

News Analysis (25 Jan, 2021)



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Bringing a Law into Force

Why in News

The farmers have rejected the government's offer of keeping the three contentious farm laws on hold for one to one-and-a-half years. Farmers insist that the laws be repealed.

Over the years, **Parliament has repealed several laws** and there have also been precedents of the government not bringing a law into force for several years after it has been passed.

- Bringing/Repealing a Law:
 - Parliament has the power to make a law and to remove it from the statute books (a law can be struck down by the judiciary if it is unconstitutional).
 - A Bill is a draft proposal, which needs to be passed in the Lower and Upper House, and only after the President gives his assent, it becomes an Act.
 - Repeal means to revoke, abrogate or cancel particularly a statute. Any statute may repeal any Act in whole or in part, either expressly or impliedly by enacting matters contrary to and inconsistent with the prior legislation.
- President's Assent:
 - Article 111 of the Constitution specifies that the President can either sign off on the Bill or withhold his consent.
 - A Bill is sent to Parliament for reconsideration if the President withholds his assent on it. And if Parliament sends it back to the President, he has no choice but to approve it. Thus, the **President enjoys only a 'suspensive veto'.**

- Making Law Operational:
 - Rules & Regulation: Parliament gives the government the responsibility of making rules and regulations for efficient functioning of the Act.
 - The government not only has the power to make rules but can also suppress rules made by it earlier.
 - If the government does not make rules and regulations, a law or parts of it will not get implemented.
 - The Benami Transactions Act of 1988 is an example of a complete law remaining unimplemented in the absence of regulations.
 - **Time Period:** Parliament has recommended that the government make rules within six months of passing a law.

A <u>parliamentary committee</u> has observed that this recommendation is "being followed in breach by various ministries".

Veto Power of the President

- Three Types of Veto Power: Absolute veto, Suspensive veto and Pocket veto.
- Exception: The President has no veto power when it comes to the constitutional amendment bills.
- Absolute Veto:
 - Meaning: It refers to the power of the President to withhold his assent to a
 bill passed by the Parliament. The bill then ends and does not become an
 act.
 - Generally Used in Following Two Cases:
 - When the bill passed by the Parliament is a **Private Member Bill.**
 - When the cabinet resigns before the President could give his assent to the bill. The new cabinet may advise the President to not give his assent to the bill passed by the old cabinet.
- Suspensive Veto:
 - Meaning:
 - The President uses a suspensive veto when he **returns the bill to the Indian Parliament for its reconsideration.**
 - If the Parliament resends the bill with or without amendment to the President, he has to approve the bill without using any of his veto powers.
 - **Exception:** The President **cannot exercise his suspensive veto** in relation to **Money Bill**.

• Pocket Veto:

Meaning: The bill is kept pending by the President for an indefinite period when he exercises his pocket veto.

- He neither rejects the bill nor returns the bill for reconsideration.
- Unlike the American President who has to resend the bill within 10 days, the Indian President has no such time-rule.
- Veto over State Bills:
 - The governor is empowered to reserve certain types of bills passed by the state legislature for the consideration of the President.
 - The President can withhold his assent to such bills not only in the first instance but also in the second instance.

Thus, the President enjoys absolute veto (and not suspensive veto) over state bills.

• Further, the President **can exercise pocket veto** in respect of state legislation also.

Source:IE

The Inequality Virus Report: Oxfam International

Why in News

Recently, the **Inequality Virus Report**, released by **Oxfam International**, has found that the **Covid pandemic** deeply **increased the existing inequalities** in India and around the world.

The report states that **Covid has the potential to increase economic inequality** in almost every country at once - the first time this has happened since records began over a century ago.

- Impact of the Pandemic on Rich vis-a-vis Poor:
 - India introduced one of the earliest and most stringent <u>lockdowns</u> in the face of the pandemic and its enforcement brought the <u>economy to a</u> <u>standstill</u>, triggering <u>unemployment</u>, <u>hunger</u>, <u>distress migration</u> and <u>untold hardship</u> in its wake.
 - The **rich were able to escape** the pandemic's worst impact; and while the **white-collar workers isolated themselves and worked from home, a majority of the not-so-fortunate Indians lost their livelihood.**
 - The wealth of Indian billionaires increased by 35% during the lockdown and by 90% since 2009 to USD 422.9 billion, ranking India sixth in the world after the USA, China, Germany, Russia and France.

