News Analysis (07 Jul, 2020)

Completion of Annual MGNREGA Work Limit

Why in News

According to the central scheme database of the **Mahatma Gandhi National Rural Employment Guarantee Act, 2005 (MGNREGA)**, at **least 1.4 lakh poor rural households** have completed their quota of 100 days of work for the first three months of the year.

> Therefore, they will not be eligible for further benefits under the rural employment guarantee scheme for the rest of the year.

Key Points

- **Related Data:**
    - Overall, **23 lakh households** have already completed 60 days of work.
    - Another **seven lakh households** have completed 80 days and are on the verge of running out of work.
    - With almost 60,000 households which have completed 100 days of work, **Chhattisgarh** has the **highest rate** among States, followed by **Andhra Pradesh** with almost 24,500 households in this category.
        - However, Andhra Pradesh maintains its own database showing that 8.6% of all beneficiary households in the State have already completed 100 days of work.
- **Related Issues:**
    - **Impact of Covid-19 pandemic:** Due to **Covid-19**, the **nationwide lockdown** has resulted in thousands of unemployed migrant workers returning to their villages and now dependent on MGNREGA wages.
    - **Increase in Demand for Work:** The demand for **MGNREGA** work almost **doubled** in June as there is no other work available for many people.
        - Construction sector, which usually absorbs a large number of workers, has also collapsed.
    - **Monsoon Season:** In many areas, **monsoon** is the hungry season and many people are desperate for work and dependent on MGNREGA wages.
        - It is also expected that in December the situation would be worse especially for **women**, **elderly** and **disabled** and **tribals** when agriculture work is over and there will be no work from MGNREGA.

- **Solutions:**
  - **Expansion of the Scheme:** The MGNREGA scheme contains a provision for an **expansion of the scheme** to allow for **150 days of work** per household for districts affected by drought or other natural disaster.

    Given that Covid-19 was declared a national disaster, this provision may be implemented immediately across the country.
  - **Change in limit:** The limit should be **imposed per adult individual** rather than per household.
  - **Increase in Wage:** There is a demand for an increase to 200 days per individual at a daily wage rate of ₹600.

    The current wage rate of Rs. 200 per day does not even match up to minimum wage rates in most States.
  - **Farming:** Getting employment from the Agriculture and farms is an option which can be provided to the migrants.Eg. Migrants workers being deployed in the Litchi farms of Bihar.
  - **Government Initiatives:** It was announced in March that the workers under the MGNREGA would get a hike of **Rs. 2000** each on an average.
    - **Garib Kalyan Rojgar Abhiyan** was started to provide employment to migrant labourers who returned home during the lockdown. The scheme covers six states — Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan, Jharkhand and Odisha.
    - It has as a provision to grant 125 days of employment to migrants.

MGNREGA

- The **Mahatma Gandhi National Rural Employment Guarantee Act,** earlier known as the National Rural Employment Guarantee Act was passed in 2005 to augment employment generation and social security in India.
- It functions under the **Ministry of Rural Development.**
- **Objective:** The primary objective of the scheme is to guarantee **100 days of employment in every financial year to adult members of any rural household** willing to do public work-related unskilled manual work.
- It covers all districts of India except the **ones with 100% urban population.**
- It is one of the **largest work guarantee programmes** in the world.

