

## Mains Master

### India's suboptimal use of its labour power

#### Context:

- **Vast Reliance on Labor Income:** The vast majority of Indians depend solely on their earnings from work for their livelihood. This highlights the crucial role a well-functioning labor market plays in their well-being. Ownership of capital (like factories) or land (for agriculture) isn't a major source of income for most.
- **Dominance of Informal Employment:** A staggering 90% of India's working population is employed informally. These jobs typically lack security, benefits like health insurance, and social safety nets like unemployment benefits. This makes workers in these sectors vulnerable to economic shocks and hinders their ability to save and invest in their futures.

#### Background:

- **Examining Recent Trends:** The author uses data from the Periodic Labour Force Survey (PLFS), a relatively new source of information compared to the older National Sample Survey, to analyze recent trends (from 2017-18 onwards) in the Indian labor market.

#### Why Labor Market is Important:

- **Job Creation and Livelihoods:** A dynamic labor market that fosters business growth and innovation leads to the creation of new jobs. This allows more people to enter the workforce and earn a living, thereby improving their overall standard of living.
- **Economic Growth:** When a larger portion of the population has jobs and disposable income, consumer spending increases. This fuels economic growth by creating demand for goods and services produced by businesses. Additionally, a skilled and productive workforce allows companies to operate more efficiently, further contributing to economic expansion.

#### Recent Data (and a Deeper Look):

- **Rising Participation Rate:** The headline numbers show a positive trend, with the Labor Force Participation Rate (LFPR) increasing steadily. This indicates more people are actively seeking or holding jobs, particularly women in rural areas. This is a reversal of the long-term decline in LFPR observed in previous decades.
- **Falling Unemployment Rate:** The overall unemployment rate has also shown a decline in recent years. This suggests there might be a better match between the skills available in the workforce and the jobs on offer. However, it's important to consider the quality of these jobs (addressed in the next section).
- **Deception Behind the Numbers:** While the headline figures appear optimistic, a closer look reveals that the improvement in LFPR and unemployment rate is primarily driven by a rise in self-employment, not a surge in formal job creation. This might indicate a lack of opportunities in the formal sector, pushing people towards informal work out of necessity rather than choice.

#### What These Data Hide (A Cause for Concern):

- **Explosion of Unpaid Family Work:** Within the category of self-employment, the most significant growth is in unpaid family workers. This means more people are assisting in family businesses without receiving formal wages. While it contributes to the family's income, it doesn't guarantee individual economic security or social benefits.
- **Deteriorating Job Quality:** The increasing reliance on informal work, particularly unpaid family labor, indicates a decline in the overall quality of jobs. These jobs often have low productivity, meaning workers produce less output per hour compared to those in formal sectors. This limits overall economic growth.
- **Stagnant Wages:** Even more concerning is the fact that earnings haven't kept pace with the rise in self-employment. The most desirable category, regular salaried jobs with security and benefits, hasn't seen any significant growth in its share of total employment or average earnings. Even casual workers, whose earnings showed a moderate increase, barely make enough to rise above the poverty line.

#### Critical Analysis (The Underlying Issues):

- **Underutilized Workforce:** India is currently in a period of demographic dividend, where a large young population can fuel economic growth. However, by failing to create enough quality jobs and focusing on informal work, the country is underutilizing its vast labor potential.
- **Low Productivity and Stagnant Demand:** The dominance of low-productivity informal jobs can hinder economic growth in two ways. Firstly, it limits the overall output of the economy. Secondly, stagnant wages in these sectors restrict consumer spending, thereby dampening demand for goods and services produced by businesses. This creates a vicious cycle.

#### Way Forward :

- **Encouraging Formal Job Creation:** Policies that incentivize businesses to create formal jobs with security, benefits, and social protection are crucial. This could involve tax breaks or subsidies for companies that expand and hire new employees.
- **Focus on Skill Development:** Investing in skill development programs can equip the workforce with the necessary skills to compete for jobs in the formal sector. This can help improve employability and increase worker bargaining power, leading to better wages.
- **Uplifting Informal Jobs:** While promoting formalization is important, there's also a need to improve the working conditions and social protection for

### Heart of the matter

- **Context:** Prime Minister Modi's Visit to Kashmir

- Prime Minister Narendra Modi's recent visit to Srinagar marked his first trip to the Valley since the controversial abrogation of Article 370 in August 2019.
- This visit aimed to showcase the government's development initiatives in J&K and garner public support for its policies in the region.
- **Background:** Abrogation of Article 370

- **Special Status Granted by Article 370:**

■ Article 370 of the Indian Constitution granted Jammu and Kashmir special status, allowing it to have its own constitution and restricting the central government's control over certain matters.

