

INTERNATIONAL RELATION**Challenges and opportunities of being the most populous country**

CONTEXT: India is projected to surpass China as the world's most populous country in 2023, according to the 27th edition of the United Nations' World Population Prospects, 2022.

Major Points

- The global population is expected to grow to around 8.5 billion in 2030, 9.7 billion in 2050 and 10.4 billion in 2100.
- Rates of population growth vary significantly across countries and regions:
 - More than half of the projected increase in global population up to 2050 will be concentrated in just eight countries: the Democratic Republic of the Congo, Egypt, Ethiopia, India, Nigeria, Pakistan, the Philippines and the United Republic of Tanzania.
- Over the next 25 years, as India approaches a century, we will be blessed with a massive workforce that will cast a long shadow. Globally, one in five working-age persons will live in India. But the size of our labour force is constrained by the absence of women from the workforce.
- With fertility transition beginning in southern states and slowly spreading to central India, future workers will come from the central part of the country, precisely the states that have lagged behind in fertility transition so far.

Opportunities

- Theory of demographic transition suggests that population growth is linked to overall levels of economic development.
- Population change in an area is an important indicator of economic development, social upliftment and historical and cultural background of the region.
- The demographic 'dividend' to be derived from the age structure of the population is due to the fact that India is (and will remain for some time) one of the youngest countries in the world
 - The 'demographic dividend' results from an increase in the proportion of workers relative to non-workers in the population.
 - Countries like Singapore, Taiwan and South Korea have already shown us how demographic dividend can be reaped to achieve incredible economic growth by adopting forward-looking policies and programmes to empower the youth in terms of their education, skills and health choices.
- There are important lessons from these countries for India.

The rising young population provides India with a great opportunity for growth, peppered with the possibility of path-breaking innovation.

India's population heterogeneity ensures that this window of demographic dividend becomes available at different times in different States.

Population growth will lead to economic growth with more people able to produce more goods. It will lead to higher tax revenues which can be spent on public goods, such as health care and environmental projects.
- Farming and industry have been able to benefit from economies of scale, which means as the population grows, food output and manufacturing output have been able to grow even faster than population growth.
- Higher populations can enable a critical mass of people to have a more vibrant society.
 - When the population grows, it can enable the support of a broader cultural range of activities.
- The size of the population is intimately connected to the power dynamics shaping the relationship between nations, regions and generations.
 - It is, however, a double-edged sword that needs to be skillfully wielded.

Challenges /Concerns

- Thomas Robert Malthus's theory of population growth – outlined in his Essay on Population (1798)
 - He argued that human populations tend to grow at a much faster rate than the rate at which the means of human subsistence (especially food, but also clothing and other agriculture-based products) can grow.
 - Therefore humanity is condemned to live in poverty forever because the growth of agricultural production will always be overtaken by population growth.

- The increase in the working-age population may lead to rising unemployment, fueling economic and social risks.
- High population growth also affects the depletion of resources
- Globally, one in five working-age persons will live in India.
 - The challenge is that a sizable working-age population does not mean many workers.
 - The size of our labour force is constrained by the absence of women from the workforce.
 - Only about 30 percent of women aged 15 and above are employed either in wage work on family farms and businesses.
 - The absence of women in factories, the transportation sector and skilled blue-collar work is striking.

About 9.4 per cent of Indian women have an unmet need for contraception, which means that approximately 22 million women want to stop or delay childbearing but do not have access to a method of contraception.

The 65+ category is going to grow quite fast and it faces several challenges.

- Provisioning of social security is obviously a big challenge. This will stretch the resources of the future governments.

Education is an enabler to bridge gender differentials.

- The gender inequality of education is a concern.
- In India, boys are more likely to be enrolled in secondary and tertiary school than girls.

Way Forward

- The government needs to play a pivotal role and invest in education, health and creating economic opportunities for young people, which would help us harness demographic dividend.
- This calls for forward-looking policies incorporating population dynamics, education and skills, healthcare, gender sensitivity, and providing rights and choices to the younger generation.
- India needs to invest more in children and adolescents, particularly in nutrition and learning during early childhood.
- India needs to increase female workforce participation in the economy.
- A new federal approach to governance reforms for demographic dividend will need to be put in place for policy coordination between States on various emerging population issues such as migration, ageing, skilling, female workforce participation and urbanisation.
- With industrial growth concentrated in coastal regions and the bulk of our workers coming from central areas, we will also need to figure out how to deal with interstate migration.
- The pandemic highlighted the need for better policies to integrate and support migrant workers in their new homes if we are to adjust to changing demographic realities.
- We must develop more robust systems of old-age support.
- Countries with ageing populations should take steps to adapt public programmes to the growing numbers of older persons, establishing universal health care and long-term care systems, and by improving the sustainability of social security and pension systems.

