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At the high table

India must think big as it takes a step towards a non-permanent seat on the UNSC

By winning the unanimous endorsement of the 55-nation Asia-Pacific Group at the United Nations Security Council, India has cleared an important hurdle in its quest for a non-permanent seat for 2021-22. The decision of the grouping this week was taken as India was the sole candidate for the post. In the next step, all 193 members of the UN General Assembly will vote for five non-permanent seats in June 2020, when India will need to show the support of at least 129 countries to go through to the UNSC. It will then occupy the seat at the UNSC for a two-year period, as it has previously on seven occasions since 1950-51. There are several reasons why India decided to pursue its candidature for 2021-22. The government at the time had felt it was necessary to have India’s voice at the high table as many times as possible, and therefore began the process for another seat shortly after it had ended its previous tenure in 2011-2012. By rotation, that seat would have reached India only in the 2030s, and India had to reach out to Afghanistan, which had put in its bid already for the 2021-22 slot, to request it to withdraw. Afghanistan did so because of the special relationship between the two countries. India has a unique role to play at the UNSC, given the near-complete polarisation among the permanent members (P-5 nations), with the U.S., the U.K. and France on one side, and Russia and China on the other. India’s ability to work with both sides is well known. The year 2022 also has a sentimental value attached to it, as it marks the 75th year of India’s Independence, and a place at the UNSC would no doubt add to the planned celebrations that year. Since 2013, when it first announced the bid, the government has run a quiet but consistent campaign towards this goal.

It is significant that despite the poor state of bilateral relations with Pakistan, and the many challenges India has faced from China at the UN, both the countries graciously agreed to the nomination. From this point on, it is necessary for the government to think beyond the campaign for the UNSC, and work out a comprehensive strategy for what it plans to do with the seat. In the past, India has earned a reputation for ‘fence-sitting’ by abstaining on votes when it was required to take a considered stand on principle, and the seat will be a chance to undo that image. Given the twin challenges of a rising China, and the U.S. receding from its UN responsibilities, India must consider how it will strengthen the multilateral world order amid frequent unilateral moves by both the world powers. An even bigger challenge will be to nudge all five permanent members on the one issue they have unitedly resisted: towards the reform and expansion of the UNSC, which would include India’s claim to a permanent seat at the high table.
Prudent prescription

An RBI panel’s suggestions on the MSME sector cut to the heart of crucial issues

The micro, small and medium enterprises (MSME) sector in India is not only a key engine of growth, contributing more than 28% of the GDP and about 45% to manufacturing output. It is also a true reflection of economics where people really matter. Providing employment to about 111 million people, the sector’s health is crucial to the economy’s vitality and society’s well being. An expert committee constituted by the Reserve Bank of India has in this context submitted a substantially germane study on the issues bedevilling MSMEs and made a fairly exhaustive set of recommendations to redress them. The panel is emphatic that the policy environment needs to be urgently refocussed. To that end, it is imperative that the thrust of the enabling legislation — a 13-year-old law, the MSME Development Act, 2006 — be changed to prioritise market facilitation and ease of doing business. Observing that many Indian start-ups that are at the forefront of innovation are drawn to look overseas, given the conducive business environment and the availability of infrastructure and exit policies, the experts suggest that a new law ought to address the sector’s biggest bottlenecks, including access to credit and risk capital. A substantial part of the study is justifiably devoted to reimagining solutions to improve credit flow to MSMEs. For instance, the experts recommend repurposing the Small Industries Development Bank of India. In its expanded role, it is envisaged that the SIDBI could not only deepen credit markets for MSMEs in under-served regions by being a provider of comfort to lenders including NBFCs and micro-finance institutions, but also become a market-maker for SME debt.

With technology, especially digital platforms, having become so ubiquitous, the panel has made a case for greater adoption of technology-facilitated solutions to a plethora of problems encountered by the sector. To address the bugbear of delayed payments, the mandatory uploading of invoices above a specified amount to an information utility is a novel approach. The aim is to name and shame buyers of goods and services from MSMEs to expedite settlements to suppliers. While it does sound simplistic, and banks a lot on the power of moral suasion, it is a tack worth trying. Another suggestion entails expediting the integration of information on the Government e-Marketplace, or GeM, platform with the Trade Receivables Discounting System. The goal here too is to boost liquidity at MSMEs. A noteworthy recommendation urges banks to switch to cash flow-based lending, especially once account aggregators are operational and able to provide granular data on borrowings. The RBI and the Centre clearly have their work cut out in acting on this prudent prescription to help actualise the sector’s true economic potential.
A democratic requirement

India’s brooding parliamentary Opposition needs to study its historical legacy to chart the road ahead

Today the parliamentary Opposition in India is not merely fragmented but also in disarray. There seems to be hardly any Opposition party with a vision or strategy for its institutional working or for the Opposition as a whole. Such a state of affairs is probably worse than the defeat most of the Opposition parties have suffered in the elections to the 17th Lok Sabha. Given this impasse, some of them may seek an alternative in strengthening their State-level bases either to ward off poaching by the ruling dispensation or to work to better their prospects in the elections in the offing. There would also be much showcasing of Opposition unity particularly during a Lok Sabha session. While such exercises could be defended as modes of survival in hard times, or even as inevitable tactics, should the Opposition limit itself merely to them? Should not the Opposition reinvent a distinct and broader role for itself? Is the despondency the parliamentary Opposition is caught in conducive to the pivotal role it is called upon to play in a post-colonial democracy such as India?

