



NEWS ANALYSIS

7 SEPTEMBER 2024

Today's prelims practice Question

Q) Which of the following is The first State in the country to enact the legislation to increase the marriage age of girls to 21?

- a)Karnataka
- b)Jharkhand
- c)Assam
- d)Himachal Pradesh

Explanation

- ❖ Himachal Pradesh is the first state in India to enact legislation raising the minimum marriage age for girls to 21 years old, passing the "Prohibition of Child Marriage (Himachal Pradesh Amendment) Bill, 2024" in their state assembly.

TO OVERRIDE ALL OTHER LAWS & CUSTOMS

➤ Prohibition of Child Marriage (Amendment) Bill, 2021 proposes to raise legal age for women to marry from 18 to 21, on a par with men

➤ Seeks to amend other laws for uniformity in age of marriage – Indian Christian Marriage Act, 1872; Parsi Marriage and Divorce Act, 1936; Muslim Personal Law (Shariat) Application Act, 1937; Special Marriage Act, 1954

Hindu Marriage Act, 1955; Foreign Marriage Act, 1969

➤ Anyone married before the age of 21 can seek annulment up to 5 years instead of the current 2 from the time of attaining majority

➤ Amendments to override all other laws, customs, usage or practice

➤ Bill to come into force 2 years from the date it receives President's assent



Today's prelims practice Question

Q)Recently, India has completed a successful test-fire of Agni-4 Ballistic Missile . Consider the following statements regarding Agni-4 missile.

- 1.It is a surface –to- air missile**
- 2.It can hit targets of up to 4000 KM range**
- 3.The Agni missiles are designed and developed by the Defense research and development Organization**

WHICH OF THE ABOVE STATEMENTS IS/ARE CORRECT

- A. 1 Only**
- B. 1 and 2 Only**
- C. 2 and 3 only**
- D. 1, 2 and 3**

NTCA letter on relocation from tiger zones

NTCA letter on relocation from tiger zones draws ire

Apex tiger conservation authority asks 19 States to 'prioritise' removal of residents from core tiger zones; senior Environment Ministry official says these letters are routine and periodic reminders

Jacob Koshy
NEW DELHI

A recent letter by the National Tiger Conservation Authority (NTCA) — the apex body tasked with tiger conservation — asking 19 States to “prioritise” the removal of villagers who are residents in the core tiger zones has drawn the ire of several organisations and activists, who have written to Union Environment Minister Bhopender Yadav protesting against these directions.

“It has been observed that 591 villages comprising 64,801 families are still residing in the core area (of the tiger zone). The progress of village relocation is very slow and it poses grave concern in the light of tiger conservation,” said the letter written by G.S. Bharadwaj, Additional DGF (Project Tiger) and Member Secretary, NTCA to Subhash Malkede, Chief Wildlife Warden, Karnataka on June 19.

Though *The Hindu* has only viewed this letter, similar letters have been



The “core zone” is a tiger reserve area where tribals cannot live, while hunting and collecting forest produce is banned. FILE PHOTO

sent to other States too. Karnataka has 81 villages in the core zone, with 1,175 families having been relocated since the inception of Project Tiger in 1973.

The “core zone” refers to the portion in a tiger reserve where tribals cannot live and activities such as hunting and collecting forest produce is banned. There is a concentric circle outside the “core zone” called the buffer zone where these restrictions are eased but regulated.

There are 53 tiger reserves in India across 19 States, with 848 villages comprising 89,808 families in the core zone. Since

1973, 257 of these villages comprising 25,007 families have been relocated. The Wildlife Act says that core zones are to be “involute” and these must be made so by coaxing residents to “voluntarily relocate” on “mutually agreed terms and conditions”.

“We are appalled at the step taken by the NTCA directing the relocation of the forest dependent communities in flagrant violation of all the relevant laws,” read the letter by the organisations dated September 5.

The letter alleges that the NTCA’s relocation orders were in “complete

violation” of the Wildlife (Protection) Act, the Forest Rights Act, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (LARR), and the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act.

