

GOVERNANCE-DEVELOPMENT PROCESSES AND THE DEVELOPMENT INDUSTRY THE ROLE OF NGOS, SHGS, VARIOUS GROUPS AND ASSOCIATIONS, DONORS, CHARITIES, INSTITUTIONAL AND OTHER STAKEHOLDERS [GS-II]

Reason for increasing women-led philanthropy

The article discusses the growing impact of women in philanthropy in India. It highlights how women like Melinda French, MacKenzie Scott, and Rohini Nilekani are using their wealth to support various causes.

Who are the key women leaders in philanthropy?

Global Leaders in Philanthropy:

Melinda French: After divorcing Bill Gates, she founded Pivotal Philanthropies Foundation and plans to focus on gender development with a budget of \$12.5 billion.

MacKenzie Scott: Post-divorce from Jeff Bezos, she distributed \$16.6 billion to over 2,000 NGOs with a 'no strings attached' policy, making a significant impact on global philanthropy.

Indian Leaders in Philanthropy:

Rohini Nilekani: Independent of her family's Infosys wealth, she has led significant philanthropic efforts, focusing on environmental and climate change issues.

Rajashree Birla: Continued the Birla family's philanthropic legacy by leading CSR initiatives after her husband's death.

What is the reason for increasing women-led philanthropy?

1. **Financial Independence:** Women now have more financial autonomy due to ownership stakes in companies. This shift allows them to redistribute wealth as they wish, influenced by pioneers like Rohini Nilekani and Rajashree Birla.
2. **The emergence of women billionaires** like Savitri Jindal, Rohiqa Cyrus Mistry, and Rekha Jhunjhunwala has indeed boosted women-led philanthropy significantly
3. **Inspirational Role Models:** Figures such as Melinda French, MacKenzie Scott, and Rohini Nilekani demonstrate impactful, independent philanthropy, inspiring other women to follow suit.
4. **Government and Industry Support:** Organizations like the Confederation of Indian Industry help channel CSR funds, often led by women, fostering a supportive environment for philanthropic activities.

What is the benefit of women-led philanthropy?

1. **Innovative Giving Approaches:** MacKenzie Scott's "no strings attached" policy allowed NGOs full control over the funds, challenging traditional restrictive practices.
2. **Direct Impact on Societal Challenges:** Women tend to focus on complex issues with greater accountability. A 2024 Bain and Company-Dasra study shows women donate a larger portion of their wealth to directly achieve better outcomes.
3. **Role Model Effect:** Leaders like Rohini Nilekani inspire other women, creating a multiplying effect that encourages more female involvement in philanthropy.
4. **Increased Accountability:** Women show a higher degree of responsibility in fund usage, leading to more effective and impactful philanthropic activities.

INDIAN POLITY [GS-II]

Impact of Coalition Governments on Governance

The article discusses how coalition governments in India, despite their complexity, have effectively governed and advanced significant economic reforms. It contrasts this with the recent single-party rule, which avoided difficult decisions and suggests that political skill, not just majority, is key to effective governance.

What is the impact of coalition governments on governance?

1. Coalition governments have managed to effectively govern India and push forward major economic reforms.
2. Despite concerns about their potential for conflict and compromise, these governments have often been more productive than single-party rule.
3. For instance, significant reforms in trade, taxation, and digital infrastructure were all initiated or advanced under coalition governments

How have different governments contributed to economic reforms?

1. **Narasimha Rao Government (1991):** Initiated economic liberalization, including industrial deregulation, opening of trade, and overhauling the securities market.
2. **United Front Government (1996-1998):** Introduced policies like dematerialization of shares and reduced income tax rates.
3. **Atal Bihari Vajpayee's NDA:** Continued economic reforms, developed national highways, and reformed telecommunications.
4. **United Progressive Alliance (UPA):** Further liberalized telecom, initiated digital infrastructure projects like Aadhaar and UPI, and implemented inclusive policies like the Right to Information.

What are the achievements of the recent single-party rule?

1. The single-party rule of the last decade focused less on major reforms and more on incremental changes like bankruptcy easing and inflation targeting.
2. The significant reform under this regime was the implementation of the Goods and Services Tax (GST), which required a coalition-style consensus to be enacted.