Way Forward

- MGNREGA has come to the nation's aid in combating growing poverty. Even programmes like **Swacchh Bharat** and **Pradhan Mantri Awas Yojana** are being merged to leverage its utility, reach and value.
- Therefore, it needs an urgent extension for those who have already completed the work limits.
- **Initiatives must be taken to impart skills** in the workers so that they can take alternative livelihoods during such situations.
- Gram panchayats need to be provided with adequate resources, powers, and responsibilities to sanction works, provide work on demand, and authorise wage payments to tackle the crisis of the migrant workers.
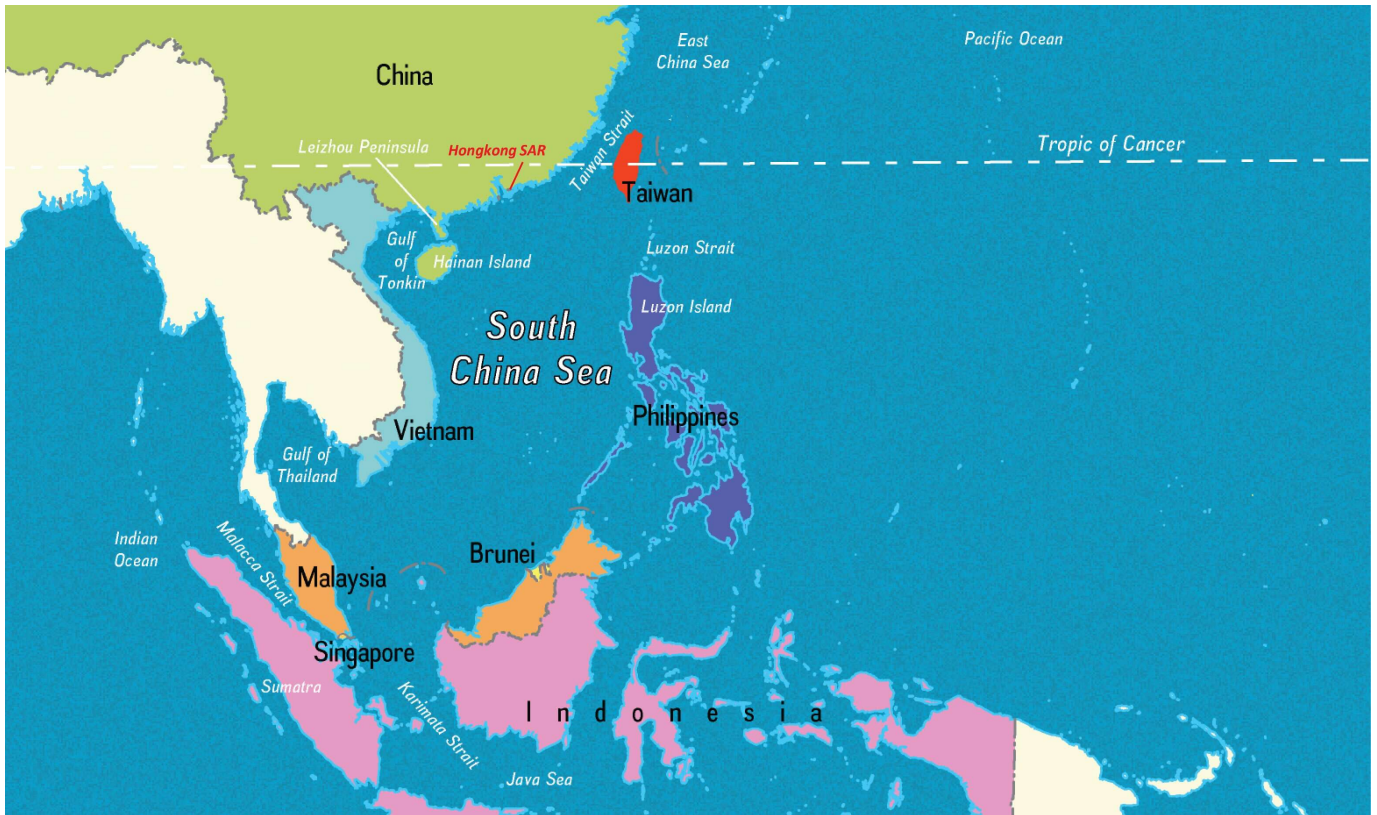
Source: TH

Global Response to China's Security Law on Hong Kong

Why in News

Recently, several countries have proposed measures to protect Hong Kong residents fleeing potential political persecution from China's new **National Security Law.**

> China's new security law criminalizes what it deems secession, subversion, terrorism, and collusion with a foreign country.

