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'GST spurring fresh tax terrorism'

Former Chief Economic Adviser Arvind Subramanian laments the GST Council has become a rate cutting and exemption granting panel; expresses pessimism about rate simplification and hike prospects with States' Compensation Cess gone

Vikas Dhoot
NEW DELHI

Former Chief Economic Adviser (CEA) Arvind Subramanian, who authored an official report on the ideal 15.5% revenue-neutral rate for the Goods and Services Tax (GST) regime, said he is not very hopeful of a simplification of the complex, multiple-rate structure of the indirect tax, and lamented that the GST era has unleashed a fresh reign of "tax terrorism" across the country.

"We don't just need rationalization, which we do need, but we need an in-



Ground reality: Mr. Subramanian said unless GST rates are raised on some items, revenue growth will be a challenge. M. VEDHAN

crease in the rate. We brought the rate down from 15.5% to 11% but the GST Council has become a Council that only discusses rate cuts. It has become a rate cutting committee and an exemption granting

committee, and part of it is because of the of the compensation [to States] that happened, they became very lax but that phase is over," he noted on Friday.

Speaking at a session on "The GST Story: Whither

Next?', hosted by the Centre for Policy Research, Mr. Subramanian said unless tax rates are raised on some items, revenue growth will be a challenge.

"We thought the advantage of the GST Council is that, because if States were handling this on their own, if they raise rates, they would face political costs. In the GST Council, you can always blame the GST Council for raising rates, and that political economy dynamic hasn't worked out. And I am very despondent," he remarked.

Citing people's experiences with the GST regime, Mr. Subramanian

said something about the GST has encouraged excessive tax demands. "In the Indian system, tax terrorism and excessive demand was always a feature, but under the GST, it seems to have gone up. I don't understand this fully, but I think because the GST gives more data, people think that governments think that they have greater legitimacy, because somehow they have more data and they say, 'Oh, there's more evasion'."

This 'tax terrorism' that the GST has introduced is something that 'we really have to focus on', the former CEA cautioned.



ONOS bitten

Bringing down cost of access to research papers is only one of many issues

While generally undesirable, centralisation promised to be a boon *vis-à-vis* public access to research through India's 'One Nation, One Subscription' (ONOS) plan. ONOS was first proposed in the country's fifth draft National Science, Technology, and Innovation Policy (2020) in response to the hefty fees research journals charged – and still do – for scholars and the people at large to access the papers they published. In this revenue model, journals accept and publish papers submitted by scholars and charge those who want to read them a fee. Research institutes also subscribe to these journals, so scholars can avail all the papers through their libraries. As these fees climbed over time, librarians banded up in consortia to increase their bargaining power at negotiations. ONOS, which the Union Cabinet approved on November 25, replaces these consortia with the national government and obliges journals to provide a single fee to access them. The upshot is expensive journals will now become available at underfunded government institutes as well.

However, ONOS will be limited to publicly funded institutes; and it allows the stranglehold of commercial publishers on scholarly publishing to continue. Many journals subsist on publicly funded research while also charging people money to access it. ONOS may reduce these sums but the government's willingness to allocate ₹6,000 crore for three calendar years for 30 major publishers must be seen against the backdrop of the gross expenditure on research and development as a fraction of the GDP having become stagnant. The government could have promoted the adoption of 'green' and/or 'diamond' open-access models that guarantee public access by default or have supported, as a matter of policy, home-grown journals sensitive to Indian scholars' circumstances while enhancing the discoverability of their research. The decision to instead channel a large sum of money to publishers abroad does not factor in India's potential to influence research access modalities in the developing world. The lack of transparency is also perturbing, including over whether the list of journals will be monitored to cull titles that have become irrelevant or predatory, or to add those that have gained currency in recent years. Most of all, at a time when many journals have switched to 'gold' open-access – where researchers pay to have a paper published that is then available for free – and preprint papers are gaining in popularity as a means of communicating research, the government's justification for adopting the ONOS strategy in its present form is weak. Add to this the absence of consultation with the institutes on their specific needs, and any celebration of ONOS will have to be deemed premature.



