

GS II

SYLLABUS: ISSUES AND CHALLENGES PERTAINING TO THE FEDERAL STRUCTURE.

DELIMITATION COMMISSION

THE HINDU, PG.NO: 8.

News: "The perfect cocktail of layered discrimination".

What is Delimitation?

- Delimitation refers to **redrawing electoral boundaries** to reflect population changes and ensure balanced representation.
- **Art.82 and 170:** empower Parliament to readjust the allocation of seats in the Lok Sabha and the Legislative Assemblies of States, respectively, after every census.

About Delimitation Commission:

- Delimitation Commission is a **statutory body**, established under Delimitation Commission Act.
- Appointed by **President of India**.
- **Composition:**
 - **Chairman:** A retired or working Supreme Court Judge
 - **Members:** Election Commissioner, Concerned State Election Commissioners.
- **Powers:**
 - Orders of delimitation commission are laid before the **Lok Sabha and Legislative Assemblies, but they can't modify them.**
 - It's **orders cannot be called into question before any court.**

Delimitation commissions after Independence:

- 1952, 1962, 1972, 2002, 2020 (for few States).
- **Delimitation commissions are backed by Statute** Eg. Delimitation Commission Act, 1952, Delimitation Act, 2002.
- **42nd Constitutional Amendment Act, 1976:** Imposed a freeze on the delimitation process until the results of the 2001 Census.
 - The freezing of delimitation was done to prevent states that were effective in population control from being disincentivized.
- **84th Constitutional Amendment Act, 2002:** the total number of existing seats in the Lok Sabha and State Legislative Assemblies is to remain unaltered until the first census after 2026.
- **Delimitation Commission (2020):**
 - Delimitation in the UT of Jammu and Kashmir and the northeastern States of Assam, Arunachal Pradesh, Manipur, and Nagaland.
 - This Delimitation Commission was set up under Delimitation Act, 2002.

Issues associated around Delimitation:

- **Total Fertility Rate of Southern States** Kerala and Andhra Pradesh, etc., is around 1.6, while Bihar, Chhattisgarh, etc., is about 3.5, which is above replacement level.
 - With **current status of population**, States like UP, Bihar, Rajasthan **gain more seats (50% increase)** in parliament while TN, Kerala, Andhra Pradesh **lose (loss of 25%)**. **This weakens the federal structure.**
- **Concern of population as a 'criteria' in Finance Commission distribution:** States like Karnataka, Maharashtra, and Tamil Nadu receive only about 30% of direct tax contributions, while Bihar and Uttar Pradesh receive between 250% and 350% of their overall contribution.
- **Absence of 2021 Census data:** delimitation may not accurately reflect current demographics.
- **Lack of judicial oversight** may lead to concerns over fairness and transparency.

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- **Penalising population control Efforts:** Southern States lose a say in Union affairs.
- **Unequal representation violates the principle of "one person, one vote, one value."**

Recommendations:

- **NCRWC 2002:** Periodic delimitation should resume to reflect demographic changes while considering population control incentives.
- **Law Commission's 170th Report (1999):** Use of independent experts and public consultations for fair and transparent process.
- **Second ARC 2009:** Consideration of socio-economic factors alongside population.
- **Election Commission of India reports:** use of technology and GIS mapping for accurate delimitation.
- **It is necessary to balance two competing constitutional values:** formal equality in voting and federalism

"No taxation without representation was the cry in the Boston Tea Party. In a similar vein, delimitation will further shrink the representation of States that produce taxes."

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EXAMPLES FROM TODAY'S NEWS PAPER

THE HINDU, PG.NO: 1.

News: "SC puts brakes on 'bulldozer culture'."

Context: Supreme Court questions the legality of recent house demolitions of accused portrayed as action against Anti-Social Elements in UP, MP, HR, and Delhi.

SC held:

- Such actions **contradict fundamental right the Art. 19(1)(e):** Right to shelter of the accused family.
- Justice to be dispensed according to **law and by due-process**. But not using Bulldozer.
- Destroying family homes, leaving entire families homeless, was **nothing short of "anarchy"**.
- **The Principle of 'separation of powers'** gave the courts the power to decide if someone was guilty or not, not the State.

Note: SC invoked **extraordinary powers under Article 142** to issue directions related to the case.

14 Nov 2024

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UNDERSTAND UPSC

GS III

SYLLABUS: INDIAN ECONOMY AND ISSUES RELATING TO GROWTH.

INFLATION

THE HINDU, PG.NO: 8.

News: "Surprise spike".

About Monetary Policy Committee:

- **Type:** Statutory body under RBI Act 1934. (Established in 2016).
- **Ujit Patel committee** recommended the formation of MPC.
- **Constituted by:** Central Govt. where 3 members from RBI and 3 nominated by government (nominee must not be a government official).
- **Responsibilities & Functions of MPC:**
 - Entrusted with the responsibility of **deciding the different policy rates**, including MSF, Repo Rate (RR), Reverse Repo Rate (RRR), LAF etc.
 - To **ensure price stability** with sustainable growth.
 - Inflation targeting @ **4% with 2% buffer**.
 - Required to **meet at least four times in a year**.
 - **Decisions are taken by majority**, Governor has a casting vote in case of tie.
 - RBI **must publish half-early MPC report** explaining sources of inflation, forecast of 18 months ahead.
 - In case of failure, it should submit **report to Central Govt**.
- **Instruments of MPC:**
 - LAF, MSF, MSS, OMO (RR & RRR), CRR, SLR, Bank Rate.
- **Failure of MPC:** when average inflation is higher or lower than the desired limit for 3 consecutive quarters.

