

GOVERNANCE**The new rules to keep advertisements in check**

- ❖ **CONTEXT:** The Central Consumer Protection Authority (CCPA) recently issued guidelines to prevent false or misleading advertisements. The guidelines are path breaking because they fill significant consumer protection gaps while explicitly outlining advertiser duties.
- ❖ **Defining a 'valid' advertisement**
 - The guidelines lay down the conditions for non-misleading and valid advertisements.
 - An advertisement can be considered non-misleading if it contains true and honest representation of goods and does not exaggerate the accuracy, scientific validity or practical usefulness or capability.
 - In case of unintentional lapse, the advertisement may still be considered as valid if the advertiser has taken prompt action in letting the consumer know the deficiency.
 - It must be noted that rather than defining what constitutes a 'misleading or invalid advertisement,' the guidelines have sought to define 'valid or non-misleading advertisement.' This take on policy drafting significantly reduces the scope for exploitation of any inadvertent loopholes.
- ❖ **Surrogate advertisements**
 - "Surrogate advertisement" refers to the advertisement of goods in the shadow of other goods. For example, the advertisement of tobacco in the garb of pan masala.
 - Advertisement of tobacco as such is prohibited by the law. While existing laws such as the Cigarettes and other Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply, and Distribution) Act, 2003 already seeks to govern advertisements related to tobacco, manufacturers and advertisers have been able to circumvent the regulation through the grey area created by a surrogate advertisement.
 - The guidelines seek to ensure that these grey areas are filled by the black letter of the law, completely disallowing any attempts to advertise products that are otherwise prohibited by law.
- ❖ **Advertisements targeting children**
 - Another important issue taken up by the new guidelines is the discouragement of "children targeted advertisements". Advertisements that condone, encourage, inspire or unreasonably emulate behaviour that could be dangerous for children or take advantage of children's inexperience, credulity or sense of loyalty etc. have been prohibited. Advertisements tend to influence children's buying behaviour and encourage them to consume unhealthy goods, or develop negative feelings toward healthy goods.
 - The guidelines further require that the goods which require a health warning should not be advertised through children as well as personalities from music, sports and cinema. Advertisements that state "any health or nutritional claims or benefits without being adequately and scientifically substantiated" or any surgery which may have adverse effects on the physical and mental health of children are prohibited.
 - An advertisement may be considered as children targeted if the advertisement of any goods, product or service which addresses or targets children may develop negative body image in children or give any impression that such goods, product or service is better than natural or traditional food. For example, advertisements relating to milk additive products often imply that the products have higher nutritional value for the growth of children, increase retention power of the brain during exams, strengthen bones in sports etc., even though these claims are yet to be scientifically proven.
 - The youth form the most impressionable demographic for all advertisers. To catch them young is a well-known marketing strategy. Children can be influenced through advertisements fairly easily — they are individually capable of making buying decisions, can influence the decisions of their parents and make up the future adult demographic.
 - A marketing strategy that seeks to aggressively play on the immaturity of the younger audience can invariably impinge upon their 'right to choose' as well as their right to be informed and protected against unsafe goods and services as well as unfair trade practices.
 - Additionally, the guidelines also require that advertisements including "chips, carbonated beverages and such other snacks and drinks" shall not be cast on channels exclusively meant for children.

- However, it remains to be seen as to whether such a guideline can survive a challenge under Article 14 and Article 19(1)(g) of the Indian Constitution in as much as it impinges upon the right of the channels such as Cartoon Network to earn revenue from such advertisements.
- ❖ **Other reforms**
- The guidelines have also introduced the need to have "disclaimers in advertisements" to "clarify a claim made in such advertisement or make qualifications or resolve ambiguities therein in order to explain such claim in further detail.
- "Moreover, the advertiser must not "attempt to hide material information with respect to any claim made in such advertisement, the omission or absence of which is likely to make the advertisement deceptive or conceal its commercial intent". The guidelines require that the disclaimer must be visible to normally sighted persons and prominently placed so that the consumer may read it carefully.
- The guidelines also impose duties on the manufacturers, service providers and advertising agency to not claim and make comparisons in an advertisement which relate to matters of objectively ascertainable facts.
- Moreover, the advertisement must be framed to gain the trust of the consumers and not to "abuse the trust of consumers or exploit their lack of experience or knowledge".
- The enforcement issues in existing advertisement laws have been addressed by the guidelines in as much as it imposes severe penalties. The guidelines are momentous in empowering customers against mischievous advertisers.
- The advertisers, too, must take a cue from the guidelines and impose self-regulation to comply with the same. While the guidelines must be hailed as a step in the right direction, there is a definite need to ensure their implementation in the spirit they have been drafted with.

