

NEWS ITEMS ON CAG/ AUDIT REPORTS

1. Auditing the Blue Economy: An oceanic responsibility *(business-standard.com)* K S Subramanian | Nov 6 2023

In a world where environmental concerns and sustainability have taken centre stage, the concept of the Blue Economy emerges as a captivating notion



Why is the Blue Economy the new buzzword? In a world where environmental concerns and sustainability have taken centre stage, the concept of the Blue Economy emerges as a captivating notion. It focuses on the responsible utilisation of the planet's ocean resources to nurture sustainable economic growth while safeguarding the health and resilience of our marine ecosystems. The Food and Agriculture Organisation estimates that blue economy industries assure the livelihoods of 660 to 820 million people worldwide. According to the World Wildlife Fund, the goods and services the ocean provides are worth at least \$2.5 trillion per year, which could place the Ocean as the seventh-largest economy in the world. On the ecological front, the World Bank estimates that oceans absorb about 25 per cent of the extra carbon dioxide added to the atmosphere by burning fossil fuels. Further, oil and gas remain major sources of world energy, with roughly 30 per cent of production being offshore. The Blue Economy aligns not only with Sustainable Development Goal (SDG) 14, which focuses on preserving our oceans and marine resources, but goes further, playing a vital role in achieving other SDGs like taking action on climate (SDG 13), ensuring everyone has access to clean water and sanitation (SDG 6), and making affordable, clean energy (SDG 7).

In the Indian context, the significance of the Blue Economy is evident from the following facts - a 7,500-kilometre-long coastline, a sprawling Exclusive Economic Zone (EEZ) spanning approximately 2.2 million square kilometres, over 95 per cent of the country's trade by volume and 65 per cent by value are handled by our ports and harbours, and over 145 million people are employed in the fisheries sector. It is no wonder that the vision of New India 2030 highlighted the blue economy as one of the ten core dimensions of growth. The Blue Economy is a vital component of India's vision of becoming a \$10 trillion economy by 2030. Recognising its immense potential, the Government of India is investing heavily in the maritime sector to become a major blue economy. Recently, the Prime Minister launched maritime projects worth Rs 23,000 crore and unveiled the long-term vision document for the country's "Blue Economy" in October 2023. The India Middle-East Europe Economic (IMEC) Corridor, linking Europe, the Middle East, and India, is another landmark project envisioned to drastically improve India's maritime economy and interaction with the world.

Given the magnitude of the Blue Economy's impact, the Comptroller and Auditor General of India (CAG) has a critical role to play in achieving the United Nations' Sustainable Development Goal (SDG) 14, which aims to reverse the damage done to the oceans and promote the development of the Blue Economy. However, auditing the Blue Economy poses unique challenges due to its diverse and multidimensional nature. The complex interplay of sectors such as fisheries, aquaculture, maritime transportation, renewable energy, and marine ecosystem conservation demands a holistic approach to audit. Collecting and analysing data from multiple sources, including government agencies, research institutions, and industry, makes auditing more arduous. Moreover, the absence of a well-defined framework and policies to regulate the Blue Economy and the unavailability of reliable and standardised data at the granular level make the audit of the Blue Economy a formidable task.

To address these multiple audit challenges, the CAG decided to cooperate with Supreme Audit Institutions (SAI) of other countries to exchange audit experiences in this emerging sector and to develop common audit guidelines. During its tenure as the SAI20 chair, the CAG initially hosted a meeting of the Senior Officers of SAI 20 at Guwahati in March 2023, wherein the complexities of auditing the ever-evolving Blue Economy sector were deliberated. This was followed by the SAI20 Summit at Goa in June 2023, wherein a Compendium devoted to the Blue Economy was brought out. SAI India, in partnership with SAI20 members and various Supreme Audit Institutions, shared 16 case studies drawn from their audit experiences in the Compendium. This compendium proved to be an important forum for fostering cooperation, collaboration, and sharing of knowledge amongst the international public sector auditors. It highlighted the need to overcome the challenges relating to the audit of the Blue Economy, the requirement of specialised audit teams, capacity-building initiatives, and the development of tailored auditing guidelines to meet the sector's dynamic demands. The SAI20 Communique, unanimously adopted during the SAI20 Summit, further fortified the belief in inclusive capacity building, engagement with international SAI forums, and the creation of practical audit tools for the Blue Economy.

During the SAI20 Summit, the Comptroller and Auditor General of India (CAG) also announced the establishment of a Centre of Excellence in the Blue Economy, at SAI India's renowned International Centre for Environment Audit and Sustainable Development (iCED) in Jaipur. The CAG's vision for this centre encompasses a more

extensive role beyond research. It aims to facilitate learning and the exchange of knowledge to enhance the capabilities of audit institutions in the field of the Blue Economy. Within a few months of its inception, the Centre has already conducted two international webinars and a few national training courses on the Blue Economy. The Centre has also come out with two research papers on marine renewable energy and sustainable livelihood and gender equity with a special focus on marine fisheries.

The CAG has recently undertaken an important audit in the realm of the Blue Economy - a Performance Audit on the Conservation of Coastal Ecosystems (Union Government Report No. 4 of 2022). More importantly, the CAG has identified the 'Blue Economy' as the sector for carrying out the first medium-term three-year horizontal audit during the period 2024 to 2027. As part of this medium-term audit, various domain areas of the Blue Economy would be audited at different Ministries of the Union Government, various State Governments, and even Public Sector Undertakings, with audit reports brought out every year over a three-year period. As a culmination of this comprehensive audit exercise, a Compendium of audit findings on the Blue Economy is planned to be published.

As India embarks on the journey of tapping into the vast economic potential of the oceans, the CAG is gearing up to build capacity for auditing this sector, cooperate with other Supreme Audit Institutions (SAIs) to develop auditing guidelines, share mutual experiences, and to carry out comprehensive audits on various facets of the Blue Economy over a three-year period. https://www.business-standard.com/opinion/columns/auditing-the-blue-economy-an-oceanic-responsibility-123110600811_1.html

2. Multi Modal Connectivity to Boost Indian Economy (*geospatialworld.net*) Nov 07, 2023

India's stride towards infra development is often impeded by myriad challenges and complexities that arise due to a host of factors and at times the mismatch between the pace of ambition and reality.

A CAG report, released in August this year, flagged the excessively high construction cost of the 30km Dwarka Expressway, part of Phase-1 of the Bharatmala Programme for building national highways in the country, highlighting that the high cost was due to a number of factors, including the use of expensive materials, the need for extensive land acquisition, and the complexity of the construction work.

The 14-lane expressway, which includes an eight-lane elevated road, is expected to be fully completed by January 2024. The Dwarka Expressway was being built at a cost of Rs250.77 crore per kilometre as against the Union Cabinet approved cost of Rs18.20 crore, which has now been refuted by the Road Ministry. The report also noted that the MoRTH did not adequately justify the high cost of the project and that there was a lack of transparency in the bidding process. The government needs to put in place strong safeguards to prevent this from happening.

Inadequate planning, insufficient investment, and underutilization of cutting-edge tech are some of the common travails. The world's largest country would require

optimization of processes across the project lifecycle, and prioritization of tech adoption.

As India charts a course towards the ambitious target of attaining a \$5 trillion GDP by the fiscal year 2025, the road to economic zenith demands approximately \$1.4 trillion, according to Eco Survey.

“Infrastructure serves as the cornerstone of India’s ambitious vision to achieve a five trillion-dollar economy. While we are currently forging ahead, constructing new roads and bridges, we cannot overlook the pressing issue of our ageing and deteriorating existing infrastructure”

-Shri Nitin Gadkari, Minister for Road Transport and Highways

“The protracted decision-making processes within our system have become a significant hurdle, often leading to delays of two to three months”, he added.

Candidly acknowledging that silos exist, he said that Digital Twin can come to the rescue. The PM Gatishakti Initiative has effectively brought together various ministries to collaboratively develop infrastructure in a synchronized manner. This approach aims to address the country’s needs and the various Economic Development zones systematically.

“PM Gati Shakti enhances efficient connectivity, enabling the achievement of the targets set by the National Infrastructure Pipeline, which encompasses infrastructure development exceeding 1.8 trillion dollars by 2025”

-Amit Kumar Ghosh, Additional Secretary, Ministry of Road Transport and Highways (MoRTH)

In this context, the next step should be the adoption of digital twin which has the potential to transform the infrastructure sector. Fortunately, digital twin is a field where there are currently no clear-cut global leaders presenting an opportunity for India to take a pioneering role on the world stage, he emphasized.

“Gatishakti also aims to ensure seamless coordination and collaboration among all stakeholders, enabling everyone to operate from a shared foundation of accurate, real-time data. This, in turn, empowers informed decision-making at every level.”

Better Planning

Poor planning has resulted in India’s infrastructure being woefully inadequate in the past. Projects have often been delayed or cancelled due to insufficient planning. An example would be the scrapping of the planned metro stations in Chennai. India has not fully utilized the latest technological resources to improve its infrastructure.

“What sets PM Gatishakti apart is its adoption of scientific planning, bolstered by digital technologies and a GIS-based National Master Plan. With this approach, we gain the ability to visualize the intersections of various GIS layers, including infrastructure assets, natural resources, forested areas, and social assets,”

-Sumita Dawra, Special Secretary (Logistics) DPIIT.

It's crucial to understand that improved infrastructure planning isn't solely about connecting manufacturing centers to ports, roads, or airports for the ease of doing business; it's also about enhancing the quality of life. Remote areas, for instance, may require better connectivity to schools and Anganwadi centers. PM Gati Shakti plays a pivotal role in improving the ease of living, she added.

“A significant issue revolves around the lack of substantial investments or sufficient allocation of public funds. These challenges converge into the realm of project governance and infrastructure planning,”

-Dr. Surendra Ahirwar, Joint Secretary, Logistics & Trade, Ministry of Commerce & Industry

He believes that the way forward is via evaluating the existing infrastructure deficit, procuring funds from private or public sources for infrastructure development, embracing appropriate technologies, and ensuring efficient planning.

Spatial Kernel

In 2021, India's Prime Minister, Shri Narendra Modi unveiled a blueprint that aims to address this infrastructural inertia. At its core, the National Master Plan seamlessly integrates roads, railways, airways, waterways, and logistics—a multi-modal marvel.

The ambitious master plan places geospatial technology at its core. The adoption of a Geographical Information System (GIS) platform has proven instrumental in consolidating data related to physical assets, demographics, socioeconomic aspects, and geographical features across the nation.

By integrating diverse datasets, the master plan shifts decision-making from subjective to data-driven, leading to optimized and cost-effective infrastructure development. In less than two years since the launch of the Gati Shakti National Master Plan, 39 ministries of the Government of India and 36 states and union territories have adopted the Gati Shakti platform. The adopters have developed customized decision-making tools, expanded in-house capacities, and made significant strides in infrastructure planning through this platform.

