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GI TAGS TO VARIOUS PRODUCTS

(Syllabus: GS Paper 3 – IPR Policy)

A record 60 traditional products from across India granted GI tag

Sangeetha Kandavel
CHENNAI

Over 60 products from across India, including Banaras Thandai, have been given the Geographical Indication (GI) tag.

This is the first time that such a large number of products have been given the GI tag at one go, a senior official from the Geographical Indications Registry said, adding that more States were coming forward and filing applications to get a GI tag for their traditional products.

Six traditional crafts from Assam – Asharikandi terracotta craft, Pani Meteka craft, Sarthebari metal craft, Jaapi (bamboo headgear), Mishing handloom products, and Bihu dhol – have bagged the GI tag.

Thirteen other products from Assam have been given the tag, including the Bodo Dokhona, the traditional attire of Bodo women; and Bodo Eri silk, referred to as the fabric of peace or *ahimsa* (non-violence), which comes from the silkworm *Samia ricini* that feeds mostly on the leaves of the castor plant (*Ricinus communis*), and cassava. Bodo Jwmgra (a traditional scarf), Bodo Gamsa (traditional dress of Bodo men), Bodo Thorkha (a musical instrument), and Bodo Sifung (a long flute) are also on the list.



The Bihu *dhol* has been given the GI tag. THE HINDU

Assam Chief Minister Himanta Biswa Sarma, in a post on X, said it was a big win for Assam's heritage. "These products, deeply rooted in history, support nearly one lakh people directly," he said.

The famous Banaras Thandai, a drink made by blending milk with a mix of nuts, seeds and spices, also got the tag. Details in the GI filing mentioned that on any given evening, in the heart of the city, in areas such as Gaudaulia Chowk, Lahurabir, and the old lane of Pakka Mahal, traditional Banaras Thandai shops attract large crowds. The drink was first introduced centuries ago as an offering to the Shri Kashi Vishwanath deity on the occasion of Mahashivaratri, Rangbhari Ekadasi, and Holi. The Banaras Tabla, Banaras Shehnai, Banaras Lal Bharwamirch, and Banaras Lal Peda are among the products that walked away with GI tags in this region.

The Tripura region secured two tags – one for the Pachra-Rignai, which is a traditional dress worn on special occasions, and the other for the Matabari Peda, a sweet preparation.

Meghalaya Garo Textile weaving, which is linked to socio-cultural and religious rituals, Meghalaya Lyrnai Pottery, and Meghalaya Chubitchi also secured the tag.

Recent GI Products:

- **Assam**: Asharikandi terracotta craft, Pani Meteka craft, Sarthebari metal craft, Jaapi (bamboo headgear of rural Assam), Mishing handloom products, Bihu dhol, Bodo Dokhona, Bodo Eri silk, Bodo Jwmgra (a traditional scarf), Bodo Gamsa (traditional dress of Bodo men), Bodo Thorkha (a musical instrument), and Bodo Sifung.
- **Uttar Pradesh**: Thandai, Banaras Tabla, Banaras Shehnai, Banaras Lal Bharwamirch and Banaras Lal Peda are among the products that walked away with GI tags in this region.
- **Tripura region secured two tags**: one for the Pachra-Rignai, which is a traditional dress worn on special occasions, and the other for the Matabari Peda, a sweet preparation.
- **Meghalaya**: Garo Textile' weaving, which is linked to socio-cultural and religious rituals, and the 'Meghalaya Lyrnai Pottery' and 'Meghalaya Chubitchi'.

Context: Recently, over **60 products** from various regions of India have been granted the Geographical Indication (GI) tag.

Geographical Indications (GI)

- **It means:** A name or a sign given to certain products that relate to a specific geographical location or origins like a region, town, or country.
- **Governed and directed by:** World Trade Organisation's (WTO's) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
- **Administered by:** Geographical Indications of Goods (Registration & Protection) Act, 1999.
- **Issued by:** The Geographical Indications Registry (Chennai) under the Department of Industry Promotion and Internal Trade, Ministry of Commerce and Industry.
- **First product with GI tag:** Darjeeling tea in the year 2004-05.
- **Validity:** 10 years following which it can be renewed.
- GI is encompassed within the realm of **intellectual property rights (IPRs)** according to the provisions of the Paris Convention for the Protection of Industrial Property.
- The **World Trade Organization's Agreement** on Trade-Related Aspects of Intellectual Property Rights (TRIPS) also regulates Geographical Indications.