Conclusion

Coalition governments, despite their perceived fractiousness, excel in negotiating and incorporating diverse perspectives, resulting in effective governance and substantial economic reforms. This underscores the importance of political acumen over a simple majority in achieving successful governance outcomes.

ECONOMY- TRANSPORT AND MARKETING OF AGRICULTURAL PRODUCE AND ISSUES AND RELATED CONSTRAINTS [GS-III]

Issue Of Wheat Import By India

India is considering reducing wheat import duties due to lower domestic supplies and high market prices. The government might need to import wheat to stabilize prices, despite having more wheat this year compared to last year. Improving wheat yields is suggested as a long-term solution.

What is the current situation in the Indian wheat market?

India is facing high wheat prices in the market, which are much higher than the government's minimum support price. For instance, prices reached around ₹3,000 per quintal in some parts of Madhya Pradesh, while the official price is ₹2,275 per quintal. Due to this increase, there is a discussion about reducing the 44% import duty on wheat to allow imports and help stabilize prices.

Why might India consider importing wheat?

1. The consideration for importing wheat, potentially 2 to 4 million tonnes, comes as domestic procurement has not met the target of 30 to 32 million tonnes for three years.
2. This shortage in state procurement and the high market prices have led to discussions on easing import norms to bring down prices and discourage hoarding.

What is the government's strategy?

1. The government might have nearly 8.5 million tonnes of wheat to manage market prices this year, compared to 10 million tonnes last year.
2. This wheat will be used in open market operations and possibly through schemes like the Open Market Sale Scheme to control prices.
3. The overall production is also reported to be better than last year, with an estimate showing an increase of 2.4 million tonnes.

What are the long-term solutions?

1. **Increase Wheat Yields:** Boost the average yield from the current 3.7-3.8 tonnes per hectare to at least 5 tonnes per hectare. Competing countries like Mexico and China have yields close to 6 tonnes per hectare.
2. **Address Agricultural Challenges:** Implement measures to combat losses due to weeds and pests, which can reduce potential yield by 20 to 30 percent, and correct nutritional imbalances.
3. **Enhance Wheat Varieties:** Develop and distribute varieties that can resist terminal heat and other climatic challenges.

MAJOR CROPS – CROPPING PATTERNS IN VARIOUS PARTS OF THE COUNTRY[GS-III]

Shift in Cropping Patterns

India is expecting a normal monsoon this year, which will boost agricultural production. However, groundwater depletion in certain states may limit the impact of the monsoon. The states of Punjab and Haryana have witnessed severe groundwater depletion due to the wheat-paddy cultivation cycle.

Paddy, a water-guzzling crop, occupies around 88% of the kharif cropped area in Punjab and 52% in Haryana. Groundwater extraction rates in Punjab and Haryana are alarmingly high at 163.76% and 135.74%, respectively, compared to the national average of 59.26%.

What environmental legislation have state governments enacted to address groundwater depletion?

To address groundwater depletion, Punjab and Haryana enacted Punjab Preservation of Subsoil Water Act (PPSWA) and the Haryana Preservation of Subsoil Water Act (HPSWA).

Objective- These laws aimed to make sure farmers planted paddy when the monsoon started by stopping them from planting too early.

What are the unintended consequences?

- 1) They had an unintended consequence of increasing stubble burning and air pollution in northern India.
- 2) The shift in paddy transplantation by over a month led to a shorter window between harvesting and planting the next rabi crop, forcing farmers to burn crop residue.
- 3) Stubble burning coincides with low wind speeds in northern India, exacerbating air pollution.

Why were these laws rendered ineffective?

- 1) The laws became ineffective because of the high minimum support prices (MSP) set for paddy and the subsidies on inputs, which encouraged farmers to increase paddy cultivation. This resulted in excessive extraction of groundwater and an increase in stubble generation.
- 2) The government has taken steps to encourage crop diversification, such as proposing to procure alternative crops like masoor, urad, arhar, maize, and cotton at MSP over the next five years. However, the assured procurement of wheat and paddy for the central pool, coupled with higher returns, prevents farmers from diversifying.

What should be the way forward?

Instead of doing away with the laws, there is a need for crop diversification, adoption of direct seeded rice, paddy straw management, and raising MSP and assured procurement for alternative crops.