Indians need to share contraceptive responsibility

In 1952, India pioneered a national programme for family planning, whose focus has since changed – from improving maternal and child health to stabilising the population. As this programme evolved, so too did permanent methods of contraception.

During 1966-70, about 80.5% of all sterilisation procedures in India were vasectomies. This percentage declined every year due to changing policies that, together with other factors, placed less and less of an emphasis on vasectomies. The five rounds of the National Family Health Survey (NFHS) also show the use of male sterilisation, especially in the last three decades, to be steadily decreasing in all States. In fact, the vasectomies percentage remained constant at around 0.3% in NFHS-4 (2015-16) and NFHS-5.

Gender and the disparity

This trend goes against Section 4.8 of the National Health Policy 2017, which aimed to increase the fraction of male sterilisations to at least 30%. Even today, India is far from meeting this target. Official data also show a large disparity between the rates of female and male sterilisation – 37.9% and 0.3%, respectively. Such huge differences indicate that women continue to bear virtually all of the burden of sterilisation, which in turn poses a challenge for India to achieve Sustainable Development Goal 5 – ‘gender equality and empowerment of all women and girls by 2030’ – among others.

In one attempt to bridge this gap, the world observes Vasectomy Day on the third Friday of November (it was on November 15 this year). In 2017, India observed a ‘vasectomy fortnight’ as well.

The initiative is to revitalise the procedure by increasing awareness, generating demand among men, and debunking misconceptions. In the end, the goal is for people already looking for contraceptives as well as those who would if they knew about safe options to consider vasectomies more favourably.

But for these concerted efforts, policies still

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overlook multiple issues on the ground, keeping them ineffective and allowing the gap between male and female sterilisation rates to persist.

The ground reality, solutions

For example, two of the three writers of this article surveyed a village in Chhatrapati Sambhaji Nagar, Maharashtra, in March 2024 as part of a field exercise. The women said sterilisation was their responsibility and that the men do not believe they need to have vasectomies. Most of them also expressed a belief that men should not be “burdened” by it because they already work hard to make ends meet, and that undergoing the procedure could rob the men of their day’s wages, worsening their hardship.

These women were also unaware of the Indian government’s cash incentives to those who undergo vasectomies to offset the loss of wages. In fact, many studies in India have suggested that illiteracy, male egos, misconceptions about its impact on libido, and family opposition have led to the poor acceptance of vasectomies. Many men are not aware of their role in ensuring the safe passage of reproductive years in the lives of their female partners.

The unavailability of skilled providers has aggravated the situation, especially in rural areas. To make matters worse, many trained community health workers themselves know little about no-scalpel vasectomies.

As things stand, with increasing awareness of gender equality and rights, it is certainly possible to build a society in which male sterilisation is accepted as normative through proper and timely course correction.

As a first step, sensitisation should begin during early adolescence in schools, where awareness programmes and monitored peer-group discussions can lay the foundation for accepting sterilisation as a shared responsibility. Sustained social and behaviour change communication initiatives will be instrumental in debunking myths around and destigmatising vasectomies. Vasectomy is a safe and simple

procedure compared to tubectomy, the corresponding surgical procedure for women involving their fallopian tubes.

Second, these information, education and communication activities should be supplemented with greater conditional cash incentives for vasectomies with the goal to improve male participation.

A study in Maharashtra in 2019 showed that more men in rural tribal areas opted for vasectomies after being offered a conditional cash incentive. Madhya Pradesh’s move in 2022 to increase this incentive by 50% is appreciable in this light.

