

{GS2 – MoPPP – Schemes} Old Pension Scheme

- ❖ **Context (IE):** According to an RBI study, return to **Old Pension Scheme** by few states may **adversely impact** their finances.
- The old pension scheme (OPS) and the new pension scheme (NPS) are both **retirement savings** plans.

Features of OPS and NPS

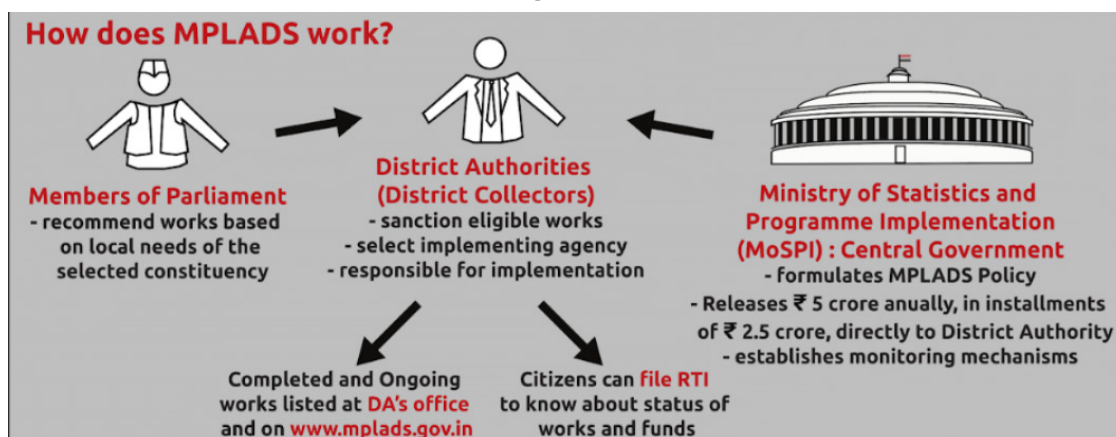
Features	Old Pension Scheme	New Pension Scheme
Introduction	It was introduced in the 1950s.	It was introduced in 2004 .
Eligibility	Only government employees who have completed at least ten years of service are eligible.	It was started for government employees, but in 2009, Gov extended the scope to all citizens between 18-60 years (including NRIs).
Contributions	This scheme does not require any employee contributions.	Employees contribute 10% of their base pay, while their employers can contribute up to 14%.
Return	Government employees are entitled to receive 50% of their last drawn basic salary plus a dearness allowance upon retirement.	60% lump sum after retirement and 40% invested in annuities .
Tax Benefits	Income is not subject to taxation .	60% of the corpus on maturity is tax-free , while the remaining 40% is taxable when invested in annuities.
Flexibility	It does not have much flexibility as it provides a fixed monthly income .	The subscribers can choose their asset allocation, allowing them to generate higher returns and build a larger retirement corpus.
Return Certainty	It provides return certainty , as it is based on the last wage received by the employee.	It offers market-linked returns . Subscribers can benefit from market-linked returns without any guarantee of returns .

Disadvantages of the OPS

- It places a **massive pension burden** on the Central and State governments, which could be as high as **4.5 times that of NPS** and an additional **0.9% of GDP** annually by 2060.
- There is **no established fund** specifically designated for pensions, which could grow continuously and increase the government's liability for pension payments.
- It is **unsustainable** since the pension liabilities would keep increasing every year.

{GS2 – MoSPI – Schemes} MPLADS

- ❖ **Context (PIB):** The details of sanctioned work under the Members of Parliament Local Area Development Scheme (MPLADS) were put forth by MoSPI.
- MPLADS is a **Central Sector Scheme** formulated by the Gol in **1993-94**.
- **MPLADS** enables the members of parliament (MPs) to **recommend developmental work** in their constituencies, emphasising creating **durable community assets** based on **locally felt needs** such as drinking water, education, public health, sanitation, roads etc.
- The **Ministry of Statistics and Programme Implementation (MoSPI)** is responsible for the **policy formulation, release of funds** and **monitoring** for the implementation of the Scheme.



Features

- ❖ The Annual MPLADS fund is **Rs. 5 crore per MP constituency**.
 - ❖ MPLADS funds are **non-lapsable**, either at the end of the Union Government or the District Authority.
- ⇒ The **Ministry of Finance** has revised the MPLADS rules to require MPs to **deposit the interest accrued** on these funds to the **Consolidated Fund of India**. This means that **MPs will no longer be able to use this interest** for development works.
- ❖ MPs must recommend works yearly for **SCs (15%)** and **STs (7.5%)** areas out of the total amount.
 - ❖ **Lok Sabha Members** can recommend works **within their Constituencies**.
 - ❖ **Elected Members of the Rajya Sabha** can recommend works **within the State of Election**.
 - ❖ **Nominated MPs of both** the Rajya Sabha & Lok Sabha can recommend works **anywhere in India**.
 - ❖ Expenditure on specified items of **non-durable nature is also permitted**, as listed in the guidelines.

Issues with MPLADS

Issue	Description
Lack of transparency and accountability	<ul style="list-style-type: none"> ➤ MPs are not required to submit detailed reports on the utilization of funds. ➤ There is no independent oversight body to monitor the scheme.