Key Points

- **United Kingdom's Response:**
    - It has described the security law as a clear and serious violation of the **1984 Sino-British Joint Declaration** under which it handed back its colony to China in 1997.
        - Under the Joint Declaration, China had promised to maintain Hong Kong's capitalist and more open political system for 50 years under **"one country, two systems".**
        - Since the handover, Hong Kong residents have accused China of **overstepping its authority.**
            - The **Umbrella Movement** was a series of protests in 2014 that called for more transparent elections for the city's chief executive.
            - In 2019 protests erupted in Hong Kong over a proposed bill to allow **extradition** to mainland China.
    - It has **decided to offer British citizenship** to around three million **residents of Hong Kong.**
    - It is also **rethinking its provisional decision to allow Huawei (China's Company)** to be involved in the development of Britain's 5G infrastructure.
- **Taiwan's Response:**
    - It has opened the **Taiwan-Hong Kong Services and Exchange Office** in order to help facilitate asylum for people fleeing Hong Kong.
    - Taiwan **was the first state which pledged to support Hong Kong** residents seeking asylum, in May 2020.
        - China also **claims Taiwan to be part of China** and threatens to use force to take over the island.
        - China has proposed to Taiwan that it follow the **"one country, two systems"** model to unite with China. But the Taiwanese reject any idea of uniting with mainland China.
- **Other Country's Response:**
    - **The USA** has passed a **Bipartisan Bill** to sanction Chinese officials who violate Hong Kong's freedoms.
        It is also planning to bring the **Hong Kong Safe Harbor Act,** which would open up a route for asylum for Hong Kong's frontline activists in immediate danger.
    - **Australia** is considering offering Hong Kong residents **temporary protection visas** that will allow refugees to live in the country for up to three years.
    - **Japan** said that it is **seriously concerned** about China's decision toward Hong Kong.
    - **India** has been keeping a close watch on recent developments in Hong Kong.
- **Chinese Reaction to Global Response:**
    - It has said that the **security law issue is purely China's internal affairs,** and no foreign country has the right to interfere.
    - It has condemned the UK's citizenship offer to Hong Kongers and **warned the UK for serious consequences.**
        - It considers all residents living in Hong Kong, including those with British National Overseas passports, as Chinese nationals.
        - It has said that the UK's U-turn on its **Huawei decision would damage the UK's image as an open, business-friendly environment.**
    - It has **accused Taiwan administration** of nurturing a separatist plot in Hong Kong and warned for a **military response.**

Source: TH

Expat Quota Bill Approved in Kuwait

Why in News

Recently, the legal and legislative committee of **Kuwait's National Assembly** has **approved** the **draft expat (expatriate) quota bill.**

- According to the bill, **Indians should not exceed 15% of the population** and if it is enacted into law, over 8 lakh Indians could be forced out of Kuwait.
- Kuwait is a country located in the **Persian Gulf region.**

Key Points

- The draft expat quota bill has been **deemed constitutional** and will be transferred to the respective committee so that a comprehensive plan is created.
- Lawmakers and government officials including the Prime Minister of Kuwait have been calling to **reduce the number of expats from 70% to 30%** of the population.
- The draft law will **impose a cap on the number of expats and gradually reduce** them by almost 5% on a yearly basis.
    - For example, if expats constitute 70% of the population this year, next year it will 65% and 60% in the following year.
- **Reasons Behind the Move:**
    - Anti-expat aspirations have been rising in Kuwait since the beginning of the **Covid-19 pandemic**.
        - **Foreigners have accounted for the majority of Kuwait's virus cases** as the disease spread among migrant workers living in overcrowded housing.
    - Kuwait has been working to **reduce its dependence on foreign workers.** It no longer wants to remain an expat-majority nation with its own citizens turning into a minority.
        - This move is similar to the **USA's decision** to **extend the 60-day ban on immigrant and non-immigrant worker visas** till the **end of 2020.**
    - Kuwait faces problems in its **population structure** due to huge numbers of expats.
        - Almost **one-third of the expats are either illiterate or can merely read and write.** They do not contribute to the country's growth and hence, are not needed.
    - The **oil-price crash** has also affected the country's economic conditions.
- **Data Analysis:**
    - In Kuwait, expats account for 3 million out of the total population of 4.3 million.
    - **Indians constitute the largest expat community** in Kuwait, totalling 1.45 million.
    - About 28,000 Indians work in **various government jobs** like nurses, engineers in national oil companies and as scientists.
    - Majority of Indians (around 5 lakh) work in the **private sector.**
    - There are about 1.16 lakh dependents out of which about 60,000 are students studying in various Indian schools in the country.

