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VEDHIK

DAILY NEWS ANALYSIS

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FOREWORD

We, at Team Vedhik is happy to introduce a new initiative - "Daily Current Affairs_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Daily Current Affairs_The Hindu" would help students, especially beginners save time and streamline their preparations with regard to Current Affairs. A content page and an Appendix has been added segregating and mapping the content to the syllabus.

It is an appreciable efforts by Vedhik IAS Academy helping aspirants of UPSC Civil Services Examinations. I would like to express my sincere gratitude to Dr. Babu Sebastian, former VC - MG University in extending all support to this endeavour. Finally I also extend my thanks to thank Ms. Shilpa Sasidharan and Mr. Shahul Hameed for their assistance in the preparing the compilations.

We welcome your valuable comments so that further improvement may be made in the forthcoming material. We look forward to feedback, comments and suggestions on how to improve and add value for students. Every care has been taken to avoid typing errors and if any reader comes across any such error, the authors shall feel obliged if they are informed at their Email ID.

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EXPLAINER

China's interventions in the Horn of Africa

Is Beijing moving away from its policy of non-intervention in Africa? How are different African states reacting to these developments?

THE GIST

■ In January 2022, during his 17th trip to Africa, China's Foreign Minister and State Councillor Wang Yi asserted China's three main objectives in Africa: controlling the pandemic, implementing a Forum on China-Africa Cooperation (FOCAC) outcomes, and upholding common interests while fighting hegemonic politics.

■ Africa has been keen on interacting with China. Despite accusations of debt-trapping surrounding China's projects in Africa, the governments have mostly been welcoming.

■ China's move "to play a role in the area of security" in Africa indicates a shift in its principle of non-intervention. It is China's message that its presence in the continent has a larger objective and is not likely to be limited to the Horn of Africa.

APOORVA SUDHAKAR
AVISHKA ASHOK

The story so far: China has been investing across the African continent throughout the last decade. While the emphasis has been on investments and raw materials, it took a new turn on June 20, with the first "China-Horn of Africa Peace, Governance and Development Conference." Beijing's first special envoy to the region Xue Bing, appointed in February 2022, said that this is the first time China aims "to play a role in the area of security". The conference held in Ethiopia witnessed the participation of foreign Ministers from the following countries of the Horn: Kenya, Djibouti, Ethiopia, Sudan, Somalia, South Sudan, and Uganda.

What are the recent projects between China and countries from the Horn of Africa?

China's focus on the Horn is a part of its focus on Africa. In January 2022, during his 17th trip to Africa, China's Foreign Minister and State Councillor Wang Yi focused on increasing the infrastructural investments in African countries. He refuted accusations of debt-trapping the countries and asserted China's three objectives in Africa: controlling the pandemic, implementing a Forum on China-Africa Cooperation (FOCAC) outcomes, and upholding common interests while fighting hegemonic politics.

China's interests in the Horn of Africa are related to four major areas: infrastructural projects, financial assistance, natural resources and maritime interests

The FOCAC promotes China's role in the infrastructural and societal development of the Horn. In the 2021 forum, the entire region of the Horn participated and four resolutions were adopted: the Dakar Action Plan, the China-Africa Cooperation Vision 2035, the Sino-African Declaration on Climate Change and the Declaration of the

Eighth Ministerial Conference of FOCAC.

During the COVID-19 pandemic, China donated over 3,00,000 vaccines to Ethiopia and Uganda, and 2,00,000 vaccines to Kenya and Somalia. Sudan and Eritrea have also benefited from China's vaccine diplomacy.

Beijing has also initiated the "2035 vision for China-Africa cooperation"; it aims to transform the health sector, alleviate poverty, promote trade and investments, and expand digital innovation. The vision also focuses on green development, capacity building, improving people-to-people exchanges and facilitating peace and security in the continent.

What are China's primary interests/investments in the Horn of Africa?

China's interests are related to four major areas: infrastructural projects, financial assistance, natural resources and maritime interests. Looking at Chinese investments in infrastructure, one of its landmark projects was fully funding the \$200 million African Union headquarters in Addis Ababa. It has also made significant investments in railways; it is building the Addis-Djibouti railway line connecting the land-locked country with Eritrean ports in the Red Sea. China has also invested in the Mombasa-Nairobi rail link in Kenya, and has already delivered on railway projects in Sudan. It also has a viable military hardware market in Ethiopia and has built over 80 infrastructural projects in Somalia, including hospitals, roads, schools and stadiums. In Djibouti, 14 infrastructural projects are funded by China.

With respect to financial assistance, Ethiopia, is one of the top five African recipients of Chinese investments, and also has a debt of almost \$14 billion. China accounts for 67% of Kenya's bilateral debt. In 2022, China promised to provide \$15.7 million assistance to Eritrea.

The third major Chinese interest in Africa is the presence of natural resources – oil and coal. Beijing has invested \$400 million in Mombasa's oil terminal. China is also

interested in minerals such as gold, iron-ore, precious stones, chemicals, oil and natural gas in Ethiopia. South Sudan, a source for petroleum products, has had continued Beijing investment in the industry since the latter's initial entry in 1995.

The fourth major area is related to maritime interests. China's first and only military base outside its mainland is in Djibouti. During his visit in early 2022, Wang hinted at China's willingness to develop Eritrea's coast which would connect to China's investments in land-locked Ethiopia. The U.S. has speculated that China wishes to build another military base in Kenya and Tanzania, thereby increasing its military presence in the region.

Has the Horn of Africa been welcoming of China's presence?

Africa has been keen on interacting with China. Despite the wariness surrounding China's projects in Africa, the governments have mostly been welcoming. When conflict broke out in Tigray in November 2020, Addis Ababa appreciated Beijing for respecting Ethiopia's sovereignty. In December 2021, Kenya defended Chinese projects in the country; President Uhuru Kenyatta maintained that China-Africa partnership was mutually beneficial. In November 2021, Uganda's President Yoweri Museveni suggested that China give access to its markets, in a fashion similar to the U.S. or Europe.