Ineffective targeting of funds	➤ MPs are free to recommend any work in their constituencies, regardless of whether it is needed or beneficial to the local population. It led to the neglect of some areas , while others received disproportionate funding.
Lack of participation by local communities	➤ The MPLADS scheme does not adequately involve local communities in the planning and implementing of development projects. ➤ This results in resentment and distrust among some communities, who feel they have no say in how their resources are used.
Inadequate monitoring and evaluation	➤ There is no systematic mechanism to track projects' progress or assess their impact.
Lack of statutory backing	➤ The MPLADS scheme is not backed by any legislation . This has made it difficult to enforce the rules and regulations governing the scheme.

{GS2 – Polity – IC – Bodies – Constitutional} Bill for Appointment of CEC, ECs

- ❖ **Context (TH):** Rajya Sabha successfully passed the "**Chief Election Commissioner and Other Election Commissioners (Appointment, Conditions of Service and Term of Office) Bill.**"
- ❖ This legislation will provide the framework for appointing the Chief Election Commissioner (CEC) and Election Commissioners (ECs).
- ❖ The Bill **replaces** the Election Commission (Conditions of Service of Election Commissioners and Transaction of Business) Act, 1991.

Why a Law Now?

- Since **no parliamentary law was enacted** as prescribed by **Article 324 of the Constitution**, the Supreme Court (SC) stepped in to address the "**constitutional vacuum.**"
- The SC in March 2023 ruled that CEC and ECs will be **appointed by the President of India** on the advice of a Committee (until Parliament enacts a law) consisting of the
 1. **Prime Minister, and**
 2. **Leader of Opposition in the Lok Sabha,**
 3. **The Chief Justice of India**

Election Commission of India

- It is an **autonomous constitutional authority** responsible for **conducting elections** in India under **Article 324.**
- The Election Commission comprises:
 1. A **Chief Election Commissioner (CEC)** and
 2. **Two Election Commissioners (ECs).**

Appointment of CEC and ECS

- **No specific legislative process is defined** in the Constitution to appoint the CEC and ECs.

- The **President** shall appoint the CEC and other ECs (on the **recommendation of the Union Cabinet**).

Issue with the present method of appointment

- **Undermines the autonomy** of the office of the election commission.
- Likelihood of **bias** in the appointments.
- Possibility of **biased conduct by CEC** and ECs in the future.
- Scope for **personal whimsy** in appointments of EC.
- The SC has questioned the practice of appointing CECs close to the age of **65** (they have only a **brief tenure**).

Key Features of the Recent Bill

Election Commission

- The EC will consist of a **Chief Election Commissioner (CEC)** and **other** Election Commissioners (ECs).
- The **President** will **periodically fix the number of ECs**.

Appointment of the Commission

- The **President** will appoint the Commission **upon the recommendation** of the **Selection Committee**.
- The **Selection Committee** will comprise:
 1. The **Prime Minister** as **Chairperson**,
 2. The **Leader of the Opposition** in Lok Sabha as member
 - ❖ If the Leader of the Opposition in Lok Sabha has not been recognised, the **leader of the single largest opposition party** in Lok Sabha will assume the role.
 3. A **Union Cabinet Minister nominated by the Prime Minister** as a member.

Search Committee

- A **Search Committee headed by the Cabinet Secretary** will suggest **five names** to the **Selection Committee**.
- The Selection Committee **may also consider any person** even though they are not on the list presented by the Search Committee.

Eligibility criteria

- The CEC and ECs must:
 - ❖ Be persons of integrity,
 - ❖ Have knowledge and experience in the **management and conduct of elections**,
 - ❖ Be or have been **Secretary (or equivalent)** to the government.

Term and reappointment

- Members of the EC will hold **office for six years** or until they attain the age of **65 years**, whichever is earlier.

- Members of the Commission **cannot be re-appointed**.
- If an EC is appointed as a CEC, the **overall period** of the term **may not be more than six years**.

Unanimity and Majority Decision

- The Bill maintains that the business of the Election Commission should be **transacted unanimously** whenever possible.
- In case of a difference of opinion, the **majority's view** will prevail.

Salary and pension

- The **salary, allowances, and other conditions of service** of the CEC and ECs will **be equivalent to that of the Cabinet Secretary (at present, it is on par with the judge of an SC)**.
- They will have the option to draw pension and other retirement benefits from the service that they belonged to previously.

Removal

- The Bill **retains the manner of removal of CEC and ECs** as specified in the Constitution.
- The CEC may be removed similarly and on the same grounds as a **Supreme Court Judge**.
- **ECs** may be removed **only** upon the **recommendation of the CEC**.

Key Issues with the Bill

- **Alignment with Framers' Intentions:** The new composition of the Selection Committee **does not align with the framers' objective** of creating an **impartial and independent body** responsible for elections.

Impact on Electoral Governance

- The selection process of the EC may be **dominated by the government**, which can compromise its **independence**.
- Making the **CEC and EC's salary equivalent to the Cabinet Secretary** may lead to **government influence as it is fixed by the government**.

Balance of Power

- Accepting the Selection Committee's recommendations may effectively lead to a **monopoly of government** members in selecting candidates.
- CECs and ECs also perform **quasi-judicial functions (e.g. enforcing the Model Code of Conduct)**. Limiting these posts to **senior bureaucrats** may exclude other suitable candidates.

{GS2 – Polity – IC – Federalism} Asymmetric Federalism

- ❖ **Context (TH):** Special status demand from Bihar and the recent SC verdict on [Art 370](#) have again highlighted the nature of **asymmetric federalism** existing in India.