INDIAN ECONOMY AND ISSUES RELATING TO PLANNING, MOBILIZATION OF RESOURCES, GROWTH, DEVELOPMENT AND EMPLOYMENT [GS-III]

The Employment Crisis in India

The article highlights the issue of unemployment in India. As per Periodic Labour Force Surveys, India has one of the lowest employment rates globally, with only 30.5% of people above the age of 15 years receiving remuneration for their work in 2022-23. Among men, the ratio was 48.1%, while shockingly, it was only 13% for women, one of the lowest employment rates for women worldwide.

What is the impact of this rising unemployment?

- 1) In a rapidly expanding economy with growing inequality, this situation is a crisis. It's a significant issue in a nation where many people still lack adequate living conditions, and the development efforts are incomplete.
- 2) It is also becoming a socio-political problem due to an aspirational younger generation being denied opportunities to live up to its potential.

What approach has the government adopted to deal with the issue of unemployment?

The government's approach was to incentivize big business in the hope that it would result in more private investment, boosting the real economy and creating employment through a "trickle-down" effect.

What is the impact of this approach?

- 1) Employment hasn't grown, and real wages haven't gone up in the past decade.
- 2) According to the 2024 India Employment Report by the ILO, certain workers, such as those in construction and regular employment, have experienced declines in their wages.
- 3) The majority of employment positions are informal, with more than 90% of workers not receiving the advantages of formal legal and social safeguards. Additionally, over half of the workforce are self-employed, earning modest incomes.
- 4) Women are particularly disadvantaged, whether they're paid or unpaid workers or self-employed.

What are immediate measures for employment generation?

- 1) There are about 1 million job openings in the central government and likely many more in state governments combined. Filling these vacancies would not only increase employment but also enhance public services in areas like health, education, and sanitation, improving everyone's quality of life.
- 2) Regularizing millions of women working in essential public service delivery schemes would benefit them and provide a fillip to domestic demand.
- 3) Greater emphasis on public spending for care activities would have positive multiplier effects on demand and employment.
- 4) Reviving the rural employment scheme by clearing arrears, ensuring proper funding, and avoiding partisan approaches that have denied resources to states ruled by Opposition parties.
- 5) Implementing an urban employment guarantee scheme with components for urban rejuvenation, skill training, and apprenticeships.

What are the medium-term measures?

- 1) There is a need to develop a package to revive and strengthen micro, small, and medium enterprises (MSMEs), including access to credit, technology, inputs, and marketing, and providing incentives like those for large firms.
 - 2) There is a need to focus on agriculture by ensuring viable cultivation through policies like legal MSP, public investment in relevant technologies, access to water and inputs, post-harvest storage and processing etc.
 - 3) The government should consider the influence of increasing temperatures and climate change in all policy decisions.
- These employment generation measures are likely to have a positive impact on output and lead to a more sustainable, equitable, and just economic growth trajectory.

PRELIM FACT

1. Self-Declaration Certificate must be for advertisers

The Supreme Court has mandated that all advertisers and advertising agencies submit a 'Self-Declaration Certificate' before releasing any advertisements starting from June 18, 2024.

For TV and radio ads, this certificate must be submitted on the Broadcast Seva Portal, and for print and digital media ads, on the Press Council of India Portal. This certificate must confirm that the advertisement does not contain misleading claims and complies with regulatory guidelines. The portals for submission will be activated on June 4, 2024, and ongoing ads are currently exempt from this requirement. This directive aims to enhance transparency and responsible advertising practices.

Significance:

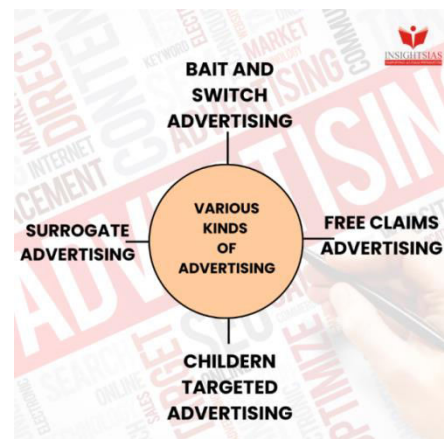
The Self-Declaration Certificate (SDC) for advertisements is significant as it ensures transparency and accountability by preventing misleading advertisements and holding manufacturers, promoters, and advertisers responsible. It also protects consumers by preventing violations of their rights, unfair trade practices, and false advertisements that harm public interest. Additionally, it supports better implementation of legislation and rules, such as the 2022 guidelines for preventing misleading advertisements.