PRELIMS

1. Purchasing Managers Index

❖ **CONTEXT: India's services firms saw growth in new business and output accelerate to a 11-year high in June, as per the survey-based S&P Global India Services Purchasing Managers Index (PMI).**

- The Purchasing Managers Index (PMI) is a measure of the prevailing direction of economic trends in manufacturing.
- It was started in 1948 by the US-based Institute of Supply Management.
- It is an indicator of business activity -- both in the manufacturing and services sectors.
- The PMI is based on a monthly survey of supply chain managers across 19 industries, covering both upstream and downstream activity.
- It is calculated separately for the manufacturing and services sectors and then a composite index is constructed.
- The PMI is derived from a series of qualitative questions.
- The value and movements in the PMI and its components can provide useful insight to business decision makers, market analysts, and investors.
- A figure above 50 denotes expansion in business activity.
- Anything below 50 denotes contraction.
- If the figure is higher than the previous month's then the economy is expanding at a faster rate.
- If it is lower than the previous month then it is growing at a lower rate.
- The PMI is usually released at the start of the month.

2. Elements at centre of India-Australia deal

❖ **CONTEXT: India and Australia decided to strengthen their partnership in the field of projects and supply chains for critical minerals.**

❖ **What are critical minerals?**

- Critical minerals are elements that are the building blocks of essential modern-day technologies, and are at risk of supply chain disruptions. These minerals are now used everywhere from making mobile phones, computers to batteries, electric vehicles and green technologies like solar panels

and wind turbines. Based on their individual needs and strategic considerations, different countries create their own lists.

- Such lists mostly include graphite, lithium and cobalt, which are used for making EV batteries; rare earths that are used for making magnets and silicon which is a key mineral for making computer chips and solar panels. Aerospace, communications and defence industries also rely on several such minerals as they are used in manufacturing fighter jets, drones, radio sets and other critical equipment.

❖ **Why is this resource critical?**

- As countries around the world scale up their transition towards clean energy and digital economy, these critical resources are key to the ecosystem that fuels this change. Any supply shock can severely imperil the economy and strategic autonomy of a country over-dependent on others to procure critical minerals.
- But these supply risks exist due to rare availability, growing demand and complex processing value chain. Many times the complex supply chain can be disrupted by hostile regimes, or due to politically unstable regions.
- As US government statement recently noted: “As the world transitions to a clean energy economy, global demand for these critical minerals is set to skyrocket by 400-600 per cent over the next several decades, and, for minerals such as lithium and graphite used in electric vehicle (EV) batteries, demand will increase by even more — as much as 4,000 per cent.”
- They are critical as the world is fast shifting from a fossil fuel-intensive to a mineral-intensive energy system.

❖ **What is the China ‘threat’?**

- China is the world’s largest producer of 16 critical minerals.
- China, on the role of critical minerals by the International Energy Agency, is “responsible for some 70% and 60% of global production of cobalt and rare earth elements, respectively, in 2019. The level of concentration is even higher for processing operations, where China has a strong presence across the board. China’s share of refining is around 35% for nickel, 50-70% for lithium and cobalt, and nearly 90% for rare earth elements.”
- It also controls cobalt mines in the Democratic Republic of Congo, from where 70% of this mineral is sourced.
- In 2010, China suspended rare earth exports to Japan for two months over a territorial dispute.
- The decision, made the market prices of RREs jump anywhere between 60% to 350%. The prices returned to normal only after a year of China resuming shipments.