- **“Asymmetric federalism”** is based on **unequal powers and relationships** in **political, administrative, and fiscal** arrangements **between the units** constituting a **federation**.
- Asymmetry in the arrangements can be viewed in both **vertical (between centre and states)** and **horizontal (among the states)** senses.
- It need not necessarily be the outcome of constitutional arrangements but can also result from conventions in a federation.

Asymmetric Features of Indian Federalism

- Asymmetric features of Indian federalism can be understood under the following heads:

1. **Vertical asymmetry**
2. **Horizontal asymmetry**
3. **Fiscal/Financial asymmetry**

1) Vertical Asymmetry (Between Centre and States)

- **Article 3 of the IC:** The Centre can **unilaterally alter the state names and boundaries**.
- **Article 352 & 356:** Provisions related to imposition of **National Emergency and President’s rule**.
- **Article 248: Residuary powers** of legislation rests with the **parliament**.
- **More power vests with the Centre:**
 - ❖ IC guarantees more powers with the **Union List**.
 - ❖ On the **Concurrent List subjects**, the parliament can make laws that **can override** the laws made by state legislatures.
 - ❖ Parliament **can also** make laws regarding **certain subjects in the State List**.
- **Emergency powers:** The centre is provided with **emergency powers**. When an emergency is imposed, the centre has **increased control** over states.
- **Integrated judiciary:** The judiciary in India is integrated. There is **no separate judiciary** at the centre and the state levels.
- **Single citizenship:** In India, only single citizenship is available to citizens. They cannot be citizens of the state as well.
- **Governor’s appointment:** The governor of a state acts as the **centre’s representative** in the state.
- **All India Services:** Through the **All India Services**, such as the IAS, IPS, etc., the **centre interferes** with the executive powers of the states.
- **Integrated election machinery:** The Election Commission of India is responsible for conducting **free and fair elections** at both the center and the state levels in India.
- **Veto over state bills:** The governor of a state can **reserve** certain kinds of bills for the president’s consideration.
- **Integrated audit machinery:** The country's **president appoints the CAG**, who audits accounts of both the centre and the states.

2) Horizontal Asymmetry (Between States/UTs)

- **Classification of states:** In 1950, IC contained a **four-fold classification** of the states of the Indian Union — Part A, Part B, Part C, and Part D States.

- ⇒ *Part-A states comprised nine erstwhile **governor's provinces** of British India.*
- ⇒ *Part-B states consisted of nine erstwhile **princely states** with legislatures.*
- ⇒ *Part-C states consisted of the erstwhile **chief commissioner's province** of British India and some of the **erstwhile princely states**.*
- ⇒ *Part-D state comprised of the **Andaman and Nicobar Islands** only.*

- **Unequal representation of states in the Rajya Sabha:** The representation of the states in the upper house is based on the **states' populations**.
 - ❖ For example, Uttar Pradesh has 31 seats, and Goa has 1 in the Rajya Sabha.

- ⇒ *In an ideal federal system, all the states should have equal representation.*

- **Part VIII of IC:** Part VIII of the Indian Constitution has provisions related to the **Union territories (UTs)** whose federal arrangements are different from states.
- **Art 371A-371J of IC:** Special position, powers, and protection enjoyed by **north-eastern states**.
- **Schedule 5:** The Fifth Schedule of IC deals with the **administration and control of Scheduled Areas** and **Scheduled Tribes** residing in any State other than Assam, Meghalaya, Tripura, and Mizoram.
- **Schedule 6:** The Sixth Schedule of IC provides for the **administration of tribal areas** in Assam, Meghalaya, Tripura, and Mizoram. These create **autonomous districts and autonomous regions**.

Asymmetry within UTs

- **Puducherry** and **Delhi** have legislatures, while the other UTs do not have legislatures or a ministerial council.
- Puducherry has legislative powers on **any matter** mentioned in the State List or the Concurrent List. Delhi has **three further exceptions: police, land, and public order** are under GOI.
- Puducherry is 'non-contiguous' despite being a single administrative unit.

- ⇒ *Puducherry's territory is not limited to one extent of land.*
- ⇒ *Besides Puducherry and its adjoining areas, it has enclaves located within other States: **Karaikal** (within Tamil Nadu), **Yanam** (within Andhra Pradesh) and **Mahe** (within Kerala).*

Art 371 of IC

- The governor of Maharashtra can establish separate development boards for Vidarbha & Marathwada.
- The governor of Gujarat has a similar responsibility towards Saurashtra, Kutch, and the rest of Gujarat.

Article 370 (Now amended)

- J&K was allowed to have its **own Constitution** and its definition of '**permanent residents**'.
- It had the right to **bar outsiders from holding property**.

- Indian laws **had to be specifically permitted** by its Assembly before India could operate there.
- J&K was allowed to have its **own Penal and Criminal Procedure Codes**.

3. Fiscal Asymmetry

- **Vertical asymmetry:** As per the recommendations of the **15th Finance Commission**, the share of states in the central taxes for the 2021-26 period is recommended to be **41%**.
- **Devolution among states (Horizontal asymmetry):** Criteria like income distance, demographic performance, forest and ecology, etc., are used for **devolution** among the states.
- **Centrally sponsored schemes (CSS):** For **special category status states**, the Centre pays **90% of the funds required in a CSS** as against **60%** in the case of normal category states.