An international comparison

Third, India should draw from the lessons from other countries that have increased vasectomy uptake. South Korea has the highest prevalence of the procedure worldwide, and has reported that men are more likely to shoulder contraceptive responsibilities as a result of progressive societal norms and greater gender equality. Similarly, Bhutan has popularised vasectomy among its men by making the procedure socially acceptable, availing good-quality services, and organising government-run vasectomy camps. Brazil increased vasectomy uptake by running awareness campaigns on mass media. The prevalence rate has risen, from 0.8% in the 1980s to 5% in the last decade.

Greater public awareness of vasectomies allows both partners in a union to make informed family planning decisions. In tandem, the government must strengthen the national health system to align with policy objectives, invest in training more health professionals to perform the procedure, and promote technical advancements to increase the use of non-scalpel vasectomies.

The resulting policy should not have only intention. It should also lay out concrete steps to achieve its targets. The need of the hour is demand- and service-focused efforts rather than mere formulation.

With more awareness of gender equality and rights, it is possible to build a society in which male sterilisation is accepted as normative

Fire on water



Training day: Indian Coast Guard holds 11th National Maritime Search and Rescue Exercise ‘SAREX-2024’ on Friday. THULASI KAKKAT

Questions on Places of Worship Act remain pending in SC for 4 years

NEWS ANALYSIS

Krishnadas Rajagopal
NEW DELHI

The last order available in the Supreme Court website about a pending case centred on The Places of Worship (Special Provisions) Act of 1991, is from a year ago. The statute prohibits conversion and preserves the character of religious sites as of August 15, 1947.

The case involves a slew of petitions challenging the legality of the 1991 Act. The petitioners, including advocate Ashwini Kumar Upadhyay, blamed the 1991 law of barring Hindus, Jains, Buddhists and Sikhs

from approaching courts to "reclaim" their places of worship which were "invaded" and "encroached" upon by "fundamentalist barbaric invaders".

The Supreme Court website shows the case as being previously listed before Registrar H. Shashidhara Shetty on November 30, 2023. The three-page order merely recorded the Union government's lack of response, yet again, on the issue.

The All India Muslim Personal Law Board had asked the court how petitions like these, in the guise of public interest petitions, could be allowed to challenge a Central legislation which had guarded the spirit of fraternity and

secularism, Preamble virtues and parts of the Basic Structure of the Constitution, through protection of the religious character of religious places.

The Muslim parties in the case had pointed out to the court that even the Ayodhya judgment had observed that the 1991 Act spoke "to our history and to the future of the nation... In preserving the character of places of public worship, the Parliament has mandated in no uncertain terms that history and its wrongs shall not be used as instruments to oppress the present and the future".

Centre remains silent
But the Centre has chosen



to remain tight-lipped till date in the four-year-old case. The frozen case and the silence that surrounds it in the top court contrasts with the frenetic judicial interventions by local courts in States like Rajasthan and Uttar Pradesh in civil suits challenging the origins and character of mosques.

A Rajasthan court has issued notice to the Minority

Affairs Ministry and Archaeological Survey of India (ASI) in a suit filed by a Hindu organisation claiming "historical evidence" to prove that the Ajmer Sharif Dargah of Khwaja Moinuddin Chishti was built over a Shiva temple. In Sambhal district of Uttar Pradesh, a civil court *ex parte* ordered a survey after a suit was filed claiming that the Shahi Jama Masjid at Chandauli was built by Mughal emperor Babar in 1526 after demolishing a temple.

In August 2023, the top court itself did not stop a local court order to have the ASI continue with their "scientific investigation" of the Gyanvapi mosque premises in Varanasi, provided there was no excavation

or damage to the structure. An earlier local court order for an survey by advocate commissioner of the mosque had led to the discovery of a "shifting" in the mosque grounds.

In January this year, the Supreme Court had stepped in to stay an order of Allahabad High Court, which had allowed an advocate commissioner to survey the Shahi Eidgah after claims were made that the mosque lay over Lord Krishna's birthplace.