India's Perspective

- The Indian community in Kuwait has always played an **important factor in bilateral ties.**

- Indians are present in **all segments of society** in Kuwait and are largely **considered disciplined, hardworking and law-abiding.**
- **Kuwait is a top source of remittances for India.** In 2018, India received nearly USD 4.8 billion from Kuwait as remittances.
- The Indian embassy has been closely following developments related to the proposed legislation. However, **India has so far not made any statement** on the issue.

Persian Gulf Region

- The lands around the Persian Gulf are shared by **eight countries** namely, Bahrain, Iran, Iraq, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates (UAE).
- These all eight countries are members of the **United Nations.**
  - UAE, Bahrain, Saudi Arabia, Oman, Qatar, Kuwait are members of the **Gulf Cooperation Council** (GCC).
  - Out of the Persian Gulf countries, Iran, Iraq, Kuwait, UAE and Saudi Arabia are members of the **Organization of the Petroleum Exporting Countries** (OPEC).
- Being **major producers of crude oil and natural gas,** there is a commonality of interest among these countries.

    This commonality of interest has given rise to their own prosperity and subsequently, economic-political entanglements among them.

Source: IE

Indian Railways to Use More Renewable Energy

Why in News

The Indian Railways has decided to be **self-reliant for its energy needs** by utilizing its vacant lands for **Renewable Energy** (RE) projects.

It will **utilize solar energy** for meeting its **traction (action of drawing or pulling something over a surface) power** requirements.

Key Points

- In January 2020, it was announced that the **entire network** of the Indian Railways will run on **electricity by 2024** and become a **net-zero emission network by 2030.**
- Indian Railways is adopting an **innovative concept of installation of solar projects along operational railway lines.** This will help in:
    - Preventing encroachment.
    - Enhancing the speed and safety of trains.
    - Reduction of infrastructure costs due to direct injection of solar power into the traction network.
- **Railway Energy Management Company Limited** (REMCL) is working continuously to further proliferate the use of solar energy on mega-scale.
- With these mega initiatives, Indian Railways is leading **India's fight against climate challenge** and is taking significant steps towards meeting its ambitious goal of being a net-zero **carbon emissions** organisation and meeting India's **Intended Nationally Determined Contributions (INDC) targets.**
- This would also help in making Indian Railways a **complete 'Green mode' of transportation** and **'Atmanirbhar (energy self-sufficient transport organisation)'.**
- **Achievements:**
    - Energy procurement from various solar projects like **3 MWp solar plant** set up at Modern Coach Factory (MCF) Raebareli (Uttar Pradesh).
    - About 100 MWp **rooftop solar systems** on various stations and buildings of Railways.
    - A **project of 1.7 MWp** near Bina Traction Sub Station, Bina (Madhya Pradesh) connected directly to **Overhead Traction System** (OTS) will be commissioned shortly.
        - This is the **first of its kind project in the world** authorised by Indian Railways in collaboration with **Bharat Heavy Electricals Limited** (BHEL).
            - BHEL is one of the seven **Maharatna** companies.
            - The project was undertaken by BHEL under its **Corporate Social Responsibility** (CSR) scheme.
        - It involves the adoption of innovative technology for **converting Direct Current (DC) to single-phase Alternating Current (AC)** for feeding directly to Railway's overhead traction system.
        - It can produce approximately 25 lakh units of energy annually and will save around Rs. 1.37 crore for Railways every year.

Overhead Traction System

- **Traction system** causes the propulsion of a vehicle in which tractive or driving force is obtained from various devices such as diesel engine drives, steam engine drives, electric motors, etc.
- When this **power supply is drawn from an overhead line system,** it is called an Overhead Traction System.

