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MAINS ANSWERS FOR TEST-14

06/11/2022

Mains Q& A Test(14)- (06/11/2022)

Approach for the Mains Answer Writing

- **Start Your answer briefly introducing the Topic**
- **Discuss the Key points about the Topic with the Context in the Question**
- **Discuss Pro and Cons of the Topic (if applicable)**
- **Quote the Statistics (if there are any)**
- **Draw the Conclusion (Make Sure your answer doesn’t support any particular view and make it look balanced)**

The dollar, pound, as well as Indian rupee, are weakening and discuss the reasons how inflation affects the Indian rupee. (150 words)

Introduction

Several currencies have taken a beating in the wake of a long-drawn war in Ukraine and the steep hike in interest rates by the U.S Fed to rein in inflation, the rupee slid past the 80 mark earlier this month and has weakened by about 7.5% so far in 2022.

Historically strong currencies such as the pound and the euro have also depreciated by more than 11 %. Several Asian currencies such as the Korean Won, the Philippine Peso and the Thai baht have weakened by more than 10% this year.

Body

Impact on the Indian Economy

- As the rupee declines continuously, the costs of imports go up.
- The rising costs of imports can have a dampening effect on luxurious consumer importable, like gold, jewellery and precious metals, which is good for the economy (in terms of reducing the country's current account deficit).
- However, since many of the industries in India, like, automobiles, machinery, chemicals, and major food processing industries, are heavily import-dependent, the rising costs of imports for them may undermine their export competitiveness.
- Moreover, as the cost of fuel, passes in all other prices directly in production costs as an intermediate input, a rise in the cost of fuel imports is inflationary.
- On the other hand, some sectors, like, Information Technology (IT) & IT Enabled Services, textiles, and pharmaceuticals are expected to benefit due to their large export exposure in the international market.

Government initiatives

- To rein in the Widening CAD and reduce pressure on the weakening rupee.
- The government raised the import duty levied on gold to 15 per cent from 10.75 per cent.
- While India's production of gold is negligible, the country is the second-highest consumer of gold in the world.
- In FY22, India imported gold worth $46.17 billion, which is 33 per cent higher than the year earlier.
- In May, gold imports swelled to $6.02 billion, recording an almost nine-fold jump from a year earlier.
- At the same time, the government also imposed a cess on the export of petrol, diesel and jet fuel.
- Private refiners have exported fuel and earned "Windfall" profits while pumps were running dry in some parts of the country.

- High-speed diesel and motor gasoline exports more than trebled in March 2022, while the exports of jet fuel more than doubled.

Conclusion

A long-term plan to remove policy barriers in the promotion of export-oriented sectors needs to be framed.

Excise duties could be lowered by the Central government when crude oil prices get high, and so do the state governments in the form of VAT.

The RBI could offload large amounts of dollars and increase its supply to check the appreciation of the dollar.

Also RBI's intervention in the foreign exchange market from time to time to manage a soft landing for the rupee has to be continued.

The National Green Tribunal (NGT) has given a new outlook to environmental jurisprudence in India. Critically Analyse. (150 Words)

Introduction

The National Green Tribunal is one of the few dedicated environmental courts in the world.

The jurisdiction of NGT has an all-encompassing scope which covers forests, wildlife, environment, climate change and coastal protection.

It has protected vast acres of forest land, halted pollution, and construction activates in various parts of the country.

Body

NGT

P.N. Bhagwati then chief justice of India suggested setting up Environmental Courts in the **M.C. Mehta and Anr.Etc vs. Union of India and others. Etc (1986).**

Establishment of NGT

The NGT was established on 18th October, 2010 under the National Green Tribunal Act 2010 for effective and expeditious disposal of cases relating to environmental protection and conservation of forests and other natural resources.

Dedicated court for Environmental Matters

NGT ensures enforcement of any legal right relating to the environment and provides relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto.