An early assertion

At the time of India’s first elections, there was little doubt regarding the potential ruling party of the country. The matter of concern, however, was the state of the parliamentary Opposition. There was little doubt in anyone’s mind, unlike probably today, that without a viable and effective Opposition, parliamentary democracy would largely be a sham. Without it there would not be an effective oversight on representative concerns, in eliciting responsiveness from wielders of power and enforcing accountability. While there could be other organs of the state for specific purposes, it was the parliamentary Opposition, it was believed, that held the popular trust to its safe-keeping. In other words, India’s claim to be a working democracy rested not in posting an electoral majority, but in engendering a parliamentary Opposition that would be the conscience of the nation.

Jawaharlal Nehru was acutely conscious of the absence of an effective Opposition in the House, and once wrote provocatively, under the pseudonym Chanakya, saying, “a little twist and Jawaharlal might turn into a dictator sweeping aside the paraphernalia of a slow-moving democracy”. He repeatedly cajoled Jayaprakash Narayan, who had opted for public service outside the electoral arena, to enter Parliament and lead the Opposition. It is a different matter, though, that when such an Opposition came to crystallise, it was not much to his liking! This Opposition was made of disgruntled leaders moving out of the ruling party and the existing parliamentary Opposition largely made of socialists and communists. The Bharatiya Jan Sangh and the Swatantra Party were to soon foist their distinctive markers on the Opposition. The development produced dozens of truly outstanding parliamentarians — Hriday Nath Kunzru, J.B. Kripalani, A.K.Gopalan,
H.V.Kamath, Ram Manohar Lohia and M.R. Masani, just to name a few. India’s parliamentary Opposition was an invention of its own and a development of momentous significance with certain distinct characteristics.

**Bound to social movements**

From the early 1960s powerful movements broke out all over India on issues such as land reforms, rights of the industrial working class, unemployment, foodgrains and their distribution, ethnic demands and language rights. While the strength of the parliamentary Opposition continued to be puny and divided till 1967, it was enormously bolstered by linking itself to these social movements, and vice-versa. Such a bonding, however, went alongside a reflective commitment to constitutional and parliamentary democracy. It encompassed the broadest spectrum of the Opposition, including the communists, a section of whom had initially entertained doubt regarding the prospects of social revolution under the aegis of constitutional democracy. While the government proceeded against some of the leaders for their role in the social movements, there was obviously a limit to which it could go.

In the early 1970s, the parliamentary Opposition became the site that reflected a comprehensive critique of the direction charted by India’s democracy. The parliamentary communists, with all their internal ideological and political squabbles, continued to employ the frame of class struggle — imperialism, big capital and landlordism on the one hand, and working class, peasantry and middle classes on the other. But it was the socialists who made the terrain of democracy in place as their anchor, developed a critique of the path of industrialisation, centralisation and concentration of power, deployment of institutions of constitutional democracy as instrumentalities of the ruling regime as well as the resultant outcomes of agrarian crisis, devastation of traditional crafts and small-scale industry, assault on citizenship rights, intolerance of dissent, aversion to federalism and decentralisation of power, rise in bureaucratic stranglehold and security apparatuses, muzzling of the media and disregard to languages and local cultures.

It was this Opposition that issued the call for civil disobedience as foundational to democracy when the parliamentary Opposition came to be subdued. Jayaprakash Narayan became the rallying symbol for this Opposition, bringing down the authoritarian regime of the Emergency (1975-77), and enabling it to ride to power with huge popular support in the elections.

It is a different matter that the internal squabbles within the ruling Janata Party, its inability to order its priorities, and its susceptibility to the insinuations of the Opposition in place gave this experiment a short shrift. The Congress party in Opposition (1977-1979) too experimented with an oppositional stance which was largely to discredit the party in power, and seek a restoration of the post-colonial regime. The strategy of merely discrediting the ruling regime as an oppositional stance does not hold much prospect today, given the unity of the ruling regime and its hold over media and communication networks. Besides, it does not reflect the creativity and ingenuity that the Opposition has imparted to parliamentary democracy in India.
Conceptions of nationalism

From the 1980s parliamentary Opposition came to make a place for itself by advancing one or the other conception of nationalism. There are clearly three significant conceptions in contention. The first is a majoritarian conception which argues against any special consideration to minorities and disparages pluralism. The second is a secular conception that upholds equal citizenship while extending special considerations to distinct concerns and ways of life. The third argues that Indian nationalism and the post-colonial polity have largely been in the service of a privileged strata and measures should be taken to tilt this balance in favour of the disadvantaged as well as reflect India’s deep diversity. It is important to bear in mind that while each one of these conceptions has tried to outwit the others, they have selectively reached out to some elements of the rest with the aim of securing electoral majorities.