PRELIMS

1. Sarfaesi Act

CONTEXT: Recently, Banks have invoked the Sarfaesi Act against telecom infrastructure provider GTL to recover their pending dues.

About Sarfaesi Act

Term:

It is termed as Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Sarfaesi) Act.

Aim:

- It was brought in to guard financial institutions against loan defaulters.
- Taking control of the secured assets
- Take over management of the secured assets, as well as the right to transfer the secured assets via lease, assignment, or sale
- Designate someone to administer the secured assets
- To recover their bad debts, the banks under this law can take control of securities pledged against the loan, manage or sell them to recover dues without court intervention.

Modes of recovery under the SARFAESI Act

- Securitisation

- Asset reconstruction
- Enforcement of security without the interruption of the court

2. Labour Codes

CONTEXT: The streamlining of labour laws has been a work in progress, with the Centre notifying four broad labour codes to replace 29 sets of labour laws:

- The Code on Wages, 2019;
- The Industrial Relations Code, 2020;
- The Code on Social Security, 2020; and
- The Occupational Safety, Health and Working Conditions Code, 2020.

Key Features of the proposed labour code

- The codes are based on recommendations of the Second National Commission on Labour (2002).
- **Code on Wages, 2019:**
 - Applying to all the employees in organized as well as unorganized sectors.
 - Under these new codes, a number of aspects related to employment and work culture, in general, might change including the take-home salary of employees, working hours, and the number of weekdays.
 - According to this wage code, once an employee quits, is fired, or is removed from employment and services, a company is required to pay the full and final settlement of their salaries within two days after their last working day.
 - Currently, firms require anywhere from 15 to 60 days, and in some situations up to 90 days, to pay the full settlement of wages.
- **Code on Industrial Relations, 2020:**
 - Employees in India may be able to enjoy a four-day workweek, as opposed to the current five-day workweek.
 - In that case, however, employees will have to work for 12 hours on those four days since the labour ministry has made it clear that even if the proposal comes through, the 48-hour weekly work requirement has to be met.
- **Code on Social Security, 2020:**
 - The regulations restrict **allowances to 50 percent.**
 - This implies that half of the salary would be basic wages and contribution to the provident fund is calculated as a percentage of basic wages that involves the basic pay and dearness allowance (DA).
 - Under the current labour regulations, the employer's percentage-based contribution towards the PF balance depends on the employee's basic pay and dearness allowance.
- **The Occupational Safety, Health and Working Conditions Code, 2020:**
 - Bill provides that women will be entitled to be employed in all establishments for all types of work under the Bill.
 - It also provides that in case they are required to work in hazardous or dangerous operations, the government may require the employer to provide adequate safeguards prior to their employment.

3. Decriminalisation of Indian Forest Act, 1927

Recently, the Ministry of Environment, Forests and Climate Change has issued a public notice for decriminalisation of Indian Forest Act, 1927.

About:

- a. The Ministry is undertaking a review of the Act to decriminalise minor sections of the law, including:
 - Carrying timber into the forest,
 - Trespassing by cattle,
 - Felling a tree,
 - Felling or damaging a tree reserved under a special provision of the law,
 - Kindling a fire or carrying fire in forest areas.

Indian Forest Act (IFA), 1927:

- It provides a legal framework for protection and management of forests, transit of forest produce and timber, and duty that can be levied on forest produce and timber.
- IFA is an umbrella act which provides the basic architecture for the management of forests in the country.

- It also includes providing mechanisms to ensure notification of reserved, protected and village forests, protection of forest resources, forest biodiversity and wildlife of the country

4. GigaMesh Initiative

CONTEXT: Recently, a total of 15 villages in different parts of the country were identified which may soon be seamlessly connected through a next-generation networking solution.