The Network Planning Group meets regularly to evaluate projects, ensuring that every major infrastructure initiative in the country is designed to support multi-modality and multi-modal connectivity.

“We're working diligently to harmonize efforts across ministries, ensuring that railway freight lines seamlessly integrate with roads, which, in turn, connect effectively with ports. In essence, our goal is to enhance overall connectivity and efficiency in the transport and infrastructure sector,” adds Sumita Dawra.

“In this way, we are experiencing a revolution in our decision-making processes, driven by data analytics for infrastructure planning. We've conducted 53 Network Planning Group meetings, appraising 96 projects worth approximately six lakh crore rupees.”

”We've also focused on Railway connectivity projects and the Energy Corridor, ensuring efficient connectivity across the country, eliminating last-mile infrastructure

gaps with roads and ports. We are also working on connecting social sector assets to enhance overall development,” she emphasised.

Data-Driven Decision Making

PM Gatishakti’s core competency lies in its commitment to creating Geographic Information System (GIS) layers accessible to all. The benefits of datadriven decision-making are evident; it de-risks infrastructure investments, allows investors to have real-time project insights, and fosters comprehensive infrastructure planning.

A dynamic map of all infrastructure projects, developed by BISAG-N and built on open-source technologies is hosted securely on the GOI cloud platform aptly named Meghraj. In it, the National Master Plan (NMP) integrates over 1,450 layers of including 585 from central ministries and more than 870 from states or Union Territories (UTs). This data includes every planned and existing project of various ministries, complete with the imagery and location of that particular project.

These mapping efforts go through a comprehensive validation and verification process involving entities like the National Highway Authority of India (NHAI), the State Public Work Department (PWD), the National Highways and Infrastructure Development Corporation (NHIDCL), and the Border Road Organisation (BRO).

“PM Gatishakti has captured the collective awareness. These layers (over 200) have been cultivated through endeavours involving Detailed Project Reports (DPRs), infrastructure projects, the development of road networks, and the compilation of valuable data resources, such as water resources and cadastral data”

-Javed Sheikh, Technical Director, QuantaSIP Geomatics Informative Solutions

The overarching vision of Gatishakti extends to data layers and the establishment of a robust data centre. It underscores the importance of local data collection and digitization. Gatishakti significantly streamlines this process, simplifying business operations, particularly in our sector, he adds.

Cadastral data, a fundamental layer, must be accurately positioned and cleansed to render it invaluable for DPRs. According to Javed Sheikh, States have generously contributed public cadastral data, expediting the DPR process.

2D Predicament in a 3D World

Even with all this progress, challenges remain. PM Gati Shakti relies on the collection and sharing of geospatial data collected by different ministries for their respective purposes. There is nothing in the provision to emphasize the quality of the data as well as the value.

So, the volume of data that is collected may and may even not be useful for planning purposes. Most of the data is 2D in nature whereas the AEC community is moving to 3D – wherein a fusion of GIS, BIM, and Digital Twin comes into play. The modelling of data and interoperability and standards required with other AEC processes, cannot be met today with the data collected under the program alone.

“Through the harmonious fusion of GIS and BIM, we unlock a distinct synergy. GIS endows us with the invaluable context of location, bridging the natural and built environments, while seamlessly integrating data,”

-Agendra Kumar, Managing Director, ESRI India

“Working in coordination and collaboration with different departments and teams is one of the pillars of PM Gati Shakti. This will reduce redesign, rework, time, and cost overruns with all the development work across multiple sectors in India,”

-Sonali Dhopte ,Director of Excelize

“Having an integrated digital platform that provides real-time data not only for design and execution but also for operation, will add tremendous economic value. The technological landscape is evolving every day, and the embedded technology in PM Gati Shakti will help India stay ahead of the curve.”

Without meticulous attention to data accuracy, relevance, and timeliness, the potential insights that could shape India’s infrastructure landscape might remain untapped. The intricate web of geospatial information loses its effectiveness if not all stakeholders synchronize their efforts.

For a streamlined design and construction phase, a holistic geographical context is paramount. If the collected data fails to align with foundational themes and layers, the problem of clashes during the project lifecycle persists.

By prioritizing data quality, value, and currency, and fostering collaboration among ministries, PM Gati Shakti can metamorphose into a Digital Twin platform.

Fuelling Digital Revolution

At its core, PM Gati Shakti is essentially a 3D Geographic Information System (GIS) map incorporating over 1600 layers of data. Government departments across India have contributed their GIS data, including satellite imagery, to this platform. State governments have also been tasked with adding between 24 to 28 layers of data, depending on their specific needs.

“PM Gati Shakti is not a static data repository but a dynamic, live collaborative platform. If a user requires specific data, they can send a request to the database, and they will receive the most up-to-date information available. This system is impressively efficient despite being lightweight, and it can provide a wealth of information”

-Anurag Jain, Secretary, MoRTH

For instance, in the context of road infrastructure planning, PM Gati Shakti enables engineers to visualize the terrain in 3D, allowing for better road slope design. Additionally, users can access data layers that provide information on subsoil conditions, facilitating foundation planning, he added.

What sets PM Gati Shakti apart is its ability to provide critical contextual data. It can show the locations of forests, mining leases, and geological wealth across the country, among other things.

Infrastructure, notably road networks, has always played a significant role in driving economic expansion. One instance that showcases the efficiency of Gati Shakti is the cross-border connectivity project between India and Nepal. This project, planned by the Ministry of Road Transport and Highways, will connect the Indo-Haldia Nepal border to the Haldia Port. It is set to reduce travel time from 18 hours to 7 hours and facilitate connectivity to 30 economic nodes across 14 districts.

Accruing Economic Benefits

“Connectivity serves as the backbone of economy. When regions are effectively interconnected, several key advantages emerge. Firstly, logistics costs decrease, bolstering economic efficiency. Secondly, social integration is enhanced, fostering a more cohesive society. Additionally, reduced travel times between locations, such as from one point to another, become possible, further boosting productivity and mobility.”

-Gen. V.K. Singh (Retd.), Minister of State for Road Transport & Highways and Civil Aviation, Govt. of India

The Bharatmala project, another one of the key components of the PM Gati Shakti plan also provides a framework for coordinating the implementation of this project along with other infrastructure projects, such as the Sagarmala project, the UDAN scheme, and the expansion of the railway network.

Within the framework of Bharatmala Pariyojana, the focus is on developing approximately 26,000 km of Economic Corridors. These corridors, in conjunction with the Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors, are anticipated to handle a significant portion of freight traffic on roadways.

“The Gati Shakti framework is a holistic approach to infrastructure development, which aims to integrate various modes of transportation and create a seamless network. This will help to reduce the time and cost of freight movement on highways across countries”, believes Amit Kumar Ghosh.

“We have seen an improvement in the average speed in the economic corridors,” Ghosh added. “This is due to the coordinated efforts of various government agencies and the private sector. We are committed to further improving the infrastructure in the country and making it easier to do business.” Construction of roadways and road networks has always resulted in a substantial increase in the demand for materials such as steel, cement, and bitumen. This domino effect can have far-reaching positive consequences across various sectors of the economy.

Unlocking Socio-Economic Advantages

PM National Master plan ensures efficiency across different sectors of the economy. Accurate modelling and integration of various types of information are of utmost importance towards this is precisely where platforms like PM Gati Shakti come into play. They serve as an essential tool to integrate diverse data sources.

Green highways are an integral part of the PM Gati Shakti National Master Plan for Multimodal Connectivity. The plan aims to develop a holistic infrastructure ecosystem in India, with a focus on sustainability and environmental protection. Green highways are those that are designed and constructed with minimal environmental impact.

They incorporate features such as tree planting, rainwater harvesting, and solar energy generation. “Sustainability and pollution control are paramount concerns along our roads. The concept of Green Highways, with ample room for indigenous vegetation, not only nurtures our ecology but also champions’ sustainability. It’s a stride toward curbing carbon emissions,” affirmed Gen. V.K. Singh (Retd.), Minister of State for Road Transport & Highways and Civil Aviation, Govt. of India.

The PM Gati Shakti National Master Plan also includes a number of initiatives for the development of green highways. These include Greenfield expressways that the government plans to develop 22 Greenfield expressways across India.

These expressways will incorporate features such as tree planting, solar energy generation, and rainwater harvesting. Existing highways will also have solar panels and rainwater harvesting systems which will help it in being environmental friendly. The government also plans to develop 35 multi-modal logistics parks (MMLPs) across India.

These will be designed to be green and sustainable, with rainwater harvesting, solar energy generation, and waste management systems being prominent features. As of date, 14 Social Sector Ministries/ Departments have been on-boarded, namely Ministry of Panchayati Raj, Department of Health and Family Welfare, Department of Post, Department of School Education and Literacy, Department of Higher Education, Ministry of Culture, Ministry of Housing and Urban Affairs, Ministry of Rural Development, Ministry of Women and Child Development, Ministry of Tribal Affairs, Department of Youth Affairs, Department of Sports, Ministry of Skill Development and Entrepreneurship and Ministry of AYUSH.

Moreover, the plan’s successful implementation is anticipated to alleviate the tax burden on citizens, granting them greater financial autonomy.

Railways & Waterways

The Indian Railways stands as an integral pillar of the country’s infrastructure, boasting the distinction of being the world’s fourth-largest railway network, spanning an impressive 67,956 kilometres. Its significance in the Indian economy is undeniable, contributing over 2% to the nation’s GDP.

Given its role in India’s economic landscape, the integration of the Indian Railways into the PM Gatishakti Master Plan becomes not just a choice, but a need. A step towards this integration is the introduction of a 2000 km network, a vital component of the PM Gatishakti National Master Plan. This innovative network will harness the power of the indigenously developed Kavach technology, a system engineered to prevent train collisions, thereby ensuring better security.

Simultaneously, this network will undergo upgrades in capacity ultimately leading to a reduction in congestion and a significant boost in efficiency. As part of the larger scheme to modernize the fleet, the unveiling of 400 new Vande Bharat trains within the next three years is indeed a noteworthy endeavour. With their strategic deployment on major routes across the nation, the Vande Bharat trains will pave the way for heightened connectivity and a substantial reduction in travel time, bridging the geographical divide.

Diversification of focus brings forth yet another commendable initiative – the establishment of 100 cargo terminals within the next three years. This strategic move aligns with the Indian Railways’ broader vision of fostering multimodal logistics facilities. By offering an integrated suite of services including warehousing, packing, and transportation, these terminals become a hub of efficiency for shippers and receivers.

Sources in the railway ministry talk about technology like RFID and GPS tracking, whose terminals not only ensure the secure movement of goods but also elevate the logistics ecosystem to a new standard.