On Friday, senior advocate Huzefa Ahmadi, appearing for the Sambhal mosque management committee, said there were at least 10 civil suits challenging the origins of mosques. These surveys were

part of a "modus operandi", he submitted. His words echoed that of the Anjuman Intazamia Masjid, the Gyanvapi mosque management committee, which had called such surveys "salami tactics" of "one slice at a time". Mr. Ahmadi, who appears for the Muslim parties in both Gyanvapi and Sambhal cases, has urged the court to flex the provisions of the Places of Worship Act to put a stop to such claims.

But, in one instance, when he had asked how the courts could allow such "frivolous" suits, the then Chief Justice D.Y. Chandrachud retorted, "What is frivolous for you may be faith for them... how can we comment on that?"



ISRO says two Gaganyatris finished initial training

The Hindu Bureau
BENGALURU

The Indian Space Research Organisation (ISRO) on Friday said astronauts and Group Captains Shubhanshu Shukla and Prasanth Balakrishnan Nair, who have been selected for the upcoming Axiom-4 mission to the International Space Station (ISS), have completed the initial phase of training.

"Towards the goal of accomplishing a joint ISRO-NASA effort to the International Space Station, the two Gaganyatris assigned for Axiom Mission 4 (Ax-4) commenced their training in the U.S. from first week of August, 2024. The initial phase of training has been completed successfully by the Gaganyatris," it said.

The space agency added that during this phase of training, the Gaganyatris have completed initial orientations for mission-related ground facility tours, initial overview of mission launch phases, SpaceX suit-fit checks, and selected space food options.

"Furthermore, the training also included familiarisation sessions with the SpaceX Dragon spacecraft and various onboard systems of the International Space Station, including photography from space, daily operations routine, and communication protocols. One of the highlights of this phase was training for various types of emergencies in space," it said.

ISRO further said that upcoming training will primarily address the remaining modules of the U.S. Orbital Segment of the space station along with training towards conducting scientific research experiments in microgravity environment during the mission. In addition, the crew will train and perform different mission scenarios in the SpaceX Dragon spacecraft.





Sharp showers: Rain lashed Chennai under the influence of the cyclone that may make landfall on Saturday. B. VELANKANNI RAJ

Cyclone Fengal to cross Puducherry coast today noon

The Hindu Bureau
CHENNAI

With the slow-moving weather system gathering pace, the Regional Meteorological Centre (RMC), Chennai, announced that Cyclone Fengal will cross the coast close to Puducherry by Saturday afternoon.

The RMC has maintained the red alert – indicating isolated extremely heavy rainfall – in seven coastal districts for Saturday. Intense rain will lash other districts.

On the day of the cyclone's landfall, Chennai and its neighbouring districts, Cuddalore, Puducherry, Villupuram, and Kallakurichi will receive intense rain. With the weath-

er system consolidating itself, it is likely to bring heavy rain in north Tamil Nadu till Saturday, and in the Western Ghat districts and interior parts from December 1 to December 3.

Orange and yellow alerts have been issued for other districts which are expected to receive heavy to very heavy rain. The Cauvery delta districts and north interior districts, too, may receive heavy to very heavy rain on Saturday.

The RMC has said Cyclone Fengal will cross the north Tamil Nadu-Puducherry coast between Karaikal and Mamallapuram as a cyclonic storm by Saturday afternoon. It would have a wind speed of 70-80 kmph gusting to 90 kmph.



Global Plastics Treaty draft overlooks key issue of limiting production, says group of countries

Jacob Koshy
BUSAN

Following five days of deliberation, countries have thrashed out a preliminary draft of the Global Plastics Treaty at the United Nations-led Global Plastic Treaty negotiations in Busan, South Korea.

However, a group of about 67 countries, including the European Union (EU) and a coalition of Pacific Island countries called the High Ambition Coalition, has said that the treaty does not go far enough to address the core purpose, which is to limit production and trade, and address the harm posed by many of the constituent chemicals used in manufacturing plastic.