■ This special status provided Kashmiris with significant autonomy, including restrictions on outsiders buying property in the region and a separate set of fundamental rights.

- **Argument for Abrogation: Hindering Development & Political Monopoly:**

■ The Indian government argued that Article 370 hindered economic development in J&K by limiting investment and integration with the rest of the country.

■ They also claimed that the special status created a political monopoly enjoyed by a few local parties, preventing a genuine democratic process.

- Present Status: Development Initiatives vs. Lack of Elections

- **Government Focus on Development Projects & Schemes:**

■ Since the abrogation, the central government has focused on showcasing development initiatives in J&K.

■ These initiatives encompass economic growth programs, expanded reservation benefits for underprivileged communities, and infrastructure projects.

- **Absence of Democratically Elected Government:**



■ However, a crucial element remains missing - the restoration of a democratically elected government.

■ The last elected government in J&K was dissolved in 2018, and only two local body elections have been held since then.

- Local Body Elections & Gupkar Alliance's Victories:

■ Notably, both these local body elections were won by the Gupkar Alliance, a group of political parties opposed to the abrogation of Article 370.

■ This suggests a potential disconnect between the government's development narrative and the political sentiments on the ground.

- Development vs. Political Dichotomy

○ **Prime Minister Modi's Emphasis on "Naya Kashmir" & Development:**

■ During his visit, Prime Minister Modi emphasized the theme of "Naya Kashmir" (New Kashmir), highlighting government achievements like increased investment and the expansion of reservation benefits.

- **Critics' Argument: Neglecting Democratic Restoration:**

■ Critics argue that this focus on development overshadows the crucial issue of restoring democratic processes.

■ The lack of an elected assembly and the continued detention of political leaders are seen as major roadblocks to genuine political participation in Kashmir.

- **Unique Position of J&K: Before vs. After Abrogation**

○ **Pre-Abrogation: Special Rights & Protections for Kashmiris:**

■ Prior to the abrogation, Kashmiris enjoyed certain special rights and protections under Article 370.

■ These included restrictions on outsiders owning property in the region and a separate constitution that guaranteed specific fundamental rights.

- **Government's Argument: Hindering Development & Integration:**

■ The central government argues that these provisions hindered development and integration with the rest of India.

- **Kashmiri Viewpoint: Safeguards for Identity & Aspirations:**

■ Kashmiris, however, view these provisions as safeguards for their unique cultural identity and political aspirations.

■ They argue that these special rights were essential for preserving their cultural heritage and political autonomy.

○ **Post-Abrogation: Investment & Schemes vs. Alienation & Disenfranchisement:**

■ While the abrogation has opened J&K to outside investment and central government schemes, it has also resulted in a sense of alienation and disenfranchisement among many Kashmiris.

■ They feel their voice is not being heard and their political aspirations are being undermined.

- Debate Over Abrogation's Impact

○ **Government's Stance: Removing Barriers & Promoting Integration:**

■ The central government maintains that the abrogation of Article 370 was a necessary step to remove a barrier to development and promote economic integration of J&K with the rest of India.

■ They argue that Kashmiris were previously denied benefits available to citizens in other parts of the country.

- **Opposition's Perspective: Power Grab & Undermining Rights:**

■ Opposition parties view the abrogation as a power grab by the central government that undermines Kashmiri autonomy and democratic rights.

■ They argue that the promised development hasn't materialized for ordinary Kashmiris, and the region continues to face security concerns and social

## Gender equality as the plank of sustainable development

**Context:** The author, Damilola Ogunbiyi, argues that gender equality is crucial for achieving sustainable energy goals.

**Background:** While conversations about gender equality are gaining traction, the link between gender and sustainable energy is often overlooked. Gender equality is not just a social issue, but also essential for economic growth, environmental sustainability, and achieving all UN Sustainable Development Goals (SDGs), particularly SDG 5 (gender equality), SDG 7 (clean energy), and SDG 12 (climate action).

### The Interconnectedness:

- Women play a vital role in energy access, production, and consumption, especially in managing household energy for cooking, heating, and lighting.

- Lack of access to clean energy disproportionately affects women and children, forcing them to rely on harmful alternatives like biomass and kerosene, leading to health risks and perpetuating energy poverty.

Barriers to Women's Participation:

- The energy sector is one of the least gender-diverse, with only 22% women working in the sector globally.

