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ALL-IN-ONE POLICY PLAN TO SPREAD INSURANCE IN INDIA

IRDA is devising an affordable product covering health, life, property, accident risks to give citizens protection, expedite claim settlements by linking death registries onto one industry platform

VIKAS DHOOT NEW DELHI

If India's insurance regulator's plans fructify, households across the country could soon be able to get an affordable single policy that covers health, life, property and accident, get their claims settled within hours, and even secure value-added services at the time of buying a policy.

In an ambitious bid to expand the poor insurance penetration in the country, the Insurance Regulatory and Development Authority (IRDA) is devising a new affordable product to give citizens protection against multiple risks, and seeking to expedite claim settlements by linking death registries onto a common industry platform.

These initiatives are part of a broader overhaul — including legislative amendments to attract more investments through differentiated licences for niche players similar to the banking sector — with an eye on making insurance “available, affordable and accessible” to all citizens with a “gram panchayat- to district- to State-level” approach.

‘UPI-like moment’

The regulator believes these changes could double the number of jobs in the sector to 1.2 crore.

IRDA chief Debasish Panda said on Thursday that they are striving to create an “UPI-like moment” in insurance through a plan worked out with general and life insurance firms that he termed “Bima Trinity”.

All-in-one policy plan to spread insurance

A new Bima Sugam platform will integrate insurers and distributors onto one platform to make it a one-stop shop for customers, who at a later stage can pursue service requests and settlement of claims through the same portal.

The regulator is simultaneously developing a possible lynchpin product — Bima Vistar — that will be a bundled risk cover for life, health, property and casualties or accidents, with defined benefits for each risk that can be paid out faster than usual without the need for surveyors.

“We are trying to design it in a manner so that there are parametric triggers which don't need a surveyor to assess the loss. If there is a loss, the defined benefit immediately goes to the bank account of the policyholder. We are trying to price it in a manner that it is affordable,” Mr. Panda explained.

Banks can possibly be given an auto-debit authority for the premium payments, the IRDA chief added. The third part of the trinity envisaged by the IRDA entails a women-centric workforce of Bima Vaahaks (carriers) in each Gram Sabha that will meet the women heads of each household to convince them that a composite insurance product like Bima Vistar can “come in handy if there is any distress”.

With many States digitising their birth and death registries, Mr. Panda said the IRDA platform, if integrated with those registries, could help settle claims as fast as six to eight hours or a day at the most.

‘CHINA CONSTRUCTING MODEL VILLAGES OPPOSITE THE LAC’

DINAKAR PERI NEW DELHI

China is continuing to expand the network of model villages, or Xiaokang (moderately prosperous) villages, opposite the Line of Actual Control (LAC) in the Middle and Eastern sectors, according to official sources. In addition, they say, new posts are coming up six or seven km from the LAC in the Middle Sector, and, in some areas, the frequency of patrolling has gone up significantly.

Opposite Barahoti, the Chinese are building villages at a rapid pace, sometimes 300 to 400 houses within 90 to 100 days, a source said. People's Liberation Army patrols have been observed every 15 days or so as against once in a season earlier, the source said. Small patrols are being seen in the

Cover drive for the uninsured

The Insurance Regulatory and Development Authority is driving multi-pronged changes to expand citizens' safety nets



■ A new bundled insurance product Bima Vistar to provide life, health, accident and property cover through a single, simple policy



■ A Bima Sugam platform as a one-stop shop for customers, integrating insurers and distributors



■ Linking digital death registries to platform so claims can be settled within hours or a day



■ Permitting insurers to sell value-added services with policies; for example, a yoga class bundled with a health scheme



■ Women to lead campaign to spur insurance penetration in each Gram Sabha



■ Roping in States to form insurance committees and expand coverage across districts

■ Move will also allow smaller, micro and regional insurers to reach different strata of society

Game changer

“All a policy holder needs to do is go to the platform, use his consent to pull their policy from insurers' repository and the death certificate. The engine at the back-end will process the claim from the insurance company and put the money in the bank account within 6-8 hours or maximum, the next day, the claim settlement can be in your account. We believe that this is going to be a game changer,” he said.