“The NTCA action put pressure on the State governments to relocate communities... forcing the State governments to commit illegalities. This would lead to massive conflicts between State authorities and the Scheduled Tribes and other forest dwelling tribes living in the tiger reserves,” the letter added.

A senior official in the Environment Ministry, who declined to be identified, told *The Hindu* that these letters were “routine” and periodic reminders to the States to make core zones involute. “The process of relocation is voluntary and cannot be done without settling the rights of forest dwellers. There are several success stories but it is a necessarily slow process as data will show.”

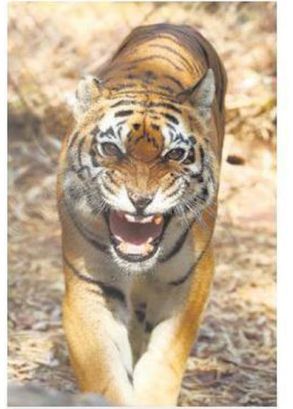
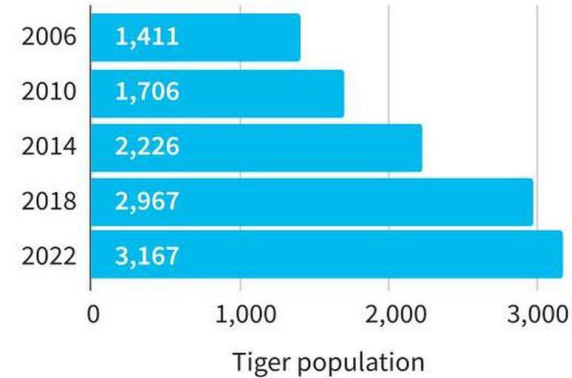
CONTEXT

- ❖ The National Tiger Conservation Authority (NTCA) — the apex body tasked with tiger conservation — asking 19 States to “prioritise” the removal of villagers who are residents in the core tiger zones has drawn the ire of several organisations and activists.

- ❖ 591 villages comprising 64,801 families are still residing in the core area (of the tiger zone). The progress of village relocation is very slow and it poses grave concern in the light of tiger conservation.”
- ❖ Karnataka has 81 villages in the core zone, with 1,175 families having been relocated since the inception of Project Tiger in 1973.
- ❖ The “core zone” refers to the portion in a tiger reserve where tribals cannot live and activities such as hunting and collecting forest produce is banned.
- ❖ There is a concentric circle outside the “core zone” called the buffer zone where these restrictions are eased but regulated.
- ❖ There are 53 tiger reserves in India across 19 States, with 848 villages comprising 89,808 families in the core zone.

Big cat count

According to the data released by the PM, the number of tigers in India increased by 200 in the past four years. A look at the tiger population



Steady rise: A tiger at Van Vihar National Park in Bhopal on Sunday. PTI



- ❖ Since 1973, 257 of these villages comprising 25,007 families have been relocated.
- ❖ Core zones are to be “inviolable” and these must be made so by coaxing residents to “voluntarily relocate” on “mutually agreed terms and conditions”.
- ❖ The relocation of the forest dependent communities in flagrant violation of all the relevant laws.”
- ❖ The NTCA relocation orders were in "complete violation" of the Wildlife (Protection) Act, the Forest Rights Act, the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act (LARR), and the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act.



- ❖ “The NTCA action put pressure on the State governments to relocate communities... forcing the State governments to commit illegalities.
- ❖ This would lead to massive conflicts between State authorities and the Scheduled Tribes and other forest dwelling tribes living in the tiger reserves.”
- ❖ The process of relocation is voluntary and cannot be done without settling the rights of forest dwellers.

Distribution of homestead land title and work order of Biju Pucca Ghar to the beneficiaries



Multidrug resistant TB

Health Ministry approves new treatment regimen for multidrug-resistant TB

The Hindu Bureau
NEW DELHI

The Union Health Ministry on Friday approved the introduction of a new treatment regimen for multidrug-resistant tuberculosis in India.