Important Judgments enforced by NGT

- it directed states to implement solid waste management rules and prohibited open burning of waste on lands.
- In 2012, it suspended the clearance given to the South Korean steel maker, POSCO, to set up a 12 milllion-tonne steel plant in Odisha.
- It suspended a 6,400 crores hydro project, to save the habitat of a bird.
- It nullified the 2016 amendments to EIA 2006 notification that the amendments basically sought to give local authorities powers to grant environmental clearance.
- Many projects which were approved in violation of the law such as an Aranmula Airport, Kerala; lower Demwe Hydro Power Project and Nyamnjagngu in Arunchal Pradesh; Mining projects in Goa and Coal mining projects in Chhattisgarh were either cancelled or fresh assessments were directed.
- It imposed penalties to the tune of Rs. 100 crores for illegal digging of sand from the Krishna River in 2019 and In 2021 more than Rs 243 crores as environmental compensation on Andhra Pradesh for blatant violation of laws resulting in substantial damage to the environment while executing four irrigation projects.

Conclusion

There is a need to expansion of Regional Benches.

Appeal may be provided against the order of the NGT before a larger Bench of the Tribunal before the matter reaches to the Supreme Court or high court.

Vacancies in NGT need to be filled and there is collaborative approach between the central and state governments to balance the environment and economy.

Explain the salient features of the One Hundred and First Amendment to the Indian Constitution. (150 Words)

Introduction

The One Hundred and First Amendment Act (122^{nd} Amendment bill) of the constitution of India introduced Goods and Services Tax in India. It commenced on 1^{st} July 2017.

Body

GST

Goods and Services Tax is an indirect tax, which is used on the supply of goods and services. It is a multistage, destination-based tax.

It is collected from the point of consumption and not from the point of origin like the previous taxes.

Salient features of GST

- It led to Article 246A in the constitution, which provides powers to the parliament and the respective state legislatures to make goods and services tax laws. The parliament is empowered to make laws specifically on inter-state supplies.
- The act also led to Article 269 A in the constitution, which prescribes revenue from integrated goods and services tax (IGST). IGST deals with Inter-State supplies and it is governed by IGST Act 2017.
- Article 279A proposed the power to the president to constitute a GST council. This GST council will consist of ministers from both union and state governments. This council may make recommendations, procure or modify any rule and regulation concerning goods and services tax.
- Article 286 of the constitution got amended to restrict the imposition of tax by the state on the supply of goods or services or both where such collection takes palce outside the territory of the respective state or on export and import of goods in India.
- Previously, this restriction was on the sale or purchase of goods, both now it is replaced by the supply of goods or services or both.
- The seventh schedule contains the Union list, state list and concurrent list.
- The union list includes the aspects on which the union government make laws. In contrast, the stage government can make laws on the arrays mentioned in the state list and both the union and state governments are entitled to make laws in the areas mentioned in the concurrent list.
- The union list provides the power to levy excise duty on manufacture production of petroleum crude, high-speed diesel, motor spirit, natural gas and aviation turbine fuel to the union government.
- The power to levy taxes on the five petroleum products also gets provided to the state government but not in case of sale in inter-state trade or commerce or sale in the course of international trade or commerce as per the state list.
- If the state suffers any revenue loss due to the implementation of the GST, it can seek relief in compensation from the centre. It is valid for up to five years and governed by the Goods and service (Compensation to states) Act, 2017.

Do you think it is efficacious enough to remove cascading effect of taxes and provide for a common national market for goods and services? (150 Words)

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Cascading effect of tax

Cascading effect in the tax system imposes taxes on products at each successive stage in the supply chain starting from the raw material to the consumer purchase stage.

It is a condition like paying tax on already paid tax.

Example: Value Added Tax

VAT was introduced in 205 with the same objective of nullifying the cascading effect of the tax system.

VAT was succeeded to eliminate the cascading effect on the state indirect tax, but in the case of other indirect taxes still, the cascading effect was still there.

GST tackles the cascading effect

GST ensures a seamless flow of tax credit that eliminates the cascading effect of all indirect taxes in the supply chain starting from manufacturers to retailers and also across the state borders.