- Educational and training limitations, restricted opportunities for skill development, and unequal company policies hinder women's participation.

### Perpetuating cycle of Energy Poverty :

Energy poverty refers to the lack of access to clean and affordable energy sources for basic needs such as cooking, heating, and lighting.

- No clean energy -> Use polluting fuels indoors.
- Polluting fuels -> Health problems (respiratory illness, etc.).
- Health problems -> Less work, more medical bills.
- Less money -> Can't afford clean energy.
- Stuck using dirty fuels, repeating the cycle.

### Bridging the Gap:

- Governments, NGOs, and international organizations must create an enabling environment for women's participation in the energy sector.

- Initiatives like Women at the Forefront and Energy Transitions Innovation Challenge empower women entrepreneurs and promote clean energy practices.

- Distributed Renewable Energy (DRE) solutions can provide quick access to clean energy, reducing workloads and increasing women's productivity.

- Programs like Solar Mamas train women to become solar engineers, bringing clean energy to their communities.

The Benefits of Gender Equality in Energy:

- Closing the gender gap in energy jobs and entrepreneurship can boost the global economy by trillions of dollars.

- Increased women's participation leads to more innovative solutions, higher productivity, and improved social and environmental outcomes.

- Studies show that over 70% of early adopters of clean energy solutions in India are women.

### The Way Forward:

- International Women's Day highlights the shift in recognizing women as key agents of change in the energy sector.






- Successful gender-responsive and women-led clean energy initiatives demonstrate the power of women in creating a sustainable future.

- By harnessing the combined power of women and energy, we can build a more inclusive, prosperous, and sustainable world.









# Prelims Booster



## Backed by BrahMos, Navy base on Minicoy Island to act as 'gatekeeper' in Arabian Sea



-  The Indian Navy's establishment of the INS Jatayu base on Minicoy Island represents a strategic move to bolster maritime security in the Arabian Sea, featuring advanced capabilities such as radars, jetties, airfield, and BrahMos supersonic cruise missiles to enhance surveillance and response readiness in a region critical to Sea Lanes of Communication (SLOC) and neighboring the Maldives.
-  The comprehensive upgrade plan for INS Jatayu is a proactive measure to address the expanding Chinese naval presence in the Indian Ocean, with the deployment of extended range BrahMos missiles and radar facilities aimed at fortifying India's maritime defense posture and operational flexibility in the face of evolving security challenges.
-  Positioned as a key 'watch-keeper' at the entrance to the Arabian Sea, Minicoy Island serves as a strategic deterrent against potential threats and adversarial activities, with INS Jatayu playing a pivotal role in safeguarding India's maritime interests and ensuring regional stability.
-  Ongoing infrastructure developments on Minicoy Island, in collaboration with government agencies and NITI Aayog, underscore the island's growing significance as a vital maritime asset, with plans for a dual-use airfield capable of accommodating sophisticated aircraft like the Navy's P-8I for enhanced surveillance and response capabilities.
-  Concurrently, the expansion of the Karwar naval base under Project Seabird, including Phase IIA completion, signifies a significant leap in India's naval capabilities, with state-of-the-art facilities like the Covered Dry Berth enhancing operational readiness and berthing capacity, reinforcing the Navy's presence and preparedness in the region.

## Meghalaya's Byrnihat most polluted 'city' in India










-  Meghalaya's Byrnihat emerged as the most polluted 'city' in India in February, with a monthly average PM2.5 concentration of 183 µg/m3, shedding light on escalating air pollution levels in northeastern urban centers, typically known for their greenery.
-  Other highly polluted cities included Araria in Bihar, Hapur in Uttar Pradesh, and Hanumanagarh in Rajasthan, with Byrnihat's PM2.5 levels nearly 1.8 times higher than Delhi's during the same period, despite Delhi ranking as the 14th most polluted city in India.
-  Nalbari, Agartala, Guwahati, and Nagaon were among the northeastern cities listed in the top 30 most polluted cities, underscoring the deteriorating air quality in the region, with six out of 11 cities exceeding the prescribed National Ambient Air Quality Standard for PM2.5.
-  Conversely, Sivasagar, Silchar, Aizawl, and Imphal were recognized as the cleanest cities in the northeast, with PM2.5 concentrations below the NAAQS, while Satna in Madhya Pradesh and Vijayapura in Karnataka ranked as the cleanest and third cleanest cities in India, respectively.
-  The data underscores the urgent need for enhanced air quality monitoring in the northeastern States to address rising pollution levels attributed to unregulated industrial activities, inadequate public transportation infrastructure, and construction practices lacking pollution control measures, necessitating proactive measures to mitigate environmental degradation and safeguard public health.
-  Despite the concerning pollution levels, there was a notable improvement in air quality in February, with 36 cities categorized as 'good,' reflecting positive strides in addressing pollution concerns compared to the previous month.