The BPaLM regimen consisting of four drugs – Bedaquiline, Pretomanid, Linezolid, and Moxifloxacin – has proven to be a safe, more effective and quicker treatment option than the previous MDR-TB treatment procedure, the Ministry said.

It added that the country was working towards the elimination of TB by 2025, five years ahead of the global target for eliminating the disease under the sustainable development goals.

As part of these efforts, the Ministry has introduced the BPaLM regimen,

The new era

What does the introduction of the new treatment regimen mean for India's 75,000 drug-resistant TB patients?

- 1 It has been proven to be safe, more effective and a quicker treatment option than the previous MDR-TB treatment procedure
- 2 It brings down treatment time to around six months from the earlier duration of 18 to 24 months
- 3 It has been found to be cheaper for both health systems and patients



The regimen consists of four drugs – Bedaquiline, Pretomanid, Linezolid and Moxifloxacin

a novel treatment for MDR-TB, under its National TB Elimination Programme.

High success rate

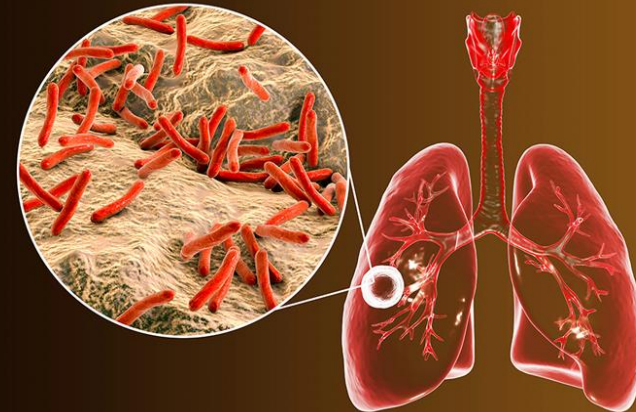
This regimen includes a new anti-TB drug, Pretomanid, in combination with Bedaquiline and Linezolid (with or without Moxifloxacin).

Pretomanid had earlier been approved and licensed for use in India by the Central Drugs Standard

Control Organisation.

While traditional treatments can last up to 20 months with severe side effects, the BPaLM regimen can cure drug-resistant TB in just six months with a high success rate.

India's 75,000 drug-resistant TB patients will now be able to benefit from this shorter regimen. Along with other advantages, there will also be overall savings in cost.



All You Need to Know About the Eradication of Tuberculosis in India

CONTEXT

- ❖ The Union Health Ministry on Friday approved the introduction of a new treatment regimen for multi drug-resistant tuberculosis in India.