Similarly, in May 2022, the East African Community (EAC) Secretary General Peter Mathuki said the EAC would welcome Chinese investors to work in East Africa for the prosperity of the people.

Is China's new focus on peace in the Horn a shift from Beijing's principle of non-intervention?

Peace and stability is a mutual requirement for China and Africa. For Africa, Chinese investments could lead to stable environments which could help the countries achieve their peace and development objectives. For China, conflict in the region comes at a heavy cost. In



Ethiopia, when the conflict broke out, over 600 Chinese nationals, working on different projects, were evacuated, putting several investments at risk. From a trading perspective, the region plays a significant role in achieving the objectives of the China-Africa Cooperation Vision 2035.

China's move towards peace in Africa indicates a shift in its principle of non-intervention. It is China's message that its presence in the continent has a larger objective and is not likely to be limited to the Horn of Africa. This includes an aim to project itself as a global leader and boost its international status. Further, the recent developments imply that China is focussing on a multifaceted growth in the continent for the long run. For Africa, China's presence is an alternative to the European powers, many of whom are facing criticism from African governments. Further, African governments, which do not conform to Western standards of democracy, interact better with powers like China and Russia.

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Greener pastures: China's first special envoy to the Horn of Africa, Xue Bing, speaks at a press conference in Addis Ababa, Ethiopia on June 20. •AP

EXPLAINER

The G7 plan to counter the Belt and Road initiative

How is the Partnership for Global Infrastructure and Investment going to enhance development in low and middle income countries?

DIKSHA MUNJAL

The story so far: On June 26, U.S. President Joe Biden along with his G7 allies unveiled the ambitious Partnership for Global Infrastructure and Investment (PGII), announcing the collective mobilisation of \$600 billion by 2027 to deliver “game-changing” and “transparent” infrastructure projects to developing and middle-income countries. The PGII is being seen as the G7’s counter to China’s multi-trillion dollar Belt and Road Initiative (BRI) to build connectivity, infrastructure, and trade projects in Asia, Europe, Africa, and Latin America.

What is the PGII?

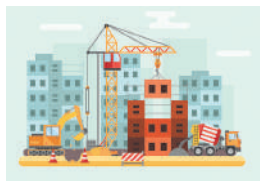
The West has been sceptical of the BRI, since it was launched in 2013 by President Xi Jinping, as it was considered to be part of China’s larger strategy to increase geopolitical influence in Asia and other developing countries. The U.S., along with G7 partners the U.K., Japan, France, Canada, Germany, Italy, and the European Union (EU), had in 2021 announced the launch of the Build Back Better World (B3W) with the aim of narrowing the \$40 trillion infrastructure gap in the developing world. PGII is therefore, a relaunch of Mr. Biden’s B3W plan.

The factsheet put out by the White House described the PGII as a “values-driven, high-impact, and

transparent infrastructure partnership to meet the enormous infrastructure needs of low and middle-income countries and support the United States’ and its allies’ economic and national security interests”. The G7 members aim to collectively mobilise \$600 billion by 2027 to invest in sustainable and quality infrastructure projects in developing countries, including India, and strengthen global supply chains. Mr. Biden announced the country’s pledge to channel \$200 billion in grants, public financing, and private capital over the next five years for the PGII. European Commission President Ursula von der Leyen declared Europe’s pledge of mobilising 300 billion euros for the partnership over the same period.

What kind of projects will the PGII undertake?

All PGII projects will be driven by “four priority pillars that will define the second half of the 21st century”. First, the G7 grouping aims to tackle the climate crisis and ensure global energy security through clean energy supply chains. Second, the projects will focus on bolstering digital information and communications technology (ICT) networks facilitating technologies such as 5G and 6G internet connectivity and cybersecurity. Third, the projects aim to advance gender equality and equity, and lastly, to build and upgrade global health



infrastructure.

Mr Biden announced the flagship projects for PGII that have either commenced or are set to begin. The U.S International Development Finance Corporation (DFC), along with the G7 nations and the EU are disbursing a \$3.3 million technical assistance grant to build a vaccine facility in Senegal, having a potential yearly capacity of manufacturing “millions of doses of COVID-19 and other vaccines”. Ms. Leyen said that the European Commission’s Global Gateway initiative is also undertaking projects supporting the PGII such as mRNA vaccine plants in Latin America and a fibre-optic cable linking Europe to Latin America among others.

In India, the U.S. DFC will invest up to \$30 million in Omnivore Agritech and Climate Sustainability Fund 3, an impact venture capital fund that invests in entrepreneurs building the future of agriculture, food systems, climate, and

rural economy in India.

How does it compare to China’s BRI?

The Belt and Road project was started to revive connectivity, trade, and infrastructure along what was China’s ancient Silk Road. China had announced a two-pronged approach of building a Silk Road Economic Belt on Land and a maritime 21st century Silk Road. The project initially aimed to strengthen connectivity with Southeast Asia but later expanded to South and Central Asia, Africa, Europe, and Latin America, with Mr. Xi saying it would “break the bottleneck in Asian connectivity”.

The G7 meanwhile has specifically touted the PGII as a values-based plan to help underfunded low and middle-income countries meet their infrastructure needs. PGII has laid focus on climate action and clean energy, while China has built large coal-fired plants under BRI along with solar, hydro, and wind energy projects. While the G7 has pledged \$600 billion by 2027, Morgan and Stanly estimate that China’s overall funding for BRI by that time could reach \$1.2 to 1.3 trillion dollars with the actual funding being higher. Under the PGII, large private capital will be also mobilised while China’s BRI is majorly state-funded.

Besides, the BRI was also launched at a time when China’s local construction firms were short of projects in developed Chinese provinces. Studies have shown

that 89% of the contractors participating in BRI projects are Chinese. According to Engineering News Record’s 2019 data, seven out of the world’s 10 biggest construction contractors based on foreign revenue were Chinese. Large number of Chinese workers are employed in BRI projects; for instance 1.82 lakh were working in Africa by late 2019.