“Worldwide logistics costs typically range between 8-10%. In contrast, India currently bears a hefty logistics cost of around 16%. The PM Gatishakti plan sets its sights on a significant reduction, targeting a logistics cost of approximately 10-12%. Remarkably, even China has achieved a substantial decrease in its logistics costs, prompting us to ponder the path to this achievement. The key lies in comprehensive integration”
-Anisur Rehman, Chief Engineer, Northern Railways

We must break down the barriers that separate various transportation systems, ensuring full visibility into railways, waterways, and road transport operations. This approach enables seamless coordination and resource sharing, helping us avoid unnecessary duplication, such as constructing redundant roads.” he added.

This vision shows the integration of all technological components and the active involvement of stakeholders. The objective is to enhance planning, streamline integration, facilitate smoother onboarding processes, and foster stronger collaborations. It is abundantly clear that continuing to work in isolated silos will prove costly. Consequently, all digitization processes and systems are converging into a unified framework.

“Another Ministry that PM Gati Shakti has been able to bolster as a vital engine of economic progress is the Inland Waterways. The enhancement of the logistics framework is paramount, as a robust economy hinges upon a well-functioning logistics system. The logistic policy spearheaded by the government is accelerating project execution and fostering development.

With 111 waterways crisscrossing our land, our logistics landscape has been significantly enriched.

One of the projects is the Jal Marg Vikas Project (JMVP) for capacity augmentation of navigation on National Waterway-1 (NW-1) which is being implemented at a cost of Rs 5369.18 crore with the technical assistance and investment support from the World Bank. The IBP route promises connectivity through Bangladesh to the northeastern states.

A Step Beyond?

“The launch of PM Gatishakti has been praised by industry bodies like the Confederation of Indian Industries, who recognize its potential to transform India’s infrastructure. PM Gatishakti is likely to add value in many ways,”

-Geetha Ramamoorthi, Managing Director of KBR India.

“It will improve connectivity between different modes of transportation and lead to increased trade. This will create more jobs and attract investments. It will also reduce logistics costs, thereby making businesses competitive and more profitable. PM Gatishakti will enhance export and trade, fuel urbanization, and encourage investments.”

It is expected to reduce logistics costs to GDP, establish new multi-modal cargo terminals, and facilitate synergy among various government departments.

“On a national scale, the previous road network initiatives were predominantly structured as Public-Private Partnerships (PPP). Today, we’ve transitioned into an era where every aspect, from locational referencing to maintenance, is comprehensively integrated into various asset management system-based applications”

-DR. NC PAL, OSD cum Engineer-In-Chief, PWD

The plan has achieved remarkable progress in the last two years. The foundation of a comprehensive digital platform at the national level serves as a pivotal achievement. It seamlessly connects state-level master plan portals, ministry planning portals, and specialized planning tools, fostering a holistic approach to infrastructure development.

“By making decisions grounded in data, the plan garners greater acceptance and leads to more optimized infrastructure development at cost-effective rates,” adds Dr. Ahirwar.

PM Gatishakti lowers the cost of transportation thereby improving farmer’s income and enhancing food security. <https://www.geospatialworld.net/prime/connecting-india-economy/>

3. मुफ्त की रेवड़ी नहीं, गरीबों के लिए वरदान है पीएम गरीब कल्याण अन्न योजना (*hindi.news18.com*) Nov 07, 2023

प्रधानमंत्री नरेंद्र मोदी ने छत्तीसगढ़ की एक जनसभा से गरीब कल्याण अन्न योजना को 5 साल और बढ़ाने का ऐलान किया। इस ऐलान के साथ ही केंद्र सरकार और पीएम मोदी आलोचकों तथा विपक्ष के निशाने पर आ गए। विपक्ष के साथ सरकार के आलोचकों ने यह कहना शुरू कर दिया कि पीएम मोदी ने यह फैसला विधानसभा चुनाव को देखते हुए लिया है। वहीं विपक्ष की तरफ से यह भी कहा जाने लगा कि जब विपक्ष लोगों के हित में फ्री की बात करती है तो बीजेपी के साथ पीएम मोदी भी इसकी आलोचना करते हैं, जबकि इसी फ्री की बात जब पीएम करते हैं तो इसे कल्याणकारी योजना का नाम दिया जाता है।

यहां यह समझा जरूरी है कि मुफ्त की रेवड़ी यानी फ्रीबीज़ और गरीब कल्याण योजना में अंतर क्या है? सबसे पहले समझते हैं पीएम मोदी ने जिस योजना का विस्तार 5 साल के लिए किया है वो वास्तव में है क्या...

क्या है प्रधानमंत्री गरीब कल्याण अन्न योजना?

भारत समेत दुनिया के तमाम देशों में जब कोरोनावायरस महामारी चरम पर थी, तो लोगों की जान बचाने के लिए केंद्र सरकार को मजबूरी में देशभर में लॉकडाउन लगाना पड़ा। इस कारण लोगों की

नौकरियां जाने लगी, लोगों के सामने दो वक़्त की रोटी का संकट आन पड़ा. गरीबों के सामने खाने-पीने का संकट खड़ा हो गया था. देश संकट के हालत में था. उस वक़्त प्रधानमंत्री नरेंद्र मोदी ने लोगों के दर्द को समझा. पीएम मोदी ने इस विकट परिस्थिति में भी ठाना कि लोगों को भूखे पेट ना सोना पड़े. उसके बाद पीएम मोदी की पहल पर

प्रधानमंत्री गरीब कल्याण अन्न योजना की शुरुआत की गई. इस योजना के तहत केंद्र सरकार गरीबों को हर महीने 5 किलो मुफ्त अनाज देती है. ये जन वितरण के तहत आने वाले परिवारों को राष्ट्रीय सुरक्षा खाद्य नियम के तहत दिए जाने वाले सस्ते राशन के अतिरिक्त है. इस योजना की शुरुआत 30 जून 2020 को की गई थी. गरीबों को लगातार राहत मिले इसको देखते हुए इस योजना को लगातार बढ़ाया गया.

इस मायने में योजना को पूरी तरह सफल कहा जा सकता है कि कोरोना महामारी की पहली, दूसरी और तीसरी लहरों के दौरान भी देश के किसी हिस्से में भुखमरी के हालात बनने की खबरें नहीं आईं. इस योजना के तहत देश की 80 करोड़ जनता को सीधे लाभ पहुंच रहा है. समय-समय पर इस योजना की अवधि को केंद्र सरकार बढ़ाती रही है. मौजूदा समय में ये योजना दिसंबर तक की थी, जिसे प्रधानमंत्री नरेंद्र मोदी ने 5 साल के लिए और बढ़ाकर गरीबों को बढ़ी राहत दी है.

केंद्र पर 10 लाख करोड़ रुपये का पड़ेगा अतिरिक्त बोझ

केंद्र सरकार के मुताबिक, गरीब कल्याण योजना का लाभ देश के 80 करोड़ BPL कार्ड धारक परिवारों को मिलता है. इस योजना को अब सरकार ने 5 साल आगे बढ़ाने का ऐलान किया है. सरकार एक साल तक सभी लाभार्थी परिवारों को मुफ्त राशन मुहैया कराने के लिए 2 लाख करोड़ रुपये का खर्च उठाती है. इस हिसाब से देखा जाए तो योजना के विस्तार के लिए सरकार को 10 लाख करोड़ रुपये का अतिरिक्त आर्थिक बोझ उठाना पड़ेगा.

केंद्र की योजना देश में गरीबी रोकने में कामयाब- IMF

पिछले साल अंतरराष्ट्रीय मुद्रा कोष (IMF) की एक स्टडी रिपोर्ट में कहा गया था कि कोरोना वायरस महामारी के दौरान भारत सरकार की प्रधानमंत्री गरीब कल्याण योजना काफी हद तक गरीबी को रोकने में कामयाब रही. रिपोर्ट के अनुसार इस योजना के कारण महामारी के दौरान भी देश में अत्यंत गरीबों की संख्या में वृद्धि नहीं हुई. इससे पहले हुए कुछ अध्ययनों में महामारी के कारण भारत में अत्यंत गरीबी बढ़ने की आशंका व्यक्त की गई थी.

अब जानते हैं क्या है मुफ्त की रेवड़ी यानी फ्रीबीज़

चुनाव आते ही वोटों को लुभाने के लिए जिस तरह राजनीतिक दल और उनके नेता वायदों की बरसात करते हैं, उसके लिए एक नया शब्द है 'रेवड़ी कल्चर'. फ्री बीजली, फ्री पानी, फ्री में स्मार्टफोन, फ्री इंटरनेट, फ्री साइकिल, फ्री स्कूटी, फ्री लैपटॉप... इस फ्री की फेहरिस्त बड़ी लम्बी है, जिसे आम भाषा में फ्रीबीज़ या फ्री की रेवड़ी कहा जाने लगा है.

चुनाव के पहले आम तौर सियासी पार्टियां चुनाव में मतदाताओं को लुभाने के लिए इस तरह के लुभावने वायदे करते हैं. इसका ताज़ा उदाहरण है कि राजस्थान के मुख्यमंत्री अशोक गहलोत ने वोटों को फ्री में स्मार्टफोन और तीन साल के लिए फ्री इंटरनेट का वादा किया है. इससे पहले अशोक गहलोत ने राज्य के हर परिवार को हर महीने 100 यूनिट तक फ्री बिजली फ्री देने का भी ऐलान किया था. वहीं मध्य प्रदेश के पूर्व मुख्यमंत्री कमलनाथ ने कांग्रेस की सरकार बनने पर हर परिवार को 100 यूनिट तक फ्री बिजली देने का वादा किया है.

फ्रीबीज को सुप्रीम कोर्ट ने भी गंभीर माना

चुनावों से पहले इस तरह के ऐलानों का मुद्दा सुप्रीम कोर्ट में भी पहुंचा चुका है। सुप्रीम कोर्ट ने इसे 'गंभीर मुद्दा' बताया है। अदालत ने कहा था, 'ये एक गंभीर मुद्दा है। अर्थव्यवस्था को हो रहे नुकसान और वेलफेयर में बैलेंस की जरूरत है.'

फ्रीबीज का इतिहास

भारत में मुफ्त की रेवड़ी यानी फ्रीबीज की शुरुआत तमिलनाडु से मानी जाती है। 2006 में तमिलनाडु में विधानसभा चुनाव होने थे। तब डीएमके ने सरकार बनने पर सभी परिवारों को फ्री कलर टीवी देने का वादा कर दिया। पार्टी ने तर्क दिया कि हर घर में टीवी होने से महिलाएं साक्षर होंगी। डीएमके के इस चुनावी वादे को सुप्रीम कोर्ट में चुनौती दी गई। हालांकि, डीएमके जीत गई। वादा पूरा करने के लिए 750 करोड़ रुपये का बजट लगाया गया।

मामला सुप्रीम कोर्ट में चल ही रहा था कि 2011 के विधानसभा चुनाव आए। विपक्षी अन्नाद्रमुक ने टीवी के जवाब में मिक्सर ग्राइंडर, इलेक्ट्रिक फैन, लैपटॉप, कम्प्यूटर, सोने की थाली आदि बांटने का वादा भी कर दिया। शादी होने पर महिलाओं को 50 हजार रुपये और राशन कार्ड धारकों को 20 किलो मुफ्त चावल देने का वादा भी किया। नतीजे आए तो अन्नाद्रमुक की सरकार बन गई।

2006 के चुनावी वादे पर जुलाई 2013 में सुप्रीम कोर्ट ने फैसला दिया। सुप्रीम कोर्ट ने कहा, 'फ्रीबीज सभी लोगों को प्रभावित करती है, जो स्वतंत्र और निष्पक्ष चुनाव की जड़ को काफी हद तक हिला देती हैं.'