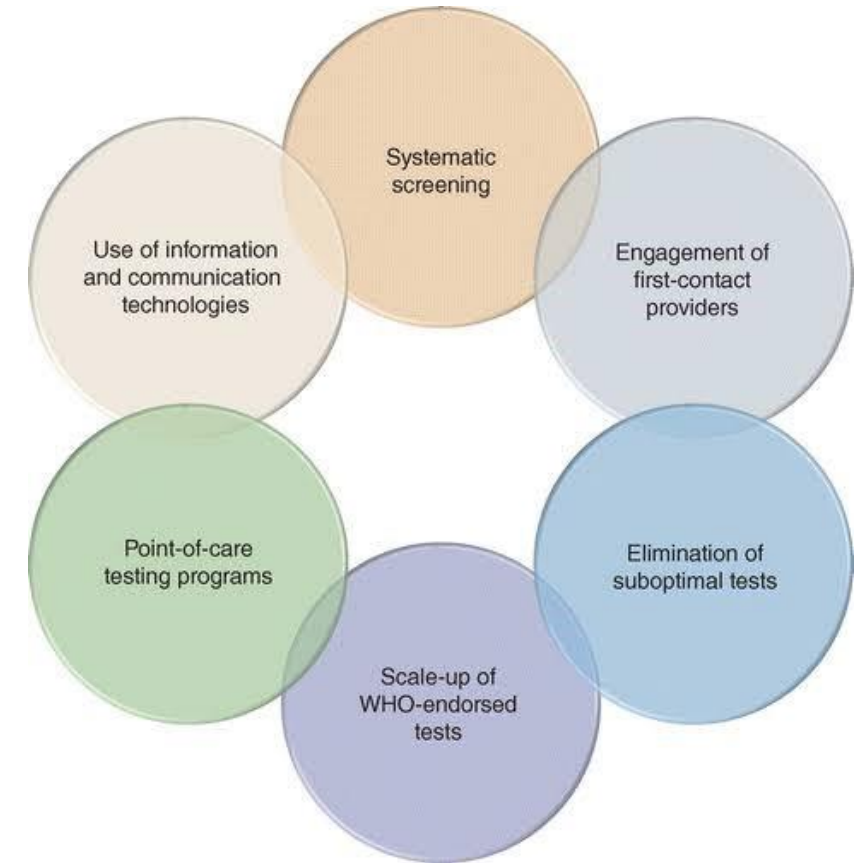
Related Facts

- **Every day, 3,500 people die from tuberculosis (TB) worldwide**, and about 30,000 people get infected with TB bacteria (**WHO**).
- India has **27%** of global TB cases, which is alarming because TB is a **curable disease**.
- The **UN** aims to **end the TB epidemic** by **2030**.
- The Indian Prime Minister expressed India's goal of eliminating TB **five years earlier**, by **2025**.
- In November 2023, the WHO recognised India's achievements in reducing TB incidence by 16% and TB mortality by 18% from 2015 to 2022.
- The **WHO's Global Tuberculosis Report 2023** revealed that while 7.5 million TB cases were diagnosed in 2022, about 3.1 million cases went undiagnosed.

- ❖ BPaLM regimen consisting of four drugs — Bedaquiline, Pretomanid, Linezolid, and Moxifloxacin — has proven to be a safe, more effective and quicker treatment option than the previous MDR-TB treatment procedure.
- ❖ The country was working towards the elimination of TB by 2025, five years ahead of the global target for eliminating the disease under the sustainable development goals.

High success rate

- ❖ This regimen includes a new anti-TB drug, Pretomanid, in combination with Bedaquiline and Linezolid.
- ❖ The BPaLM regimen can cure drug-resistant TB in just six months with a high success rate. India's 75,000 drug-resistant TB patients will now be able to benefit from this shorter regimen.



Tuberculosis

- ❖ Tuberculosis is a bacterial infection that is also known as TB. It can be fatal if not treated. TB most often affects your lungs, but can also affect other organs like your brain.

Treatment

- ❖ With treatment, TB can almost always be cured.
- ❖ A course of antibiotics will usually need to be taken for 6 -18 months.
- ❖ Several different antibiotics are used because some forms of TB are resistant to certain antibiotics.

TUBERCULOSIS IN INDIA, WORLD

64% of the global burden of TB is shared by 7 countries, with India leading the count, followed by Indonesia, China, the Philippines, Pakistan, Nigeria, and South Africa.

56% of the estimated 10.4 million people who fell ill with TB in 2016 were in five countries — in descending order, India, Indonesia, China, the Philippines and Pakistan. 90% of the total were adults, 65% were male, 10% were people living with HIV (74% in Africa).

21% was the death rate from TB in India in 2016. TB is one of the top 10 causes of death worldwide; 1.7 million people died from the disease in 2016 — over 95% of them in low- and middle-income countries.

47% of the 6,00,000 new cases in 2016 with resistance to rifampicin (RRTB), the most effective first-line TB drug, were in India, China and the Russian Federation. Of the 6,00,000 RRTB cases, 4,90,000 were multidrug-resistant TB (MDR-TB).

25% of the total gap between TB incidence and reported cases in 2016 was accounted for by India. Indonesia (16%) and Nigeria (8%) followed. 10 countries accounted for 76% of the said gap.

39% of the global gap between the incidence of drug-resistant TB and treatment enrolment was accounted for by India and China. 10 countries accounted for 75% of the said gap.