A majoritarian conception of the polity, avowing a strong state that has an overriding say with regard to rights and freedoms, but with a pronounced tilt to the market, has been triumphant today. But it can hardly be said that other perspectives in contention have lost their salience and the legacy of the parliamentary Opposition in India has lost its mettle.

In this context, the parliamentary Opposition in India has much to learn from its own legacy. It can draw from it lessons to position itself as the representative voice of democratic and egalitarian urges that is at the same time critical of the idea of the nation that has left behind a significant section of its population from any meaningful sense of belonging to it. But it also may be the opportune context to think of new ways by which dissent and opposition can be sustained in a new media-induced public culture that invariably breeds docility and compliance.

A policy to regulate coaching centres

Coaching institutions undermine mainstream education and impose a huge cost on students

In May, a deadly fire at a coaching centre in Surat snuffed out 22 young lives. The rate of suicides in Kota, where many students converge to prepare for entrance exams, remains high. And yet, the coaching industry is rapidly growing. Data from the National Sample Survey Office’s 71st round reveal that more than a quarter of Indian students (a stupendous 7.1 crore) take private coaching. Around 12% of a family’s expenses go towards private coaching, across rich and poor families alike.
What purpose do coaching institutions serve in society? Do they enhance human capital? If they do, they serve the same purpose as schools and colleges. But if they don’t, then they are imposing a huge emotional cost to society. They crush creativity. In most cases, they only help a student to swiftly secure marks in some entrance exam, which is widely understood to be a sign of merit. This is a questionable connection. To signal merit, exams are only one criterion, and not necessarily the best one. So, coaching institutions exist to help people achieve only one idea of merit. This is a small benefit. They do not enhance human capital. Confining students in classrooms and making them study subjects they often hate destroys their natural talent. Hence, the social cost of these institutions outweighs their benefit by far. The industry needs a re-look.

Unregulated spaces

First, why must anything be regulated? Economic theories suggest that when markets fail, governments need to be brought in. Market failure may occur because of the presence of externalities or asymmetry in information. Governments are also important because they act to coordinate moral norms. On all these counts, coaching institutions emerge as the proverbial villains. Hidden behind legislations meant for tiny shops (Shops and Establishment Act) as ‘other’ business, they run an empire of evening incarcerations that arrest creative freedom. The big ones draw an entire generation of young minds and systematically erode their imagination. They ignite psychological disorders in students, undermine mainstream education, impose huge opportunity costs to students, charge an exorbitant fee which is often untaxed, and yet remain unaccountable (several court cases on breach of promise of refund are underway). This paints a picture of coaching centres as market bullies. The social costs are exacerbated by the absolute disregard for the well-being of students, who are shoved into tiny rooms with little ventilation, let alone a fire exit. Society bears the burden — only for the sake of finding out who is marginally better than the other in cramming for some exam.

The building in Surat had an illegally constructed terrace. It had a wooden staircase that got burnt, thus disabling any possibility of escape. It had no fire safety equipment, nor any compliance or inspection certificate. The response of the State government was to shut down all coaching institutions in Gujarat until fire inspections were completed. This was a typical knee-jerk reaction.

The building which caught fire was located in a premise that was supposed to be a residential space, according to the approved plan of 2001. In 2007, a two-floor commercial complex was illegally built. It was legalised in 2013 under Gujarat’s regularisation laws. The other floors where the fire broke out were constructed illegally later. With such patterns of violating the laws, these inspections will only serve a tick-mark purpose. But here is the point. Although government measures are more emotional than rational, they have achieved the purpose of drawing our attention to coaching centres. In the last six months, three fire incidents have involved coaching institutions in Gujarat.

Valueless idea
Why do people start coaching institutions? Barring a few exceptions, coaching institutions sell a valueless but costly idea. Only those enterprises which have no value themselves play with the law. To blame the systemic flaws in the implementation of safety laws and to blame corruption in the government is to normalise the lack of integrity in the entrepreneur who decided to violate the law. To harp on lapses by the government is to turn a blind eye towards what kind of ethics we are drawing out of our enterprises, particularly those which purport to provide ‘education’. Coaching institutions, of course, are not necessarily ethical entities. Most of them do not add to the value of education.

While the reason for the growth of coaching institutions is the entrance exam culture of India, what is urgently required is a policy on regulating them. Some States have already passed laws to regulate the coaching industry — centres have to register with the government and meet certain basic criteria — for instance, they cannot employ teachers of government-recognised schools. Existing State laws, however, do not evince a consistent rationale that could aid in framing national regulations. There is also the Private Coaching Centres Regulatory Board Bill, 2016 in discussion. A PIL was recently filed in the Supreme Court on regulating coaching institutions. But we must recognise that a bad law is worse than no law. While the discourse being triggered is a welcome step, it is now important to ensure regulations that emerge are agile, forward-looking and empowering.

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