सुप्रीम कोर्ट ने चुनाव आयोग को भी आदेश दिया कि वो सभी राजनीतिक पार्टियों से सलाह-मशविरा कर एक आचार संहिता बनाए। इसके बाद 2015 में चुनाव आयोग ने राजनीतिक पार्टियों और उम्मीदवारों के लिए आचार संहिता जारी भी की, लेकिन उसके बावजूद चुनावों में फ्रीबीज का ऐलान होता ही रहा है।

फ्रीबीज का क्या असर होता है

राजनीतिक पार्टियां चुनाव जीतने के लिए वादों की बौछार तो कर देती हैं, लेकिन इसका बोझ सरकारी खजाने पर पड़ता है। सुप्रीम कोर्ट ने भी कहा था कि टैक्सपेयर के पैसे का इस्तेमाल कर बांटी जा रहीं फ्रीबीज सरकार को 'दिवालियेपन' की ओर धकेल सकती हैं।

इतना ही नहीं, पिछले साल आरबीआई की भी एक रिपोर्ट आई थी। इसमें कहा गया था कि राज्य सरकारें मुफ्त की योजनाओं पर जमकर खर्च कर रही हैं, जिससे वो कर्ज के जाल में फंसती जा रही हैं।

'स्टेट फाइनेंस: अ रिस्क एनालिसिस' नाम से आई आरबीआई की इस रिपोर्ट में उन पांच राज्यों के नाम दिए गए हैं, जिनकी स्थिति बिगड़ रही है। इनमें पंजाब, राजस्थान, बिहार, केरल और पश्चिम बंगाल शामिल हैं। यहां तक कि आरबीआई ने अपनी इस रिपोर्ट में CAG के डेटा के हवाले से बताया है कि राज्य सरकारों का सब्सिडी पर खर्च लगातार बढ़ रहा है। 2020-21 में सब्सिडी पर कुल खर्च का 11.2% खर्च हुआ था, जबकि 2021-22 में 12.9% खर्च किया गया। रिपोर्ट में कहा गया है कि अब राज्य सरकारें सब्सिडी की बजाय मुफ्त ही दे रही हैं। सरकारें ऐसी जगह पैसा खर्च कर रही हैं, जहां से उन्हें कोई कमाई नहीं हो रही। फ्री बिजली, फ्री पानी, फ्री यात्रा, बिल माफी और कर्ज माफी, ये सब 'freebies' हैं, जिन पर राज्य सरकारें खर्च कर रही हैं।

कैसे राज्यों को कर्जदार बना रहा रेवड़ी कल्चर?

इस मामले में सिम्पल सा गणित है. कमाई कम है और खर्च ज्यादा. तो इस खर्च को पूरा करने के लिए कर्ज लेना होगा. लेकिन खर्च और कर्ज को सही तरीके से मैनेज नहीं किया तो हालात ऐसे हो जाएंगे कि फिर न तो खर्च करने के लायक होंगे और न ही कर्ज लेने के. हमारे देश में भी सरकारों का कर्जा बढ़ता जा रहा है. सरकारें सब्सिडी के नाम पर फ्रीबीज पर बेतहाशा खर्च कर रही हैं.

इन्हें दो आंकड़ों से समझिए. पहला कि पांच साल में राज्य सरकारों का सब्सिडी पर खर्च 60% से ज्यादा बढ़ गया है. और दूसरा कि पांच साल में ही राज्य सरकारों पर कर्ज भी लगभग 60% तक बढ़ा है. आरबीआई के मुताबिक, 2018-19 में सभी राज्य सरकारों ने सब्सिडी पर 1.87 लाख करोड़ रुपये खर्च किए थे. ये खर्च 2022-23 में बढ़कर 3 लाख करोड़ रुपये के पार चला गया. इसी तरह से मार्च 2019 तक सभी राज्य सरकारों पर 6 लाख करोड़ रुपये का कर्ज था, जो मार्च 2023 तक बढ़कर 76 लाख करोड़ से ज्यादा हो गया.

फ्रीबीज और सरकार की कल्याणकारी योजनाओं में अंतर

क्या फ्रीबीज और सरकार की कल्याणकारी योजनाएं एक ही हैं या अलग-अलग? आमतौर पर फ्रीबीज का ऐलान चुनाव से पहले किया जाता है, जबकि कल्याणकारी योजनाएं या वेलफेयर स्कीम्स किसी भी समय जरूरत के मुताबिक लागू की जाती हैं. सुप्रीम कोर्ट ने सुनवाई के दौरान कहा था कि आजीविका चलाने के लिए या आजीविका मिशन के तहत ट्रेनिंग देने के लिए लागू की गई योजनाओं को फ्रीबीज नहीं कहा जा सकता. कल्याणकारी योजनाएं लोगों के जीवन को बेहतर बनाती हैं, उनके जीने का स्तर सुधारती हैं. इससे रोजगार, शिक्षा और स्वास्थ्य सुविधाएं बेहतर करने में मदद मिलती है. <https://hindi.news18.com/news/nation/pm-garib-kalyan-scheme-in-not-freebies-but-boon-for-poor-people-7810343.html>

SELECTED NEWS ITEMS/ARTICLES FOR READING

4. Free ration scheme for 5 years may cost Budget Rs 11 trillion (*financialexpress.com*) November 7, 2023

Running the Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) in the current form for the next five years could necessitate a Budget outlay of Rs 11 trillion during the period in nominal terms, a government official said on Monday.

Under PMGKAY, 813 million people are currently being provided 5 kg each of specified grains per month free of cost. The free ration scheme was to end on December 2023, but prime minister Narendra Modi said on Saturday at an election rally in Chhattisgarh the scheme would run for another five years.

The cabinet committee on economic affairs is likely to approve extension of PMGKAY soon.

The additional budgetary cost of running the free ration scheme – rather than the NFSA in the previous form – for January-March quarter of the current fiscal could be around Rs 4,000 crore only. This is because under NFSA itself grains supplies used to be heavily subsidised.

The estimate of budget cost of PMGKAY extension for five years takes into account the economic costs likely to be incurred by the Food Corporation of India (FCI) and other agencies involved handling of the food stocks and public distribution.

FCI itself handles around 55-60 million tonne (MT) of food stocks annually. Economic cost of grains under the National Food Security Act includes payment of MSP to farmers, storage, transportation and other costs.

Under PMGKAY, the government's annual expenditure on account of the food subsidy is estimated at around Rs 2 trillion at current prices.

Since last two fiscal years, MSPs of paddy and wheat witnessed an increase of 5-7% annually.

Correspondingly the FCI's economic cost for rice and wheat for 2023-24 is estimated to increase Rs 39.18/kg and Rs 27.03/kg, from Rs 35.62/kg and Rs 24.67/kg respectively in 2021-22

Since January this year, the Centre has been providing free food grains (5 kg per beneficiary) to states for the scheme, initially valid till December 31 this year.

For FY24, Rs 1.97 trillion has been budgeted under this expense. However sources said that subsidy amount could decline a bit as FCI has sold more than 3 MT of wheat in the open market from its stocks, recovering a part of costs.

The FCI in collaboration with state agencies procures and distributes more than 55 million tonne (MT) of wheat and rice annually under PMGKAY through 530,000 fair price shops across the country. Currently, the scheme is being implemented across all 36 states and Union Territories, benefiting around 813 million individuals.

In April 2020, the government had launched PMGKAY in midst of the first Covid-19 wave to provide additional 5 kg of free foodgrain to each beneficiary under the NFSA in addition to 5 kg of grain at a highly subsidised rate of Rs 3/kg and Rs 2/kg for rice and wheat, respectively.

The government has incurred an expenditure of over Rs 3.9 trillion under PMGKAY since its launch, with distribution of 111 MT of foodgrain so far. <https://www.financialexpress.com/policy/economy/free-ration-scheme-for-5-years-may-cost-budget-rs-11-trillion-3298871/>

5. Govt sees no big fiscal impact due to free foodgrain scheme (*livemint.com*) November 06, 2023

The Centre does not expect any major fiscal impact from the free food grain scheme extension in FY24 or FY25, senior government officials said on Monday, adding that the government was committed to meet the fiscal deficit target.

India's fiscal deficit for the April to September period widened to ₹7.02 trillion, which was 39.3% of annual estimates, up from ₹6.19 trillion in the same period which was 37.3% of the target for the last financial year, as per government data issued last week.

For FY24, the government has set target of ₹17.87 trillion, or 5.9% of GDP, as opposed to 6.4% in FY23.

Amid upcoming state and general elections, Prime Minister Narendra Modi said that the government will extend the free-foodgrain scheme—Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)—for 800 million poor people by another five years, beginning January.

The scheme was launched during the pandemic, and was amalgamated with the National Food Security Act in December 2022, and extended by another year, to end by this year end.

Fiscal deficit, the difference between income and expenditure, is an indicator of external borrowings required by the government to meet deficit.

With the extension of the food grain scheme, more funds would be needed to procure grains which could lead to higher government spending, more than the estimated ₹2 trillion for FY24.

Reuters quoted an official saying that rise in grain prices could lead to additional spending of ₹5,000 crore to ₹7,000 crore in the food grain scheme.

"We don't see a major impact from the scheme extension. We are committed to meet fiscal deficit target FY24. The one key challenge to the Indian economy is volatile global oil prices," one of the officials said.

The officials added that if the government were to receive more funds from tax collections or national small savings fund, it will add to its cash reserves.

The government has estimated that 26% of the projected fiscal deficit to be funded from investments in the National Small Saving Fund (NSSF).

The government has been clocking record numbers for its goods and service tax collections, but also from direct tax collections.

On the ongoing tensions between India and Canada, the officials said that the discord will not have an impact on Canadian investments into India. Relations between India and Canada have been strained after Canadian Prime Minister Justin Trudeau in September alleged the involvement of "agents of the Indian government" in the killing of Khalistani terrorist Hardeep Singh Nijjar in June this year. India on the other hand has rejected the claims and called the allegations as "absurd and motivated." <https://www.livemint.com/economy/govt-sees-no-big-fiscal-impact-due-to-free-foodgrain-scheme-11699288217137.html>

6. **PMGKAY in its current form is a blunt instrument** (*thehindubusinessline.com*) November 06, 2023

Nutritional deficiency is a bigger problem than hunger

After haranguing Opposition-ruled States for distributing freebies to citizens and indulging in populism at the cost of the fisc, the NDA government at the Centre seems to be falling prey to the same malaise. The Prime Minister's announcement that Pradhan Mantri Garib Kalyan Anna Yojana (which was introduced as a Covid safety net and has been on extensions since), will become a fixed feature for the next five years, smacks of populism too.