Railway Energy Management Company Limited

- It was incorporated on **16th August 2013** under the **Companies Act 1956** as a **joint venture company** of Ministry of Railways.
- **Objective:** To tap the business potential in the energy sector including green energy, power trading etc. by setting up renewable energy wind power projects, etc.

Source: PIB

New National Logistics Law

Why in News

The Ministry of Commerce and Industry is considering replacing the **Multimodal Transportation of Goods Act, 1993 (MMTG)** with a **National Logistics Efficiency and Advancement Predictability and Safety Act (NLEAPS).**

- MMTG provides for the **regulation** of multimodal transportation of goods from any place in India to any place outside India.
    - Multimodal transportation refers to a combination of more than one mode of movement, such as rail, road or sea, for end-to-end delivery of goods.
- It was introduced **to facilitate the exporters** and give them a sense of security in transporting their goods.

Key Points

- **Aim:**
    - NLEAPS aims to **streamline the logistics ecosystem** in the country, with a view to promote growth of the sector.
    - **Modernise and formalise** the logistics services and **promote digitisation** in the sector, which is key for the smooth movement of goods.
    - To **reduce the logistics cost** from the present 14% of the **Gross Domestic Product (GDP)** to less than 10% of GDP.
- **Reason Behind New Law:**
    - The new law tends to **define various participants** of the logistics sector and **create a light regulatory ecosystem.**
        - There is no clear definition of the logistics sector in the MMTG.
    - The logistics sector with a market size of USD 160 billion is complex, with more than 20 government agencies, 40 partnering agencies, 37 export promotion councils, 500 certifications and 10,000 commodities.
- **Benefit:**
    - Effective implementation of the Act would help provide an impetus to trade, enhance export competitiveness, and improve India's ranking in the **Logistics Performance Index and Ease of Doing Business.**

Logistics Performance Index

- The Logistics Performance Index (LPI), **developed by the <u>World Bank Group</u>**, is an interactive benchmarking tool created to help countries identify the challenges and opportunities they face in their performance on trade logistics and what they can do to improve their performance.
- The logistics performance (LPI) is the weighted average of the country's scores on the **six key dimensions:**
    - Efficiency of the **clearance** process (i.e., speed, simplicity and predictability of formalities) by border control agencies, including customs.
    - **Quality of trade** and transport related infrastructure (e.g., ports, railroads, roads, information technology).
    - Ease of **arranging competitively priced shipments.**
    - Competence and quality of **logistics services** (e.g., transport operators, customs brokers).
    - Ability to **track and trace consignments.**
    - Timeliness of shipments in reaching destinations within the scheduled or expected **delivery time.**
- **India ranked 44th on the LPI in 2018.**

<u>Source: TH</u>

Performance Assessment of Highways by NHAI

Why in News

Recently, the **<u>National Highways Authority of India (NHAI)</u>** has decided to undertake **performance assessment and ranking of the highways** in the country.

The assessment activity majorly intended to **improve the quality of roads** in the country.

Key Points

- **Parameters for Assessment:**
  - The criteria for the assessment have been broadly categorised in three main heads namely, **Highway Efficiency (45%), Highway Safety (35%) and User Services (20%).**
  - Additionally, important parameters like operating speed, time taken at toll plaza, road signages, road markings, accident rate,illumination, availability of Advanced Traffic Management System (ATMS), functionality of structures, cleanliness, plantation, wayside amenities and customer satisfaction will also be considered while conducting the assessment.
  - Apart from overall ranking of all the corridors, **separate ranking for <u>Build-Operate-Transfer (BOT), Hybrid Annuity Model (HAM) and Engineering, Procurement, and Construction (EPC)</u> projects** will also be done..
    - **BOT** is a **conventional PPP model** in which a private partner is responsible to design, build, operate (during the contracted period) and transfer back the facility to the public sector.
    - In the case of **HAM,** the central government bears 40% of the project cost and the remaining amount is arranged by the developer.
    - Under the **EPC model,** the cost is completely borne by the government.
  - The ranking of the corridors will be **dynamic** and the operators will get the **opportunity to improve upon their ranking** by improving the services on that corridor.
- **Significance:**
  - The score obtained by each Corridor in each of the parameters will provide **feedback and corrective recourse** for **higher standards of operation, better safety and user experience** to improve existing highways.
  - It will also help in **identifying and filling gaps of design, standards, practices, guidelines and contract agreements** for other NHAI projects.
  - The ranking for BOT, HAM and EPC projects is expected to bring out **operational efficiency and ensure high quality maintenance** of roads.
  - On the basis of outcome of the assessment, the authority will undertake a **comprehensive analysis** and decide on the **level of intervention required** to enhance the overall service quality.