Source: The WHO Global Tuberculosis Report 2017, released this week

Challenges

- ❖ Challenges with regard to this illness in India include –
- ❖ Poor primary health-care and infrastructure in rural areas;
- ❖ Unregulated private health care;
- ❖ HIV induced TB cases;
- ❖ Lack of hygiene facilities and widespread malnourishment and poverty.
- ❖ The main variables that help understand tuberculosis transmission are rapid unplanned urbanization, overcrowding, poor airborne infection control, poor nutrition, HIV, diabetes and tobacco use.

Nutrition and Tuberculosis



● More than two-thirds of **trial participants were tribals**, most of whom were accessing ration from the PDS.

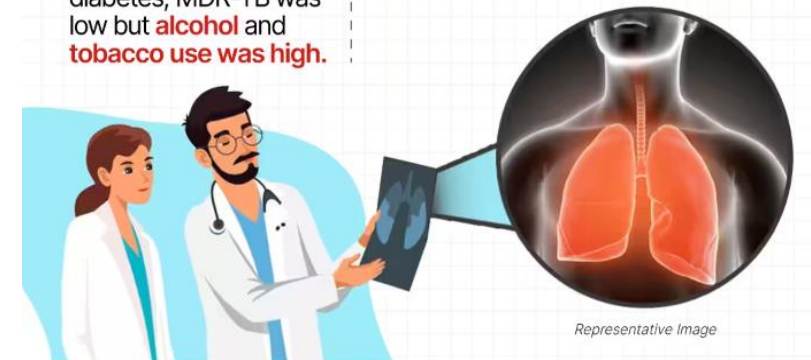
● **Undernutrition** (BMI<18.5 kg/m²) was prevalent in four out of five patients, with severe undernutrition (BMI<16 kg/m²) in nearly half of these.

● Prevalence of HIV, diabetes, MDR-TB was low but **alcohol and tobacco use was high**.

● Nearly one per cent of patients were **hypotensive, hypoxic**, or were unable to stand, indicating need for in-patient care.

● One of three contacts across all ages had **undernutrition** at enrolment.

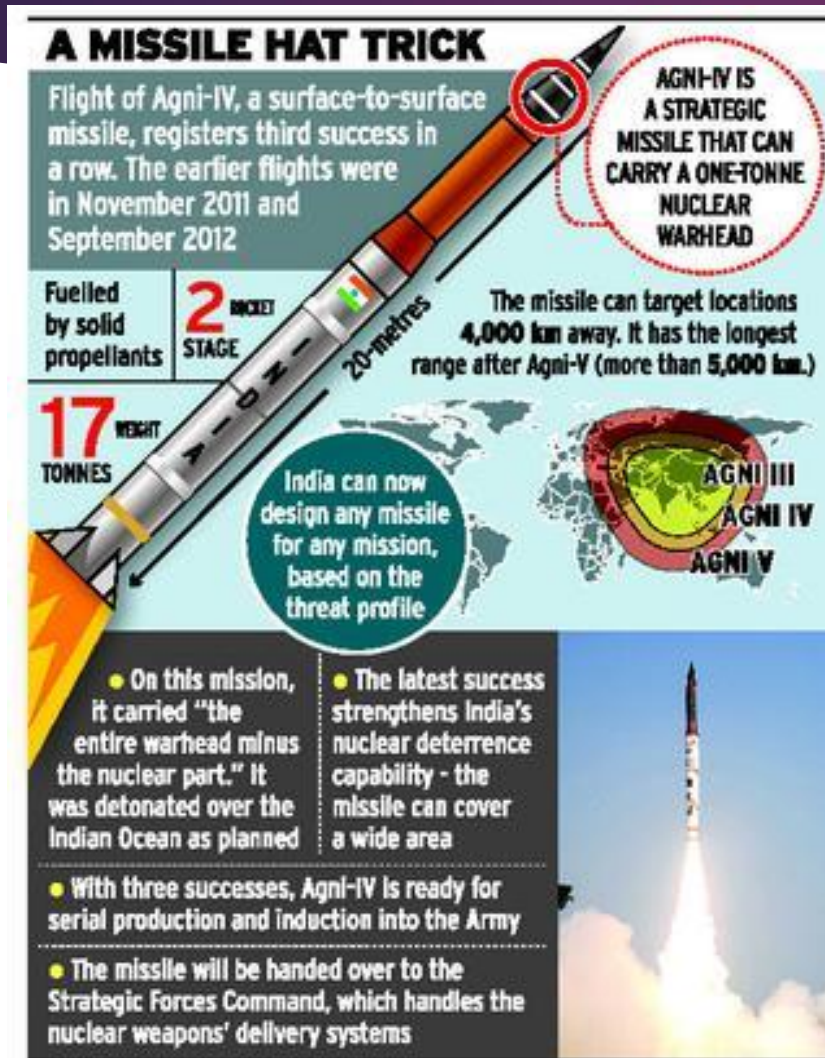
● There was a **39 per cent reduction** of incidence of **all forms of TB** and a **48 per cent reduction** of incidence of **infectious TB** in the intervention group of families.