About the GigaMesh initiative

- The network solution called GigaMesh wirelessly provides fibre-like backhaul capacity and paves the road for 5G.
 - It is developed by Astrome supported by ARTPARK is world's first multi-beam E-band Radio that is able to communicate from one tower to multiple towers simultaneously while delivering multi GBPS throughput to each of these towers.
- Range: A single GigaMesh device can provide up to forty links with 2+ Gbps capacity, communicating up to a range of ten kilometres.
- Support: The startup is supported by AI & Robotics Technology Park (ARTPARK), the Technology Innovation Hub (TIH) at the Indian Institute of Science (IISc), which aims to chart the future for millimetre wave wireless communication on Earth and in space.
 - ARTPARK is a not-for-profit foundation promoted by the Indian Institute of Science (IISc), Bengaluru.

5. Azores High

CONTEXT: According to a new study, an extremely large 'Azores High' (a subtropical weather phenomenon) has resulted in abnormally dry conditions across the western Mediterranean, including the Iberian Peninsula, primarily occupied by Spain and Portugal.

What is Azores High?

- Azores High is a subtropical high pressure system that extends over the eastern subtropical North Atlantic and western Europe during winter.
- It is associated with anticyclonic winds in the subtropical North Atlantic.
- It is formed by dry air aloft descending the subtropics and coincides with the downward branch of the Hadley Circulation.
- The researchers showed that the Azores High expansion is driven by external climate forces and that the only external forcing that produces this signal in the industrial era is atmospheric greenhouse gas concentrations.

Associated weather:

- An annual drying of 5-10 millimetres per year per decade has been recorded in the Iberian Peninsula throughout the second half of the 20th century.
- A further 10-20 per cent drop in winter precipitation is expected by the end of the 21st century.
- These projected changes make agriculture of the Iberian region some of the most vulnerable in Europe. The study projected:
 - Olive-growing regions in southern Spain will suffer a 30 per cent decline in production by 2100.
 - Cultivation area in grape-growing regions across the Iberian Peninsula will shrink 25-99 per cent by 2050 due to severe water deficits that will render land unsuitable for viticulture.

ANSWER WRITTING

Q. Public Private Partnerships (PPP) are quintessential for addressing infrastructure gaps in the country; however, PPP projects in India face numerous challenges. Analyse. (150 words)

Introduction

Adequate investment in infrastructure development is a prerequisite for higher economic growth. To bridge the infrastructure deficit, the Eleventh Five Year Plan (2007-2012) laid considerable emphasis on increasing the investment in physical infrastructure. Further, the Plan adopted a strategy of encouraging higher private investment in infrastructure, directly and through public-private partnerships (PPPs).

Body

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

Public-Private Partnerships (PPP) are quintessential -

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

The ever-increasing growth in population has imposed tremendous pressure on State resources. In this situation, a public-private partnership (PPP) can offer a solution to resource scarcity by taking an associated risk of infrastructure. However, there are some challenges that need to meet, to have a strong PPP Model in India.

These challenges are as follows-

- **Restructuring of existing Model Concession Agreements (MCAs):** Time and again, concerns have been raised regarding the rigidity of the MCAs. E.g.- Existing contracts focus more on fiscal benefits than on efficient service provision.
- **Enforcement and monitoring of terms of Concession Agreement:** It has been experienced that in a large number of cases, the project authorities do not discharge their contractual obligations in a timely manner which imposes additional costs on the private sector participants.
- **Disputes resolution:** Infrastructure projects are fraught with disputes that cause inordinate delays due to slow resolution processes.
- **Issues related to infrastructure financing:** Some of the major issues involved are: A large number of projects are struck or delayed turning many bank loans into Non-Performing Assets (NPAs) and constraining further bank lending to infrastructure projects.
- **Technical data availability and it's quality:** There are technical issues involved with new projects and sometimes it becomes difficult for the new entity to understand.
- **Vested interests leading to the development of skewed qualification criteria:** It results in poor quality in the investment process.
- **Fiscal uncertainties:** The Indian economy undergoes ups and downs in different sectors many times. So it does not provide stable fiscal viability for new investors.

The success of PPP to a large extent depends on optimal risk allocation among stakeholders, an environment of trust among stakeholders, robust institutional capacity to undertake grooming and implementation of PPP projects. Given the need for expanding demography, there is an urgent requirement to accelerate the flow of private capital into the infrastructure sector.