Conclusion

GST has converted India into a unified market of more than 1.3 billion citizens. It has a positive impact on macroeconomic indicators, inflation, FDI inflow, exports.

GST will become accessible to everyone and more beneficial, only when the entire population will start adopting it as a whole towards making it a landmark in the tax reforms.

Why is Public Private Partnership (PPP) required in infrastructural projects? (150 Words)

Introduction

In the Union Budget 2022-23, the Government of India has announced its intention to create an enabling environment for steeping up private investment in infrastructure.

The Government also launched a scheme (VGF Scheme) for financial support to Public-Private Partnerships (PPPs) for infrastructure projects which are economically justified but commercially unviable.

Body

PPPs

A Public-Private Partnership (PPP) is a long-term contract between a private party and a government entity, for providing a public asses or service, in which the private party bears significant risk and management responsibility.

- To revive and increase the efficiency of the infrastructure projects by means of long-term collaborations between the public and private sectors.
- To develop a governance structure to facilitate competitiveness, fairness and transparency in procurement and industries.
- To bring expertise and efficiency in terms of human resources, technology and innovation.
- To have risk-sharing by the private players.
- To induct capacity building and better regulation for the new ventures.
- To have a coherent and strategic approach for communication and broad-based support for different stakeholders.
- To attract funding from the different international agencies like World Bank and the Asian Development Bank for quality in service delivery.
- To standardise some of the vital interpretations and processes of investment through different channels.

Conclusion

There is a need for implementation of some of the key recommendations of the Kelkar Committee Report including setting –up of national level PPP institution, a dedicated PPP tribunal and a formal framework for post-award contract renegotiation.

A mature PPP framework, along with a robust system shall enable the Government to accomplish the dream of a vibrant economy.

Examine the role of the PPP model in the redevelopment of Railway stations in India.

Introduction

Public Private Partnership Model

It is an arrangement between the government and private sector for the provision of public assets and/or public services. Public-private partnerships allow large-scale government projects, such as roads, bridges, or hospitals, to be completed with private funding. In this type of partnership, investments are undertaken by the private sector entity, for a specified period of time.

As PPP involves full retention of responsibility by the government for providing the services, it doesn't amount to privatization. PPP route can be an alternative in developing countries where governments face various constraints on borrowing money for important projects.

Role of the PPP model in the redevelopment of Railway stations in India

Indian Railways is an integral component of infrastructural development in the country. India boasts among the largest rail systems under single management in the world. Taking cognizance of its significance in overall infrastructural development, the NIP (National Infrastructure Pipeline) envisages the investment in Indian Railways worth Rs. 11.43 lakh crore till 2024-25. RLDA (Rail Land Development Authority) is spearheading the redevelopment of 60 railway stations across India on a PPP model.

The Indian Railways is just an example of realizing the benefits of PPP to accelerate infrastructural development. Fostering innovation and incorporating learning from across the world will be the key to unlocking its plethora of benefits and realizing the dreams of a 5 trillion-dollar economy by 2024.

What is One Nation One Fertiliser and discuss the strategy to implement the scheme? Critically examine the challenges that can be faced in its implementation?

Introduction

One Nation One Fertiliser Scheme

Under the scheme, all fertilizer companies, State Trading Entities (STEs), and Fertilizers Marketing Entities (FMEs) will be required to use a single "Bharat" brand for fertilizers and logo under the PMBJP. All subsidized soil nutrients-urea, di-ammonium phosphate (DAP), Muriate of Potash (MoP), and NPK - will be marketed under the single brand Bharat across the nation.

With the launch of this scheme, India will have a common bag design across the country like Bharat urea, Bharat DAP, Bharat MOP, Bharat NPK, and so on. The new "Bharat" brand name and PMBJP logo will cover two-thirds of the front of the fertilizer packet. The manufacturing brands can only display their name, logo, and other information on the remaining one-third space.