While G7 leaders emphasised “transparency” as the cornerstone of PGII projects, the BRI has faced criticism for making countries sign confidential tenders for extending massive loans, leaving countries indebted to China. For instance, after the BRI’s flagship \$62 billion China-Pakistan Economic Corridor, Pakistan owes Beijing a large proportion of its foreign debt.

China builds BRI’s projects by extending large, low-interest loans to countries that have to usually be paid over 10 years. There have been cases of debt-saddled countries failing to repay on time. Sri Lanka, for instance, had to cede its key Hambantota Port on a 99-year lease to China. Mr. Biden has said meanwhile, that PGII aims to build projects through grants and investments.

A PGII project has already been announced in India but India had opted out of China’s BRI, being wary of Beijing’s aim to increase its influence in the Indian Ocean Region by roping in Pakistan as a major BRI recipient.

THE GIST

■ On June 26, U.S. President Joe Biden along with his G7 allies unveiled the Partnership for Global Infrastructure and Investment (PGII), largely seen as a counter to China’s multi-trillion dollar Belt and Road Initiative (BRI).

■ All PGII projects will be driven by “four priority pillars that will define the second half of the 21st century”. Tackling the climate crisis and ensuring global energy security, bolstering digital information and ICT networks, promoting gender equality and equity, and lastly, to build and upgrade the global health infrastructure.

■ A PGII project has been announced in India. On the other hand, India has stayed away from China’s BRI, being wary of Beijing’s aim to increase its influence in the Indian Ocean Region.

A problematic provision

Instead of disenfranchising only certain classes of prisoners, the law prohibits anyone in confinement from voting



ADITYA PRASANNA BHATTACHARYA

In States with bicameral legislatures, seats in the Legislative Council are filled following an indirect election in which members of the Legislative Assembly cast votes. On June 20, the members of the Maharashtra Legislative Assembly were scheduled to convene at the Vidhan Sabha to elect the members of the Vidhan Parishad. Nawab Malik and Anil Deshmukh, who are in prison in connection with money laundering offences, approached the courts with a prayer: despite their incarceration, they should be temporarily released to cast votes in the election, so that they may discharge their duty as sitting MLAs. Their prayer was rejected, first by a special Judge under the Prevention of Money Laundering Act, then by the Bombay High Court, and finally by the Supreme Court.

The yardstick for disenfranchisement

Interestingly, before dismissing the applications, the apex court observed that it is open to reconsidering the legal provision, Section 62(5) of the Representation of the People Act, 1951, which prevented the two MLAs from casting their votes. In the past, the Supreme Court has observed that the intent of this provision is to maintain the integrity of elections by excluding 'persons with criminal background' from participating in them. Ideally, this objective can be achieved through a provision which disenfranchises persons who have been convicted of certain kinds of grave offences.

However, Section 62(5) does not use conviction as the yardstick for disenfranchisement; it uses confinement. As a result, undertrial prisoners (who constitute over 75% of India's nearly 5 lakh prisoners) cannot vote. Neither can persons detained in civil prison for failing to repay a debt. But remarkably, a person who has been convicted for a criminal offence and has managed to secure bail can vote. If the objective is to keep criminals away from elections, this is an anomaly. Indeed, it appears that as a result of a poor choice of words, an otherwise well-intentioned law has snatched away the right to vote from an undertrial who is presumed to be innocent and from a civil offender, but has granted it to a criminal convict (out on bail) whose guilt has been determined.

This puts Section 62(5) in direct collision with Article 14 of the Constitution (equality before the law to all persons). Whenever a law treats two groups of persons unequally,

it must satisfy a set of basic tests under Article 14 to be valid: the distinction created by the law must be based on coherent differences between the two groups of persons, and these differences must have a rational link with the objective that the law seeks to achieve. Section 62(5) treats a group of people differently by stripping them of the right to vote. What sets this group apart from those allowed to vote is their confinement in prison. This has no rational link with the purported object of the law, i.e., keeping criminals away from the electoral process.

As alternatives, the provision could have disenfranchised persons convicted of certain heinous offences or those sentenced for a minimum duration. In the U.K., for instance, only convicts sentenced to prison for four years or more cannot vote. In Germany, only persons convicted of certain political offences are disenfranchised. Where the law formerly restricted all prisoners from voting (Canada, for instance), constitutional courts intervened and struck it down for being arbitrary and disproportionate.

Section 62(5) has survived many challenges before the courts. Each time, the courts have lauded the objective of weeding out criminal elements from the electoral process, but have stopped short of examining whether the provision, in the manner in which it is worded, can claim to achieve this aim. In a welcome move, while dismissing Mr. Malik and Mr. Deshmukh's bail applications, the Supreme Court observed that it is open to reconsidering the constitutionality of the provision. The reason for this shift is that the voters who were deprived in this instance were not seeking to act as ordinary citizens but as constitutional functionaries. Through the MLAs' votes, the residents of their constituencies indirectly exercise their franchise in the election to the Vidhan Parishad. By preventing the two MLAs from casting their votes, the court has inadvertently stripped all their constituents of their franchise.

Finding fault with Section 62(5) for only this reason would be missing the forest for the trees. As a result of its sweeping nature, the provision suffers from a deeper malaise. The question cannot be whether the voter is an ordinary citizen or an MLA, but whether the voter, given their conduct, deserves to participate in the electoral process or not. A constitutional inquiry into Section 62(5) with the former question as its only basis is set for failure. The apex court must re-examine the issue in the totality of its circumstances and Parliament must replace the provision with a tightly worded version disenfranchising only certain classes of prisoners.

Aditya Prasanna Bhattacharya is Research Fellow, Vidhi Centre for Legal Policy

NHRC's advisory to Centre, States on truck drivers' rights

Provide accident cover of ₹15 lakh each for entire staff

SPECIAL CORRESPONDENT
NEW DELHI

The National Human Rights Commission on Tuesday said it had issued an advisory to the Centre, States and Union Territories to protect the rights of truck drivers. "The Commission has observed that despite making significant contribution to the economy of the nation, the rightful entitlements of the truck drivers do not get adequate attention, as the truck business remains fragmented and unorganised," the statement read.