Conclusion

Further, there is a need for implementation of some of the key recommendations of the Kelkar Committee Report including setting-up of national level PPP institution, a dedicated PPP tribunal, and a formal framework for post-award contract renegotiation. A mature PPP framework, along with a robust system shall enable the Government to accomplish the dream of a vibrant economy.

MCQs

- 1) Consider the following statements regarding population:
 1. World Population Day is observed annually on July 11 every year.
 2. The Population Division of the UN publishes World Population Prospects.
 3. India is projected to surpass China as the world's most populous country in the near future.
 Which of the above statement(s) is/are correct?
 - a. 1 only
 - b. 1 and 2 only
 - c. 1 and 3 only
 - d. **1,2 and 3**
- 2) Consider the following statements regarding Sarfaesi Act:
 1. Banks utilize Sarfaesi Act as an effective tool for bad loans recovery.
 2. Co-operative banks established under a State law and multi-State level co-operative societies come within the ambit of the act.

Which of the above statement(s) is/are correct?

- a. 1 only b. 2 only **c. Both 1 and 2** d. Neither 1 nor 2

3) Consider the following statements regarding Indian Forest Act (IFA) 1927:

1. IFA is an umbrella act which provides the basic architecture for the management of forests in the country.
2. It provides a legal framework for protection and management of forests, transit of forest produce and timber.
3. The act is followed by all states.

Which of the above statement(s) is/are correct?

- a. 1 and 2 only** b. 2 and 3 only c. 1 and 3 only d. 1, 2 and 3

4) Consider the following statements about Artificial Intelligence:

1. It is the science and engineering of making intelligent machines, especially intelligent computer programs.
2. AI would not replace people but create new opportunities in various fields.
3. AI is creating new opportunities which could not be achieved by traditional technology.

Which of the above statement(s) is/are correct?

- a. 1 only b. 2 only c. 3 only **d. All are correct.**

5) Consider the following statements about Nord Stream Pipeline:

1. The Nord Stream twin pipeline system through the Baltic Sea from Russia to Germany.
2. Germany is Russia's biggest European gas consumer, and most of it comes through the Nord Stream Pipeline.

Which of the above statement(s) is/are incorrect?

- a. 1 only b. 2 only c. Both 1 and 2 **d. Neither 1 nor 2**

6) Consider the following statements:

1. The CrPC does not define the word bail but only categories offences under the Indian Penal Code as 'bailable' and 'non-bailable'.
2. Offences under Sections 88 and 170 of the IPC are considered bailable offences, while offences under Sections 204 and 209 are non-bailable.

Which of the above statement(s) is/are correct?

- a. 1 only** b. 2 only c. Both 1 and 2 d. Neither 1 nor 2

7) Identify the statement associated with the term Lavender Scare, recently in news?

- a. The marginalization of LGBTQ employees working in the US government.**
- b. Failure of the lavender cultivation in the perfume producing states of India.
- c. Four-lined plant bug, garden flea hopper found in the lavender plants affecting its yield.
- d. None of the above.

8) Consider the following statements:

1. The Kerguelen hotspot is a volcanic hotspot at the Kerguelen Plateau in the Southern Indian Ocean.
2. The Kerguelen islands are administratively a part of the Indian Southern and Antarctic Lands.

Which of the above statement(s) is/are correct?

- a. 1 only** b. 2 only c. Both 1 and 2 d. Neither 1 nor 2

9) Consider the following statements:

1. Cosmic cliffs are mountains and valleys of a star-forming region.
2. Carina Nebula is a massive star-forming region found outside the milky way galaxy.
3. Stephan's Quintet is a visual grouping of five galaxies of which four form the first compact galaxy group ever discovered.

Which of the above statement(s) is/are correct?

- a. 1 and 2 only b. 2 and 3 only **c. 1 and 3 only** d. 1, 2 and 3

10) Consider the following statements:

1. The weakening in the euro against the dollar indicates that investors are pulling out money from the Eurozone and into the US.
2. If the euro weakens against the dollar then the Indian rupee will also further weaken against the dollar.

Which of the above statement(s) is/are correct?

- a. 1 only b. 2 only **c. Both 1 and 2** d. Neither 1 nor 2