VAIKOM SATYAGRAHA
Syllabus GS Paper 1 – History)

A century later, remembering Vaikom satyagraha, a progressive milestone

ARJUN SENGUPTA
NEW DELHI, MARCH 31

VAIKOM, A temple town in the princely state of Travancore, saw the start of a non-violent agitation on March 30, 1924 — the first temple-entry movement in India.

Early 20th century Travancore

Travancore had a "feudal, militaristic, and ruthless system of custom-ridden government," anthropologist A Aiyappan wrote in *Social Revolution in a Kerala Village: A Study in Culture* (1965).

The second half of the 19th century, however, saw some major changes. Christian missionaries converted many lower castes. Maharaja Ayilyam Thirunal Rama Varma's reign (1860-80) saw progressive reforms, such as universal free primary education — including for lower castes.

By the early 20th century, "there had begun to emerge among caste Hindus, Christians and even *avarna* [lower caste] Hindus…a significant educated elite," historian Robin Jeffrey wrote. ('Temple-Entry Movement in Travancore, 1860-1940': *Social Scientist*, 1976).

Ezhavas, in particular, emerged as "the most educated and organised untouchable community in Travancore", historian M E King wrote in *Gandhian Nonviolent Struggle and Untouchability in South India* (2015).

However, since government jobs were still reserved for upper castes — according to records from 1918, 3,800 out of 4,000 jobs at in Travancore's revenue department were occupied by the caste Hindu minority — education itself was not enough for socio-economic advancement.

Also, ritual discrimination still, very often, overrode material and educational progress. For instance, Aloommootil Channar, an Ezhava, and one of the few people in Travancore to own a car at the time, had to take a detour on foot every time his automobile passed through a road forbidden to lower castes.

Road to agitation

EXPLAINED HISTORY

The issue of temple entry was first raised by Ezhava leader T K Madhavan in a 1917 editorial in his paper *Deshabhimani*. By 1920, inspired by Mahatma Gandhi's Non Cooperation Movement, he began to advocate for more direct methods — himself crossing the restrictive notice boards on a road near the Vaikom temple. However, caste Hindu counter-agitations stalled any progres, with the Maharaja shying away from enacting any reforms for fear of backlash.

In 1921, Madhavan met Gandhi, and managed to secure his support for a mass agitation to enter temples. In the 1923 session of the Indian National Congress in Kakinada, a resolution was passed by the Kerala Provincial Congress Committee to take up anti-untouchability as a key issue. This was followed by a massive public messaging campaign and a movement to open Hindu temples and all public roads to *avarnas*. Vaikom, with its revered Shiva temple, was chosen as the location for the very first satyagraha.

A 600-day satyagraha

Madhavan and other leaders took the strategic decision to initially focus on opening the four roads around the temple — not the temple itself — to *avarnas*. Early morning, on March 30, 1924, "a Nair, an Ezhava and a Pulayu, dressed in Khaddar uniforms and garlanded, and followed by a crowd of thousands, attempted to use the roads", Jeffrey wrote. They were stopped and arrested. The next morning, another three men entered the forbidden roads and courted arrest. This went on daily till the police on April 10, stopped arresting *satyagrahis* and barricaded the entire area instead.

From then through September, protesters sat in front of the barricades, fasting and singing patriotic songs. Leaders such as Periyar and C Rajagopalachari came to Vaikom to offer support and lead the protesters. Simultaneously, counter-agitations raged on, and the *satyagrahis* often faced violence and intimidation from caste Hindus.

In August 1924, the Travancore Maharaja died, following which, the young regent, Queen Sethulakshmi Bai, released all prisoners. But she still refused to open up temples to lower castes.

In March 1925, Gandhi finally ironed out a compromise: three out of the four roads surrounding the temples were opened up for everyone, with the fourth (eastern) road kept reserved for brahmins. This was implemented later that year, with the last *satyagrahi* recalled from Vaikom on November 23.