• Impact on Informal Sector:

- India's large informal workforce was the worst hit as it made up 75% of the 122 million jobs lost.
- Informal workers had relatively **fewer opportunities to work from home and suffered more job loss** compared to the formal sector.
- The 40-50 million **seasonal migrant workers**, typically engaged working in construction sites, factories etc. were **particularly distressed**.

• Impact on Education:

- Over the past year as **education shifted online**, India saw the **digital divide worsening inequalities**.
- On the one hand, **private providers experienced exponential growth** yet, on the other, just **3% of the poorest 20% of Indian households had access to a computer and just 9% had access to the internet.**
- It noted that the long disruption of schooling risked doubling the rate of **out of school**, especially among the poor.

• Health Inequalities:

- Oxfam found that since India does not report case data desegregated by socioeconomic or social categories, it is difficult to gauge the distribution of the disease amongst various communities.
- India currently has the **world's second-largest cumulative number of Covid-19 positive cases** and globally, the poor, marginalised and vulnerable communities have higher rates of Covid-19 prevalence.
- The **spread of disease was swift among poor communities**, often living in cramped areas with poor sanitation and using shared common facilities such as toilets and water points.

• Sanitation Facility:

- Only 6% of the poorest 20% households had access to non-shared sources of improved sanitation, compared to 93% of the top 20% households in India.
- In terms of caste, just 37.2% of <u>Scheduled Castes</u> (SCs) households and 25.9% of <u>Scheduled Tribes</u> (STs) households had access to non-shared sanitation facilities, compared to 65.7% for the general population.

• Gender Disparities:

- Employment:
 - The unemployment rate among women rose from already high 15% before Covid to 18%.
 - This increase in unemployment of women can result in a loss to India's
 Gross Domestic Product (GDP) of about 8% or USD 218 billion.
 - Of the women who retained their jobs, as many 83% were subjected to a cut in income according to a survey by the Institute of Social Studies Trust.

• Health:

- Beyond income and job losses, poorer women also suffered healthwise because of the disruption in regular health services and <u>Anganwadi centres</u>.
- It is predicted that the **closure of family planning services** will result in 2.95 million unintended pregnancies, 1.80 million abortions (including 1.04 million unsafe abortions) and 2,165 maternal deaths.

• Domestic Violence:

The **pandemic also fueled domestic violence against women**. As of November 2020, cases of domestic violence rose by almost 60% over the past 12 months.

• Suggestions:

- There is an urgent need for policymakers to tax the wealthy individuals and rich corporates and use that money to invest in free quality public services and social protection to support everyone, from cradle to grave.
- Reducing inequalities is very important but it should be a medium-term target. Between growth and distribution, India must get the sequencing right.
- India **needs to grow first before it can distribute.** Otherwise, it can get stuck in a low-income equilibrium.

Oxfam International

- Oxfam International is a **group of independent non-governmental organisations** formed in **1995**.
- The name "Oxfam" comes from the Oxford Committee for Famine Relief, founded in Britain in 1942.

The group campaigned for food supplies to starving women and children in enemy-occupied Greece during the Second World War.

- It aims to maximize efficiency and achieve greater impact to reduce global poverty and injustice.
- The Oxfam International Secretariat is based in Nairobi, Kenya.

Source:IE

Green Bonds

Why in News

As per a recent study by the <u>Reserve Bank of India (RBI)</u>, the **cost of issuing green bonds has generally remained higher than <u>other bonds</u> in India**, largely due to asymmetric information.

• Green Bonds (Description):

About:

A green bond is a **debt instrument** with which **capital is being raised to fund 'green' projects,** which typically include those relating to renewable energy, clean transportation, sustainable water management etc.

- A bond is a **fixed income instrument** that represents a loan made by an investor to a borrower (typically corporate or governmental).
- Bonds traditionally paid a fixed interest rate (coupon) to investors.

Growth:

In 2007, green bonds were **launched by few development banks** such as the European Investment Bank and the **World Bank**. Subsequently, in 2013, corporates too started participating, which led to its overall growth.