National Highway Authority of India

- National Highways Authority of India (NHAI) was set up under **NHAI Act, 1988.**
- It is under the administrative control of the **Ministry of Road Transport and Highways.**
- It has been entrusted with the **National Highways Development Project,** along with other minor projects for development, maintenance and management.
  - National Highways Development Project (NHDP) is a project to upgrade, rehabilitate and widen major highways in India to a higher standard.
  - The project was started in 1998.
- NHAI maintains the National Highways network to global standards and cost effective manner and promotes economic well being and quality of life of the people.

<u>Source:PIB</u>

G4 Virus and Disease Surveillance

Why in News

Recently, scientists have identified **a new strain of <u>Swine Flu (H1N1) virus</u>** namely, **G4 EA H1N1.** It has started infecting Chinese pigs and also has the potential of **triggering a <u>pandemic.</u>**

Key Points

- **Risk Involved:**
  - <u>**G4 EA H1N (also known as G4)**</u> replicates efficiently in **human airway paths** and so far, has infected a **few people without actually making them ill.**
  - Thus, greater vigilance in monitoring people is needed because humans have **no inbuilt immunity against this new strain of the virus,** much like <u>**SARS-CoV-2**</u>.
- **Regional Disease Surveillance:**
  - Most countries have their **own disease surveillance mechanisms** in place to **monitor and track emerging diseases.** It helps to **evaluate the risk of a particular pathogen on the community,** based on the cases occurring, and warn of potential risks from that pathogen.
    - India has the **<u>Integrated Disease Surveillance Project (IDSP)</u>** to strengthen/maintain decentralized laboratory based and IT enabled disease surveillance systems for epidemic prone diseases to monitor disease trends.
    - It was launched by the **Ministry of Health and Family Welfare,** in assistance with the **<u>World Bank, in 2004.</u>**
  - Closely studying a pathogen yields valuable information on transmission, and behaviour of the organism.
- **Global Level Surveillance:**
  - Countrywise alerts need to be **shared on the global network** so that other nations at equal risk might be warned before the outbreak hits their shores.
  - The **<u>World Health Organisation (WHO)'s</u> Global Outbreak Alert and Response Network (GOARN)** is one of the initiatives which makes scientific predictions based on global data about diseases.
    - GOARN is a **global technical partnership** aimed to engage the resources of technical agencies beyond the United Nations for rapid **identification, confirmation and response to public health emergencies** of international importance.
    - It currently comprises over **250** technical institutions and networks (and their members) across the globe including medical and surveillance initiatives, regional technical networks, networks of laboratories, **<u>United Nations</u>** organizations (e.g. **<u>UNICEF, UNHCR</u>**), etc.
    - GOARN's **regional office for South East Asia Region** is located at **New Delhi, India.**
    - The main objective of the network is to provide technical support to **WHO Member States experiencing a human health emergency** due to various threats including disease outbreaks, food safety, chemical toxins, **<u>zoonosis</u>**, natural and manmade disasters etc.

<u>Source:TH</u>

World Bank's Support to India for MSMEs

Why in News

Recently, the **World Bank (WB)** and the **Government of India** has signed the **USD 750 million agreement** for an **Emergency Response Programme** for **Micro, Small, and Medium Enterprises (MSMEs).**

> Emergency Response Programmes are dedicated towards **enhancing the resilience of communities and livelihoods** in order to address fragility, poverty and vulnerability to conflict and disaster.