Legacy and aftermath

The Vaikom satyagraha sustained for over 600 days, braving hostile social forces, police crackdowns, and one of the worst floods in Vaikom's history in 1924. The satyagraha also saw unprecedented unity across caste lines.

But the compromise disappointed many. Notably, the more radical Periyar fell out with Gandhi over the issue. Nonetheless, as King wrote, "despite its shortcomings … the Vykom satyagraha brought untouchability, unapproachability, and unseeability to the forefront of political issues in India".

In November 1936, the Maharaja of Travancore signed the historic Temple Entry Proclamation, for the first time in history opening up the state's temples to lower castes.

Context: Recently, commemorating the Vaikom Satyagraha, a century has passed since its occurrence.

Vaikom Satyagraha

- **About:** Originating in Travancore, now Kerala, the Vaikom Satyagraha stood as the pioneering anti-caste movement, challenging discriminatory practices.
- **Background**: At the AICC meeting in Kakinada 1923, a petition was submitted to the Travancore legislative council, advocating for the right to temple entry regardless of caste, creed, or community.
- **Beginning of the Movement**: Launched on March 30, 1924, the Satyagraha started with protests on public roads leading to the Shiva Shrine in Vaikom, where entry was restricted for marginalized and untouchable castes.
- **Prominent Social Workers**: Periyar E.V. Ramaswamy and Sree Narayana Guru lent their support, with Periyar being notably arrested twice, earning him the title "Vaikom Virar."
- **Role of Gandhiji in the Movement:** Gandhi strategized the involvement of Savarnas (forward castes) in support of the movement, leading to a procession to Trivandrum with a petition of 25,000 signatures for temple entry.
- **Significance**: Gandhi's intervention in 1925 led to a resolution between the government and the Satyagrahis, resulting in the nullification of prohibitory orders and the opening of temple pathways to the public, albeit with certain restrictions.

INDIA TODAY Mar 31

CNEMASPIS VANGOGHI
(Syllabus: GS Paper 3 – Env and Eco)

A starry night: New lizard species discovered in India named after Van Gogh

Context: Scientists from the Thackeray Wildlife Foundation in India recently discovered a new species of **lizard named Cnemaspis vangoghi.**

Cnemaspis Vangoghi

- **About**: It is a newly discovered lizard species found in the Southern Western Ghats of Tamil Nadu.
- **Origin of name**: Named after Dutch painter Vincent Van Gogh, as the striking colouration of the new species is reminiscent of one of his most iconic paintings, The Starry Night,".
- **Size and Appearance**: Classified as a small-sized gecko, with a maximum length of 3.4 cm, characterized by a yellow head and forebody adorned with light blue spots.
- **Habitat:** Prefers rocky environments but can occasionally be spotted on buildings and trees.
- **Discovery of Cnemaspis sathuragiriensis**: Another species, Cnemaspis sathuragiriensis, was also identified in the Sathuragiri Hills within the same region.
- **Conservation**: Srivilliputhur-Megamalai Tiger Reserve
- **Diurnal Behavior**: Active mainly during cooler hours, particularly early morning and evening, with a preference for rocky surfaces.
- **Micro-Endemism**: These species exemplify micro-endemism, showcasing restricted distribution within a small geographic area, contributing to the ecological intrigue of the region.



DTE Mar 31

CARACEL

(Syllabus: GS Paper 3 – Env and Eco)

Protect India's scrublands to save the caracal: Dharmendra Khandal & Ishan Dhar



Context: As the caracal continues on the path to extinction, individuals across India are recently trying to do what they can to save the iconic cat.

Caracel

- **About**: It is also called Persian lynx or African lynx, is a wild cat. Caracals are similar to lynxes, but are more related to the serval. Caracals are the fastest of the small cats.
- **Scientific name**: Caracal caracal.
- **Habitat**: Caracals predominantly inhabit rocky hills or grasslands.
- **Geographical Range**: These wild cats are native to various regions including Africa, the Middle East, Central Asia, and arid locales in Pakistan and northwestern India.
- **Found in India**: Kutch, and Ranthambhore.
- **Species Diversity**: The caracal is just one among a diverse group of over 30 species of small wild cats.
- **Physical Characteristics**: Medium-sized in stature, caracals possess a robust build, long legs, short faces, and distinctive long tufted ears.
- Caracals boast uniformly reddish tan or sandy coats with lighter ventral parts and small reddish markings, complemented by long canine teeth.
- **Subspecies Variation:** Within the caracal species, three distinct subspecies have been identified, indicating some regional differences in morphology or behavior.
- **IUCN Status:** Critically Endangered.