• Regulation:

The <u>Securities and Exchange Board of India (SEBI)</u> has put in place **disclosure norms** for issuance and listing of green bonds.

• Benefits:

Enhances Reputation:

Green bonds enhance an **issuer's reputation**, as it helps in showcasing their commitment towards **sustainable development**.

Fulfillment of Commitments:

- Ability to meet commitments, for signatories to climate agreements and other green commitments.
- India's <u>Intended Nationally Determined Contribution</u> (INDC) document puts forth the stated targets for India's contribution towards climate improvement and following a low carbon path to progress.

Raised at Lower Costs:

- Green bonds typically carry a lower interest rate than the loans offered by the commercial banks.
- With an increasing focus of foreign investors towards green investments, it could help in reducing the cost of raising capital.

Sunrise Sectors:

These green bonds have been crucial in **increasing financing** to **sunrise sectors** like renewable energy, thus contributing to India's sustainable growth.

• Details of RBI's Recent Study:

• Current Share:

Green bonds constituted only 0.7% of all the bonds issued in India since
 2018.

However, **bank lending to the non-conventional energy** (renewable energy) constituted about **7.9**% of outstanding bank credit to the power sector, as of March 2020.

 Most of the green bonds in India are issued by the public sector units or corporates with better financial health.

• Challenges:

• High Coupon Rate:

The average coupon rate for green bonds issued since 2015 with maturities between 5 to 10 years have generally **remained higher** than the corporate government bonds with similar tenure.

• High Borrowing Cost:

- It has been the most important challenge due to the asymmetric information. High coupon rate is one of the reasons for high borrowing cost.
- Asymmetric information, also known as "information failure,"
 occurs when one party to an economic transaction possesses greater
 material knowledge than the other party.

• Suggestion:

Developing a better information management system in India may help in reducing maturity mismatches, borrowing costs and lead to efficient resource allocation in this segment.

• Other Challenges:

• Misuse of Funds:

There have been serious debates about whether the projects targeted by green bond issuers are green enough because the proceeds of green bonds are being used to fund projects that harm the environment.

• Lack of Credit Ratings:

Lack of credit rating or rating guidelines for green projects and bonds.

• Shorter Tenor Period:

Green bonds in India have a shorter tenor period of about 10 years whereas a typical loan would be for a minimum 13 years. Further Green Projects require more time to bring returns.

Way Forward

• One of the foremost requirements is to **harmonise international and domestic guidelines and standards for green bonds** to develop a robust green bond market. Homogeneity is also required in terms of what constitutes green investments, as varied taxonomies would be antithetical to a cross-border green bond market.

- **Appropriate capacity building efforts for issuers** in emerging markets to spread knowledge on the benefits and related processes and procedures pertaining to green bonds, would help in addressing the institutional barriers to entry into this market.
- In the context of green bonds, **strategic public sector investment could help in attracting private investment** as well as inspire investor confidence in the green bond market overall.

Decriminalisation of Offences Under LLP Act

Why in News

Recently, the <u>Company Law Committee (CLC)</u> has recommended that 12 offences under the <u>Limited Liability Partnership (LLP) Act 2008</u> be decriminalised and that LLPs be allowed to issue <u>Non-Convertible Debentures (NCDs)</u> to raise funds with the aim of improving ease of doing business for LLP firms.

The **Company Law Committee (CLC)** was **set up by the Ministry of Corporate Affairs** in September, 2019 to promote Ease of Living in the country by providing **Ease of Doing Business** to law-abiding corporates and fostering improved corporate compliance for stakeholders at large.

• Company Law Committees (CLC's) Recommendations:

• Decriminalisation of Offences:

- Several offences related to timely filings, including annual reports and filings on changes in partnership status of the LLP, not related to fraud have been recommended for decriminalisation.
- While none of these provisions recommended for decriminalisation currently have prison terms as a possible punishment, the committee has recommended that companies be required to pay penalties for non-compliance, instead of fines which are imposed after a partner or the LLP is found guilty of misconduct by a court.

• Risk Involved in Imposing Fines:

The Committee has noted that there is a **risk of a convicted person** being disqualified or becoming ineligible for various posts in the case of fines imposed by courts, which would not be the case for penalties imposed by an appropriate authority.