## Coal production soars past 900 mt; exceeds last year's output






-  India's coal production has exceeded 900 million tonnes, surpassing last year's output and inching closer to the ambitious 1 billion tonnes target for the fiscal year ending March 31, 2024, with the Coal Ministry highlighting the achievement as a significant milestone in the country's energy sector.
-  Notably, the coal production surge to 803.79 million tonnes in February showcased a remarkable growth of 12.07% compared to the previous year, with ample coal stock of around 85 million tonnes ensuring uninterrupted power supply for domestic coal-based thermal power plants and meeting escalating electricity demand.

-  The robust coal production figures have contributed to stability in the energy sector and supported economic growth, with the coal industry demonstrating the highest growth rate of 10.2% among the eight core industries in January 2024, reflecting a positive trend in the sector's performance and its crucial role in meeting energy demands.
-  The coal sector's index has shown significant improvement, reaching 218.9 points in January 2024 compared to 198.6 points in the same period last year, with a cumulative index increase of 12.2% during April to January 2023-24, underscoring the sector's resilience and contribution to India's energy security and economic development.

## I-T tribunal rejects Cong. appeal against ₹210-crore penalty

-  The Income Tax Appellate Tribunal (ITAT) rejected the Congress party's appeal against a ₹210 crore penalty for tax return discrepancies, prompting plans to explore legal options and move to the High Court.
-  Congress expressed disappointment over the timing of the decision, coinciding with the national election, and raised concerns about the impact on fair elections due to financial constraints.
-  Party officials criticized the penalty as an attack on democracy and highlighted intentions to challenge the ruling in the High Court, citing discrepancies in the ITAT's application of precedents.
-  The Congress party's response underscores broader concerns about the implications of financial limitations on political campaigns and democratic processes during election periods.
-  The Income Tax Appellate Tribunal (ITAT) was established in January 1941 as a quasi-judicial institution specializing in appeals under the Direct Taxes Acts, with its orders being final unless a substantial question of law arises for determination, allowing for an appeal to the High Court.
-  Initially comprising six Members across three Benches in Delhi, Kolkata, and Mumbai, the ITAT has expanded to 63 Benches at 27 stations, providing accessible forums for tax-related appeals across cities with High Court seats.
-  Historically, the evolution of tax laws in India led to the establishment of ITAT in response to the need for an independent appellate authority to address grievances under the Income Tax Act, ensuring impartial, easy, and speedy justice for litigants in tax matters.
-  ITAT's motto 'Nishpaksh Sulabh Satvar Nyay' reflects its commitment to delivering expert knowledge on Direct Taxes, rendering expeditious justice, and earning recognition as the 'Mother Tribunal,' inspiring the establishment of similar Appellate Tribunals for indirect taxes and other sectors in India.
-  Over its 75-year history, ITAT has produced Members who have ascended to high judicial positions, underscoring its significant contributions to the administration of justice in Direct Taxes, with accolades from various dignitaries and institutions for its commendable service and expertise in the field.

## Centre tweaks PM solar 'free electricity' scheme

-  The ₹75,000-crore PM Surya Ghar Muft Bijli Yojana (rooftop solar: free electricity scheme) has been modified by the Union government to now contribute up to 60% of the costs for installing 1 kW-3 kW solar systems in households, requiring beneficiaries to pay the balance amount, with a minimum of ₹20,000, potentially offset by a low-interest, collateral-free loan.
-  Eligible households must have suitable roofs and existing grid connections to qualify for the scheme, with the solar power produced and unused flowing back into the grid through net-metering, potentially leading to reduced electricity bills and even income generation for consumers over time.
-  The scheme involves public sector banks offering collateral-free loans for rooftop solar installations, with a subsidy of up to ₹78,000 available for a 3 kW-hour system, aiming to generate up to 300 units of free electricity per month and streamline the application and installation process for households.
-  The revised scheme focuses on consumer participation and loan facilitation, with an emphasis on improved service delivery and a target of reaching one crore households within three years, leveraging the increased subsidy and simplified application procedures to promote solar energy adoption across India.
-  The scheme represents a significant shift towards consumer-driven solar installations, with enhanced financial incentives and streamlined processes to accelerate the adoption of rooftop solar systems and promote sustainable energy practices in the country.