The scheme, which has subsumed National Food Security Act and Antyodaya Anna Yojana commitments, envisages the distribution of five kilograms of cereals (mainly rice and wheat) per month to over 81 crore beneficiaries, free of cost. FCI (Food Corporation of India) foots the bill for procuring foodgrains from farmers at Minimum Support Prices (MSPs), storing the produce and relaying it to public distribution outlets across the country. This scheme entailed an outlay of about ₹2-lakh crore in 2023, but this can rise if FCI costs trend higher. The cost of this scheme per se is not the problem. With the Union Budget currently at over ₹45-lakh crore, India can afford to fund schemes that address nutritional needs of the poor. But the PMGKAY in its current form cannot achieve this objective.

The first question is if 81 crore Indians, which is roughly 58 per cent of the population, are so poor as to require government support to buy staples. Think-tanks have shown that India has made significant strides in mitigating extreme poverty. NITI Aayog's recent report on multi-dimensional poverty estimated that the proportion of multi-dimensionally poor (those deprived of multiple amenities ranging from nutrition to banking access) was 14.9 per cent of the population in 2019-21. This report also estimated that 31.5 per cent of Indians were nutritionally deprived. Redrawing PMGKAY to supply free rations only to the most deserving sections of the population can trim leakages and subsidies. Two, nutritional deficiency and not hunger is the main problem confronting India's masses, so it is time the policy focus changed to address this. To improve nutritional outcomes, the PDS needs to diversify beyond cereals to proteins in the form of pulses and millets apart from edible oils, which are household essentials. Eventually, community kitchens that provide balanced, cooked meals to the targeted population at subsidised prices may work even better.

The PMGKAY is as much a safety net for farmers as it is for consumers. Prodigious central procurement of paddy and wheat at fixed prices ensures that the MSP for these cereals holds sway in the markets. But with procurement efforts concentrated on two staples, only select farmers in some States get to benefit. Cutting back on procurement of cereals and increasing purchases of other crops may not be a politically easy shift. But it can send the right signals on crop diversification while creating a more functional PDS. <https://www.thehindubusinessline.com/opinion/editorial/pmgkay-in-its-current-form-is-a-blunt-instrument/article67504576.ece>

7. We must rise above misleading ‘global hunger’ rankings based on odd methodology (*livemint.com*) Soumya Kanti Ghosh & Anurag Chandra | 06 Nov 2023

India does better than its weak rank on the World Hunger Index would suggest, with fair progress made on three of the four parameters that go into its score. So let's not be distracted from the path India has taken over the past decade in its battle against hunger.

India has instituted the ICDS programme to improve the nutritional and health status of children in the age group 0-6 years, laying the foundation for proper psychological, physical and social development of the child. India is also leveraging technology under an ambitious Poshan Tracker for dynamic identification of underweight children, as also of stunting and wasting among them, and for last-mile tracking of nutrition service delivery.

Even as India is making rapid progress on health, paradoxically the Global Hunger Index (GHI) has placed India among the bottom 15 ranks, at No. 111 out of 125 countries. Also, the World Happiness Index ranked India No. 126 out of 136 countries, again in the bottom 15. Intriguingly, Palestine is at No. 99.

For a moment, let's forget such rankings and instead look at India's progress on hunger parameters. Hunger is being reduced in India at the same pace as the world. The World GHI score has reduced from 28 in 2000 to 18.3 in 2023. In comparison, India has reduced hunger from 38.4 in 2000 to 28.7 in 2023. So, both India and the world have reduced hunger by 9.7 points. Interestingly, after 2010, India has reduced hunger at a faster pace than the world.

Further, if the GHI score is measured by using data from the Poshan Tracker for under-five stunting and under-five wasting, India's rank rises by at least 20 places, leaving behind Mali, Djibouti, Guinea, Haiti, Burkina Faso, Ethiopia, Zambia, Nigeria, Papua New Guinea, Pakistan, Angola and Congo (Democratic Republic). The question that naturally arises then is why this data was not used in the GHI's construction.

Now coming to the deeper insights on the GHI, which has been constructed using four factors: (a) proportion of undernourished in population; (b) under-five mortality rate; (c) proportion of under-five wasting; and (d) under-five stunting. Proportion of undernourishment is the only factor representing the population, while the rest are for children under five years of age.

If undernourishment alone is considered, at least 41 countries would be behind India in the 2023 GHI score. Even when it comes to the under-five mortality rate, 56 countries are behind India. India is significantly better than what the GHI index portrays, since on undernourishment and under-five mortality rate—each with a weightage of a third—it performs much better than other countries.

Now, the GHI methodology shows India as a laggard in under-five stunting and wasting. Each of these has a weightage of a sixth. These two parameters, with a combined weightage of one third, are where India has been placed in the bottom 15. On undernourishment and under-five mortality, which have a combined weightage of two-

thirds, India is ranked much higher in the middle. Thus, paradoxically, in the GHI methodology, one-third rules over two-thirds!

Further, we must look carefully at under-five stunting and wasting, especially the former, to check whether these actually represent hunger. Two standard deviations from (or less than) the mean WHO standard height-for-age may be called ‘stunted,’ but is this due to nutrition alone or does genetics also play a major role? That is a matter of empirical debate. In fact, 60-80% height variability is due to the gene factor alone. Hence, while the 2-standard deviation test may seem statistically correct, in practice we are comparing height-for-age across continents and ethnicities. In this approach, it is statistically assumed that children who are two standard deviations below the WHO average could grow taller (go above two standard deviations, i.e.) with nutrition alone, without a role for genetics in determining height.

Comparing height-for-age this way is analogous to comparing apples with oranges. Instead, there should be within group comparisons. That way, we can more meaningfully target the problem of stunting.

In under-five wasting (low weight for height), India has been placed at the very bottom of all countries in the GHI sample. High wasting in India is indeed something to work on. However, the Poshan Tracker, which is a dynamic growth monitoring tracker of the Poshan Abhiyan, shows the wasting rate to be only 6% for the 72 million under-five children under assessment. If the same rate is considered for determining the GHI score, there would be 38 countries that would fall behind India.

In summary, in three out of the four parameters used in measuring the GHI score—undernourishment, under-five mortality and under-five wasting—India’s performance is not at the bottom of the world’s ranking table, but in the middle. When it comes to under-five stunting, nutrition alone cannot help, and within group comparisons should be done for genetics, a factor that is more important than nutrition.

Taking all four in consideration, India would certainly find itself in the middle of the rankings than at the bottom in terms of hunger. Therefore, we should positively work towards improving child nutrition through the Poshan programme without being bothered by such indices, which create confusion and belittle the decade-long efforts of the Indian government. <https://www.livemint.com/opinion/online-views/we-must-rise-above-misleading-global-hunger-rankings-based-on-odd-methodology-11699271397589.html>

8. Don’t let sectoral laws dilute IBC (*financialexpress.com*) November 6, 2023

Through a notification on October 3, 2023, the Union government exempted aircraft leases from the IBC moratorium that prohibits the repossession of any leased assets of a company undergoing insolvency process. This was a discharge of an obligation under the Cape Town Convention (CTC), which India acceded to in March 2008. Reportedly, this move would reduce leasing costs for Indian carriers by about \$1.3 billion.

IBC has only one objective, namely, stress resolution of a company. It provides for stress resolution in two ways: a resolution plan to rescue the company, failing which,

liquidation to close it. It provides several enablers to rescue the company. A key enabler is the moratorium that keeps the company intact to explore its rescue as a going concern. Therefore, IBC prohibits the repossession of leased assets of the company during the moratorium. Given the importance of the objective, the provisions of the IBC prevail over every other law.

Leasing of aircraft is becoming popular with the percentage of fleet on lease increasing from 0% to 50% over the last 50 years. Considering the unique nature of this business, the CTC has standardised the treatment of leased aircraft during insolvency. It provides two alternatives. The alternative chosen by India allows a lessor to repossess the aircraft after a moratorium of two months. During this period, the company can elect to retain the aircraft after paying/agreeing to pay the lease rental for the moratorium period.

The IBC moratorium is typically for six months, but is routinely extended. The CTC moratorium is typically for two months unless the country has agreed to a different duration. The lessor gets back the aircraft if the company does not elect to retain it within two months, which conflicts with the six-month moratorium under the IBC. There are several options to address this conflict. An obvious but difficult option is to shorten the IBC process to two months for the airline industry. It is not rare for insolvency proceedings to conclude in two months and proceedings like prepack take less than two months in some jurisdictions.

Other options include increasing the period of the CTC moratorium to match the IBC moratorium; applying the moratorium that is shorter of the two; applying the moratorium that is longer of the two; and not having any moratorium. The exemption opts for the last one in respect of leased aircraft. Consequently, a leased aircraft must return to the lessor on day one, before the expiry of the CTC moratorium, and even when the aircraft is in use and the company is willing to pay the lease rental for the moratorium period. This does not serve the interests of either the airline or the lessor of the aircraft. The notification must be modified to exempt aircraft leases from the IBC moratorium subject to the CTC moratorium.

A bigger concern is the existing provision enabling exemption. It initially allowed the exemption of transactions from moratorium in consultation with any financial sector regulator. It was based on the premise that some transactions in the financial markets are mindboggling in terms of their volume, value, complexity, and interconnectedness. They pose systemic risks to the market and economy if they are not closed in time. Therefore, the provision enabled the exemption of such transactions from the moratorium, implicitly assigning a higher priority to systemic stability over rescuing a distressed company.

While no financial market transaction has been exempted so far, the provision was amended in 2018 to exempt any transaction from the moratorium in consultation with any authority. In June 2023, the government exempted licences and leases relating to oilfields from the purview of the moratorium. Now, the exemption of leased aircraft. The door for exemption is open: the list of exemptions would keep on increasing and, over time, could be larger than the remaining, diluting the central idea behind the moratorium.

Simultaneously, sectoral laws tend to encroach on the areas common to every sector and occupied by market-wide laws. IBC is a market-wide law and a comprehensive Code for insolvency. Yet a few legislative proposals in the offing (examples: the Indian Telecommunication Bill, 2022 and the Protection and Enforcement of Interests in Aircraft Objects Bill, 2022) provide for certain aspects of insolvency. They further provide that such provisions would prevail over the provisions in the Code.

The provision for exemption, coupled with encroachment by sectoral laws, is extremely problematic. This practically amounts to having a different insolvency dispensation for each sector, converting an otherwise market-wide law to a sectoral law. A key objective of insolvency law is the efficient allocation of resources. Sectoral dispensation rather aids inefficient resource allocation. Besides, this is inequitable since it alters the rights of stakeholders in an insolvent company, with some creditors getting precedence over others.