• Authority to Levy Penalties:

- The **Registrar of Companies (ROC)** would have the authority to levy penalties for any contravention of provisions of the LLP Act.
- ROC appointed under Section 609 of the Companies Act covering the various States and Union Territories are vested with the primary duty of registering companies and LLPs floated in the respective states and the Union Territories.

• Permission to Issue NCDs:

LLPs which are currently not allowed to issue debt securities should be permitted to issue NCDs to facilitate raising of capital and financing operations.

• Beneficiaries:

The move is likely to benefit **startups and small firms** in sectors which require heavy capital investment.

Limited Liability Partnership

• About:

- It is a partnership in which some or all partners (depending on the jurisdiction) have limited liabilities.
- In an LLP, each partner is not responsible or liable for another partner's misconduct or negligence.
- The LLP can **continue its existence irrespective of changes in partners.** It is capable of entering into contracts and holding property in its own name.
- The LLP is a **separate legal entity**, is liable to the full extent of its assets but liability of the partners is limited to their agreed contribution in the LLP.

• LLP vs Traditional Partnership Firm:

- Under "traditional partnership firm", every partner is liable, jointly with all the other partners and also severally for all acts of the firm done while he is a partner.
- Under LLP structure, liability of the partner is limited to his agreed contribution. Thus, individual partners are shielded from joint liability created by another partner's wrongful acts or misconduct.

• LLP vs a Company:

- The internal governance structure of a company is regulated by statute (i.e. **Companies Act**, 2013) whereas for an LLP it would be by a contractual agreement between partners.
- The **management-ownership divide** inherent in a company is not there in a limited liability partnership.
- LLP will have more **flexibility** as compared to a company.
- LLP will have lesser **compliance** requirements as compared to a company.

Non-Convertible Debentures

- Debentures are **long-term financial instruments** that are issued by companies to borrow money.
- Some debentures have a **feature of convertibility into shares** after a certain point of time at the discretion of the debenture holder.
- The **debentures which cannot be converted into shares** are called non-convertible debentures (or NCDs).
- There are two types of NCDs-secured and unsecured.
 - **Secured:** A secured NCD is backed by the assets of the company. If the company fails to pay the obligation, the investor holding the debenture can claim that through liquidation of those assets.
 - **Unsecured:** Contrary to secured NCD, there is no backing in unsecured NCDs if the company defaults.

Source:IE

Performance of Beti Bachao Beti Padhao Scheme

Why in News

The **Beti Bachao Beti Padhao (BBBP) Scheme** has recently completed 6 years of its launch in **2015.** On the occasion of **National Girl Child Day (24th January)**, the performance of BBBP scheme was discussed.

The National Girl Child Day was started by the Ministry of Women and Child Development in 2008.

• About the Beti Bachao Beti Padhao (BBBP) Scheme:

- Main Objectives:
 - Prevention of gender-biased sex-selective elimination.
 - Ensuring survival & protection of the girl child.
 - Ensuring education and participation of the girl child.
 - Protecting rights of Girl child.
- Multisectoral Nationwide Campaign:
 - BBBP is a **national campaign** and focussed **multisectoral action** in 100 selected districts low in **Child Sex Ratio (CSR)**, covering all States and UTs.
 - This is a **joint initiative** of the Ministry of Women and Child Development, Ministry of Health and Family Welfare and Ministry of Human Resource Development.

• Performance of BBBP Scheme:

- Sex Ratio at Birth:
 - Sex Ratio at Birth (SRB) has improved by 16 points from 918 (2014-15) to 934 (2019-20), as per the <u>Health Management Information</u>
 System (HMIS) data.
 - Out of 640 districts covered under BBBP, 422 districts have shown improvement in SRB from 2014-15 to 2018-2019.
 - Notable Examples:
 - Mau (Uttar Pradesh) from 694 (2014-15) to 951 (2019-20),
 - **Karnal** (Haryana) from 758 (2014-15) to 898 (2019-20),
 - **Mahendergarh** (Haryana) from 791 (2014-15) to 919 (2019-20), etc.