The advisory, sent by the NHRC Secretary-General to the Secretaries of Ministries and departments and Chief Secretaries of States, covered four areas – protection from exploitation, provision of amenities, provision of socio-economic security and physical and mental well-being. Among the recommendations was an amendment to



For better life: The advisory sought restrooms and hotels at every 40 km on National and State highways. ■PTI

the Motor Vehicle Act, 1988, to make the purchase of personal accident cover of at least ₹15 lakh each for the driver, co-driver and helper of a commercial truck mandatory. It recommended that drivers, co-drivers and helpers who are injured or incapacitated in road accidents should be given cashless medical treatment. The advisory said rest stops and lay-byes with parking areas, rest rooms, toilets, restaurants with reasonable rates,

mechanic shops and doctors' clinics should be constructed every 40 km on National Highways and at prominent locations along State highways.

"Launch a group insurance scheme providing for life as well as health cover for truck drivers on payment of a nominal subsidised subscription; Minimise physical interface between truck drivers and law enforcement agencies by providing online facilities..." it said.

Step up vigil to contain COVID surge, says Centre

States have been advised to monitor profile of patients

BINDU SHAJAN PERAPPADAN
NEW DELHI

The Union government on Tuesday wrote to the States cautioning against symptomatic and unvaccinated individuals travelling and participating in upcoming festive gatherings and yatras. If adequate care is not taken, the country will see yet another COVID-19 surge after the current slump, it said.

Rather than random or anecdotal reporting, the government advised the States to monitor the epidemiological profile of admitted patients and report the clinical manifestation to the Health Ministry.

“This will help to identify at an early stage any out-of-the-ordinary or different clinical presentation of the patients,” Health Secretary Rajesh Bhushan said, asking the States to maintain a constant vigil in pockets showing surge during the past few weeks.

The States were also advised to scan for and report all influenza-like illness (ILI)

and severe acute respiratory infections (SARI) cases from all district hospitals, major private hospitals and medical colleges across the districts, and keep a close watch on those geographies where these clusters are emerging.

Mr. Bhushan chaired a review meeting of the COVID situation in the country through a video conference, where 14 States that are reporting a large number of cases on a week-to-week basis, along with increased

case positivity, combined with low numbers of COVID tests and below average COVID vaccination, participated. At the meeting, the States were advised to focus on implementation of COVID-appropriate behaviour to control the spread of infection, especially in view of the upcoming festivals in many States.

The Health Ministry said the uptake in second and precaution doses in many States reporting the present surge was low.



FROM THE ARCHIVES

GST reform needs a new grand bargain

The GST compensation issue strengthens the necessity for a new system between sovereign and sub-sovereign entities

THE GIST

AJIT RANADE
VIJAY KELKAR

The GST council is meeting in Chandigarh even as the tax regime completes five years in operation as of June 30. This article by Vijay Kelkar and Ajit Ranade on September 1, 2020, talks about how the Centre and the States need to completely re-formulate the GST regime.

Three years ago, the Centre and the States of the Union of India struck a grand bargain resulting in the launch of the unified Goods and Services Tax (GST) era. The States gave up their right to collect sales tax and sundry taxes, and the Centre gave up excise and services tax. The nationwide GST promised frictionless commerce across State borders, buoyant and leakproof tax compliance, and removal of inefficiencies like the cascade of “tax on tax”. This historic grand bargain was the result of painstaking consensus building, which inter alia involved addressing the apprehension of States, of revenue loss due to the GST.

Abdication of responsibility

Their consent was secured by a promise of reimbursing any shortfall in tax revenues for a period of five years. This reimbursement was to be funded by a special cess called the GST compensation cess. The promised reimbursement was to fill the gap for an assured 14% year on year tax growth for five years, and it was generous to a fault. Neither the national aggregate nor any of the major States had this record for the previous five years.

But that was not the only fault with the design, which had also failed to learn from the successful design of harmonising Value Added Tax (VAT) rates across the nation, implemented just a decade ago. VAT was the precursor to GST and also needed a consensus. That design too had an inbuilt reimbursement formula. But that tapered over the years, making room for incentives for tax effort from the States, sort of “skin in the game”.

As the economy battles a pandemic and recession, the tax collection has dropped significantly, while expenditure needs are sharply higher, especially at the frontline of the battle, at the State level. But it seems that the States have been told that they are on their own to meet the shortfall in revenues. Using an equivalent of the Force Majeure clause in commercial contracts, the Centre is abdicating its responsibility of making up for the shortfall in 14% growth in GST revenues to the states.

The onus is on the Centre

This is wrong on many counts. First, the States do not have recourse to multiple options that the Centre has, such as issue of a sovereign bond (in dollars or rupees) or a loan against public sector

unit shares from the Reserve Bank of India. Second, the Centre can anyway command much lower rates of borrowing from the markets as compared to the States. Third, in terms of aggregate public sector borrowing, it does not matter for the debt markets, nor the rating agencies, whether it is the States or the Centre that is increasing their indebtedness. Fourth, fighting this recession through increased fiscal stimulus is basically the job of macroeconomic stabilisation, which is the Centre’s domain. Fifth, and most importantly, breaking this important promise, using the alibi of the COVID-19 pandemic causes a serious dent in the trust built up between the Centre and States.

Cooperative federalism is in the nature of a “repeated game” between the two entities, and every action must think of the future consequences, not just the immediate ones. Will it not weaken the foundation of trust?

Kautilya too would have advised the sovereign against renegeing on the promised bailout, as fulfilling the obligation helps build trust with sub-sovereigns.