Agenda to Control TB in India

- ❑ **Early Detection and Screening**: Early detection is crucial for TB, as symptoms are often ignored. Screening of family and contacts of infected individuals is vital, requiring accessible lab facilities and efficient follow-up systems.
- ❑ **Precise Treatment Categorization**: This is essential due to the increasing number of drug-resistant TB cases. Knowing resistance status at diagnosis helps assign appropriate treatment.
- ❑ **Treatment Adherence and Monitoring**: TB treatment requires a long duration, so non-compliance can occur due to various reasons, like health improvement or relocation. It is important to use technology to monitor compliance.
- ❑ **Preventing TB-related deaths**: whether from drug-resistant or non-pulmonary TB, is critical.
- ❑ **Controlling Drug Resistance**: This is crucial as it's often caused by the misuse of antibiotics and non-compliance with treatment. Poor regulation of drug use and treatment non-compliance contribute to drug resistance.

Agni IV successfully test fired



Agni-IV successfully test-fired

- ❖ India's strategic missile, Agni-IV, was successfully test-fired from Abdul Kalam Island, formerly known as Wheeler Island, off the Odisha coast

About Agni-4 Missile:

- ❑ It is an **intermediate-range ballistic missile**.
- ❑ The launch of this Agni-4 was carried out from the Integrated Test Range in **Odisha's Chandipur**.
- ❑ The launch successfully validated all operational and technical parameters. It was conducted under the aegis of the **Strategic Forces Command**, a part of India's **Nuclear Command Authority (NCA)**.

Features:

- ❑ It can hit as far as **4,000 kilometres**.
- ❑ The 20-metre-long missile can carry a **payload of 1,000 kg** and can be fired from a road-mobile launcher.
- ❑ It is a **surface-to-surface missile**.
- ❑ It is a mobile, **two-stage solid-fuel system**.
- ❑ The Agni missiles are designed and developed by the **Defence Research and Development Organisation (DRDO)**.

What is Fiscal Deficit? What are the impacts of Fiscal Deficit on the economy? What are the ways to financing the Fiscal deficit? Suggest steps for fiscal consolidation in the light of the Union Budget proposals.

Stick to fiscal deficit as the norm for fiscal prudence

Government expenditures exceeding revenue by a high margin can lead to a difficult situation. In the 1980s, rising fiscal deficit accompanied by rising government debt led to a difficult balance of payments situation and a high ratio of interest payment to revenue receipts. This forced the government to borrow progressively more to meet developmental expenditures.

Budget pointer

In the final 2024-25 Union Budget, the Finance Minister said, "From 2026-27 onwards, our endeavour will be to keep the fiscal deficit each year such that the Central government debt will be on a declining path as percentage of GDP." The Budget speech also says that the Centre's fiscal deficit would be reduced to 4.5% of GDP in 2025-26 from its budgeted level of 4.9% in 2024-25.