To meet the target of providing insurance cover for all by 2047, the IRDA is also looking to form State-level insurance committees similar to the ones prevalent in the banking sector, and rope in State governments to formulate district-level plans, he said at the Confederation of Indian Industry's annual meeting.

Separately, the IRDA has proposed amendments to the insurance laws that the government may take up soon, which will allow differentiated capital requirements for niche insurers so as to attract more investments, and permit players to add value-added services to the policies they sell.

“Currently, the statute doesn't permit this. For example, if you are selling a health cover, and you give a yoga membership along with it, then I would believe a millennial girl or a boy would be keener to go for such a product, rather than a plain vanilla product. Or you can offer a nursing service for the parents of that person who could be living 1,000 km away,” Mr. Panda explained.

“The amendments will also enable the entry of new players in the form of micro, regional, small, captive players, specialised players, and even composite licences,” he said.

To buttress the idea, he cited the developments on the banking front, where the central bank oversees several types of banks addressing the needs of different geographies and segments of the population, such as payment banks, small finance banks, co-operative banks, et al.

Mana, Neeti and Thangla areas. “Construction of a likely border settlement village was seen northwest of Tholing; a military complex is under construction close by. Superstructures of buildings in both locations are complete,” another source said.

In Arunachal Pradesh, opposite the Kameng area, two villages have come up in Cuna country consisting of 41 dwelling units and there are about 200 inhabitants from the Menba ethnic community, the source said. There is a military complex adjacent to the village consisting of multi-storey buildings secured by a perimeter wall with CCTVs and watch towers, the source added.

‘China constructing villages along LAC’

As reported earlier, a large number of Xiaokang villages are under construction

all along the LAC, including at the Chumbi valley facing the strategically crucial Siliguri corridor.

While China continues to expand infrastructure, India too has almost reached parity in terms of roads and other infrastructure in the Middle Sector. There has also been major induction of new technology by the Indian Army along the LAC to augment surveillance and capacity.

Since the beginning of the stand-off with China in eastern Ladakh in April 2020, there has been a build-up of forces by the People's Liberation Army (PLA) and transgressions in other areas along the LAC. In August 2021, over 100 Chinese soldiers had transgressed four or five km into Indian territory at Barahoti in Uttarakhand and returned after few hours.

Chinese transgressions in the Middle Sector is not new but the number of PLA troops coming in is increasing. The 3,488-km-long LAC is divided into the Western (Ladakh), Middle (Himachal Pradesh and Uttarakhand) and Eastern (Sikkim and Arunachal Pradesh) sectors.

The Indian Army has, in the last three years, signed a series of

AN ORDINANCE, ITS CONSTITUTIONALITY, AND SCRUTINY

On May 19, 2023, the President of India exercised legislative power under Article 123 of the Constitution, during the period Parliament was in recess, to promulgate "The Government of National Capital Territory of Delhi (Amendment) Ordinance, 2023" (Ordinance). The ordinance negates a Constitution Bench judgment of the Supreme Court of India, which was delivered on May 11, that brought "services" under the Government of National Capital Territory of Delhi (NCTD).

Key issues

There are two issues here that require analysis: first, the scope of the Court's verdict. Second, the constitutionality of the ordinance.

While interpreting Article 239AA(3)(a), the Court ruled, inter alia, that these were the points: The Legislative Assembly of the NCTD has competence over entries in List II and List III, except for expressly excluded entries of List II (entries 1, 2, 18 are excluded); the executive power of NCTD is co-extensive with its legislative power, that is, it shall extend to all matters with respect to which it has power to legislate; the Union of India has executive power only over three entries in List II over which the NCTD does not have legislative competence (entries 1, 2, 18).