Need for Asymmetric Federalism

- ✓ **Plurality of Indian society:** Asymmetrical federalism is necessary for a multicultural and diverse country such as India.
- ✓ **Accommodation and integration:** Asymmetrical federalism allows for **self-rule within the framework of shared rule**, and it follows the principle of **weighted and differentiated equality**.
- ✓ **Protection of minorities:** By giving more power and autonomy to regions where certain minority groups are concentrated, asymmetrical federalism ensures that these groups are **not marginalised**.
- ✓ **State-specific issues:** Asymmetrical federalism ensures that the state-specific issues are given the attention and resources they need.
- ✓ **Strengthening federalism:** Strengthens federalism by **ensuring decentralisation** of power and decision-making as per requirements of the federal units.
- ✓ India's founding fathers recognized the need for a **salad bowl approach** to governance, which **recognizes the distinctive cultural differences** in the country and permits **self-rule within the scheme of a shared rule**.

Salad Bowl & Melting Pot Approach

- ⇒ A **salad bowl or tossed salad** is a metaphor for the way a multicultural society **can integrate different cultures** while **maintaining their separate identities**, contrasting with a **melting pot**, which **emphasises the combination of the parts into a single whole**.
- ⇒ The melting pot theory holds that, like metals melted together at great heat, the melting together of several cultures will produce a **new compound** with **great strength and other combined advantages**.

Federalism Vs Unitary Form of Government

- A **unitary system** is governed constitutionally as **one single unit** with one constitutionally created legislature.
- In the **federal constitution**, there is a **division of powers** between the federal and the state governments.

FEDERAL vs. UNITARY



Federal

- Dual Government (Central + Regional)
- Written Constitution
- Division of Powers between Central & State Governments.
- Supremacy of the Constitution
- Rigid Constitution
- Independent Judiciary
- Bicameral Legislature



Unitary

- Single Government - Central only (Regional Gov. may be formed by Central)
- Written (France) or Unwritten (Britain) Constitution
- No Division of Powers
- Supremacy of the Constitution not guaranteed (like Britain)
- Flexible (Britain) or Rigid (France) Constitution
- Judiciary may or may not be Independent
- Bicameral (Britain) or Unicameral (China) Legislature



Why is India called “Quasi Federal”?

- **Quasi-federal** refers to a system of government where the **distribution of powers** between the Center and the state is **not equal**.
- India is a federation with a **unitary bias** and is referred to as a quasi-federal state because of **strong central machinery**.

Types of Federation

Coming together federation

- It is a federation in which all the independent states come together to form a large federation unit with **equal power distribution**.
- All the states are **under the central government** and follow its regulations.
- Independent states unite to increase security, consolidate their sovereignty and retain their identity.
- Examples of the coming together are the **USA, Switzerland** and **Australia**.

Holding together federation

- It is a federation where the country's powers are divided between the **central government** and **constituent states**.
- The central government has **greater authority** than the states.
- It has the right to ensure the sovereignty of the country.
- Examples of holding together federations are **India, Spain, Belgium**, etc.

- ❖ **Context (TH):** Bihar CM Nitish Kumar-led Cabinet passed a resolution seeking the grant of **Special category status (SCS)** to Bihar.
- The demand followed the “**Bihar Caste-based Survey, 2022**”.
- In the recent past **Odisha, Rajasthan, Andhra Pradesh, and Goa** also have been demanding SCS.

Why does Bihar want SCS?

- ❖ **Economic Backwardness:** About **one-third of the population** lives in poverty and has a **low per-capita GDP** of around ₹54,000.
- ❖ **Impact of Bifurcation:** Bihar’s bifurcation (Bihar-Jharkhand) led to an **industrial decline**, resulting in **fewer employment opportunities**.
- ❖ **Natural Challenges:** The state faces **regular floods in the north and droughts in the south**, impacting agriculture and livelihoods.
- ❖ **Need for Welfare Funding:** To secure approximately ₹2.5 lakh crore for various **welfare measures** over five years.
- ❖ **Lack of Resources:** Bihar argues its **lack of natural resources** and **non-continuous water supply** for irrigation contributes to its underdevelopment.

What is Special Category Status?

- It is a classification given by the **Centre** to **assist in the development** of those states that face **geographical and socio-economic disadvantages**.
- IC **does not make** a provision for SCS.

⇒ **State-level details of the criteria used by the 14th FC:**

1. **Population** is an indicator of the expenditure needs of a state.
2. **Area** is used as a criterion as a state with a larger area has to incur additional administrative costs to deliver services.
3. **Income distance** is the difference between the per capita income of a state with the average per capita income of all states.
4. **Forest** cover indicates that states with large forest covers bear the cost of not having an area available for other economic activities.

Historical background

- SCS classification was done on the recommendations of the **5th FC in 1969**.
- It was initially granted to only three states: **Jammu and Kashmir, Nagaland, and Assam**.
- **Eleven States** including **Assam, Nagaland, HP, Manipur, Meghalaya, Sikkim, Tripura, Arunachal Pradesh, Mizoram, Uttarakhand, and Telangana** have been accorded the special category state status.
 - Telangana, the newest State of India, was accorded the status as it was carved out of another state Andhra Pradesh.

- SCS was granted in the past by the **National Development Council (NDC)** of the erstwhile Planning Commission.
- The **D R Gadgil** committee gave a formula that was evolved in 1969.