With these levels of fiscal deficit in two consecutive years, the Centre's debt-GDP ratio is estimated at 54% in 2025-26, assuming a nominal GDP growth of 10.5% in these two years. After this, the central government aims to have only a reducing path of debt-GDP ratio without stating a debt-GDP target and specifying a path to reach that. This implies effective abandoning of the Centre's Fiscal Responsibility and Budget Management (FRBM) 2018 debt-GDP target of 40% for the central government and 60% for the combined government for an indefinite period. It can be shown that with a nominal GDP growth in the range of 10%-11%, a falling path of the debt-GDP ratio can be ensured year after year while maintaining a fiscal deficit-GDP ratio for the Centre at 4.5%. In fact, at this level of fiscal deficit, the debt-GDP ratio would reach a level of 48% by 2048-49 while showing a falling debt-GDP ratio all along. State governments, in their respective Fiscal Responsibility Legislations (FRLs), have adopted a fiscal deficit-Gross State Domestic Product (GSDP) target of 3%. They may also be tempted to abandon their targets and only show a falling path of their respective debt-GSDP ratios. If the two levels of government maintain, on average, fiscal deficit to GDP ratios of 4.5% and 3% net of intergovernmental lending, the average combined fiscal deficit would amount to 7.5% of GDP for several years.

Such a profile of debt and fiscal deficit, while consistent with a falling debt-GDP/GSDP profiles,



C. Rangarajan
Distinguished University Professor, Ahmedabad University and a former Governor, Reserve Bank of India



D.K. Srivastava
Honorary Professor, Madras School of Economics and Member, Advisory Council to the Sixteenth Finance Commission

With the current lower levels of household financial savings, having 3% of GDP as a limit to fiscal deficit should be the focus

would leave little space for the private sector to access available investible surplus unless current account deficit is increased beyond sustainable levels.

The Twelfth Finance Commission had argued that the investible surplus for the private corporate sector and the non-government public sector can be derived as the excess of household financial savings and net inflow of foreign capital over the draft of this surplus by the central and State governments through their borrowing. In this context, the Twelfth Finance Commission had observed (paragraph 4.4i of their report), "The transferable savings of the household sector of 10 per cent of GDP combined with an acceptable level of current account deficit of 1.5 per cent would be adequate to provide for a government fiscal deficit of 6 per cent, an absorption by the private corporate sector of 4 per cent, and by non-departmental public enterprises of 1.5 per cent of GDP."

The recent tendency is for household financial savings to come down. In 2022-23, it was 5.3% of GDP as against 7.6% in the previous four years excluding the COVID-19 year of 2020-21. With 5.3% of household savings and about 2% of net inflow of foreign capital, available investible surplus of 7.3% will be fully pre-empted by the fiscal deficits of the central and State governments at about 7.5% of GDP. We can look at a higher level of fiscal deficit only if household financial savings rise.

Sustainable debt and fiscal deficit

There is a simple arithmetic relationship between fiscal deficit and debt-GDP ratio. To reduce the debt-GDP ratio, one has to act on fiscal deficit-GDP ratio, which essentially means change in the debt-GDP ratio between two consecutive years. The fiscal responsibility framework, which has been built in India after 2003, with States coming on board with their respective FRLs, has considered suitable combinations of debt-GDP/GSDP levels along with fiscal deficit-GDP/GSDP levels.

In India's context, if the debt-GDP ratio remains relatively high compared to the norms given in the FRLs of the Centre and States, the ratio of interest payment to revenue receipts would also remain high, pre-empting government's revenue receipts while leaving progressively lower shares for financing

non-interest expenditures. The ratio of Centre's interest payment to revenue receipts net of tax devolution, which had fallen to 35% in 2016-17, has increased to an average of 38.4% during 2021-22 to 2023-24. This ratio averaged 51.6% if we consider the Centre's revenue receipts after taking into account all transfers including tax devolution and grants.

