
- The National Defense Authorisation Act, or NDAA, for the fiscal year 2020, which contained such a proposal, was passed by the U.S. Senate recently.
- The amendment provides for increased U.S.-India defence cooperation in the Indian Ocean in the areas of **humanitarian assistance, counter-terrorism, counter-piracy and maritime security.**

Some perspectives and inferences from the defence budget passed by the Senate:

- The Senate opines that the United States should strengthen and enhance its major defence partnership with India.
- The Senate listed six specific actions it wanted US President Donald Trump's Administration to take.
- The Senate directed the Trump administration to explore **additional steps to implement the major defence partner designation to better facilitate interoperability, information sharing, and appropriate technology transfers and to undertake strategic initiatives to help develop the defence capabilities of India.**
- The Senate also urged for **increasing the frequency and scope of exchanges** between senior civilian officials and military officers **to support the development and implementation of the major defence partnership.**
- While India and the US have been holding joint exercises in the Pacific and Indian Ocean regions, the Senate urged to hold more such exercises and conduct them in the Persian Gulf as well.
- In recognition of the shared democratic values and commitment to free navigation, another suggestion in the budget document is to increase engagement with India in multilateral frameworks **to promote regional security and defend shared values and common interests in the rules-based order.**
- It also said that the quadrilateral dialogue among the US, India, Japan and Australia should be enhanced.

## C. GS3 Related

*Nothing here for today!!!*

## D. GS4 Related

## E. Editorials

### Category: ECONOMY

#### 1. Not by wishful thinking

##### Editorial Analysis:

- In a recently concluded NITI Aayog meeting, Prime Minister Narendra Modi set a clear and bold economic target — to grow India into a \$5 trillion economy by 2024.
- It is now for 'Team India', as the meeting was bannered, to translate this target into a plan and policies and programmes.
- It is important to note that **historically, such goals by popularly elected leaders have voiced the aspiration of voters and energised nations to realise their potential.**

##### Is this a realistic goal?

- What does the targeted \$5 trillion economy mean in familiar economic terms?
- It is ₹350,00,000 crore of gross domestic product (GDP) at current prices, at ₹70 to a U.S. dollar exchange rate.
- It is important to note that India's (provisional) GDP in 2018-19 at current prices is ₹190,10,164 crore (or \$2.7 trillion), which means the annual per capita income is ₹1,42,719, or about ₹11,900 per month.
- The target implies an output expansion by 84% in five years, or at 13% compound annual growth rate.
- Assuming an annual price rise of 4%, in line with the Reserve Bank of India's inflation target, the required growth rate in real, or inflation-adjusted, terms is 9% per year.
- To get a perspective, India officially grew at 7.1% per year over the last five years, but the annual growth rate never touched 9%. Hence, the target seems ambitious. However, is it doable? This is the question that needs to be answered.

##### A Look at how Asia fared:

- China, with a historically unprecedented growth record in its best five years, during 2003-07, grew at 11.7%; South Korea, between 1983 and 1987, grew at 11%.
- So, Mr. Modi's target is smaller than the best historical records and may seem realistic.
- What would it take to grow at 9%? **No country grew at such a pace without mobilising domestic saving and raising fixed investment rates.**
- It is important to note that in the last five years, on average, the domestic saving rate was 30.8% of gross national domestic income (GNDI), and the investment rate (gross capital formation to GDP ratio) was 32.5%.
- Assuming the underlying technical coefficients remain constant, a 9% annual growth rate calls for 39% of domestic saving rate and 41.2% of investment rate.
- **Correspondingly, the shares of private consumption need to shrink to about 50% of GDP from the current level of 59% of GDP at current prices, assuming foreign capital inflow remains at 1.7% of GDP.**

##### A Transition that India needs to make:

- In other words, India will have to turn into an investment-led economy as it happened during the

boom last decade (2003-08) before the financial crisis, or like China since the 1980s.

- Granting that rapid technical progress or changes in output composition could reduce the required incremental capital-output ratio (ICOR), it nevertheless will call for a nearly 8-9 percentage point boost to saving and investment rates.
- If, however, the economy has grown at a much slower pace than the officially claimed rate — as the on-going GDP debate suggests and at 4.5% as the former Chief Economic Adviser Arvind Subramanian has pegged it — then Mr. Modi's growth target would become even more daunting.