Thus, essentially, the Court interpreted that out of the 66 entries in List II (the State list), while the executive power of the Government of NCTD covers 63 entries, that of the Union of India is restricted to the remaining three: public order (entry 1), police (entry 2) and land (entry 18).

Consequently, executive power over "services" (entry 41) can be exercised exclusively by the Government of the NCTD. This interpretation of the Court is consistent with the wordings in Article 239AA(3)(a). But, this interpretation was negated by the Union of India, acting through its Council of Ministers under Article 74, by triggering extraordinary legislative power of the President under Article 123 in the promulgation of an ordinance on May 19.

What the ordinance did was to read/insert entry 41 of List II (State list) into Article 239AA(3)(a), thereby expanding the scope of excepted matter from three (1, 2, 18) to four (1, 2, 18, 41).

This could not have been done without amending Article 239AA(3)(a) of the Constitution. The power conferred on Parliament under Article 239AA(3)(b) is to make fresh laws — not to amend Article 239AA(3)(a) of the Constitution.

Alteration needs an amendment

Similarly, power conferred on Parliament under Article 239AA(7)(a) is to make laws for giving effect to or supplementing the provisions contained in

agreements for high-technology equipment, which is currently in the process of being inducted in the forward areas, official sources said. New autonomous vehicles will soon replace animal transport for transporting rations and utilities to soldiers in forward locations and snow scooters, laser dazzlers and new generation sniper rifles have also been inducted.

In another development, official sources said that the PLA has deployed an Unmanned Aerial Vehicle (UAV) or helicopter drone in the Middle sector, which was spotted across the LAC.

In May 2020, Chinese state media had reported that China's first UAV meant for high-altitude areas had made its maiden flight and could be deployed along the country's borders with India. According to Global Times, the AR-500C unmanned plateau helicopter meant for surveillance can take off at an altitude of 5,000 metres, has a ceiling of 6,700 metres, an endurance of five hours and a maximum take-off weight of 500 kg.

various clauses of Article 239AA and for all matters incidental or consequential thereto. Such a power cannot be pressed into action to amend Article 239AA(3)(a) of the Constitution. Significantly, Article 239AA(7)(b) stipulates that Parliament's law making under Article 239AA(7)(a) shall not be deemed to be an amendment of the Constitution for the purposes of Article 368. No such clause has been stipulated in Article 239AA(3)(a). Therefore, altering the scope of Article 239AA(3)(a) requires constitutional amendment under Article 368; there is not an iota of doubt.

Consequently, the ordinance promulgated under Article 123 of the Constitution to expand the scope of excepted matters in Article 239AA(3)(a) is void ab initio and is liable to be struck down for bypassing constitutional amendment. It amounts to a colourable exercise of power. Article 123 is no substitute for Article 368 (amendment of the Constitution) in Part XX.

Besides, when a Constitution Bench (five judges) of the Supreme Court declares/interprets the law (Article 239AA(3)(a)), the same is binding on all courts and authorities in India in terms of Articles 141 and 144, respectively. Could Articles 141 and 144 have been negated by Article 123 without a constitutional amendment?

Articles 123, 141, 144 are in Part V (The Union) of the Constitution. None has a non-obstante clause. The aid and advice of the Union Council of Ministers to the President under Article 74 could not have overridden Article 144. The basis of the Court judgment is Article 239AA(3)(a). To alter this basis, a constitutional amendment is necessary.

A perspective

The Union of India's decision to prefer review (Article 137) and promulgate an ordinance (Article 123) simultaneously is ill-conceived; if the ordinance is challenged, the Union of India is unlikely to succeed through either route to wrest power of "services" in Delhi.

In the landmark seven-judge Bench verdict of the Supreme Court in the matter of Krishna Kumar Singh vs State of Bihar (2017) 2 SCC 136, the Court held that the satisfaction of the President under Article 123 is not immune from judicial scrutiny; powers under Article 123 is not a parallel source of law making or an independent legislative authority.