This is not to argue against any exemption. However, such an exemption must be based on sound principles. The primary objective of an insolvency moratorium is to rescue the life of a distressed company. It is necessary to juxtapose the objective of exemption of a transaction from moratorium with that of the moratorium itself, from the perspective of the economy. Exemption must be allowed where the former is weightier.

For example, the exemption of leased aircraft from moratorium strengthens the rights of lessors and reduces the cost of leasing. It increases the possibility of liquidation of a distressed airline. It promotes the interests of one set of creditors at the cost of others. A systematic impact analysis to quantify the gains and losses from the perspective of an economy should guide an exemption.

Consultation with an authority is desirable, but not sufficient to grant a differential dispensation (exemption/ special treatment). The law must lay down guiding principles and require the Government to apply those principles to carry out an impact analysis of any proposed differential dispensation, in consultation with the public. Further, any differential dispensation, if warranted based on impact analysis, must be made in the IBC itself. This will limit differential dispensation to deserving cases and avoid disharmony, minimising resource misallocation and dilution of IBC. <https://www.financialexpress.com/opinion/dont-let-sectoral-laws-dilute-ibc/3297817/>

9. **Defending the balance** (*millenniumpost.in*) 06 Nov 2023

Adherence to international laws and UN conventions is vital to prevent unjustifiable stockpile of crises-driving armaments beyond genuine defence needs

Even as the one year old Russia-Ukraine war, with its trail of disaster and humanitarian crisis, is still on, a bloody armed conflict broke out last month, between Israel and Hamas — the Palestine militant group — claiming thousands of innocent lives, including women and children, on both sides. Presently, with both parties insisting on each other's 'pound of flesh', the conflict between the two nations has acquired global overtones as countries have begun taking sides. A severe humanitarian crisis has unfolded in the region, involving loss of lives, estrangement from families, destruction of homes, and shortage of food, water, and medicines.

Armed conflicts are catastrophic, for they instantly deprive civilians not only of their livelihoods but their basic human rights as well. Though there are a number of reasons for disputes, tensions get precipitated into sudden armed conflicts mainly because of the easy access to arms and lethal weapons of mass destruction; a lesser acknowledged fact. Arms trade influences global military and geopolitical trends. The industry plays a vital role in the economies of many countries, as the exports of weapons, ammunition, and other military equipment generate billions of dollars. The financial value of the global arms trade in 2020 was estimated to be at least USD 112 billion, which could be even higher in real terms. According to SIPRI's arms transfers database of March 2023, the top five arms exporters between 2018 and 2022 were the United States (40%), Russia (16%), France (11%), China (5.2%), and Germany (4.2%), collectively contributing to 76% of the global arms exports. Even Israel itself is the 10th largest arms exporter, though its exports decreased by 39% from 2013-17 to 2018-22. The top 10 importers of US arms in 2018-22 were Saudi Arabia (19%), Japan (8.6%), Australia (8.4%), Qatar (6.7%), South Korea (6.5%), Kuwait (4.8%), the UK (4.6%), the UAE (4.4%), the Netherlands (4.4%) and Norway (4.2%). The military industrial complex (MIX) in the US, as termed by president Eisenhower, is a close knit business clique of armed forces, commerce and politics.

Ironically, it has become a new normal post-WWII that on one hand lethal arms are traded dubiously while on the other hand peace and security are promoted as ideals in international forums. Terms like 'Arms control' and 'Arms limitation' are used in place of disarmament since the UN Charter does not prohibit use of conventional arms. Peace talks were always focussed on geopolitical issues rather than on those involved in global arms trade until 2013, when finally an agreement was concluded — the Arms Trade Treaty (ATT). According to UNODA, "irresponsible arms transfers can destabilize an entire region, enable violations of arms embargoes and contribute to human rights abuses. Investment is discouraged, and development disrupted in countries experiencing conflict and high levels of violence. Countries affected by conflict or pervasive crime have the most difficulty attaining internationally agreed development goals". Though the conviction of UNODA is appreciable, even the 'responsible' arms trade is reportedly misused to make way for 'illicit arms trade'. The estimated worth of 'arms trafficking' in 2014 was USD 1.7-3.5 billion, according to May, Channing (Transnational Crime and the Developing World (2017)). Clandestine networks involving producers, brokers, traders and government officials operate under political patronage. The arms manufacturing nations may find it difficult to explain how terrorists, extremists and militias possess latest armaments, landmines, chemical and biological weapons et al.

The Arms Trade Treaty (ATT) 2013, has laid down robust international standards and rules to govern the trade in conventional weapons, and also provides for cooperation and assistance to develop regulatory systems. The scope includes all important armaments such as battle tanks, armed personnel carriers, artillery, fighter jets, attack helicopters, warships, missiles, small arms and light weapons. The treaty aims at reducing armed conflicts and helping to create a conducive environment for UN peacekeeping efforts, and also focuses on fostering a safer environment for humanitarian relief activities in conflict zones. The accord strictly prohibits transfer of weapons that violate UN Security Council's embargoes or are used for acts of genocide, crimes against humanity or war crimes. Signatories are mandated to develop export-import control systems and submit reports to UNODA.

Unfortunately, the response to the treaty has been half-hearted. Though 130 nations signed the treaty, only 89 have ratified it, including the UK, France, and Germany — the biggest exporters of arms. China and Russia, among the world's leaders in weapon exports, Cuba, India, Indonesia, Nicaragua, Myanmar, Saudi Arabia, and Sudan were among the 23 nations that abstained from ratifying the treaty on the ground that it was weak on terrorism and non-state actors. While North Korea, Iran, and Syria voted in opposition, Armenia, the Dominican Republic, Venezuela, and Vietnam did not vote. The US and Israel have signed the agreement but haven't ratified yet. In short, the ATT has ended up as a failure since only 60% member countries submitted reports in 2018 while the rest refused to. Worse still, according to Amnesty International, France, the UK, and Italy, even after ratifying in 2014, continued exports to Egypt, even as the political dispensation out there was engaged in crackdown on dissent killing and torturing thousands of protesters. The UK also concluded a USD 4.7-billion arms deal with Saudi Arabia, in spite of a relentless bombing campaign in the Yemen Civil War since 2015 by the latter.

One of the objectives of ATT is also the implementation of 2030 Agenda for Sustainable Development which, in other words, calls for reduction of emissions. While the arms industry and military sector contribute to around 6% of emissions, the armed conflicts fuelled by arms trade further add to it. A study (sgr.org.uk) revealed that total carbon emissions of the US military, including its military bases around the world from 2001 to 2017, was 59 million tonnes, equivalent to the total emissions of an industrialised country like Sweden. The US getting exemption for its overseas military operations from emission targets in the Kyoto agreement, is not surprising.

There is no denying that military preparedness is necessary for every free nation since self-defence is an inalienable right. Nevertheless, it is equally unjustifiable to stockpile armaments beyond genuine defence needs. And furthermore, it is a sin to transfer them to state or non-state actors for accomplishing geopolitical ambitions. The consequences are global unrest, economic slowdown and humanitarian crises that every country will have to suffer from. The paradox is that billions of dollars are spent to search for life on other planets while comparable spending is done on armaments that destroy life and civilisation on this living planet. It is time for global awakening. Respect for international laws and adherence to UN Conventions need to be reinforced. Renewed efforts are necessary to ensure compliance with the mandates of ATT by all member nations, especially by the arms exporting world powers who are expected to act earnestly rather than hide behind the rhetoric.

<https://www.millenniumpost.in/opinion/defending-the-balance-539430>

10. What Indian security forces are doing to meet the need for more assault rifles (*indiatoday.in*) Nov 06, 2023

With the joint plan with Russia to produce the AK 203 being delayed, the Indian military is extensively upgrading the indigenous INSAS, instead of going in for expensive imports, to fill up the infantry's need for 200,000 assault rifles

The Indian military's decade-old hunt for a robust assault rifle—the primary weapon of the infantry soldier—continues till date.

The long-awaited production of the Russian-origin AK 203 assault rifles here in India has been lagging behind schedule due to Russia's engagement in the 20-month-long war with Ukraine. In addition, the recently acquired US-made assault rifles have also reported several 'glitches' during use in counter-insurgency operations along with the Line of Control in Kashmir and in the Northeast. In February 2019, 72,400 SIG Sauer 716 rifles—66,400 for the Army, 4,000 for the Indian Air Force and 2,000 for the Navy—of 7.62 x 51mm calibre were contracted from the US under the government 'Buy (Global) category' through the fast-track procurement route as a stop-gap arrangement.

India has the distinction of being the largest user of small arms globally, with approximately 20 lakh weapons currently in use. The Indian military uses a variety of assault rifles, like INSAS (Indian Small Arms System), AK-47, SIG Sauer 716, and Tavor. INSAS forms the major chunk of India's small arms inventory, with close to 10 lakh INSAS rifles in use.

The Indian infantry desperately needs over 200,000 primary 7.62 x 51mm assault rifles. Military planners have therefore worked out a plan to upgrade its existing inventory of INSAS rifles, considering its large-scale use, instead of waiting for new weapons. While some paramilitary forces and state police have already started using the upgraded INSAS, the Indian Army, too, is coming out with its proposal to do the same. Instead of phasing out the India-made rifles, defence officials maintain that upgradation of the existing INSAS rifle is an operationally viable and cost-effective solution. Moreover, Indian soldiers are extensively trained to operate INSAS rifles as their primary weapon in both conventional and sub-conventional conflict zones.

Introducing a new weapon requires marshalling resources related to ammunition, magazines, spares, training, vests and gears, especially during the evolving regional threats on the country's eastern and northern borders and the uncertain internal security situation.

Official sources claim that modifications required in the rifle include steady butt stock—its back portion—for ensuring sustained fire under all conditions, minimising recoil, a pistol grip, a handguard, and a sling to provide carriage and combat effectiveness. Besides, attachments for mounting optical sights and lower Picatinny rails—raised ridges that run parallel to the barrel—to support accessories such as grips or bipods will afford stability during combat. Without any further requirement for user training, the lethality of the weapon should also remain intact with minimal changes in its weight, defence officials believe.

“Any new weapon costing approximately INR 75,000 should be capable of addressing current and future battlefield challenges. Thus, an optimally modified INSAS rifle offering state-of-the-art characteristics and contemporary features at 45 per cent of the cost gives the end user a rifle powered by the latest technology and warfighting attributes,” says Samir Dhawan, director of Star Aerospace, which has offered an upgrade of the existing INSAS rifles. Dhawan claims that his company has already providing upgraded INSAS rifles to paramilitary forces and state police and has got its design (modified kits) approved by the Ministry of Home Affairs. Dhawan even claims to have got its design patent in India after the MHA's recommendation and says parts

for the upgrade can be sourced locally with support from the ARDE (Armament Research & Development Establishment) of the DRDO.