About the Press Council of India (PCI):

It was established in 1979 under the Press Council Act, 1978, and is a statutory quasi-judicial autonomous authority that preserves press freedom and maintains high standards in newspapers and news agencies in India. The PCI consists of a Chairman, who is typically a retired Supreme Court judge, and 28 members, with the Chairman nominated by a committee including the Chairman of the Rajya Sabha, the Speaker of the Lok Sabha, and an elected member from the Council.

2. FSSAI

FSSAI directs companies to stop claiming "100% fruit juice" on labels and ads due to high sugar content.



As per **FSSAI**, there is no provision of such claims as per Food Safety and Standards (Advertising and Claims) Regulations, 2018. The products must be labelled in accordance with the Food Safety and Standards (Labelling and Display) Regulations, 2020. In the ingredient list, the word “reconstituted” must be mentioned against the name of the juice. If added nutritive sweeteners exceed 15 gm/kg, product must be labelled as ‘Sweetened juice’.

About FSSAI:

The Food Safety and Standards Authority of India (FSSAI) is an autonomous body established under the Food Safety and Standards Act of 2006. It consolidates various food-related laws and aims to ensure food safety and quality in India. FSSAI regulates food businesses, enforces safety laws, monitors quality, conducts research, provides training, and promotes food fortification and organic food. It operates under the Ministry of Health & Family Welfare, with headquarters in New Delhi and regional offices across the country.

3. Central Excise Bill, 2024

The Central Board of Indirect Taxes & Customs (CBIC), operating under the Department of Revenue, Ministry of Finance, has issued an invitation for stakeholders to provide input on the draft ‘Central Excise Bill, 2024’ by June 26, 2024.

The Bill aims to enact a comprehensive modern central excise law repealing old and redundant provisions and promoting ease of doing business.

About Excise duty:

Excise duty is an indirect tax collected by retailers or intermediaries from customers at the point of sale. It is paid when goods move from manufacturing units to warehouses. Governed by two key acts, the Central Excise Act of 1944 handles levy and collection, while the Central Excise Tariff Act of 1985 classifies goods and sets duty rates. With the implementation of Goods and Services Tax (GST), many excise duties were subsumed, leaving only petroleum and liquor subject to excise duty. Central GST replaced excise duty in most cases, while state governments collect excise duty on alcohol, alcoholic preparations, and narcotic substances, referred to as “State Excise” duty.



4. Open Network for Digital Commerce (ONDC)

The Open Network for Digital Commerce (ONDC) achieved a record 8.9 million transactions in May, a 23% increase from April.

What is ONDC?

The Open Network for Digital Commerce (ONDC) is a government initiative aimed at transforming the e-commerce market in India by shifting from a platform-centric model to an open-network model.

Similar to the success of the Unified Payments Interface (UPI) project, which enables seamless money transfers across different payment platforms, the ONDC seeks to facilitate transactions between buyers and sellers regardless of the platforms they are registered on.

Explanation using an example:

Let’s imagine you want to buy a product online, like a smartphone. You are registered on Amazon, but you find a better deal on Flipkart for the same smartphone you want to buy. In the current system, you wouldn’t be able to purchase it from Flipkart because you’re not registered there.

But ONDC is like a big network that connects all the different e-commerce platforms together. So instead of being limited to one specific platform, you can buy products from different platforms, even if you are registered on only one of them.

5. Role and Influence of Proxy Advisory Firms in India

Recently, Proxy advisors have drawn attention to their recommendations that led to the rejection of resolutions, like Nestle’s royalty payout or the demerger of ITC Hotels.

CEO of JP Morgan Chase has recently flagged concerns about the undue influence of proxy advisors. However, this is not true in case of India. Institutional investors in India tend to conduct their own analysis, with PAs serving as a support system rather than exercising too much power.

What is the role of proxy advisors?

- 1) They serve as a support system for investors to make informed decisions.
- 2) They offer criticism and point out flaws, much like doctors diagnosing illnesses, which encourages corrective measures for good governance.
- 3) They support management’s decisions/actions if they are fair and adhere to governance parameters.

What are some limitations of proxy advisors?