The major points of dis-

agreement are proposals by the EU to have a global target to reduce the production of primary plastic polymers, steps to implement strategies and programmes to identify the risks of and protect against adverse health impacts associated with plastic pollution.

Playing safe

The Hindu has learnt that a group of countries, which includes India, Saudi Arabia, and China, is in favour of avoiding any language in reference to these subjects. This is largely because the manufacture of polymers, a raw material for plastic, is a major industry.

Sources said that chemicals that are known to be hazardous are only includ-



Falling short: Activists seek a strong global plastics treaty outside the venue of the talks in Busan, South Korea, on Friday. AP

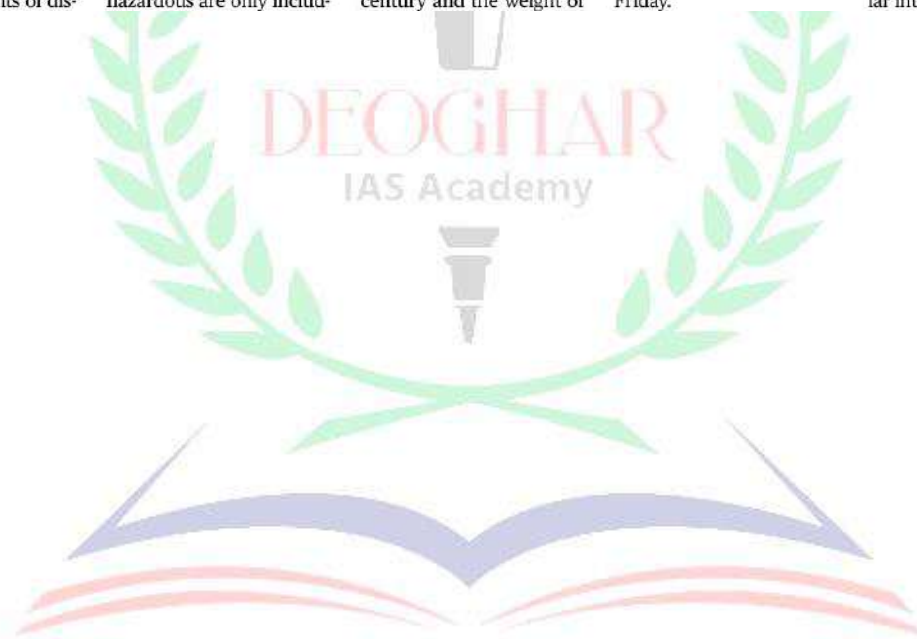
ed in other international conventions such as the Rotterdam, Basel, and Stockholm conventions.

"We absolutely have to have 'production' (of plastic polymers) in the text. If not, it will double by mid-century and the weight of

plastic in the ocean will surpass the weight of fish. If we cannot agree, then we are committed to voting on this issue," said Juan Monterrey, Head of Delegation for Panama, at a press conference on Friday.

The overwhelming scientific evidence linking the harm plastics cause to health – from being found in the placenta to 60% of sea food – means that countries could not turn a blind eye to it, said Siven-dra Michael, Permanent Secretary for Environment and Climate Change, Fiji. "Only about 6% of the harmful chemicals are regulated. So, we need firm text on health," he told *The Hindu*.

The current text of the treaty proposes a framework that will significantly influence humanity's future relationship with plastic. Every country – and this portion is not contested – shall develop 'national action plans' that will have to be updated at regular intervals.