The Australian example

The issue of GST compensation to the States is just the latest in the bumpy three-year journey of the new tax design. It is clear that the design needs a radical overhaul. Just tinkering with the compensation mechanism, or frequently changing rate slabs, or pushing more goods in the “sin tax” cess category, to earn revenue that is not shareable with the States, is not the way forward. What we instead need is a Grand Bargain 2.0 between the sovereign and the sub-sovereign entities. What would this be based upon? We have to go back to first principles. GST is a destination-based consumption tax, which must include all goods and services with very few exceptions, such as food and medicine. That widening of the tax base itself will allow us to go back to the original recommendation of a standard rate of 12%, to be fixed for at least a five-year period. A comparison with Australia which also coincidentally shares its GST anniversary with India, is apt. For the past two decades their GST rate has been constant at 10%. Of course India’s single rate of 12% has to cover petrol, diesel, electricity, transport and real estate as well. Some extra elbow room for the States’ revenue autonomy is obtained by allowing the States non VATable surcharges on a small list of “sin” goods such as liquor, tobacco, polluting goods such as sport utility vehicles, and industrial fuels such as diesel, aviation turbine fuel and coal. A low moderate single rate of 12% encourages better compliance, reduces the need to do arbitrary classification and discretion, reduces litigation and will lead to buoyancy in collection. Incidentally this redesign will scrupulously

avoid the bogey of a “revenue neutral rate” (RNR) which needlessly occupied the attention of lawmakers and officials. GST is a long-term structural reform, while RNR is a short term and basically an elusive concept. In the long term there are many changes in consumption patterns, production configurations and locations, which cannot be anticipated and hence a static concept of RNR cannot be reference. The commitment to a low and stable rate, à la Australia and many other federal democracies, is a must. Of course the compensation-cum-reimbursement incentive can remain, but more in the nature of what was done for VAT harmonisation.

Third tier of government

This new grand bargain must recognise the increasing importance of the third tier of government. Even after 28 years of the 73rd and 74th Amendments, the local governments do not have the promised transfer of funds, functions and functionalities. These local bodies face increased responsibility of providing government services especially in view of increased urbanisation and decentralisation. Of the 12% GST, 10% should be equally shared between the States and the Centre, and 2% must be earmarked exclusively for the urban and rural local bodies, which ensures some basic revenue autonomy to them. The actual distribution across panchayats, districts and cities would be given by respective State Finance Commissions. GST consumption tax paid by every citizen establishes a tighter link between the governed and the government. The quality of governance improves as also, the tax base is better aligned with responsibilities of various tiers of government.

Other changes

This fresh approach also calls for an overhaul of the interstate GST and the administration of the e-way bill. Research papers by Bhaskar and Kelkar (Reforming Integrated GST: Towards accelerating exports Policy Brief by Dr. V. Bhaskar and Dr. Vijay Kelkar and National Agenda for 2019 - A proposal for the GST reform by Dr. V. Bhaskar and Dr. Vijay Kelkar) describe the simplified mechanism, which essentially reduces the transaction costs drastically. The current system is too complex and burdensome. We also need to zero rate exports. GST is a crucial and long-term structural reform which can address the fiscal needs of the future, strike the right and desired balance to achieve co-operative federalism and also lead to enhanced economic growth. The current design and implementation has failed to deliver on that promise. A new grand bargain is needed.

Vijay Kelkar and Ajit Ranade are, respectively, Vice-President and Member, Pune International Centre

Remembering the 'Plan Man' of India

Revisiting the country's statistical inheritance from P.C. Mahalanobis assumes importance in today's data-driven world



ATANU BISWAS

Today, June 29, is national 'Statistics Day', in 'recognition of the contributions made by Prof. Prasanta Chandra Mahalanobis', the 'Plan Man' of India; it is also his birthday. It was P.C. Mahalanobis, who established a strong statistical culture in India and nourished it diligently through his lifelong endeavours. Incidentally, June 28 also marked 50 years since his passing. Revisiting the life of India's statistical inheritance from P.C. Mahalanobis is of utmost importance as various kinds of concerns regarding data collection, its publication, and data quality have emerged in recent years.

Mahalanobis certainly believed data to be instrumental in efficient planning for national and human development. Planning in the newly independent nation in the 1950s was largely based on the data obtained from various surveys. His fairytale-type success story is due to the blending of his talent with his dedication that thrives into perfection. The socio-political situation and Jawaharlal Nehru's reliance on Mahalanobis certainly helped.

Ties with Tagore

At the centenary of Rabindranath Tagore's Visva Bharati University – which Mahalanobis was instrumental in shaping in its most difficult formative years – it might be very interesting to discuss the rela-

tionship between two of the greatest Bengali stalwarts, i.e., Tagore and Mahalanobis. Tagore treated Mahalanobis as a close confidant, despite an age gap of 32 years, and they shared a three decades long friendship. Mahalanobis explained to Rani, his future wife: "It will be wrong to say he [Tagore] is my Guru...., 'I love him' is the right expression."

Chancing upon statistics

Young Mahalanobis came to know about statistics, the subject, 'by chance' when, in 1915, his voyage to India from England was delayed. However, it is possible that Tagore was instrumental in bringing Mahalanobis, a professor of physics at Calcutta's Presidency College, into formal statistical activities, when, in 1917, he introduced him to the scholar and educator, Brajendranath Seal, who asked Mahalanobis to analyse the examination records of Calcutta University. It was perhaps Mahalanobis's first statistical venture with real-life data.

Seventeen-year-old Mahalanobis first met Tagore at Santiniketan in 1910. Then, as Satyajit Ray wrote, "When Rabindranath came to London in 1912 with his translation of *Gitanjali*, Prasanta Chandra, Kedarnath [Chattopadhyay] and my father [the Poet and writer Sukumar Roy] were present. He [Sukumar] mentions gathering in Rothenstein's house more than once in his letters."

The bonding between Tagore and Mahalanobis, however, was strengthened. In 1919, when Tagore had written a public letter to Lord Chelmsford, the Viceroy of India, protesting the Jallianwala Bagh massacre and renouncing knighthood, he asked Mahalanobis



THE HINDU PHOTO ARCHIVES

to read it first. Mahalanobis accompanied Tagore on many of his international visits, mostly in the 1920s. He often documented the details of such trips with rigour. With a statistician's perfection, Mahalanobis wrote a series of essays titled 'Rabindra Parichay' ('Introduction to Rabindra') for the prestigious Bengali magazine, *Probashi*. He also wrote a book, *Rabindranath Tagore's Visit to Canada* in 1929. When Tagore met Einstein in 1930, Mahalanobis was also with him. In fact, Einstein asked Tagore about a young scientist named Bose. Tagore was surprised as Jagadish Chandra Bose, Tagore's friend, was certainly no longer a young man. Mahalanobis then informed Tagore about Satyendra Nath Bose, another doyen, who would be ever-remembered for Boson, at least.