Strategies for implementation

The government's logic for introducing a single 'Bharat' brand for all subsidized fertilisers being marketed by companies is as follows;
1. There are some 26 fertilizers (Inclusive of Urea), on which government bears subsidies and also effectively decides the MRPs.
2. Apart from subsidizing and deciding at what price companies can sell, the government also decides where they can sell. This is done through the Fertilizers (Movement) Control Order, of 1973.
3. When the government is spending vast sums of money on fertilizer subsidies, plus deciding where and at what price companies can sell, it would obviously want to take credit and send that message to farmers.

Farmers are generally unaware of this fact and prefer certain brands as a result of vigorous marketing strategies adopted by firms with strong retailer networks developed over time. It has been found that such brand preferences have resulted in fertilizer-supply delays to farmers and an extra burden on the exchequer due to increased freight subsidies needing to be paid for the long-distance crisscross movement of fertilizers.

The One Nation One Fertilizer scheme will prevent the criss-cross movement of fertilizers and reduce high freight subsidies.

Challenges:

It will disincentivise fertilizer companies from undertaking marketing and brand promotion activities. They will now be reduced to contract manufacturers and importers for the government. Any company's strength ultimately is its brands and farmers' trust built over decades.

In the case of any bag or batch of fertilizers not meeting the required standards, the blame is put on the company. But now, that may be passed on fully to the government.

Sardar Vallabhai Patel led the agrarian movement in Bardoli. What is the importance of Bardoli Satyagraha? (150 Words)

Introduction

Bardoli Satyagraha was a movement that began on 12 June 1928 for the peasants of Bardoli against arbitrary tax hikes. Sardar Vallabhai Patel led the Bardoli Satyagraha during the fight for independence. Bardoli Satyagraha was a pivotal moment in the Civil Disobedience

Movement. Indian peasants attempted to hold a nonviolent protest against British authority in India during Bardoli Satyagraha.

History of Bardoli Satyagraha

Floods and hunger struck the Bardoli Taluka in Gujarat, causing agricultural yields to plummet. This had a financial impact on the farmers. The Bombay Presidency ignored the farmers' distress and hiked tax rates by 22%.

Despite petitions and appeals from civic groups and farmers urging the government to reconsider this unfair tax rise in light of the dire circumstances, the administration opted to proceed with tax collection. The local Congress Party released a study in 1927 demonstrating that the farmers would be unable to bear the weight of the increased assessment. The authorities, however, refused to budge.

Farmers in Bardoli urged Vallabhai Patel to lead a protest campaign in which they unanimously agreed not to pay taxes in January 1928. Patel agreed to take on the leadership position only after receiving guarantees from the farmers about their commitment to the cause. He warned them about the probable implications of their decision, including land and property seizure and imprisonment.

Patel contacted the authorities and informed them of the issue. But received the retort that the administration would not make any compromises. This was the beginning of Bardoli Satyagraha.

Importance of Bardoli Saytagraha Movement

Patel led his non-violent 'army' in Bardoli with excellence. He split the taluk into camps and enlisted hundreds of men and women under it. Volunteers hailed from Hindu, Muslim, and Parsi backgrounds.

There was also door-to-door campaigning. Volunteers produced news bulletins, campaigns, and lectures from the camps, teaching the public the importance of being disciplined and prepared for austerity. The Bardoli Satyagraha movement drew a considerable number of female participants. These women were the ones who gave Patel the title 'Sardar.'

Peasants were asked to swear in the name of God that they would not pay taxes. Those who paid taxes or supported the British were shunned socially. They also attempted to improve the Kaliparaj caste's situation (farmers who worked as landless labourers).

They refused to sell non-essential supplies to local government agencies. They used a variety of strategies to fight eviction and confiscation (Jabti). They had informers in government agencies who would provide them advance notification of whether or not a "Jabti" notice would be carried out.

When the cops arrived to confiscate the land, the whole town would have relocated to a new location, leaving the officers with an empty village. Despite its small size, the Bardoli Satyagraha campaign drew national notice and support.

Sodium-ion batteries are alternatives to lithium-ion batteries comment and discuss how India adopting this.