GDP growth hits 5.4% in Q2, lowest in 7 quarters

Figure much lower than independent projections, reveals challenges India's economy faces in achieving RBI's full-year growth forecast of 7.2%; strong rebound needed in the second half to achieve target: all segments except Agriculture and Services sectors report slump; 'one-off number', says Chief Economic Adviser Nageswaran on the figures

Vikas Dhoot
NEW DELHI

What economists termed as a sign of trouble, India's real GDP growth slumped to a seven-quarter low of 5.4% in the July to September 2024 quarter, much lower than even the most pessimistic independent projections, from a five-quarter nadir of 6.7% in the first quarter (Q1), with Gross Value Added (GVA) growth slowing to 5.8% from 6.8% in Q1.

While Reserve Bank of India (RBI) officials had recently estimated GDP growth of 6.8% in Q2 citing economic activity indicators, the Central bank's official estimate enunciated in its October monetary policy review was 7%. Real GDP had grown 8.1% in the second quarter of 2023-24, while GVA growth was 7.7% in that quarter.

The RBI has projected a

full-year GDP growth of 7.2% for 2024-25 and the Finance Ministry expects growth in the 6.5% to 7% range, but this may require a sharp rebound in the second half of the year as real GDP had risen 6% between this April and September as per the National Statistics Office (NSO) data. This is the slowest six-month growth print since the second half of 2022-23 when GDP rose 5.3%, and markedly lower than the 8.2% rise recorded in the first half of 2023-24.

Real GVA growth for the first half of 2024-25 is estimated at 6.2%, marginally higher than the GDP print, reversing a trend of GDP growth surpassing the value added in the economy seen through 2023-24.

Barring the Agriculture and Services sectors, all segments of the economy reported a sharp deceleration from a year ago in Q2, with Mining and Quarrying



GVA slipping into the red with 0.1% contraction, from an 11.1% uptick in Q2 last year. Agriculture, Livestock, Forestry and Fishing GVA grew 3.5%, more than double the 1.7% uptick recorded a year ago.

"The sharply lower-than-expected GDP figures reflect the highly disappointing corporate earnings data and the manufacturing sector appears to

have taken the maximum beating," remarked Kotak Mahindra Bank chief economist Upasna Bhardwaj. While the festive season spending may prop up growth in the second half of the year, she reckoned that 2024-25 growth could slip by around one percentage point relative to the RBI's 7.2% estimate.

However, Chief Economic Adviser V. Anantha

Core sectors' output up 3.1% in October

NEW DELHI

Output in India's eight core infrastructure sectors, which constitute a tad over 40% of industrial production, recovered to rise 3.1% in October, the best performance in three months in terms of growth as well as absolute levels. Index of Core Industries recovered 3.9%. » PAGE 11

the full-year growth estimates for 2024-25 will be available in January... It is too soon to say that even 6.5% number is in danger," he reasoned.

Manufacturing growth hit a bump to drop to a mere 2.2% from 14.3% in Q2 of last year, while Construction GVA rose 7.7%, about half the 13.6% uptick a year earlier. Electricity, Gas, Water Supply and Other Utility Services' GVA rose 3.3%, compared with 10.5% in July-September of 2023. Public Administration, Defence and Other Services led the acceleration among Services, with GVA rising 9.2% from 7.7% last year.

Silver lining

On the bright side, the NSO highlighted a rebound in consumption spending, pointing to a 6% growth in Private Final Consumption Expenditure (PFCE) in Q2 this year over the growth

rate of 2.6% a year ago. However, this marks a slowdown from the first quarter of this year, when PFCE had risen 7.4%, the fastest in six quarters.

Growth in Gross fixed capital formation, an indicator of capital investments in the economy, slipped to 5.4% from 7.5% in Q1, reflecting the slowest pace in at least six quarters. Spliced sectorally, the first half of this year (H1) has seen a growth acceleration in just one segment - Public Administration, Defence & Other Services whose GVA has risen 9.3% from 8% in H1 of 2023-24.

The NSO said that Agriculture and Allied sector has bounced back by registering a growth rate of 3.5% after sub-optimal growth rates ranging from 0.4% to 2.0%, observed during previous four quarters.

REALITY VS HYPE: CONG.
» PAGE 5