Challenges to Inflation Targeting:

- **Food inflation challenges:**
 - Monsoon dependent agriculture.
 - Lack of cold storage facilities for perishable goods.
 - Rising input costs.
- **Policy related Challenges:**
 - **Ineffective monetary policy transmission** shows implementation challenges in Banking system.
 - **Fiscal policy:** fiscal deficit remained above FRBM norms since 4 years, adding to increased inflation.
 - **Unemployment issues all year around.**
- **Global Challenges:**
 - Wars and Pandemics.
 - Disruption of Supply chains.
 - Foreign central bank Policies.
 - Climate change Eg. El Niño phenomenon, droughts.

Suggestions:

- **Food Inflation:**
 - Creation of Buffer stocks for essential food items.
 - Banning exports and imposing stock limits.
 - **Higher R&D allocation:** Climate smart agri- reduces Supply shocks.
 - **Rationalising Fertiliser subsidies:** ₹5T in 2022-23 needs to be reduced.
- **Policy measures:**
 - **Coordinated monetary and fiscal policy:** To tackle global disruptions Eg: Oilseeds, Cereals.
 - **Check to freebies:** instead promote rural investments, rural infrastructure, competitiveness in agriculture.
 - **Spending on Infrastructure:** increases multiplier effect Eg: During Covid India showed World how to manage inflation while protecting GDP growth.
 - **Different inflation targets:** Benefits for different classes Eg: Food-3-4%.
 - **Improving Data quality and frequency:** AI based Data processing.

14 Nov 2024

ECONOMY

PRE-CONTEXT

INFLATION

THE HINDU, PG.NO: 8.

News: "Surprise spike".

Inflation:

- A rise in general level of prices.
 - **Note:** If the price of one good has gone up, it is not inflation.
- **Inflation** = $\frac{\text{current period price index} - \text{last period price index}}{\text{last period price index}} \times 100$

Measuring Inflation:

- **Consumer Price Index (CPI):**
 - Also called **Retail Inflation**.
 - CPI measures the average change in prices of fixed basket of goods and services that households purchase for purpose of consumption.
 - Used for **inflation targeting and micro-level policy making**.
 - **Current base year** for WPI calculation is 2011-12.
 - **Weights (High to Low):** Food and Beverages, Services, Fuel and Light etc.
 - **CPI is released by** CSO under Ministry of Statistics and Program Implementation.
- **Wholesale Price Index (WPI):**
 - Measures inflation at wholesale level, used for macro level policy making.
 - **Current base year** for WPI calculation is 2011-12.
 - **Weights (High to Low):** Manufactured goods, WPI food, Primary Articles, Fuel and Power.
 - WPI serves as an important determinant in policy formulation of trade, economical and fiscal policies of Govt.
 - **WPI index data is published by** Office of Economic Advisor under Ministry of Commerce and Industry.

Core inflation:

- Some goods & services are either included or excluded during calculation of core inflation.
- It excludes food, fuel & light, transport & communication.

Base Effect:

- Nothing to do with base year.
- Shows the impact of the rise in price level in the previous year over the current year.
- **Formula:** $\text{Current inflation rate} = \frac{\text{Current Price Index} - \text{Last year price index}}{\text{last year price index}} \times 100$.

GDP Deflator

- Measures GDP at current prices to that of the constant prices.
- Provides comprehensive view compared to inflation indicators.
- **Phillips Curve:** shows relationship between Inflation & unemployment.

14 Nov 2024



GS II

SYLLABUS: ISSUES ARISING OUT OF THEIR DESIGN AND IMPLEMENTATION.

PM-UJJWALA YOJANA

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News: "The impact of PMUY in Jammu and Kashmir".

"As of 2024, Over 10 crore households provided with LPG connections."

About PM-Ujjwala Yojana:

- Launched in 2016 with the slogan "Clean Fuel, Better Life."
- **Objectives:**
 - To reduce women's exposure to indoor smoke from traditional cooking fuels and alleviate their health burden.
- **Implementing by:** Ministry of Petroleum & Natural Gas.
- **Central Sector Scheme** (100% funded by Centre).
- **Eligibility:**
 - **All Below Poverty Line, Antyodaya Anna Yojana, families** can get the benefit of this scheme.
 - All women belonging to Scheduled Castes, Scheduled Tribes.
 - The identification of the BPL families is done through **Socio Economic Caste Census 2011**.
 - Connections are **issued in the name of women** of the households.
 - Applicant must have attained **18 years of age**.
 - No connection is issued to poor households with no female adult member.

Status:

- Active LPG consumers doubled from 14 crore in 2014 to 32 crore in 2024.
- **Non-PMUY beneficiary BPL households** reported a 25% incidence of coughing and chest infections during the one-month period.
- Government provided **three free refills** under the **Pradhan Mantri Garib Kalyan Yojana**

Issues in Implementation of PM-Ujjwala Yojana:

- **Low Refill Rates:** PMUY beneficiaries consumed an average of 3 cylinders annually, compared to the national average of 6 cylinders—**CAG Report 2019**.
- Despite LPG connections, **60% of rural households continue to use firewood** as their primary cooking fuel—**NSO Energy Sources report 2018**.
- In J&K ~50% are unaware about health risks associated with solid fuel use.
- **Supply chain bottlenecks** in States like Uttarakhand, Himachal Pradesh, and North-Eastern regions—**Parliamentary Standing committee report 2021**.
- **Identification of Beneficiaries:** 1.5 million connections were issued to ineligible beneficiaries, including minors, Duplication etc—**CAG report 2019**.
- **Safety concerns:** there was a 25% increase in LPG-related accidents between 2016 and 2018—**PESO report**.

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