Key Points

- **Financial Support:**
  - The USD 750 million loan which is being granted from the **International Bank for Reconstruction and Development (IBRD** - a part of the WB group), has a maturity of 19 years including a 5-year grace period.
  - The WB groups and its private sector arm – **the International Finance Corporation (IFC),** will support the government's initiatives to protect the **MSME sector** which is severely impacted by the **Covid-19** crisis.
    > Covid-19 **pandemic** has severely impacted the MSME sector leading to loss of livelihoods and **employment**.
  - Earlier, the World Bank has committed to support India's emergency Covid-19 response, including the new MSME project with **USD 2.75 billion.**
    - The first **USD 1 billion emergency support was announced in April** 2020 for immediate support to **India's health sector.**
    - Another **USD 1 billion project was approved in May** to increase cash transfers and food benefits to the poor and vulnerable, including a more consolidated delivery platform – accessible to both rural and urban populations.
- **Significance:**
  - **Unlocking Liquidity:** Considering the current uncertainties, lenders remain concerned about borrowers' ability to repay – resulting in limited flow of credit.
    > Therefore, the program will support the government's efforts to channel liquidity to the MSME sector by de-risking lending from banks and **Non-Banking Financial Companies (NBFCs)** to MSMEs through a range of instruments, including credit guarantees.
  - **Strengthening NBFCs and SFBs:** The programme will address the urgent and varied needs of the MSMEs by **improving the funding capacity** of key market-oriented channels of credit, such as the **NBFCs and Small Finance Bank (SFBs).**
    - This will support the government's **refinance facility for NBFCs.**
    - In parallel, the IFC would provide direct support to SFBs through loans and equity.
  - **Enabling Financial Innovations:** Currently only about 8% of MSMEs are served by formal credit channels. The program will **incentivize and mainstream** the use of **fintech** and **digital financial services** in MSME lending and payments.

World Bank Group

- With 189 member countries, the World Bank Group is a unique global partnership which consists of five development institutions.
- **International Bank for Reconstruction and Development (IBRD)** provides loans, credits, and grants.
- **International Development Association (IDA)** provides low- or no-interest loans to low-income countries.
- **The International Finance Corporation (IFC)** provides investment, advice, and asset management to companies and governments.
- **The Multilateral Guarantee Agency (MIGA)** insures lenders and investors against political risk such as war.
- **The International Centre for the Settlement of Investment Disputes (ICSID)** settles investment-disputes between investors and countries.
    - India is not a member of ICSID.

Way Forward

- The **MSME sector is central** to India's growth and job creation and will be key to the pace of **India's economic recovery**, post Covid-19.
- The financial support by the **World Bank** is a part of reforms that are needed to propel the MSME sector over time. Indian government has announced **Rs.3-lakh crore collateral-free assistance or sovereign credit guarantee** under **Atmanirbhar Bharat Abhiyan.**
- However, the immediate need is to ensure that the **liquidity** infused into the system by the government is **accessed by MSMEs.**
- Equally important is to strengthen the overall financing ecosystem for MSMEs.

Source: PIB

Mahajobs Portal: Maharashtra

Why in News

The **Maharashtra Government** has launched a portal named **'Mahajobs'** for job seekers and employers, owing to the economic situation caused by **Covid-19 pandemic**.

Key Points

- **Aim:** To make local manpower available to companies and employment opportunities to workers.
- **Functioning:**
    - The job seekers and providers/industrial units can **register** themselves on the Portal.
    - The Portal has identified **17 sectors** including engineering, logistics, and chemicals, and provides for **selecting jobs across 950 trades** mainly for local youth who would need to produce **domicile certificates.**
    - There would be regular reviews of the jobs provided. There would be a study on the kind of problems faced by employers as well as youth seeking employment.
- **Developed by:** Maharashtra Industrial Development Corporation (MIDC).

- **Corresponding Initiative at the National Level: <u>National Career Service Project</u>,** implemented by the Ministry of Labour & Employment, works towards bridging the gap between job seekers and employers.

<u>**Source: TH**</u>