Mahalanobis introduced Tagore to cinema when, in 1917, he took Nitin Bose, the father of cinema technique, to Bolpur. At the request of Tagore, Nitin Bose photographed a dance recital of girls. The 17-minute film was processed in an improvised lab in Mahalanobis'

laboratory at Presidency College. Mahalanobis, at the Presidency College during that period, was a mixture of physicist and statistician. More precisely, a physicist was turning into a statistician, slowly but steadily. His physics background certainly helped shape his statistical ideology and perfection, which, in effect, yielded trustworthiness in his surveys, methodologies, and analyses.

Mahalanobis established the Statistical Laboratory within the Baker Laboratory at Presidency College. Tagore also visited the Statistical Laboratory several times. In fact, it was Tagore who coined the Bengali word, 'Rashibijnan' for 'Statistics', and there is little doubt that this was only due to the bonding between Tagore and Mahalanobis. In 1933, Mahalanobis founded *Sankhyā*, the *Indian Journal of Statistics*. In the first issue of the second volume of *Sankhyā*, Tagore depicted Statistics as "the dance steps of numbers in the arena of time and space, which weave the *maya* of appearance, the incessant flow of changes that ever is and is not".

At Visva Bharati

Mahalanobis, of course, helped Tagore immensely in his dream project – the founding of Visva Bharati. He not only served as a joint secretary of Visva Bharati for 10 years from the beginning but he was also a member of the governing body, executive council, academic council, and the agricultural board. Also, Mahalanobis' contribution to preparing Tagore's life calendar is astonishing. He even corrected some errors here and in also the bibliography prepared by the famous Bengali writer, Prabhat Kumar Mukhopad-

hyay. When Tagore modified his writings, he wanted to destroy the earlier drafts. Mahalanobis, however, preserved them – a clear conflict between the attitudes of a poet and a statistician. Detailing and perfection were an inherent nature of Mahalanobis. These were also reflected in his surveys and data collection.

Tagore's dance drama, 'Basanta' (meaning 'Spring'), had a premier at the Calcutta University institute auditorium on Mahalanobis' marriage day. Tagore attended the marriage ceremony after the show. He presented them with the manuscript of 'Basanta'. Such a special bonding with the poet, certainly, did supply Mahalanobis with a different kind of light – that would help him create a rich statistical legacy for the country, and a trustworthy system of data collection and analyses. The system worked nicely for a few decades even after his demise.

There is little denying that data, in general, is an ever-expanding pathway and is growing exponentially. Statistics, the subject, is also changing amid a wave of data science. One needs to adopt, for sure. Attempts such as transforming the Planning Commission to NITI Aayog or merging the National Sample Survey Office (NSSO) with the Central Statistical Office (CSO) to form the National Statistical Office (NSO) may not be enough though. One certainly misses a person of the stature of Mahalanobis at the helm of the system. Also, the Mahalanobis-type innovation, dedication, and diligence are dearly missed.

Atanu Biswas is Professor of Statistics, Indian Statistical Institute, Kolkata

Rate adjustments loom as GST Council meets first time in '22

States urge extension of compensation period, else moot rejig of revenue shares

SPECIAL CORRESPONDENT
CHANDIGARH

The Goods and Services Tax (GST) Council is learnt to have accepted an interim report on the rationalisation of tax rates submitted by a group of ministers (GoM) led by Karnataka Chief Minister Basavaraj S. Bommai on the first day of its two-day meeting on Tuesday.

Finance and Corporate Affairs Minister Nirmala Sitharaman chaired the proceedings of the Council, convened for the first time in 2022, and will announce the outcomes on Wednesday. Several key decisions are expected, the Finance Ministry said in a statement.



Hands tied: Given inflation concerns, a few exemptions may be dropped and just some rates tweaked. ■ NAGARA GOPAL

While the GoM was also tasked with considering the merger of the several different tax slabs, a larger overhaul has been put off in view of concerns about high inflation. For now, the panel has

mooted dropping exemptions on some items and tweaking rates for goods and services plagued by an inverted duty structure.

With the GST regime completing five years, marking

the sunset of the Centre's promise of assured revenue levels for States, some Opposition-ruled States urged an extension of the compensation period for another five years. Alternatively, they have mooted an increase in their share of GST revenue.

Chhattisgarh Commercial Tax Minister T.S. Singh Deo said this was particularly vital for manufacturing and mining States which were not large consumers.

"If the protective revenue provision is not continued, then the 50% formula for Central GST and State GST should be changed to SGST 80%-70% and CGST 20%-30%," he suggested.

Rupee tanks on oil surge, FII outflows

PRESS TRUST OF INDIA

MUMBAI

The rupee plunged by 48 paise to close at record low of 78.85 against the U.S. dollar on Tuesday, weighed down by persistent foreign capital outflows and a surge in crude oil prices.

At the interbank foreign exchange market, the rupee opened lower at 78.53 against the greenback and finally settled at 78.85, down 48 paise from its previous close.

“We foresee the rupee-dollar exchange rate to remain weak in the near-term, where it can test 79.20 against the U.S. dollar,” Sugandha Sachdeva, VP – commodity and currency research, Religare Broking said.

Bring the shine back on government jobs

Instead of expanding contractual employment, we should seek to bolster public services



FEROZE VARUN GANDHI

In 2019, an Indian citizen died of suicide every hour due to joblessness, poverty or bankruptcy, according to the National Crime Records Bureau. About 25,000 Indians died of suicide between 2018 and 2020, said the Union government in the Rajya Sabha in February this year. Several unemployed people in India resort to protests – thousands burnt railway coaches in January 2022 over alleged flaws in the railways recruitment process and more recently, India saw protests over the Agnipath scheme.