An international comparison

There are many countries which have a far higher level of government debt-GDP ratio as compared to India. Their interest payments to revenue receipts, however, are much lower. For example, during 2015-19, the ratio of interest payment to revenue receipts averaged only 5.5%, 6.6% and 8.5% for Japan, the United Kingdom and the United States, respectively (International Monetary Fund). In contrast, during 2015-16 to 2019-20, India's combined interest payment to revenue receipts ratio was 24% on average with the Centre's post transfer ratio averaging 49%.

While recent pronouncements talk of the debt-GDP ratio as the policy variable, they do not, however, specify what that target is for India and what the path would be to reach that target from the current levels of debt-GDP ratio. The problem in the context of macro-stabilisation is that when a major disturbance occurs, such as the COVID-19 pandemic in our recent past, it took just one year for the central debt-GDP ratio to shoot up from 50.7% in 2019-20 to 60.7% in 2020-21.

However, returning to the pre-COVID-19 level of debt-GDP ratio has taken much longer and we are still nowhere close to reaching that. The paths of adjustment of upward and downward movements of debt-GDP ratio due to a macroeconomic shock often tends to be asymmetric. Governments find it convenient to keep postponing the downward adjustment in the debt-GDP ratio while continuing to nurse high levels of interest payment relative to revenue receipts. There is no point in urging private investment to grow if the available investible surplus is limited. With the current lower levels of household financial savings, it is better for the central government to stick to 3% of GDP as a limit to fiscal deficit. We need to draw up a road map to achieve that level. Any relaxation of this rule will only lead to fiscal imprudence.

The views expressed are personal

Approach of the answer :

1. What is fiscal deficit
2. Mention impacts of fiscal Deficit on the economy .
3. Write ways to financing the fiscal deficit.
4. Suggest steps to fiscal consolidation

Fiscal Deficit is a term used to denote a deficit in government earnings during a financial year. A fiscal deficit occurs when the total expenditure of the government exceeds the total revenue (excluding borrowed funds). Fiscal deficit is “reflective of the total borrowing requirements of Government”

Significance of fiscal deficit:

- ❑ In the economy, there is a limited pool of investible savings.
- ❑ These savings are used by financial institutions like banks to lend to private businesses (both big and small) and the governments (Centre and state).
- ❑ If the fiscal deficit ratio is too high, it implies that there is a lesser amount of money left in the market for private entrepreneurs and businesses to borrow.
- ❑ Lesser amount of this money, in turn, leads to higher rates of interest charged on such lending.
- ❑ So, simply put, a higher fiscal deficit means higher borrowing by the government, which, in turn, mean higher interest rates in the economy

Impacts of Fiscal Deficit:

- ❑ It can mean that the Government is **spending money on unproductive programmes** which do not increase economic productivity. (For example MNREGA, most of the money is eaten midway by the Sarpanch and Local officers.)
- ❑ As government borrows from RBI which meets this demand by printing of more currency notes (called deficit financing), it results in circulation of more money. This may cause **inflationary pressure in the economy.**
- ❑ When Government keeps borrowing and borrowing to fill up the fiscal deficit pothole, then bond yield will increase. It is not good because more and more of taxpayers' money (i.e. Government 's incoming money) will go in repaying that bond interest rate rather than going into education or healthcare.
- ❑ Government may be compelled to borrow to finance even interest payment leading to emergence of a vicious circle and debt trap.
- ❑ Fiscal deficit **“Crowds out”** investment from private sector as Government borrows most of the cash.

Strategies to Reduce Fiscal Deficit:

- ❑ There is a need to implement **NK Singh committee recommendations** with respect to Fiscal deficit for a stable economy. o Suggested a fiscal deviation band of 0.5%.
- ❑ This means that the government can deviate by 0.5% from the fiscal Deficit target if the economy is in slowdown.
- ❑ On the other hand, when the economy is doing well, the deficit can be compressed by 0.5%.
- ❑ Tax base should be broadened and concessions and reduction in taxes should be curtailed. Tax evasion should be effectively checked. More emphasis on direct taxes to increase revenue.



Thank you

Address

**B-47, Main Road Shivalik
Enclave, Block-B, Shivalik Colony,
Malviya Nagar, New Delhi-110017**

Phone Number +91 8178833167