❖ **What are countries around the world doing about it?**

- In 2021, the US ordered a review of vulnerabilities in its critical minerals supply chains and found that an over-reliance on “foreign sources and adversarial nations for critical minerals and materials posed national and economic security threats”. Post the supply chain assessment, it has shifted its focus on expanding domestic mining, production, processing, and recycling of critical minerals and materials.
- India has set up KABIL or the Khanij Bidesh India Limited, a joint venture of three public sector companies, to “ensure a consistent supply of critical and strategic minerals to the Indian domestic market”. Announcing the formation of KABIL in 2019, While KABIL would ensure mineral security of the nation, it would also help in realizing the overall objective of import substitution.”
- Australia’s Critical Minerals Facilitation Office (CMFO) and KABIL had recently signed an MoU aimed at ensuring reliable supply of critical minerals to India.
- The UK unveiled its new Critical Minerals Intelligence Centre to study the future demand for and supply of these minerals. UK’s critical mineral strategy will be unveiled later this year.
- In June 2021 year, the US, Canada and Australia had launched an interactive map of critical mineral deposits with an aim to help governments to identify options to diversify their critical minerals sources.

3. **Environment Protection Act, 1986**

CONTEXT: Amendment proposed

- The EPA came into force on November 19, 1986.

- The Act establishes the framework for studying, planning, and implementing long-term requirements of environmental safety and laying down a system of speedy and adequate response to situations threatening the environment.
- Objective: Providing for the protection and improvement of the environment.
- Constitutional Provisions:
 - The EPA Act was enacted under Article 253 of the Indian Constitution which provides for the enactment of legislation for giving effect to international agreements.
 - Article 48A of the Constitution specifies that the State shall endeavour to protect and improve the environment and to safeguard the forests and wildlife of the country.
 - Article 51A further provides that every citizen shall protect the environment.
- It authorises the central government:
 - To protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds.
 - To establish authorities charged with the mandate of preventing environmental pollution in all its forms and to tackle specific environmental problems that are peculiar to different parts of the country.
- Last Amendment: The Act was last amended in 1991.
- The Environment (Protection) Rules lay down procedures for setting standards of emission or discharge of environmental pollutants.

ANSWER WRITING

Q. What is water stress? How and why does it differ regionally in India?

Water stress is a situation in which the water resources in a region or country are insufficient for its needs. Such a situation arises when the demand for water exceeds the available amount or when poor quality restricts its use.

Water stress in India

- India is home to nearly 17% of the world's population but has only 4% of the world's freshwater resources.
- According to NITI Aayog's Composite Water Management Index (CWMI) report 2018, 21 major cities including Delhi, Bengaluru, Chennai, and Hyderabad are racing to reach zero groundwater levels by 2020, affecting access for 100 million people. Besides, 12% of India's population is already living the 'Day Zero' scenario.
- According to the Aqueduct Water Risk Atlas of World Resources Institute, India is ranked 13th among the 17 most water-stressed countries of the world.

This indicates that India is going through water emergency. However, there is regional variation i.e. not all regions are equally water stressed.

- While the northwestern and central parts of the country are severely water stressed, the eastern parts receive abundant rainfall for groundwater recharge.
- The variation is also at the intra-regional level. For example, the areas in north Bihar struggle due to flooding while that of south Bihar finds it difficult to beat the heat. Flooding in Mumbai has become a regular phenomena while the nearby Vidarbha faces drought.

This uneven distribution of water crisis can be attributed to the following reasons:

▪ **Geographical factors**

- India has diverse physiography, due to which different regions receive varying degrees of rainfall. For example, winter monsoon along the eastern coast and summer monsoon in northern India.
- Interior of southern India lies in the rain shadow zone and most of Rajasthan and northern Gujarat have arid climate.
- Also, the arid and semi-arid areas of northwestern India and central India are naturally occurring waterstressed areas.

▪ **Climatic factors**

- Changing climate has led to an increase in the frequency and intensity of floods as well as droughts.
- Erratic monsoon is causing delayed and infrequent rainfall in different parts of India.