A culture of hire and fire

For those employed in government, the situation is not much better. In May 2022, Haryana terminated the services of over 2,000 contractual health workers (nurses, sweepers, security guards, paramedical staff) who had been hired during the pandemic. In Delhi, hundreds of nurses, paramedical staff, lab technicians and other contractual workers have been terminated by Ram Manohar Lohia Hospital, Lady Hardinge Medical College and others. After banging utensils to thank them, we have fired them.

Additionally, over 8,300 panchayat and rural development contractual staff in Assam staged protests in February 2022. They said they had been in a contractual state for 12-14 years and had not been given bonuses, allowances, pension or pay revisions. In April 2022, some 200 contractual workers of Chhattisgarh's state electricity department were canned-charged and arrested. Being a public servant has rarely mattered less.

The problem is two-fold. First, vacancies in the government are not being filled at a sufficient pace. There were over 60 lakh vacancies in the government across all levels in July 2021. Of these, over 9.1 lakh were in the Central government, while about 2 lakh vacancies were in PSU banks. Additionally, there were over 5.3 lakh vacancies in the State police, while primary schools were estimated to have some 8.3 lakh vacancies.



Police personnel deployed at Hubballi railway station after security was beefed up following protests against the Agnipath scheme, in Hubballi. ■ PTI

The government has sought to push for recruitment of 10 lakh people in a mission-mode over 1.5 years. However, this would fall short of the size of the problem. We need greater ambition on this front.

Second, where vacancies are being filled, they are notably skewed towards contractual jobs. In 2014, about 43% of government employees (about 12.3 million) had non-permanent or contractual jobs, with about 6.9 million working in key flagship welfare schemes (Anganwadi workers, for instance) with low wages (in some cases, lower than the minimum wage) and little, if any, social security cover, as per the Indian Staffing Industry Research 2014 report. By 2018, the share of government employees in this category had risen to 59%. For Central Public Sector Enterprises, the share of contractual (and non-permanent) employees increased from 19% to 37% (reaching 4,98,807 in March 2020), with permanent employees dropping in share by 25%. Consider select PSUs. ONGC had contractual employees form over 81% of its staff in March 2020. Some States have sought to take this further – in 2020, while the pandemic led to mass unemployment, the State government in Uttar Pradesh sought to amend recruitment for Group B and C employees (of which there were about 9 lakh in 2020 in U.P.), with a push for increasing contractual employment (for a five-year period), with such employees not offered allowances and typical benefits. Post the five-

year period, a pathway to regularisation was offered, only if the workers could pass a rigorous performance appraisal; if they did not pass, they would be dismissed. Any dependent of a deceased employee, if appointed to such posts, would also have to go through similar appraisals. In 2013, the Supreme Court ruled that a contractual employee for a government department was not a government servant. If most government employees have contractual terms, will a public ethos continue to exist?

Instead of expanding contractual employment, we should seek to bolster public services. For the past few decades, we have been under-investing in public goods – as witnessed by the COVID-19 crisis, our healthcare system simply does not have the capacity to provide adequate healthcare support to citizens under normal conditions, let alone a pandemic. Expanding public service provisioning will also lead to the creation of good quality jobs, along with skilled labour, offering us social stability. A push for enhancing public health would lead to the creation of societal assets; having more ICU beds in the first place would have ensured that the COVID-19 crisis could have been managed better. A push for a universal basic services programme with public healthcare would also help supplement insurance-based models like Ayushman Bharat. Such spending, however, will eventually lead to an increase in consumer demand and have strong multiplier effects, while generally improving the

productivity and quality of life in India's cities and villages.

Job opportunities

Consider renewable power generation. There is significant potential for job creation (for example, in rooftop solar power generation, manufacturing of solar panel modules and end-use servicing). Meanwhile, on the waste management front, there is significant scope for expanding wastewater treatment capacity, with the building and management of treatment plants for sewer waste and faecal sludge treatment plants leading to generation of jobs. Encouraging solid waste treatment practices (such as dry waste collection, micro-composting) could create about 300 jobs per year in a city municipal corporation. A push for adopting electric vehicles and encouraging green mobility would require significant manpower, leading to the generation of 'green jobs'. In addition, we must continue to encourage urban farming, with significant job potential in permaculture, gardening and nursery management. Perhaps another avenue of selective PSU reform could also be considered – a PSU with greater autonomy, with the government retaining control via a holding firm, can also be subject to the right incentives. Surely, Indian PSUs could aspire to be as large and efficient as the Chinese ones.

Government jobs have lost their shine. We need to attract talent to the government. Rather than downsizing or simply avoiding the cost of pensions and benefits, one should right-size government. Our public services require more doctors, teachers, engineers, and fewer data entry clerks. Reforms advocated by the Administrative Reforms Commission should be our initial step. This is the time to build capacity for an efficient civil service that can meet today's challenges - providing a corruption-free welfare system, running a modern economy and providing increasingly better public goods. Improved public service delivery, through better compensation, should be our ethos. 'Jai Jawan, Jai Kisan' used to be a driving motto for the government of the day. Instead, treating them as dispensable seems to be the norm.

Feroze Varun Gandhi is a Member of Parliament, representing the Pilibhit constituency for the BJP

Coast Guard squadron in Porbandar

The Porbandar-based squadron will have Advanced Light Helicopter-Mk-IIIs

SPECIAL CORRESPONDENT
NEW DELHI

The Coast Guard on Tuesday commissioned the 835 Squadron (CG) of indigenous Advanced Light Helicopter-Mk-IIIs at the air enclave in Porbandar.

“So far, 13 ALH Mk-III helicopters have been inducted in a phased manner and four of these are positioned at Porbandar. Since the induction, the squadron has flown over 1,200 hours and conducted numerous operational missions, including the maiden night SAR mission off Diu coast,” the Coast Guard said in a statement.

The ALH helicopters have been indigenously manufactured by Hindustan Aeronautics Ltd. (HAL). They feature state-of-the-art equipment, including ad-



The newly commissioned Advanced Light Helicopter Mk-III squadron at the ICG Air Enclave in Porbandar. ■PTI

vanced radar and electro-optical sensors, the Shakti engine, a full glass cockpit, a high-intensity searchlight, advanced communication systems, an automatic identification system and search and rescue (SAR) homer, the Coast Guard said.