India and Russia had, in 2019, inked an inter-governmental agreement under which the joint venture Indo-Russian Rifles Private Limited (IRRPL) was formed. Under the plan, around 671,000 AK-203 rifles (7.62 x 39mm) will be manufactured at the Korwa Ordnance Factory in Amethi. However, the production of AK 203 is affected due to the ongoing Russia-Ukraine war. <https://www.indiatoday.in/india-today-insight/story/what-indian-security-forces-are-doing-to-meet-the-need-for-more-assault-rifles-2458947-2023-11-06>

11. India's request for 26 Rafale Naval Jets from France (*financialexpress.com*) Nov 07, 2023

This request is noteworthy as it follows the successful delivery of 36 Rafale aircraft to India in the previous year.

India has submitted a formal Letter of Request (LoR) to France for the acquisition of 26 Rafale naval configured jets. This request marks the continuation of a strategic partnership between the two nations and signifies India's commitment to strengthening its naval aviation capabilities. The French DGA (Direction générale de l'armement) defense procurement agency is now tasked with facilitating the contract negotiations, thereby advancing this significant defence agreement.

The beginning of this particular deal can be traced back to an announcement made by Indian Prime Minister Narendra Modi during his visit to France in July. The occasion was France's Bastille Day celebrations, where the Indian Prime Minister revealed the intent to procure these advanced naval fighter jets. The formal LoR was submitted a few days ago, officially initiating the negotiation process.

This request is noteworthy as it follows the successful delivery of 36 Rafale aircraft to India in the previous year. The Indian government's decision to select the Navy Rafale as the preferred choice to equip the Indian Navy with a state-of-the-art fighter was a testament to the aircraft's capabilities and the strategic significance of this partnership.

The LoR itself serves as a critical document in this process. It essentially outlines the specific requirements and capabilities that the Indian government seeks in the Rafale Marine aircraft to be acquired. It is important to highlight that this is a government-to-government deal, underlining the commitment and trust between the two nations.

The decision to pursue this agreement has been driven by a comprehensive evaluation process. An international competition initiated by the Indian authorities was followed by a rigorous trial campaign held here in India. During these trials, the Navy Rafale proved its ability to meet the operational requirements of the Indian Navy, demonstrating its suitability for deployment on the country's aircraft carriers.

Rafale Marine for Indian Navy

These 26 Rafale jets are intended to augment India's existing fleet of 36, which has already proven to be highly satisfactory for the Indian Air Force. This strategic choice

positions India as the first country to operate both versions of the aircraft. This move not only bolsters India's air capabilities but also enhances its maritime power projection, reinforcing its sovereignty and strategic position in the region.

Following the announcement in July, Eric Trappier, Chairman and CEO of Dassault Aviation, the manufacturer of Rafale, expressed his gratitude and commitment to meeting the Indian Navy's expectations. He remarked, "As we celebrate the 70th anniversary of our partnership with the Indian Forces, I would like to thank the Indian authorities for this new mark of confidence."

The acquisition of these Rafale aircraft is pivotal for the Indian Navy, especially in the context of its two aircraft carriers, INS Vikrant and INS Vikramaditya. These carriers have been operating MiG-29s and now require the advanced capabilities of the Rafale for their operations. The integration of indigenous missiles, including the Astra air-to-air missile, is among the requests that India will make as part of this agreement with France.

The financial aspect of this deal is substantial, with an estimated value of around Euro 5.5 billion. The clearance for this acquisition was granted by the defence acquisition council just prior to the Indian Prime Minister's visit to France for the Bastille Day parade in July. The proposed arrangement entails the Indian Navy receiving 22 single-seated Rafale Marine aircraft in addition to four trainer aircraft. These assets will significantly enhance the Indian Navy's operational capabilities and readiness.

The urgency of this acquisition is evident in the fast-track mode in which the Indian Navy and government are working to expedite the signing of the acquisition contract. The timely deployment of these highly capable aircraft on Indian carriers is essential to maintain an edge for New Delhi in the Indian Ocean region, where strategic interests and security considerations are of paramount importance. <https://www.financialexpress.com/business/defence-indias-request-for-26-rafale-naval-jets-from-france-3299446/>

12. India must fill data gaps on inequality before policy can address it properly (*livemint.com*) Primit Bhattacharya | 07 Nov 2023

Correcting for under-estimation of wealth in India's official debt and investment surveys, their estimates suggest a marked rise in wealth inequality over the past decade.

Current estimates of inequality do not tell us much about the process of wealth concentration in the country, and how that varies across regions.

For a long time, India was considered to be a country with low levels of income inequality. While inter-caste inequality was recognized, inequality across income classes wasn't seen as a big problem. The lack of income distribution data meant that economists relied on official consumption expenditure data to measure income inequality. When compared with other countries (which had data on income distribution), Indian levels of economic inequality appeared to be fairly benign.

Economists always knew that the Indian metric of inequality was problematic. Since the rich save more than the poor, the distribution of consumption expenditure across households tends to be less unequal than the distribution of income. Yet, these estimates were officially endorsed (by the erstwhile Planning Commission) and widely used.

Over the past two decades, the narrative on inequality has shifted considerably as new data-sets and innovative estimation techniques have forced a re-appraisal of economic inequality in the country. The first blow against the old consensus came from the India Human Development Survey (IHDS). The two IHDS rounds conducted in 2004-05 and 2011-12 provided nationally representative estimates of income distribution. They showed that consumption inequality was in line with the official estimates, and comparable to developing country peers, but income inequality in India was higher than in most parts of the world.

As concerns over economic inequality intensified globally, other attempts at estimating income and wealth inequality followed. Investment bank Credit Suisse began compiling estimates of wealth inequality across the globe after the 2008 global financial crash. Its 2023 report combines data from surveys, financial accounts, regulatory information and rich lists to rank countries based on wealth inequality. As in other years, India stands out as a country with an exceptionally high concentration of wealth.

A recent research paper by economists Ishan Anand and Rishab Kumar arrives at similar conclusions. Correcting for under-estimation of wealth in India's official debt and investment surveys, their estimates suggest a marked rise in wealth inequality over the past decade. Estimates by French economist Thomas Piketty and his colleagues based on survey and tax data suggest that the share of the super-rich in India's income pie has been growing since the 1980s.

Note, all these estimates have their share of problems. Survey data on income and wealth allow better assessment of inequality as compared to consumption surveys. Yet, they too provide underestimates of the true levels of income and wealth. Tax data tends to capture only a small fraction of the income distribution in developing countries. When such countries witness tax reforms that lead to better assessment of top income earners, the resulting improvement in tax collections can be misconstrued as evidence of growing inequality. Rich lists can help correct for the missing information on the super-rich (say the top 0.01%) but are unhelpful when it comes to estimating the true incomes and wealth of the rest of the affluent class (say the top 10% of income-earners).

Given the incomplete and often patchy data on which they are based, the new estimates of inequality are far from perfect. They do not tell us much about the process of wealth concentration in the country, and how that varies across regions.

One recent hypothesis on wealth concentration in India suggests that each urban centre is dominated by a few families. These 'octopi' families have their tentacles wrapped around most avenues of wealth creation, a report from wealth management firm Marcellus suggests. Fifty such families in a million-plus city or 20 families in a small town may end up controlling 80% of the wealth, it claims.

Often, members of such octopi families branch off into different lines of businesses. Gradually, a mini-conglomerate is built. It is then able to use its financial, social and

political capital to consolidate its share of income and wealth flows. The hypothesis is interesting, but there isn't enough data in the report to back it.

Nonetheless, it is in line with most other reports on the subject, which suggest that inequality in India is exceptionally high. Rather than scoff at such reports, policymakers need to study the issue closely. It is important to get a better handle of the magnitude and nature of the problem before we identify possible remedies.

Soon after independence, India's national accounting pioneers made several attempts to compute the distribution of income and wealth. One such study by Moni Mukherjee paired consumption data from surveys with savings data from the Reserve Bank of India (RBI) to estimate decile-wise income shares. Such efforts need to be revived.

Officials from the ministry of statistics and programme implementation, RBI and the income tax department need to work together to create a new database on income and wealth distribution. Compared to individual researchers, official agencies are likely to require fewer assumptions to arrive at detailed estimates of income and wealth distribution across the country.

Economic inequality will likely remain a key challenge for India in the years to come. A well-prepared official database will help us have a reasoned debate, and arrive at a broad consensus to tackle this issue. <https://www.livemint.com/opinion/online-views/india-must-fill-data-gaps-on-inequality-before-policy-can-address-it-properly-11699280872181.html>

13. India sees big reduction in poverty, but inequality on the rise: UNDP (*fortuneindia.com*) Nov 7, 2023

Poverty remains "persistently" concentrated in states that are home to 45% of India's population but contain 62% of its poor

India has emerged among the top countries with high income and wealth inequality, though there is growing evidence of a "strong rise in wealth inequality", mainly in the post-2000 period, the United Nations Development Programme (UNDP) said in a new report.

The UNDP's 2024 Asia-Pacific Human Development titled 'Making our Future: New Directions for Human Development in Asia and the Pacific', says over recent decades, India has improved living standards, and significantly reduced poverty, but it is seeing an increase in inequality.

The income generation has steadily increased since 2000, while at the same time, there has been a major fall in poverty rates. Between 2000 and 2022, per capita income soared from \$442 to \$2,389. And between 2004 and 2019, poverty rates, based on the international poverty measure of \$2.15 per day, plummeted from 40 to 10%. Moreover, between 2015-16 and 2019-21, the share of the population living in "multidimensional poverty" fell from 25 to 15%, the UN report says.

Despite these successes, most of the population that's poor remains concentrated in states. "Poverty remains "persistently" concentrated in states that are home to 45% of the country's population but contain 62% of its poor," shows the UN data.

Also, many people are very vulnerable to economic conditions, and they just hover above the poverty line. The groups that are at the greater risk of falling back into poverty include "women, informal workers, and inter-state migrants". Women are only 23% of the labour force in India, says the UN data.

The situation of rapid growth and persistent disparity has caused the income distribution to become more skewed. "The top 10% of the population get 57% of national income and the top 1% get 22% – one of the most unequal income distributions. There are similar gaps in wealth: the top 10% of the population controls 65% of the nation's total wealth."

As per the latest estimates of 2021, in Asia and the Pacific, 495 million people lived in "multidimensional poverty" -- far more than those who were income-poor, with the region accounting for almost half the global total. Of these, the majority were in South Asia – 389 million.

The UNDP report argues the Asia-Pacific region still has a long way to go to meet its human development goals. "Many countries have high levels of human insecurity which, taken together with unmet aspirations, create a volatile mix, intensifying the need for change."

The Asia-Pacific region is "not on track" for achieving any of the sustainable development goals (SDGs) and human insecurity is high in many countries, the report says, adding that it's facing clusters of threats like climate change and pandemics, shifts in globalisation's dynamics, among others. The region's future hinges on harmonising economic betterment, with holistic development, says the report. <https://www.fortuneindia.com/macro/india-sees-major-cuts-in-poverty-but-inequality-on-the-rise-undp/114700>

14. It's time to end the anonymous funding of all Indian elections (*asianage.com*) Nov 7, 2023

The Supreme Court has finished hearing arguments on electoral bonds and will hopefully deliver a judgment soon. I say hopefully because it has now been six years since the scheme was introduced in the 2017 Budget.