### Perspective on Low domestic saving rate:

- Experts point out that these stark facts call for a re-thinking in the ruling dispensation that seems to hail India as a consumption-led growth story.
- There is a belief that greater foreign capital (FDI) inflow would fill in the investment gap, as evident from the NITI Aayog Vice-Chairman's various pronouncements.
- **History shows that no country has succeeded in accelerating its growth rate without raising the domestic saving rate to close to 40% of GDP.**

### Can FDI help to get to the \$5 trillion GDP target?

- Foreign capital can fill in some vital gaps but is not a substitute for domestic resources.
- Even in China, FDI inflows as a proportion of GDP never exceeded 5-6%, most of which was in fact round-tripped capital through Hong Kong for securing better property rights at home.
- It is also important to note that gross FDI inflow into India peaked in 2008-09 at 2.7% of GDP, decelerating thereafter.
- As it increasingly consists of private equity (PE) with a three- to five-year tenure, mostly acquiring capital assets (contrary to the textbook FDI definition as fixed capital formation for the long term) **net FDI rate is lower than the gross inflows, standing at 1.5% of GDP in 2017-18.**
- Hence, there is a need for caution against the exuberance (or opportunistic bias) that FDI will help to get to the \$5 trillion GDP target.

### Concluding Remarks:

- What is serious is that the economy has slowed down for a while now.
- The domestic saving rate has declined from 31.4% in 2013-14 to 29.6% in 2016-17; and gross capital formation rate from 33.8% to 30.6% during the same period.
- The banking sector's ability to boost credit growth is limited by non-performing assets (NPAs) and the governance crisis in the financial sector.
- Export to GDP ratio has declined rapidly, with a looming global trade war on the horizon, as has been indicated by the **Baltic Dry Index**.

### What Is the Baltic Dry Index – BDI?

- The Baltic Dry Index (BDI) is a shipping and trade index created by the London-based Baltic Exchange.
- It measures changes in the cost of transporting various raw materials, such as coal and steel.
- Members of the exchange directly contact shipping brokers to assess price levels for given shipping paths, a product to transport, and time to delivery or speed.
- The Baltic Dry Index is a composite of three sub-indices that measure different sizes of dry bulk carriers or merchant ships: Capesize, Panamax, and Supramax.

### How the Baltic Dry Index – BDI Works

- The Baltic Exchange calculates the index by assessing multiple shipping rates across more than 20

routes for each of the BDI component vessels.

- Analyzing multiple geographic shipping paths for each index gives depth to the index's composite measurement.
- Members contact dry bulk shippers worldwide to gather their prices and they then calculate an average. The Baltic Exchange issues the BDI daily.
- It is important to note that this highly regarded leading indicator of global trade, currently trading at 1354 is forecasted to decline to less than 1,000 index points by the year-end (2019) (a decline from its historic high of 11,793 points in May 2008, just before the financial crisis set in).
- In conclusion, given the foregoing, the \$5 trillion target appears daunting. **It may yet be doable, provided policymakers begin with a realistic assessment, by willing to step up domestic saving and investment, and not by the wishful thinking of FDI-led growth accelerations in uncertain economic times.**

## Category: POLITY AND GOVERNANCE

### 1. Teachers and quotas

#### Editorial Analysis:

- Experts opine that legislation to overcome the effects of court verdicts is not always a good idea. However, sometimes an exception ought to be made in the larger public interest.
- One such law is the Centre's Bill to ensure that reservation for scheduled castes, tribes and other backward classes in appointments to central educational institutions is preserved.
- **The Central Educational Institutions (Reservation in Teachers' Cadre) Bill, 2019, passed by the Lok Sabha, replaces an ordinance promulgated in March 2019.**

#### Salient Points on the Central Educational Institutions (Reservation in Teachers' Cadre) Bill:

- Its main object is to restore the system of treating an institution or a university as a single unit to apply the reservation roster, and thus help fill 7,000 teaching vacancies.
- The Bill provides for reservation of teaching positions in central educational institutions for persons belonging to: (i) Scheduled Castes, (ii) Scheduled Tribes, (iii) socially and educationally backward classes, and (iv) economically weaker sections.

**Reservation of posts:** The Bill provides for reservation of posts in direct recruitment of teachers (out of the sanctioned strength) in central educational institutions.

- For the purpose of such reservation, a central educational institution will be regarded as one unit. This implies that the allocation of teaching posts for reserved categories would be done on the basis of all positions of the same level (such as assistant professor) across departments.
- **Coverage and exceptions:** The Bill will apply to 'central educational institutions' which include universities set up by Acts of Parliament, institutions deemed to be a university, institutions of national importance, and institutions receiving aid from the central government.
- However, it excludes certain institutions of excellence, research institutions, and institutions of national and strategic importance which have been specified in the Schedule to the Bill. It also excludes minority education institutions.