Gadgil formula/Parameter for grant of SCS

- The parameters were:
 1. **Hilly Terrain;**
 2. **Low Population Density and/or Sizeable Share of Tribal Population;**
 3. **Strategic Location along Borders With Neighbouring Countries;**
 4. **Economic and Infrastructure Backwardness; and**
 5. **Non-viable Nature of State finances.**

Present Status of SCS

- The **14th FC has done away with the 'SCS'** for states, **except** for the **Northeastern & three hill states**.
- Since then, **no special category status has been granted to any State**.
- The 14th FC suggested filling the resource gap of such states through **tax devolution** by **increasing it to 42% from 32%**.

Significance of SCS

- ✓ The **Centre pays 90%** of the funds required in a **Centrally Sponsored Schemes** to **SCS states** as against **60% or 75%** in the case of other state.
- ✓ Unspent money **does not lapse** and is carried forward.
- ✓ **Significant concessions** are provided to these states in **excise and customs duties, income tax and corporate tax**.
- ✓ **Preferential treatment** in getting central funds.
- ✓ **30 percent** of the **Centre's gross budget** also goes to special category states.
- ✓ These states **can avail the benefit of debt-swapping and debt relief schemes**.

Concerns Related to SCS

- **Dependence on Central Funding**: The SCS created a **dependence** on central transfers that the States are unable to shrug off.
- **An Inadequate Solution**: While the central funds have sustained the State finances, a solution based largely on the transfer of central funds is inadequate.
- **Discretionary Finances**: The granting of SCS and liberal central assistance is at the **Centre's discretion rather than based on any strict principle/ criterion**.
- **Political Influence**: The allocation by the Planning Commission was **influenced by political rather than economic considerations**.

- **Cut in Allocation:** The difference between funds allotted to SCS and other States has been **sizably reduced** and the status has remained more of a **symbol of political mileage**.
- **Misuse of Funds:** The generous central assistance, often **without a proper accountability mechanism**, led to the **misuse and diversion** of these easy funds and fed and fuelled corruption.
- **No Concrete Improvement:** The States having SCS **do not show any perceptible improvements** in terms of industrialization, for which they received tax incentives such as capital investment subsidy, excise duty and income tax exemptions, and transportation cost subsidies.
- **Intensification of Demand:** Granting SCS to more States would lead to **intensification of similar demands** from States such as Odisha, Bihar, etc.

Difference between SCS and Special Status

- IC provides **special status through an Act** that has to be **passed by a 2/3rds majority in both houses of Parliament** whereas the **special category status** is **granted by the NDC**.
 - ❖ Jammu and Kashmir enjoyed a special status as per Article 370 and also a SCS. But now that Article 35A has been scrapped and it has become a union territory with the legislature and hence **special category status doesn't apply to J&K anymore**.
- **Special status empowers legislative and political rights** while **SCS deals only with economic, administrative, and financial aspects**.

{GS2 – Polity – Welfare – Issues} Freebies

- ❖ **Context (TH):** The panel headed by **NITI Aayog** suggested restrictions on **freebies**.
- Though **freebies** have no precise legal definition, they are **provided free of charge**.
- The **DPSP**, enshrined in Part IV (Article 36-51) **of the IC**, reflect that India is a welfare state.
- Article 38 of IC says that the state shall:
 - ❖ **Ensure the welfare** of the people.
 - ❖ **Minimize** the **inequalities** in income.
 - ❖ **Eliminate inequalities** in status, facilities, and opportunities among **individuals** and **groups**.

Arguments in favour of freebies

- ✓ **Shock absorber for the poor:** In a **stratified society** with stark income inequalities, social welfare measures act as a **shock absorber** for the poor.
- ✓ **Lifesaver during a disaster:** What is considered "freebies" in regular times can be lifesavers during a disaster — for instance, free food during a pandemic.
- ✓ **Growth and equity (redistribution of wealth):** Spending on **capital infrastructure** will create jobs, mainly for the **privileged**. Freebies mostly go to the **underprivileged** who don't have access to jobs.
- ✓ Free food improves the nutritional status of the poor. Free food in the schools improves the **attendance of students**.

⇒ According to the **World Food Programme**, India currently has almost **25% of the global population suffering from undernourishment**.

- ✓ Increasing the **labour force participation of women**. States like Tamil Nadu & Bihar are known for giving women sewing machines, saris and cycles, thus, contributing to the sales of these local industries
- ✓ **Reduce inequality** and achieve inclusive growth.

⇒ The **World Inequality Report 2022** says that the top 1% of India held 22% of the total national income as of 2021, and the top 10% owned 57%.

Argument against freebies

- Spending on capital expenditure instead of on freebies helps to create jobs.
- Freebies **undermine the fundamental structure of macroeconomic stability**.
- **Fiscal slippages** as it leaves little fund for capital expenditure, which is essential for achieving long-term growth, thus **prioritising short-term quick fixes** over long-term permanent solution
- It creates **discontent** in the mind of an honest taxpayer whose money is used to fund the freebie expenditure.
- **Violates constitutional spirit**: Distributing private goods, which were not for public purposes, from public funds **violates Art 14** of IC.
- Freebies can **threaten the debt sustainability** of states already burdened with debt.
- Diversion of resources from environmental and sustainable development, such as the allocation of free electricity or water, etc. hinders the progress towards environmental sustainability.

Views

Gol's view

- **Gol** has **cautioned** the states against **irresponsible financial policies**.
- Gol urged the State governments to be **conscious of financial discipline**.