- 1) They have neither the expertise, vision, nor the information that the board has to determine what’s best for the company.
- 2) They are not required to have the abilities to outsmart the boards of the numerous companies they track.
- 3) It’s crucial to draft meeting notices properly, including detailed explanations and disclosures, to prevent PAs from making negative recommendations.
- 4) They sometimes differ in their interpretation of laws from companies, creating a conflict between regulatory compliance and governance.

5) Proxy advisors sometimes don't only trust valuer reports; they also do their own valuations. But problems occur when companies disagree with their assessments, especially in cases like Tata Motors and ICICI Securities, where some minority investors object to proposals because of their expectations by not providing solid arguments.

ANSWER WRITING

Q. Coalition governments have been a prominent feature of Indian politics since the 1990s. Analyze the factors that have contributed to the rise of coalition governments in India and assess their impact on the functioning of the Indian political system.

Since the 1990s, coalition governments have become a defining characteristic of Indian politics. This shift from single-party dominance to coalition politics has reshaped the political landscape. For instance, in the 2024 general elections, no political party won an absolute majority, highlighting the fragmented mandate that necessitates coalition politics.

Evolution of Coalition Governments in India:

- **1990s Onwards:**
 - **Decline of Congress Dominance:** The **1989** elections marked the end of **Congress's uninterrupted rule** since independence.
For example: The **National Front government (1989-1991)** was the **first non-Congress coalition government** at the center.
 - **Rise of Regional Parties:** Regional parties' vote share increased from **24%** in 1991 to **40%** in 2019.
For example: Parties like the **Telugu Desam Party (TDP)** and **Dravida Munnetra Kazhagam (DMK)** became crucial coalition partners.
- **Dynamics and Features:**
 - **Formation of Alliances:** The **United Front government (1996-1998)** was a coalition of **13 parties**.
For example: The **BJP-led National Democratic Alliance (NDA)** and the **Congress-led United Progressive Alliance (UPA)**.
 - **Frequent Government Changes:** Between **1989** and **1999**, India saw six different Prime Ministers.
For example: The Vajpayee government lasted only **13 days** in **1996** due to lack of majority support.

Factors for the Rise of Coalition Governments in India:

- **Fragmentation of the Electorate:** National parties' combined vote share fell from **70%** in the **1980s** to **50%** in recent elections.
For example: Regional parties like the **TMC, AIADMK, and BJD** gained significant influence.
- **Federal Structure and Regional Aspirations:** Growth of regional parties representing state-specific issues.
For example: Parties like the **Shiv Sena** in **Maharashtra** and the **Akali Dal** in **Punjab**.
- **Coalition Culture and Political Compromises:** Alliances necessary to secure a majority.
For example: **BJP's** alliances with various regional parties in the **NDA**.
- **Strategic Alliances and Power Sharing:** Alliances formed to expand voter base and political reach.
For example: **Congress and NCP alliance** in **Maharashtra**, **BJP and JD(U)** in **Bihar**.

Impact on the Functioning of the Indian Political System:

- **Positive Impacts:**
 - **Inclusive Governance:** Representation of diverse interests in government.
For instance: Regional parties influence national policies and advocates for the inclusion of regional demands in the budget.
 - **Policy Innovation and Regional Development:** It involves **crafting tailored policies** that address the **specific needs** of different regions. This approach ensures that **diverse local challenges** are effectively managed, promoting **balanced and inclusive** development across the country.
For example: Special economic packages for states like **Bihar** and **West Bengal**.
 - **Strengthening Federalism:** Greater decentralization and state autonomy.
For example: State-specific schemes like **Rythu Bandhu** in **Telangana**.
- **Negative Impacts:**
 - **Policy Paralysis and Instability:** Frequent conflicts among coalition partners.
For example: The fall of the **Vajpayee government** in **1999** due to coalition infighting.
 - **Compromise on Governance and Policy Implementation:** Policies diluted to accommodate coalition demands.
For example: Delays in **GST** implementation due to coalition disagreements.
 - **Rise of Opportunistic Politics:** Parties prioritise political gains over national interests.
For example: Alliances are formed for electoral benefits rather than ideological alignment.