• Health:

- ANC Registration: Percentage of 1st Trimester ANC (AnteNatal Care) Registration has shown an improving trend from 61% in 2014-15 to 71% in 2019-20.
- **Institutional Deliveries:** Percentage of Institutional Deliveries has shown an improving trend from **87% in 2014-15 to 94% in 2019-20.**

• Education:

- Gross Enrolment Ratio (GER): GER of girls in the schools at secondary level has improved from 77.45 (2014-15) to 81.32 (2018-19) as per Unified District Information System for Education (UDISE) provisional data.
- Toilet for girls: Percentage of schools with functional separate toilets for girls has shown improvement from 92.1% in 2014-15 to 95.1% in 2018-19.

• Attitudinal Change:

- The BBBP scheme has been able to bring the focus on important issue of female infanticide, lack of education amongst girls and deprivation of their rights on a life cycle continuum.
- *BetiJanmotsav* is one of the key programmes celebrated in each district.

• Other Initiatives for Girl Children:

- **UJJAWALA:** To tackle the problem of trafficking, it is a Comprehensive Scheme for Prevention of Trafficking and Rescue, Rehabilitation and Re-Integration of Victims of Trafficking for Commercial Sexual Exploitation.
- **Kishore Health Card:** To record the information about the weight, height, Body Mass Index (BMI) of Adolescent Girls (AGs). These health cards for AGs are maintained at the AnganWadi centres (AWCs).
- Scheme for Adolescent Girls (SAG).
- o Sukanya Samridhi Yojana, etc.

ShramShakti Portal

Why in News

Recently, the **Ministry of Tribal Affairs** has launched "**ShramShakti**"- a **National Migration Support Portal**, to smooth the formulation of state and national level programs for migrant workers.

A training manual "ShramSaathi" was also launched for migrant workers.

Key Points

• About the Portal:

It has been launched to **collect data related to <u>tribal</u> migrant workers** and link them with the existing welfare schemes.

• Objectives of ShramShakti Portal:

• To address the data gap:

- Various data will be recorded via Shram Shakti include demographic profile, livelihood options, skill mapping and migration pattern.
- It will help in empowering the workers who generally migrate in search of employment and income generation.

• To help in formulation of strategies:

It would help the national and state governments in **formulation of effective strategies** and policy decisions for welfare of migrant workers at both source and destination states.

\circ To address the issues various related migrants:

- Trafficking,
- Wages harassment issues,
- Occupational hazards at the workplace, etc.

• Linking with other schemes:

This portal will link the migrant population with the existing Welfare Schemes under **Atamnirbhar Bharat**.

• Recent Government Initiatives to Help Migrant Workers:

• ASEEM Portal:

- The Ministry of Skill Development and Entrepreneurship (MSDE) launched 'AtmaNirbhar Skilled Employee Employer Mapping (ASEEM)'
 portal to help skilled people find sustainable livelihood opportunities.
- Database of labour migrants in Indian states and overseas citizens, who returned to India under the <u>Vande Bharat Mission</u> and filled <u>SWADES</u>
 <u>Skill Card</u>, has been integrated with the ASEEM portal.

• NMIS Dashboard:

- The National Disaster Management Authority (NDMA) has developed an online dashboard called 'National Migrant Information System (NMIS)'.
- It would **maintain a central repository of migrant workers** and help in **speedy inter-state communication** to facilitate the smooth movement of migrant workers to their native places.

• Amalgamation of Labour Laws into Codes:

- Recently, numerous labour laws have been amalgamated into four labour codes namely <u>Code on Wages Act 2019</u>, <u>Industrial Relations Code 2020</u>, <u>Code on Social Security 2020</u>, <u>and Occupational Safety</u>, <u>Health and Working Conditions Code 2020</u>.
- They are also aimed at facilitating industrialisation throughout the nation and thus checking distress labour migration ultimately.

- Initiatives for Tribal Welfare:
 - Pradhan Manti Van Dhan Yojana (PMVDY):
 - It is a market-linked tribal entrepreneurship development program for forming clusters of tribal <u>SHGs</u> and strengthening them into <u>Tribal</u> <u>Producer Companies.</u>
 - It also aims to set-up tribal community owned <u>Minor Forest</u>
 <u>Produce</u> (MFP)-centric multi-purpose Van Dhan Vikas Kendras (the Kendra) in predominantly tribal districts.
 - Eklavya Model Residential Schools (EMRSs):
 - <u>EMRS</u> started in the year 1997-98 to impart **quality middle and high-level education** to ST children in remote areas and enable them to have access to the best opportunities in education at par with the non ST population.
 - These are being set up by grants provided under Article 275(1) of the Constitution.
 - The Tribal Cooperative Marketing Development Federation of India (TRIFED):
 - TRIFED came into existence in 1987. It is a national-level apex organization functioning under the administrative control of the Ministry of Tribal Affairs.
 - TRIFED has its key objectives of promoting tribal art & craft, hand looms and set-up tribal community owned Minor Forest Produce (MFP)-centric multi-purpose Van Dhan Vikas Kendras.