Suggestion by the Election Commission of India (ECI)

- The **ECI** proposed that political parties must be **required to disclose the financial implications** of the **promises** they make in their manifestos.
- If parties agree and the idea is included in the Model Code, they will have to spell out:
 - ❖ Section of society included in the scheme.
 - ❖ Extent of coverage and the number of likely beneficiaries
 - ❖ Cost of implementing the scheme

Judicial view

- Formulation of a welfare scheme is a **domain of the executive/legislature**. Restrictions on this amount to **undermining the economic freedom of states**.

Way forward

- ✓ To address the **inequality**, we must spend on welfare schemes with caution. We need to differentiate between freebies and social welfare schemes.
 - ❖ It's not easy to differentiate. What may be irrational or a freebie for one may be rational and essential for another section of society.
 - ❖ Example: Electricity, which may be considered a freebie by some people, but for others, it may be a welfare scheme that can provide clean fuel in the house, help a child study, etc.
- ✓ States should not have a blanket policy (for instance, free electricity for all) and must identify the **target beneficiaries** for a particular public policy.
- ✓ While spending on welfare, the government should consider the **state's fiscal situation**.
- ✓ Governments should address the revenue side issues related to **low tax base, tax avoidance** and **tax compliance**. More revenue ensures more resources for **redistribution**.

{GS2 – Vulnerable Sections – Women} Surrogacy in India

- ❖ **Context: (TH):** The High Court of Delhi observed that surrogacy **should not be encouraged in India**.
- The court was hearing a plea by an Indian-origin couple living in Canada, challenging the Centre's notification amending the **Surrogacy (Regulation) Act 2021** to **ban donor surrogacy (disallow surrogacy with the help of donor sperm or eggs)**.

What is Surrogacy?

- **Surrogacy** is an arrangement where a woman (the surrogate) carries and gives birth to a child **for another individual or couple** who are unable to conceive or carry a pregnancy of themselves.
- Surrogacy can be classified into **altruistic** and **commercial**.
 1. **Altruistic surrogacy** entails **no financial compensation** for the surrogate.
 2. **Commercial surrogacy** involves **paying** the surrogate for bearing the child, implying a profit.

Key Provisions of Surrogacy Regulation Act, 2021

- As per the act, an "**intending couple**" is an **Indian infertile married couple** (the age of the woman being **23 to 50 years** and the age of the man being **26 to 55 years**).
- The couple **must not have any living children** in order to **receive a certificate of eligibility** for surrogacy (biological, adopted, or surrogate).
- The only circumstances in which this clause **would not apply** is if their surviving child has a **disability**, either mental or physical, or if the child has a condition that poses a **serious risk of death**.
- Any willing, **ever-married woman** between the ages of **25 and 35** who has her own child may become a surrogate.
- A surrogate is **prohibited** from **providing her own gametes** for surrogacy by the Act.

- A surrogate **must not receive any compensation** for carrying the child in her womb **other than the necessary insurance and medical costs**.
- The Act also **permits** Indian **widows, divorcees,** and **married couples** of **Indian origin living abroad** to become parents through **altruistic surrogacy** (this provision was **amended in March 2023**).
- People who are **not allowed** to use the services of surrogacy are:
 - ❖ **Couples with one child,**
 - ❖ **Foreign nationals,**
 - ❖ **In-residence partners or people in "live-in relationships",**
 - ❖ **Single men and women,**
 - ❖ **Gay and lesbian couples, and**
 - ❖ **Widowers**

Key Issues

- **Lack of Comprehensive Regulations:** Concerns about **lack of legal protection for both parties** involved, and potential loopholes.
- **Exploitation of Surrogates:** Concerns arose about their health or whether they were adequately compensated for their basic health needs.
- **Commercialization:** The commercialization of surrogacy raised **ethical questions** about **treating childbirth as a transactional service**.
- It brought up concerns about the **commodification of women's bodies** and whether financial motives were overriding ethical considerations.
- **Lack of Legal Clarity:** **Ambiguity in laws** regarding parentage, citizenship, and rights of the child born through surrogacy created uncertainties for intended parents, surrogates, and the children.
- The absence of clear laws makes it challenging to address disputes or protect the rights of all parties.
- **Foreigners and Surrogacy Tourism:** India was **previously a popular destination for foreigners seeking surrogacy** due to its comparatively affordable services.
- However, concerns emerged about **the exploitation of Indian surrogates** and **issues related to citizenship and parentage for the children** born to foreign parents.

Solutions

- ✓ Regulate surrogacy agencies and ensure they adhere to **ethical practices**, including fair compensation, medical care, and support for surrogates.
- ✓ Ensure **informed consent and comprehensive counseling** for all parties involved, emphasizing the emotional, physical, and legal implications of surrogacy.
- ✓ Encourage **altruistic surrogacy** where surrogates are motivated by a **desire to help** others rather than financial gain.

- ✓ Provide **comprehensive healthcare** and support services for surrogates throughout the pregnancy and postpartum period.
- ✓ Establish **clear laws** regarding **parental rights, citizenship**, and responsibilities from the outset of the surrogacy arrangement to avoid legal ambiguities.
- ✓ Establish **regulatory bodies** or agencies to monitor and oversee surrogacy arrangements, ensuring compliance with established laws and ethical guidelines.
- ✓ **Alternative options:** Promote and support **other family-building options** such as adoption, fostering, or alternative assisted reproductive technologies for individuals or couples unable to conceive.