Measures to Overcome Negatives:

- **Common Minimum Programme (CMP):** Formulating a CMP to ensure coherent policy direction.
For example: The **UPA's CMP** provided a balanced governance framework.
- **Strengthening Institutional Mechanisms:** Better coordination and conflict resolution among coalition partners.
For example: Regular **inter-party consultations** and a coalition management framework.
- **Promoting Political Accountability and Transparency:** Enforcing accountability measures for responsible governance.
For example: Legislative measures to prevent frequent defections.

Conclusion:

The rise of coalition governments in India has brought inclusivity and complexity to the political system. While it has fostered greater representation and strengthened federalism, it has also led to policy paralysis and instability. Adopting measures like a Common Minimum Programme, strengthening institutional mechanisms, and promoting political accountability can mitigate the negatives, ensuring that coalition governments contribute positively to India's democratic governance.

MCQS

- Consider the following statements about the Press Council of India (PCI):
 - The Press Council of India is a statutory body established by an Act of Parliament.
 - The primary function of the Press Council of India is to regulate and improve the standards of journalism in India.
 - The Press Council of India has the authority to impose penalties and enforce its decisions through legal means.

How many of the above statements is/are correct?

a) Only one **b) Only two**
c) All three d) None
- Which of the following statements about FSSAI is correct?
 - FSSAI operates under the Ministry of Agriculture, Government of India.
 - FSSAI was established under the Food Safety and Standards Act, 2006.**
 - FSSAI is responsible for promoting the production of genetically modified crops.
 - FSSAI sets standards for safe water quality only in urban areas.
- Which of the following statements about excise duty is correct?
 - Excise duty is a tax levied on the sale of goods at the point of purchase by consumers.
 - Excise duty is a tax imposed on goods during the production or manufacturing process, typically paid by the manufacturer.**
 - Excise duty is a tax levied on income earned by individuals and businesses.
 - Excise duty is a tax imposed only on imported goods at the time they enter the country.
- Consider the following statements about the Open Network for Digital Commerce (ONDC)::
 - ONDC is an initiative by the Government of India to create an open-source network that allows any retailer to participate in digital commerce.
 - ONDC mandates that all transactions on its platform must be conducted in Indian Rupees only.
 - ONDC's architecture supports interoperability between different e-commerce platforms and service providers.

How many of the above statements is/are correct?

a) Only one **b) Only two**
c) All three d) None
- Consider the following statements:
 - Sickle Cell Disease is caused by a mutation in the gene that codes for the hemoglobin protein.
 - People with Sickle Cell Trait have one normal hemoglobin gene and one mutated gene, usually without severe symptoms.
 - Hydroxyurea is a medication that can help reduce the frequency of pain episodes in individuals with SCD.

How many of the above statements is/are correct?

a) Only one **b) Only two**
c) All three d) None
- Consider the following statements about proxy advisory firms
 - They serve as a support system for investors to make informed decisions.
 - They offer criticism and point out flaws, much like doctors diagnosing illnesses, which encourages corrective measures for good governance.
 - They support management's decisions/actions if they are fair and adhere to governance parameters.

Which of the above statements are not correct ?

a) 1 and 2 only b) 2 and 3 only
c) 1, 2 and 3 **d) None**
- Which one of the following is the primary objective of the "Apashisht Mukta Sainya Abhiyan" (AMSA)?
 - Promote the use of electric vehicles in the Indian Army
 - Make the Indian Army landfill-free by March 2027**
 - Construct new green buildings for the Indian Army
 - Implement hydrogen fuel cell technology in the Indian Army
- Which of the following governments are coalition government
 - Narasimha Rao Government (1991):
 - Atal Bihari Vajpayee's NDA
 - United Front Government (1996-1998)
 - All three**
- Consider the following statements about the unintended consequences of Shift in Cropping Patterns
 - They had an unintended consequence of increasing stubble burning and air pollution in northern India.
 - Stubble burning coincides with low wind speeds in northern India, exacerbating air pollution.

Which of the above statements are correct ?

a) 1 only b) 2 only
c) **both 1 and 2** d) none
- With reference to the advance estimate of major agricultural crops, how many of the following statements are correct?
 - The primary purpose of the advance estimates of agricultural crops is to estimate the production of various crops for planning and policy-making.
 - Ministry of Agriculture and Farmers Welfare releases the advance estimates of major agricultural crops in India.
 - Advanced estimates rely heavily on final harvest data from previous years.

Select the correct answer using the codes given below:

a) Only one **b) Only two**
c) All three d) None