It was further held that the Court is empowered to look into the relevance of material placed before the President, but not its sufficiency or adequacy.

The ordinance is likely to be struck down since it expands excepted matters in Article 239AA(3)(a). Parliament alone can do this under Article 368.

ECONOMICS THAT LOOKS AT THE LOWER HALF OF THE PYRAMID

"It's the economy, stupid," Bill Clinton said in the 1990s. "While politicians and political analysts are focused on communal polarisation and caste cleavages, a deeper divide amongst classes is silently reconfiguring the Indian electorate," says the psephologist, Yogendra Yadav. The numbers of Indians left behind by the growth of the economy now exceeds 50%, with reservations in employment for "economically weaker" sections of Indian citizens regardless of caste and religion now necessary. Most Indians, whatever their religion or caste, have a felt need for a new paradigm of economics.

The theme at the Global Solutions Summit in Berlin on May 15 and 16

this year, was a new paradigm for the economy. Its backdrop was the rising tensions in the east between the United States and China, and the war in the west between the North Atlantic Treaty Organization (NATO) and Russia. Military wars are being couched as wars between democracy and autocracy. The G-7, representing 15% of the world's citizens, who are ostensibly on the side of democracy, are autocratically and undemocratically twisting the arms of other governments (representing 85% of the people) to take their side. The think tanks of the G-20 and other countries at the summit called attention to global problems of climate change, increasing economic inequalities within and among countries,

and the effects of the financial and trade sanctions imposed by the most powerful nation, which are affecting the other 85% most of all.

Changes, political and economic

Divisions among the economic “haves” and “have nots” are shaking up politics around the world, and forces on both the left and right of the political spectrum have gained strength in all countries. The extreme left wants revolutionary change in both economic and social power structures. The extreme right, fearing instability with threats from the left, wants to protect established social and economic systems. Economic liberals in the middle are muddled. They fear a concentration of political power, but allow a concentration of wealth.

Economies were reformed towards “socialism” in the last century, after the global depression, to rebalance incomes and wealth. Many European countries adopted a socialist model while maintaining their cultural traditions. Further east, communism brought about a revolutionary reform of economic and social power structures. In the West, the U.S. introduced social security, increased taxes to raise resources for the government, and introduced laws enabling labour unions within enterprises.

The tide turned in the 1980s, stirred by an economic ideology of free markets, and spurred by the policies of Margaret Thatcher and Ronald Reagan. Thereafter, the objectives of reforms imposed by the International Monetary Fund and the World Bank on countries whenever they needed economic assistance required undoing of socialist reforms made earlier. Any government that tried to strengthen the social safety net was declared as socialist and anti-reform.

Governance of all countries, whether its leaders are democratic or autocratic, must be for the benefit of common citizens — not to benefit financial investors. Ease of living of the poorest citizens and reduction of precarity in their lives must be the principal measures of good governance; not ease of doing business and reduction of risks of financial investors.

Subsidies ‘bad’, incentives ‘good’

The new concept of reforms, following Reagan’s dictum that “government is not the solution..., it is the problem”, required governments to down-size their budgets and reduce taxes to make more room for capital markets. “Subsidies” for the poor became bad, while “incentives” for investors were good. The private sector, with its focus on the bottom line, can be more economically efficient than the public sector. However, the private sector is not expected to subsidise the cost of its services. Therefore, economic reforms favouring the private sector have increased economic precarity even in rich countries.

Financial capitalisation spread around the world with the globalisation of

economies from the 1980s, with finance flowing freely across national borders. An elite class of global citizens and multinationals emerged, who were comfortable everywhere but did not seem to belong anywhere. Resident in many countries, they avoided paying taxes in any. Tax rates raced to the bottom to attract their investments. Reacting to these trends, both Donald Trump on the right and Bernie Sanders on the left demanded that global corporations contribute to the well-being of common citizens — Mr. Trump by bringing jobs back for Americans, Mr. Sanders by increasing taxes and expanding social security. Mr. Biden, in the middle, is struggling to pass economic reforms through a divided Congress.