▪ **Agricultural practices**

- In India, agriculture is not practised according to the agro-climatic zone. Groundwater is used to cultivate water intensive crops like paddy and sugarcane in rain deficit states like Punjab and Maharashtra respectively.
- State procurement policy and subsidised electricity in Punjab makes it profitable for farmers to produce rice. Similarly, farmers in Maharashtra cultivate sugarcane because they are assured of marketing.
- Moreover, flood irrigation is the most common form of irrigation in India which leads to a lot of water loss.
- All these have led to excessive groundwater extraction and have made India virtual exporter of water.

▪ **Human factors**

- Rapid urbanization has led to the concentration of population in and around major cities which usually happen to be located in the rainfall deficient regions (like Delhi-NCR).
- The situation is aggravated by encroachment, contamination and consequent destruction of water bodies which otherwise help recharge the underground aquifers.
- Above all, there is a lack of awareness about water economy which demands judicious use of water.

▪ **Way forward**

- India's water challenge stems not only from the limited availability of water resources but also its mismanagement.
- There is a need to follow conservation agriculture i.e. farming practices adapted to the requirements of crops and local conditions. Cultivation of less water intensive crops like pulses, millets and oilseeds should be encouraged in water stressed regions.
- Rainwater harvesting needs to be incorporated with urban development projects. Mission Kakatiya (Telangana), which seeks to restore tanks through community-based irrigation management, is commendable.
- Freshwater sources need to be declared as water sanctuaries on the lines of national parks and tiger reserves. Water must be treated as a resource rather than a commodity.
- The efforts like the formation of Jal Shakti ministry (to tackle water issues holistically) and the goal to provide piped water to all rural households by 2024, under the Jal Jeevan mission, are steps in the right direction.

MCQs

1. Consider the following statement with reference to Central Consumer Protection Authority(CCPA)

1. CCPA has taken suo-moto cognizance against e-commerce entities
2. The authority is being constituted under the Consumer Protection Act, 2019.

Choose the correct statement using the codes given below

- a) 1 only
 - b) 2 only
 - c) **Both 1 and 2**
 - d) Neither 1 nor 2
2. Purchasing Managers Index (PMI) is compiled by which of the following organisation?
- a) IMF
 - b) **IHS Markit**
 - c) World Bank
 - d) Central Statistical Organisation
3. Central Pollution Control Board was established under which of the following Act?
- a) Environment Protection Act, 1986
 - b) **Water (Prevention and Control of Pollution) Act, 1974**
 - c) Air (Prevention and Control of Pollution) Act, 1981
 - d) Central Pollution Control Act 2003
4. Critical minerals can be used for which of the following manufacturing
1. Mobile phones

2. computers
3. batteries
4. electric vehicles
5. solar panels
6. wind turbines

Choose the correct answer using the codes given below

- a) 1,2 and 3 only
 - b) 1,2,3, and 5 only
 - c) 3,4, and 5 only
 - d) All of the above**
5. Which of the following is/are the examples of critical minerals?
1. Beryllium
 2. Germanium
 3. Rhenium
 4. Tantalum

Select the correct answer using the codes given below

- a) 1 and 2 only
 - b) 2 and 3 only
 - c) 3 and 4 only
 - d) All of the above**
6. Which of the following country is topped in production of rare earth metal in the world?
- a) India
 - b) Australia
 - c) China**
 - d) Canada
7. India has set up KABIL or the Khanij Bidesh India Limited, a joint venture of three public sector companies, to ensure a consistent supply of critical and strategic minerals to the Indian domestic market, which of the following PSU hold a major share of KABIL?
- a) NALCO**
 - b) HCL
 - c) MECL
 - d) TATA
8. Which of the following programme of Odisha government recently got Global recognition for Slum up-gradation by receiving the Winner Award in the Asia Pacific Housing Forum for Innovation Awards-2021?
- a) MUKTA
 - b) JAGA Mission**
 - c) SUJALA
 - d) UNNATI
9. The Odisha State Government, in collaboration with NABARD, has launched a scheme titled "BALARAM" is related to which of the following?
- a) Irrigation
 - b) Crop Insurance
 - c) Farm credit**
 - d) Solar pumps
10. The 15th Finance Commission has recommended post devolution revenue deficit grants (PDRD) amounting to about Rs. 3 trillion till which year?
- a)2024 b)2025 **c)2026** d)2027