Many readers will not know the background to the bonds and what they are. In brief, it allows unlimited, anonymous donations to any registered political party. The scheme also allows anyone, including foreign governments, criminal gangs and of course corporate interests, the ability to influence political parties because parties could accept money without revealing who gave it.

The process to fund a party anonymously was made easy. Bonds would be available in denominations of up to Rs 1 crore at State Bank of India branches in 29 cities. A donor

could purchase them through their bank account and hand them over to the party or individual of their choice, who could encash them. They would be valid for 15 days.

The manner in which the scheme was introduced should alert us to the fact that something was off from the start. Four days before Budget 2017, a bureaucrat spotted the scheme in then finance minister Arun Jaitley's speech, and noted that the RBI's assent was required. This was because the introduction of bonds required changes to the RBI Act, something that the government apparently did not know.

The officer drafted a proposed amendment to align the law with the change and sent the file up the ranks for the finance minister to see. The same day, January 28, 2017, a Saturday, the RBI was sent a five-line email seeking its comments. The reply came on Monday, January 30. The RBI said it was a bad idea as it went against the RBI's authority as the sole issuer of bearer instruments, meaning cash. These bonds, as they were anonymous, could become currency and undermine the faith in India's cash.

On this point, the RBI was unambiguous: amending the law to facilitate this “would seriously undermine a core principle of central banking legislation and doing so would set a bad precedent”.

The second objection the RBI had was that “even the intended purpose of the transparency might not be achievable as the original buyer of the instrument (bond) need not be the actual contributor to the party”. If person A purchased the bond and then sold it, at face value or more, to any entity, including a foreign government, that entity could gift it to a party. The nameless bond was as good as cash. “The bonds are bearer bonds and transferable by delivery”, the RBI said, “hence, who finally and actually contributes the bond to the political party will not be known”.

The last point it made was that what was proposed through the electoral bond scheme — transfer of money from bank accounts of entities to political parties — could be done through a cheque, bank transfer or demand draft.

“There is no special need for, or advantage by, the creation of an Electoral Bearer Bond, that too by disturbing an established international practice.” The man charged with steering the thing through was Hasmukh Adhia, an IAS officer from Gujarat with a Ph.D. in yoga. (He had earlier chaperoned the GST Bill, and after he retired, was made chairman of the Bank of Baroda and chancellor of the Central University of Gujarat). He dismissed the RBI's objections on two grounds.

First, he said: “It appears the RBI has not understood the proposed mechanism of having pre-paid instruments for the purpose of keeping the identity of the donor secret, while ensuring the donation is made only out of fully tax-paid money of a person.” By this he meant because the original purchaser had to acquire the bonds through their official account, it made the donation clean. This was not a response to the RBI's specific objections. Adhia said the 15-day time limit for redemption would mitigate against the RBI's other fears, without explaining how.

Second, he said: “Also this advice has come quite late at a time when the Finance Bill is already printed.” It had actually come within hours of being sent for. It was hardly the RBI's fault that the advice had not been sought earlier. This was deceit, but Adhia

concluded: “We may, therefore, go ahead with our proposal”. His colleague, economic affairs secretary Tapan Ray, concurred with Adhia the same day, and on Wednesday, February 1, Jaitley announced the scheme which became law with the passage of the Union Budget.

Asked by journalist Nitin Sethi of Huffington Post (which carried a six-part investigation into electoral bonds, based on documents procured by RTI activist Commodore Lokesh Batra) why the government had ignored the RBI’s objections, the finance ministry said it had taken the decision “in good faith and in the larger public interest”.

When the law was passed, the details were not made public. This came in June 2017, when Tapan Ray revealed how the bonds would work in practice: “The information regarding purchaser and payee shall be kept secret by the issuer bank. These details would be beyond the purview of RTI.” (Ray was made chairman of the Central Bank of India after he retired in 2018, and in 2019 was also made CEO and managing director of Gujarat International Finance Tec City.)

The next body to say the electoral bonds scheme was dangerous was the Election Commission. In an affidavit to the Supreme Court, it said that to exclude the reporting of donations received by political parties through electoral bonds would have “serious repercussions on the transparency aspect of political funding of political parties”.

Despite this, for six years, India’s politics has been funded anonymously. It is time to end this. <https://www.asianage.com/opinion/columnists/061123/aakar-patel-its-time-to-end-the-anonymous-funding-of-all-indian-elections.html>

15. How the personal data of 815 million Indians got breached (*thehindu.com*) Nov 07, 2023

On October 15, Resecurity, an American cyber security company, said that personally identifiable information of 815 million Indian citizens, including Aadhaar numbers and passport details, were being sold on the dark web. Threat actors were willing to sell the data for \$80,000, the company said in a blog post. It further said that the data on sale was found to be valid. The threat actors selling the data claimed it was sourced from the Indian Council of Medical Research (ICMR), which has been subjected to numerous cyber-attack attempts with 6,000 incidents being reported last year alone.

What is the nature of the Personally Identifiable Information?

Personally Identifiable Information or PII is information that when used alone or with other relevant data, can identify an individual. PII may be direct identifiers like passport information or quasi-identifiers that can be combined with other information to successfully recognise an individual. The data being sold on the dark web included one’s Aadhaar number, a unique 12-digit individual identification number issued by the Unique Identification Authority of India (UIDAI) on behalf of the Indian government. This data was being sold by a threat actor going by the name pwn0001.

However, another threat actor by the name of “Lucius” also claimed to have access to a more extensive array of PII data which included voter IDs and driving licence records.

How did such actors gain access to sensitive data?

Threat actors selling stolen data on the dark web declined to specify how they obtained the data without which any effort to identify the source of the data leak would be speculative. Lucius, the second threat actor found selling data online claimed to have access to a 1.8 terabyte data leak impacting an unnamed “India internal law enforcement agency”. However, the claim is yet to be authenticated.

India’s junior IT minister Rajeev Chandrasekhar shared that the country’s Computer Emergency Response Team is investigating reports of the data leak, and that the government is still working on moving massive amounts of data, including legacy data collected over the past decades, to a safe storage. However, he did not confirm or comment on the size of the alleged leak.

Data samples observed by researchers contain multiple references to UIDAI and Aadhaar cards, as well as voter ID cards. It is also possible that threat actors successfully breached a third-party aggregating these details.

How secure is our PII data?

While the government of India has often denied allegations of biometric data leak from Aadhaar in the past, Mr. Chandrasekhar said the government ecosystem will take time to transition to a bullet proof set-up, one which manages data and keeps it in a safe and responsible manner. He further said that Aadhaar data leaks were also reported in 2018, 2019, and 2022, with three instances of large-scale leaks being reported, including one in which farmer’s data stored on the PM Kisan website was made available on the dark web.

Earlier this year, reports emerged that a bot on the messaging platform Telegram was returning personal data of Indian citizens who registered with the COVID-19 vaccine intelligence network (CoWIN) portal.

At the time, the Health Ministry denied reports of a data breach and said that allegations were “mischievous in nature and that CERT-In was reviewing the existing security infrastructure of the portal.”

However, UIDAI on its website says all Aadhaar holders’ data is safe and secure in the Central Identities Data Repository (CIDR) of UIDAI and that they have never been breached in all its years of existence. It further adds that UIDAI uses advanced security technologies to keep data safe and keeps upgrading them to meet emerging security threats and challenges.

What are the threats arising from the leaked information?

India being one of the fastest growing economies of the world, ranked fourth globally in all malware detection in the first half of 2023, according to a survey from Resecurity. A separate vendor survey of 200 Indian IT decision makers published in September produced similar findings where 45% of Indian businesses said they experienced more than a 50% rise in disruptive cyberattacks last year. The report also found that 67% of Indian government and essential services organisations experienced over a 50% increase in disruptive cyberattacks.

The unrest in West Asia and increase in attacks by threat actors capitalising on the chaos exposed personally identifiable data significantly, increasing the risk of digital identity theft. Threat actors leverage stolen identity information to commit online-banking theft, tax frauds, and other cyber-enabled financial crimes.

A significant spike in incidents involving Aadhaar IDs and their leakage on underground cybercriminal forums by threat actors are looking to harm Indian national and residents, Resecurity said in a blog post.

What can users do to safeguard their personal information?

Users should try to ascertain if their information was leaked in the data leak. Users should also be alert and approach emails for unknown sources with caution as stolen information may be used to target users in phishing campaigns.

It is also advised to change existing user IDs and passwords to ensure that stolen data cannot be used for launching brute force attacks.

Users should also implement two-factor authentication for all their accounts and inform the concerned authorities in case they notice any suspicious activity in their online accounts. <https://www.thehindu.com/sci-tech/technology/how-the-personal-data-of-815-million-indians-got-breached-explained/article67505760.ece>

16. All's not well with groundwater plan (*timesofindia.indiatimes.com*) Nov 07, 2023

Ahmedabad: The Ahmedabad Municipal Corporation (AMC) had set itself a target of 2026 for stopping use of groundwater and moving completely to the Narmada water supply. There is also pressure from the Central Ground Water Board (CGWB) to curtail the city's dependence on wells due to environmental concerns. However, tenders worth Rs 8.5 crore approved by the AMC for new borewells in the last six months belie these claims.

One reason for sinking borewells is that with the population in the city's enlarged limits reaching 72 lakh, the AMC needs to supply 1,725 million litres per day (MLD) of treated drinking water, up from 1,500 MLD currently.

"We use groundwater only in emergencies, but plan to end this dependence by 2026," a senior AMC official said. The AMC will commission 24 new pumping stations, for which an additional supply of 125 MLD will be required. We have sought an additional quota of 125 MLD from the water resources department," said a senior AMC official.

The AMC has been criticized for its decision to draw 110 MLD from borewells even though it has the capacity to treat and deliver 1,725 MLD of water. The AMC defended its decision saying it will only make borewells operational in areas where there are pressure problems and will close them once the issues are resolved.

The AMC also said it will seal 598 borewells by 2026. In July, AMC approved 21 more borewells at a cost of Rs 6.49 crore and in October it approved a contract to dig borewells at a cost of Rs 2 crore for its parks.

The CGWB issued notices to the AMC in February for not getting no objection certificates (NOCs) for its borewells. It was ordered to apply for the board's approval of all its 598 borewells. The AMC said it is trying to obtain these NOCs, but it is unclear when this will be completed. The CGWB and the Institute of Seismic Research also warned that over-exploitation of groundwater can cause a fall in the water table, land subsidence and salinity ingress.

<https://timesofindia.indiatimes.com/city/ahmedabad/alls-not-well-with-groundwater-plan/articleshow/105026035.cms>