#### Analyzing the Bill:

- The Bill seeks to get around a 2017 judgment of the Allahabad High Court striking down University Grants Commission regulations that treated the institution as the unit for determining the roster, and directing that each department be the relevant unit.



- In short, reservation should be department-wise, and not institution-wise, the court ruled.
- The Supreme Court rejected the Centre's appeal against the order.
- However, the narrower basis for applying quotas would mean fewer aspirants from OBC and SC/ST sections would be recruited as assistant professors.
- In the interest of social justice, it had to restore the system of having a wider pool of posts in which the quotas of 27% for OBC, 15% for SC and 7.5% ST could be effectively applied.
- **From this perspective, the Bill provides welcome relief for aspirants from the disadvantaged sections of society.**
- It is not that the court was manifestly wrong in applying the roster based on a smaller unit, that is, a department in a university or institution.
- The High Court noted that having the whole institution as a unit would result in some departments having only reservation beneficiaries and others only those from the open category.
- But the counterpoint is equally valid. Having the department as the unit would mean smaller faculties would not have any reservation.
- In the roster system, it needs 14 posts to accommodate SC and ST candidates, as their turn would come only at the seventh and 14th vacancy.
- There may be no vacancies in many departments for many years, with none from the reserved categories for decades. **On the other hand, taking the institution as the unit would give more opportunities for these sections.**

### Concluding Remarks:

- According to the UGC's annual report for 2017-18, nearly two-thirds of assistant professors in Central universities are from the general category.
- Their representation would go up further, as the present Bill also applies the 10% quota for the economically weak among those outside the reservation loop.
- Applying the court's department-wise roster norm would have deepened the sense of deprivation of the backward classes and SC/ST communities.
- To that extent, the new enactment will serve a vital social purpose.

## F. Tidbits

### 1. Aid to farmers to shun slash-burn cultivation

#### What's in the news?

- In a recent development, the **Tripura Tribal Areas Autonomous District Council (TTAADC)** will financially support poor tribal farmers to gradually give up **slash and burn cultivation**.
- They would provide financial help to the farmers, known as Jhumias, to avoid deforestation.
- About 5,834 Jhumia families have been listed for the assistance.

#### A Brief Look at Slash and Burn Cultivation:

- In 'Slash and Burn' agriculture, farmers clear a patch of land and produce cereals and other food crops to sustain their family. When the soil fertility decreases, the farmers shift and clear a fresh patch of land for cultivation. This type of shifting allows nature to replenish the fertility of the soil through natural processes; land productivity in this type of agriculture is low as the farmer does not use fertilisers or other modern inputs.
- It is known by different names in different parts of the country.
- This type of farming is referred to as jhumming in north-eastern states like Assam, Meghalaya, Mizoram and Nagaland; Pamlou in Manipur, Dipa in Bastar district of Chhattishgarh, and in Andaman and Nicobar Islands.

- The 'slash and burn' agriculture is known as 'Milpa' in Mexico and Central America, 'Conuco' in Venezuela, 'Roca' in Brazil, 'Masole' in Central Africa, 'Ladang' in Indonesia, 'Ray' in Vietnam.
- In India, this primitive form of cultivation is called 'Bewar' or 'Dahiya' in Madhya Pradesh, 'Podu' or 'Penda' in Andhra Pradesh, 'Pama Dabi' or 'Koman' or 'Bringa' in Odisha, 'Kumari' in Western Ghats, 'Valre' or 'Waltre' in South-eastern Rajasthan, 'Khil' in the Himalayan belt, 'Kuruwa' in Jharkhand, and 'Jhumming' in the North-eastern region.

## G. Prelims Facts

*Nothing here for today!!!*

## H. Practice Questions for UPSC Prelims Exam

**Q1. Consider the following statements:**

1. In 'Slash and Burn' agriculture, farmers clear a patch of land and produce cereals and other food crops to sustain their family. When the soil fertility decreases, the farmers shift and clear a fresh patch of land for cultivation.
2. The 'slash and burn' agriculture is known as 'Milpa' in Mexico and Central America.

Which among the above statements is/are **correct**?