“Liberty, Equality, Fraternity” are universal essentials of democracy. With “Justice” for righting historical social wrongs (particularly casteism), they are also objectives of India’s Constitution. Free market capitalism is founded on the principle of liberty in the economy, with rights for everyone to use their properties as they will.

Free market economies grow with competition among individuals, firms, and nations too, all desirous of more wealth and power than others. Free market economy models do not have much place for “socialist” values of equality and fraternity. Property rights trump human rights in capitalism. Therefore, free market capitalism and liberal human democracy find it difficult to co-exist in any country.

GDP as measure of progress

The size of the GDP, a quantitative aggregate of all economic activity, whether it improves or harms people and the planet, became the overall measure of progress in the 20th century. Twentieth century economics is founded on a model of an economy as a system of materials and energy in general equilibrium. In this model, supply and demand are balanced by prices set by an invisible hand. It presumes there are no powerful monopolies that set the rules of the game. In an economists’ mathematised model, politics interferes with good economics. Its mathematics has no place for human aspirations for social equality and political forces fighting for justice.

The model of economic growth that has guided national and international policies since the 1990s will not create healthy democracies. Economics needs urgent reform to guide progress towards universal social, and ecological well-being. All Indian political parties must concentrate on the economy for the sake of the people. Indian economists too must rethink the paradigm of economics and concentrate on the requirements of the lower 50% of the pyramid, and not trust wealth to trickle down on its own.

CHINESE HACKERS ATTACKING INFRASTRUCTURE, WARNS U.S.

Stealth attack: Microsoft highlighted Guam, a U.S. territory in the Pacific Ocean with a vital military outpost, as one of the targets. AP

Microsoft says the attack, targeting Guam and elsewhere, was carried out by a China-sponsored actor dubbed ‘Volt Typhoon’; Beijing calls the accusation ‘a collective disinformation campaign’

AGENCE FRANCE-PRESSE WASHINGTON

State-sponsored Chinese hackers have infiltrated critical U.S. infrastructure networks, Washington, its Western allies and Microsoft said on Wednesday while warning that similar espionage attacks could be occurring globally.

Microsoft highlighted Guam, a U.S. territory in the Pacific Ocean with a vital military outpost, as one of the targets, but said “malicious” activity had also been detected elsewhere in the U.S.

The stealthy attack — carried out by a China-sponsored actor dubbed ‘Volt Typhoon’ since mid-2021 — enabled long-term espionage and was likely aimed at hampering the U.S. if there was conflict in the region, it said.

“Microsoft assesses with moderate confidence that this Volt Typhoon campaign is pursuing development of capabilities that could disrupt critical communications infrastructure between the United States and Asia region during future crises,” the statement said. “In this campaign, the affected organisations span the communications, manufacturing, utility, transportation, construction,

maritime, government, information technology, and education sectors.” Microsoft’s statement coincided with an advisory released by U.S., Australian, Canadian, New Zealand and U.K. authorities warning that the hacking was likely occurring globally. “This activity affects networks across U.S. critical infrastructure sectors, and the authoring agencies believe the actor could apply the same techniques against these and other sectors worldwide,” they said.

China denied the allegations, describing the Microsoft report as “extremely unprofessional” and “scissors-and-paste work”.

‘Hacker empire’

“It is clear that this is a collective disinformation campaign of the Five Eyes coalition countries, initiated by the U.S. for its geopolitical purposes,” Foreign Ministry spokeswoman Mao Ning said, referring to the security alliance of the U.S. and its Western allies that wrote the report. “The participation of certain companies shows that the U.S. is expanding new channels for disseminating disinformation,” she said. “But no change in tactics can alter the fact that the U.S. is a hacker empire.”

The U.S. and its allies said the activities involved “living off the land” tactics, which take advantage of built-in network tools to blend in with normal Windows systems

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