Introduction

Sodium-ion Batteries:

The sodium-ion battery (NIB or SIB) is a type of rechargeable battery analogous to the lithium-ion battery (LIB) but using sodium ions (Na^+) as the charge carriers.
A typical sodium-ion battery consists of anode, cathode, electrolyte (non-aqueous/aqueous), and a separator. The operation is similar to that of LIBs. In NIBs, the sodium ion is shuttled between positive cathodes to negative anode during discharging/charging.

Advantages of sodium-ion batteries over lithium ion Batteries
The low-cost Na-ion bases technologies would be cheap and are expected to reduce the cost of the e-cycles. (Vehicles).
High natural abundance of sodium: This would make commercial production of sodium-ion batteries less costly than lithium-ion batteries.
Sodium-ion batteries have slightly lower energy density, better safety characteristics, and similar power delivery characteristics.
Sodium-ion batteries do not require many high cost elements required for lithium-ion batteries. Chief among these are lithium, cobalt, Copper and Nickel. So, Sodium ion offers a genuine alternative to lithium solutions and will replace lead-acid batteries.

India's Adoption
Indian Space Research Organization (ISRO) is working on indigenization of Graphite based materials and Lithium-ion cells for Space applications in view of high energy density and long life. R&D efforts on advanced materials based on cylindrical cells are in progress aiming to further improve energy density, cycle life and safety.

NITI Aayog has nudged institutions to focus on creating world-class EV R&D infrastructure and innovation programs to create future workforce and facilitate the acceleration in adoption of Electric Mobility ecosystem in India.

Indian Institute of Technology Kharagpur has been researching to develop energy storage technologies, which are based on Na-ion, and his team has developed a large number of nano-materials. The team has used sodium iron phosphates and sodium manganese phosphates which they synthesized to obtain Na-ion-based batteries and super capacitors. These sodium materials were combined with various novel architectures of carbon to develop a battery.

Discuss the Partnership for Global Infrastructure and Investment (PGII) Plan and the Impact of the G-7s infrastructure plan on India.

Introduction

Partnership for Global Infrastructure and Investment (PGII)

The Partnership for Global Infrastructure and Investment (PGII) is a joint initiative to fund infrastructure projects in developing countries. The PGII was first announced in G7 Summit in the UK in 2021. Back then, the US President Joe Biden had called it the Build Back Better World (B3W) framework.

Collectively, the PGII aims to mobilise nearly $600 billion from the G7 by 2027 to invest in critical infrastructure that improves lives and delivers real gains for all of our people. The project is being seen as the G7 bloc's counter to China's 'Belt and Road Initiative.

Objectives

- ✓ To meet the enormous infrastructure needs of low and middle-income countries and
- ✓ To support the United States' and its allies' economic and national security interests.
- ✓ The PGII will finance the projects from both the government and the private sector.
- ✓ The fund is not "charity or aid", but loans.

Priority Pillars

- ✓ Tackling climate crisis and ensuring global energy security through clean energy supply chains.
- ✓ Bolstering digital Information and Communications Technology (ICT) networks facilitating technologies like 5G & 6G internet connectivity and cyber security.
- ✓ Advancing gender equality and equity.
- ✓ Upgrading global health infrastructure.

Impact of the G-7s infrastructure plan on India

The infrastructure plan was not included in the agreements that were signed by the G-7 outreach invitees to the summit, and India was not informed of PGII consultations.

The PGII plan was marketed by the United States as a rival to China's BRI, with considerably greater consideration for sustainable debt burdens and environmental considerations; therefore it was surprising that India had not accepted it.

PGII will prioritise four critical infrastructure issues, **including gender equality and equity, health and health security, climate and energy security, and digital connectivity.**

The PGII factsheet includes a specific plan for investment in an Agri-tech and climate sustainability fund that would invest in companies that increase food security and promote both climate resilience and climate adaptation in India.

According to the documents, the India fund would target $65 million by September 2022, and a target capitalisation of $130 million in 2023.