{GS3 – IE – Industry} Captive Consumption

- ❖ **Context (IE):** Govt is considering a demand to amend a rule **preventing tax breaks** for renewable energy plants set up for captive consumption in Special Economic Zones (SEZs).
- **Captive Consumption of energy** means generation and consumption of power within the same facility (such as a factory or commercial building).
- The Ministry of Commerce's SEZ Division in 2021 issued a rule that **disqualifies non-conventional power plants set up for captive consumption in an SEZ** from receiving tax and duty benefits.
- Currently, SEZ rules allow fiscal benefits **only for renewable energy plants set up as SEZ units and meant for selling power outside of SEZs**.
- But the green hydrogen developers are arguing that plants providing renewable energy for green hydrogen production are **equivalent to raw materials**, making them eligible for concessions.

⇒ *SEZs are designated areas where **businesses enjoy tax, tariff, and regulatory exemptions**.*

Benefits Lifting the Captive Consumption Clause

- ✓ **Reduced energy costs:** This can make them more competitive in the global market.
- ✓ **Improved energy security:** It will reduce SEZs reliance on the grid, which can be vulnerable to power outages and disruptions.
- ✓ **Enhanced environmental sustainability:** By using renewable energy, SEZs can reduce their carbon footprint and contribute to India's climate change goals.
- ✓ **Attracting green investments:** SEZs that embrace renewable energy can attract more environmentally conscious investors and businesses.
- ✓ **Boost green hydrogen production:** **National Green Hydrogen Mission** aims to achieve **5 million tonnes of green hydrogen produced per annum by 2030**, along with an **additional 125 gigawatts** of renewable energy capacity.

{GS3 – IE – Industry} Multi-Locational SEZs for Green Hydrogen Projects

- ❖ **Context (IE):** The Ministry of Commerce is also looking at notifying **multi-locational special economic zones** (SEZs), specifically for **green hydrogen projects**.

Special Economic Zones (SEZs)

- SEZs are designated areas where **businesses enjoy tax, tariff, and regulatory exemptions**.
- They are deemed to be **foreign territory** for the purposes of trade operations.
- Goods and services entering the SEZ from the **Domestic Tariff Area (DTA)** are considered **exports**, while those moving from the SEZ to DTA are treated as **imports**.
- **SEZs Policy** was announced in **2000** and SEZs functioned till 2006 under the **Foreign Trade Policy**.
- Now, the **SEZs Act, 2005** and the **SEZs Rules** which came into force in 2006 governs the SEZs.

⇒ **DTA** means the whole of India (including territorial waters and continental shelf), excluding the SEZs.

Objectives of SEZs

- ❖ Boost economic growth.
- ❖ Attract domestic and foreign investment.
- ❖ Promotion of exports of goods and services.
- ❖ Creation of employment opportunities.
- ❖ Development of infrastructure facilities.

Multi-Locational SEZs (MLSEZs)

- Traditional SEZs typically operate within a **single designated geographical area**.
- In India, SEZ other than a SEZ for IT, Biotech or Health (other than hospital) service shall have a **contiguous area of 50 hectares** or more.
- In case a SEZ in NE India, HP, UK, Sikkim, J&K, Goa or a UT, the area shall be **25 hectares** or more.
- But **MLSEZs are set up in multiple locations under a unified governance framework**.

Benefits of MLSEZs

- ✓ Enhanced flexibility and **resource utilisation**
- ✓ Improved market access and connectivity
- ✓ **Strategic distribution** of economic activities
- ✓ **Regional development** and inclusivity

Challenges of MLSEZs

- Governance and coordination
- Logistical hurdles
- Variations in local regulations

Why MLSEZs are Considered for Green Hydrogen Projects?

- MLSEZs will **enable the use of wind energy** by the export-oriented green hydrogen projects.
- Wind turbines are typically spaced 250 to 400 meters apart, depending on their size.
- The projects struggle to secure vast amounts of land for wind energy generation.

- However, with MLSEZs, projects can designate **discontiguous land patches** for installing wind turbines within a single SEZ.
- This will help achieve the target of **National Green Hydrogen Mission** (NGHM).
- Under NGHM, the GoI aims to achieve **5 million tonnes of green hydrogen produced per annum by 2030**, along with an additional 125 gigawatts of renewable energy capacity.

Green Hydrogen

- **Green hydrogen** is produced by **splitting water into hydrogen and oxygen** using **electrolysis process** powered by renewable energy (like wind and solar energy).

⇒ ***Electrolysis** is the process of passing an electric current through a substance to induce a chemical change.*

Benefits of Green Hydrogen

- ✓ It releases **no carbon by-products** (water and water vapour are the only by-products it releases).
- ✓ It **meet energy needs consistently**, thus, overcoming challenges associated with the intermittent nature of renewable energy sources.
- ✓ It is **light, storable for a long time** and **energy-dense** (storing a large amount of energy in relation to its volume). So, it is suitable for long-distance mobilisation.

Challenges

- High transportation cost of renewable energy required in green hydrogen production.
- High cost of production and lack of infrastructure.
- Limited technology to use green hydrogen in different sectors.