Source:PIB

Risa: Tripura's Signature Garment

Why in News

The **State government of <u>Tripura</u> aims to promote risa nationally** as Tripura's signature garment.

- For this, various initiatives have been taken like **providing risa uniforms to**<u>anganwadi</u> and <u>ASHA workers</u> and facilitating training for making risa at
 Tripura Handloom and Handicrafts Development Corporation.
- The risa is **being branded under the India Handloom Brand.** This supports the **'Vocal for Local' initiative** of the central government.



• About Risa:

- Risa is a **handwoven cloth** used as a female upper garment.
- Risa is **a part of traditional Tripuri attire** that comprises three parts **risa**, **rignai and rikutu.**
 - Rignai: It is primarily worn as the lower garment and literally translates into 'to wear'. It can be understood as an indigenous variety of the sari of mainland India.
 - Rituku: It is mainly used as a wrap, or like a 'chunri' or a 'pallu' of the Indian saree.
- Sometimes, Risa is also used as **headgear**, **a stole**, **or a present** to express respect.

• Cultural Importance:

- Adolescent Tripuri girls are first given a risa to wear in an event called Risa Sormani, at age 12 to 14.
- Risa is also used as a **turban by men** during weddings and festivals.
- Risa is **common in almost all 19 indigenous tribal communities** of Tripura. However, **each community has its own designs.**
- It is used in religious festivals such as **Garia Puja** by tribal communities.

Garia Puja Festival:

- It is a major festival in Tripura, held on the last day of the month of Chaitra.
- Celebrated as a harvest festival by the ethnic tribes Tripuris and Reangs.
- In this festival, the **Garia dance** is also performed.

Source: IE

Pradhan Mantri Rashtriya Bal Puraskar

Why in News

Recently, 32 children have been awarded the 'Pradhan Mantri Rashtriya Bal Puraskar' for their exceptional abilities and outstanding accomplishments.

The Awards are **given by the President of India** in the week **preceding <u>Republic</u>** <u>Day</u> (26th January) every year.

Key Points

- Two Categories: The Pradhan Mantri Rashtriya Bal Puraskar is given under two categories:
 - o Bal Shakti Puraskar, and
 - Bal Kalyan Puraskar.

• Bal Shakti Puraskar:

• Recognition:

It is given by the Government of India every year to recognize exceptional achievements of **children** in various fields i.e., **innovation**, **scholastic achievements**, **social service**, **arts** & **culture**, **sports** and **bravery**.

• Eligibility:

A child who is an **Indian Citizen** and **residing in India** and is **between** 5-18 years of age.

• Award:

A medal, a cash prize of Rs. 1,00,000, book vouchers worth Rs.10,000, a certificate and citation.

• Background:

It was **instituted in 1996 as the National Child Award for Exceptional Achievement,** renamed from 2018 as Bal Shakti Puraskar.

• Bal Kalyan Puraskar:

• Recognition:

It is given as recognition to **Individuals and Institutions**, who have made an outstanding contribution towards service for children in the field of **child development**, **child protection and child welfare**.

• Eligibility:

- An individual **who is an Indian Citizen and residing in India** and should have attained the **age of 18 years or above** (as on 31st August of respective year). S/he should have **worked for the cause of children for not less than 7 years.**
- The institution should not be entirely funded by the government and should have been in the field of child welfare for 10 years and performing consistently in the field.

• Award:

Three awards are given in **each of the two categories** - Individual and Institution - along with **cash prizes** (Rs. 1,00, 000 and Rs. 5,00, 000 respectively).

• Background:

It was **instituted in 1979 as the National Child Welfare Awards**, renamed from 2018 as Bal Kalyan Puraskar.

Source:TH