“The features enable them to undertake maritime reconnaissance as well as carry out SAR at extended

ranges even while operating from ships during both day and night,” the Coast Guard said.

The aircraft has the ability to switch roles from an offensive platform with heavy machine gun to that of a benign one carrying a medical intensive care unit to facilitate transfer of critically ill patients, it stated.

The 835 Sqn (CG) is com-

manded by Commandant Sunil Dutt.

Stealth frigate

In a separate development, the keel of the last of Project-17A stealth frigates for the Navy was laid at Mazagon Dock Shipbuilders Ltd. (MDL), Mumbai.

The keel for the seventh stealth frigate was ceremoniously laid by Rear Admiral G.K. Harish, Director-General, Naval Design (Surface Ship Group) at MDL. The ceremony was performed in the presence of senior officials of the Indian Navy and MDL. Keel Laying is a major milestone activity in the construction of ships, symbolising formal commencement of the erection process of warships on the building berth.

General Studies Paper I

A	History of Indian culture will cover the salient aspects of art forms, literature and architecture from ancient to modern times;
B	Modern Indian history from about the middle of the eighteenth century until the present-significant events, personalities, issues;
C	Freedom struggle-its various stages and important contributors / contributions from different parts of the country;
D	Post-independence consolidation and reorganization within the country;
E	History of the world will include events from 18 th century such as industrial revolution, world wars, re-drawing of national boundaries, colonization, decolonization,
F	Political philosophies like communism, capitalism, socialism etc.-their forms and effect on the society
G	Salient features of Indian Society, Diversity of India;
H	Effects of globalization on Indian society;
I	Role of women and women's organization;
J	Social empowerment, communalism, regionalism & secularism
K	Salient features of world's physical geography;
L	Geographical features and their location- changes in critical geographical features (including water bodies and ice-caps) and in flora and fauna and the effects of such changes;
M	Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc.
N	Distribution of key natural resources across the world (including South Asia and the Indian subcontinent);
O	Factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India);
P	Population and associated issues;
Q	Urbanization, their problems and their remedies

General Studies Paper II

A	India and its neighbourhood- relations;
B	Important International institutions, agencies and fora- their structure, mandate;
C	Effect of policies and politics of developed and developing countries on India's interests;
D	Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.
E	Indian Constitution, historical underpinnings, evolution, features, amendments, significant provisions and basic structure;
F	Comparison of the Indian Constitutional scheme with other countries;
G	Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein; Inclusive growth and issues arising from it;
H	Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these;
I	Structure, organization and functioning of the executive and the judiciary, Ministries and Departments;

J	Separation of powers between various organs dispute redressal mechanisms and institutions;
K	Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional bodies;
L	Statutory, regulatory and various quasi-judicial bodies;
M	Mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections;
N	Salient features of the Representation of People's Act;
O	Important aspects of governance, transparency and accountability, e-governance- applications, models, successes, limitations, and potential;
P	Citizens charters, transparency & accountability and institutional and other measures;
Q	Issues relating to poverty and hunger,
R	Welfare schemes for vulnerable sections of the population by the Centre and States, Performance of these schemes;
S	Issues relating to development and management of social sector / services relating to education and human resources;
T	Issues relating to development and management of social sector / services relating to health
General Studies Paper III	
A	Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment;
B	Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth;
C	Inclusive growth and issues arising from it;
D	Infrastructure Energy, Ports, Roads, Airports, Railways etc. Government budgeting;
E	Land reforms in India
F	Major crops, cropping patterns in various parts of the country, different types of irrigation and irrigation systems;
G	Storage, transport and marketing of agricultural produce and issues and related constraints;
H	e-technology in the aid of farmers; Technology Missions; Economics of Animal-Rearing.
I	Issues of buffer stocks and food security, Public Distribution System- objectives, functioning, limitations, revamping;
J	Food processing and related industries in India – scope and significance, location, upstream and downstream requirements, supply chain management;
K	Issues related to direct and indirect farm subsidies and minimum support prices
L	Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology;
M	Indigenization of technology and developing new technology;
N	Developments and their applications and effects in everyday life;
O	Issues relating to intellectual property rights
P	Conservation, environmental pollution and degradation, environmental impact assessment
Q	Disaster and disaster management
R	Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security;
S	Money-laundering and its prevention;

T	Various forces and their mandate;
U	Security challenges and their management in border areas;
V	Linkages of organized crime with terrorism;
W	Role of external state and non-state actors in creating challenges to internal security;
X	Linkages between development and spread of extremism.
General Studies Paper IV	
A	Ethics and Human Interface: Essence, determinants and consequences of Ethics in human actions;
B	Dimensions of ethics;
C	Ethics in private and public relationships. Human Values - lessons from the lives and teachings of great leaders, reformers and administrators;
D	Role of family, society and educational institutions in inculcating values.
E	Attitude: Content, structure, function; its influence and relation with thought and behaviour;
F	Moral and political attitudes;
G	Social influence and persuasion.
H	Aptitude and foundational values for Civil Service , integrity, impartiality and non-partisanship, objectivity, dedication to public service, empathy, tolerance and compassion towards the weaker sections.
I	Emotional intelligence-concepts, and their utilities and application in administration and governance.
J	Contributions of moral thinkers and philosophers from India and world.
K	Public/Civil service values and Ethics in Public administration: Status and problems;
L	Ethical concerns and dilemmas in government and private institutions;
M	Laws, rules, regulations and conscience as
N	sources of ethical guidance;
O	Accountability and ethical governance; strengthening of ethical and moral values in governance; ethical issues in international relations and funding;
P	Corporate governance.
Q	Probity in Governance: Concept of public service;
R	Philosophical basis of governance and probity;
S	Information sharing and transparency in government, Right to Information, Codes of Ethics, Codes of Conduct, Citizen's Charters, Work culture, Quality of service delivery, Utilization of public funds, challenges of corruption.
T	Case Studies on above issues.