- a. 1 only
- b. Both 1 and 2
- c. 2 only
- d. Neither 1 nor 2

**Answer: b**

**Explanation:**

- In 'Slash and Burn' agriculture, farmers clear a patch of land and produce cereals and other food crops to sustain their family. When the soil fertility decreases, the farmers shift and clear a fresh patch of land for cultivation. This type of shifting allows nature to replenish the fertility of the soil through natural processes; land productivity in this type of agriculture is low as the farmer does not use fertilisers or other modern inputs.
- It is known by different names in different parts of the country.
- This type of farming is referred to as jhumming in north-eastern states like Assam, Meghalaya, Mizoram and Nagaland; Pamlou in Manipur, Dipa in Bastar district of Chhattishgarh, and in Andaman and Nicobar Islands.
- The 'slash and burn' agriculture is known as 'Milpa' in Mexico and Central America, 'Conuco' in Venezuela, 'Roca' in Brazil, 'Masole' in Central Africa, 'Ladang' in Indonesia, 'Ray' in Vietnam.

**Q2. Consider the following statements:**

1. The leader of the opposition in the houses of Indian parliament is a statutory post.
2. This post is defined in the Salaries and Allowances of Leaders of Opposition in Parliament Act, 1977 as simply the leader of the numerically biggest party in opposition to the government and recognised as such by the speaker/chairman.

Which among the above statements is/are **correct**?

- a. 1 only
- b. Both 1 and 2
- c. 2 only
- d. Neither 1 nor 2

**Answer: b**

**Explanation:**

- The leader of the opposition in the houses of Indian parliament is a statutory post.
- This post is defined in the Salaries and Allowances of Leaders of Opposition in Parliament Act, 1977 as simply the leader of the numerically biggest party in opposition to the government and recognised as such by the speaker/chairman.
- In this Act, the “Leader of the Opposition”, in relation to either House of Parliament, means that member of the Council of States or the House of the People, as the case may be, who is, for the time being, the Leader in that House of the party in opposition to the Government having the greatest numerical strength and recognised as such by the Chairman of the Council of States or the Speaker of the House of the People, as the case may be.

**Q3. Consider the following statements:**

1. A Money Bill may only be introduced in the Lok Sabha, on the recommendation of the President.
2. It must be passed in the Lok Sabha by a simple majority of all members present and voting. Following this, it may be sent to the Rajya Sabha for its recommendations, which Lok Sabha may reject if it chooses to.
3. If such recommendations are not given by the Rajya Sabha within 14 days, it will deemed to be passed by Parliament.

Which among the above statements is/are **correct**?

- a. 1 and 2 only
- b. All 1, 2 and 3
- c. 2 and 3 only
- d. 1 and 3 only

**Answer: b**

**Explanation:**

- A Money Bill may only be introduced in the Lok Sabha, on the recommendation of the President.
- It must be passed in the Lok Sabha by a simple majority of all members present and voting. Following this, it may be sent to the Rajya Sabha for its recommendations, which Lok Sabha may reject if it chooses to.
- If such recommendations are not given by the Rajya Sabha within 14 days, it will deemed to be passed by Parliament.

**Q4. Consider the following statements regarding the Central Education Institutions (Reservations in Teachers' Cadre) Ordinance, 2019:**

1. The Ordinance provides for reservation of teaching positions in central educational institutions for persons belonging to the Scheduled Castes, Scheduled Tribes, and the socially and educationally backward classes.
2. The Ordinance will apply to 'central educational institutions' which include universities set up by

Acts of Parliament, institutions deemed to be a university, institutions of national importance, and institutions receiving aid from the central government.

3. It excludes certain institutions of excellence, research institutions, and institutions of national and strategic importance which have been specified in the Schedule to the Ordinance. It also excludes minority education institutions.

Which among the above statements is/are **correct**?

- a. 1 and 2 only
- b. All 1, 2 and 3
- c. 2 and 3 only
- d. 1 and 3 only

**Answer: b**

**Explanation:**

- The **Central Education Institutions (Reservations in Teachers' Cadre) Ordinance, 2019** provides for reservation of teaching positions in central educational institutions for persons belonging to the Scheduled Castes, Scheduled Tribes, and the socially and educationally backward classes.
- The Ordinance will apply to 'central educational institutions' which include universities set up by Acts of Parliament, institutions deemed to be a university, institutions of national importance, and institutions receiving aid from the central government.
- It excludes certain institutions of excellence, research institutions, and institutions of national and strategic importance which have been specified in the Schedule to the Ordinance. It also excludes minority education institutions.

## I. UPSC Mains Practice Questions

1. Comment on the role of the 'Leader of Opposition' in parliamentary democracy. Does this post strengthen democracy? Analyze. (12.5 Marks, 250 Words)
2. There is a need to promote community-based care rather than relying only on hospital services. Critically Analyze. (12.5 Marks, 250 Words)