National Green Hydrogen Mission (NGHM)

- Launched in **2023**, NGHM is implemented by the **Ministry of New and Renewable Energy (MNRE)**.
- **Aim:** To incentivise the commercial production of green hydrogen and make India a net exporter of it.
- **Sub-schemes of NGHM:**
 - ❖ **Strategic Interventions for Green Hydrogen Transition Programme (SIGHT):** It will fund the domestic manufacturing of electrolyzers and the production of Green Hydrogen.
 - ❖ **Green Hydrogen Hubs:** Regions capable of supporting large-scale production or utilisation of hydrogen will be developed as Green Hydrogen Hubs.
 - ❖ **Strategic Hydrogen Innovation Partnership (SHIP):** It is a PPP framework for R&D.

UNION CABINET APPROVES NATIONAL GREEN HYDROGEN MISSION

EXPECTED DELIVERABLES BY 2030

At least

5 MMT
GH₂ annual
production

60-100 GW
electrolyser capacity

125 GW
RE capacity for
GH₂ generation
and associated
transmission
network

Total outlay approved: ₹ 19,744 crore



Rs 1 lakh crore
import savings

50 MMT
CO₂ annual emissions averted



6 lakh
jobs



Rs 8 lakh crore
investment



moneycontrol

{GS3 – S&T – Defence} Midget Submarines (or Underwater Chariots)

- ❖ **Context (IE):** The Indian Navy is planning to acquire indigenously-made **midget submarines** as part of efforts to modernise and strengthen the capabilities of its **Marine Commandos** (MARCOS).
- Midget submarines are small, compact submarines than conventional submarines.
- They are designed for **stealth** and **manoeuvrability**.
- These indigenous midget submarines will be powered by **lithium-ion batteries**.

Lithium-ion Batteries

- They are **rechargeable batteries** that store and release electrical energy through the movement of lithium ions.

Benefits of Lithium-ion Batteries

- ✓ **High energy density:** They store a lot of power in a small size.
- ✓ **Long lifespan:** They can last for hundreds to thousands of charge cycles.
- ✓ **Low self-discharge**
- ✓ **High efficiency:** They waste less energy during operation, offering longer battery life.
- ✓ **Fast charging**
- ✓ **Wide temperature tolerance**
- ✓ **Versatility:** They come in various sizes and configurations for different applications.

Challenges of Lithium-ion Batteries

- **Safety concerns:** They can be susceptible to overheating and fire if damaged or misused.
- **Environmental impact:** Lithium mining, production, and disposal is hazardous for environment.

- **Resource scarcity:** Lithium is a finite resource, its increasing demand for batteries raises concerns about its sustainability.
- **High Cost**

{Prelims – S&T – Medicine} AKTOCYTE

- ❖ **Context (PIB): Department of Atomic Energy** and M/s. IDRS Labs Pvt. Ltd. Bengaluru have joined hands to develop **AKTOCYTE tablets**.
- **Applications:** AKTOCYTE is positioned as an **adjuvant to cancer radiotherapy**, a regenerative **nutraceutical**, an immunomodulator, and an antioxidant.
- **Regulatory Approval:** It is approved by the **Food Safety and Standards Authority of India (FSSAI)**.
 - ⇒ **Adjuvant:** *In cancer treatment, "adjuvant therapy" refers to any treatment given after the initial treatment (such as surgery, radiation, or chemotherapy) to reduce the risk of the cancer returning.*
 - ⇒ **Nutraceutical:** *It is defined as any substance that is a food or part of a food and provides medical or health benefits, including the prevention and treatment of disease.*
 - ⇒ **Immunomodulators:** *They are drug treatments that change body's immune response.*

Department of Atomic Energy (DAE)

- DAE was set up under the **direct charge of the Prime Minister** through a Presidential Order in **1954**.
- It transacts all Govt businesses related to atomic energy and functions under the Atomic Energy Act.

Food Safety and Standards Authority of India (FSSAI)

- It is an **autonomous statutory body** established under the **Food Safety and Standards Act 2006**.
- Its administrative ministry is the **Ministry of Health & Family Welfare**.
- It is the **country's apex food regulator** headquartered in New Delhi.
- It has **six regional offices** in **Delhi, Guwahati, Mumbai, Kolkata, Cochin, and Chennai**.
- **Aim:** It is the single reference point for all food safety and standards matters.

{Prelims – Sci – Bio – Diseases} Anthrax

- ❖ **Context (TH): WHO reported Anthrax outbreaks** in five countries in **East and Southern Africa**.
- Anthrax, also known as **malignant pustule** or **wool sorter's disease**, is a rare but serious disease caused by the rod-shaped bacteria known as **Bacillus anthracis**.
- It occurs **naturally in soil** and commonly affects domestic and wild animals worldwide.
- It mainly affects livestock; **humans** can become infected through **contact** with **sick animals**.
- It is a zoonotic disease; it is naturally transmissible from animals (usually vertebrates) to humans.
- It is generally regarded as non-contagious. There have been instances of person-to-person transmission, however, such instances are extremely rare.

- **Symptoms:** Groups of small blisters, painless skin sores with a black centre, with the possibility of swelling around them, fever and chills, shortness of breath, coughing and nausea.
- **Treatment: Vaccines** are available for both livestock and humans.
- It was used as a **biological weapon** in 2001 in the United States.

{Prelims – Species In News} Saiga

- ❖ **Context (DTE):** According to the new IUCN Red List, the Saiga has beaten extinction for now.
- The **Saiga** is the **odd-faced antelope** that has roamed the earth since the last Ice Age.
- **Distribution:** now found **only** in the Central Asia.
- **Habitat:** steppe regions.
- **Threat:** Livestock farming, hunting, diseases, climate change.
- **Conservation status: IUCN: NT**