LIVEMINT

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BHARAT RATNA

(Syllabus: GS Paper 2 – Gov. Policies & Interventions)

President Murmu confers Bharat Ratna on L.K. Advani

President Droupadi Murmu conferred Bharat Ratna, the country's highest civilian honour, on BJP stalwart and former deputy prime minister L. K. Advani at his residence here on Sunday.

The ceremony was attended by vice president Jagdeep Dhankhar, Prime Minister Narendra Modi, defence minister Rajnath Singh, home minister Amit Shah and the family members of Advani, the Rashtrapati Bhavan said in a post on X. Prime Minister Modi sat next to Advani as the President honoured the veteran leader with Bharat Ratna.

Modi said on X that it was very special to witness the conferring of the Bharat Ratna on Advani and this honour is a recognition of his enduring contributions to the nation's progress.

"His dedication to public service and his pivotal role in shaping modern India have left an indelible mark on our history. I am proud to have got the opportunity to work with him very closely over the last several decades," the prime minister said. PTI



PM Modi sat next to Advani as the President honoured BJP stalwart and former deputy prime minister L. K. Advani with Bharat Ratna. PTI

Context: Recently, the President of India honored Bharatiya Janata Party veteran Lal Krishna Advani with the Bharat Ratna, India's highest civilian award, at Advani's residence in Delhi.

- Earlier, she also honoured this to Karpoori Thakur, Mankombu Sambasivan (MS) Swaminathan, Pamulaparthi Venkata (P. V.) Narasimha Rao, and Chaudhary Charan Singh.

Bharat Ratna

- **About:** The Bharat Ratna, India's highest civilian award, was instituted in 1954.
- **Eligibility Criteria:**
  - Any individual, irrespective of race, occupation, position, or gender, is eligible for the award.
  - It is conferred in recognition of exceptional service or performance of the highest order in any field of human endeavour.
- **Recognition for Exceptional Service**: The award is granted in recognition of exceptional service or performance of the highest order in any field of human endeavor.
- **Recommendations**: Recommendations for Bharat Ratna are made directly by the Prime Minister to the President, and no formal recommendations are necessary.
- **Annual Award Limit:** The number of annual awards is restricted to a maximum of three in a particular year.
- **Conferment Process**: On conferment of the award, the recipient receives a Sanad (certificate) signed by the President and a medallion.
- **Monetary Grant:** The award does not carry any monetary grant.
- **Usage Restrictions**: In accordance with Article 18(1) of the Constitution, the award cannot be used as a prefix or suffix to the recipient's name.
- **Awardees 2024**: L. K. Advani, Chaudhary Charan Singh, PV Narasimha Rao, Karpoori Thakur and agronomist MS Swaminathan.

INDIAN EXPRESS

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KATCHATHEEVU ISLAND

(Syllabus: GS Paper 1 – Geography)



PM: Cong gave Katchatheevu to SL; Kharge raises Bangla land pact

ARUN JANARDHANAN
CHENNAI, MARCH 31

THE DECADES-OLD territorial and fishing rights dispute around Katchatheevu Island has been brought back into the limelight, with Prime Minister Narendra Modi targeting the Congress for ceding the island to Sri Lanka and the party hitting back, saying the PM was raking up the issue with an eye on the Lok Sabha elections.

Reacting to a Times of India report on the issue, based on a reply to an RTI query reportedly filed by Tamil Nadu BJP chief K Annamalai, Modi said in a social media post: "Eye opening and startling! New facts reveal how Congress callously gave away Katchatheevu. This has angered every Indian and reaffirmed in people's minds – we can't ever trust Congress! Weakening India's unity, integrity and interests has been Congress' way of working for 75 years and counting." He also raised the matter later at his rally in Meerut, and linked the issue to the capture of Tamil Nadu fishermen and the seizure of their boats by the Sri Lankan forces.

Katchatheevu Island is a 285-acre territory within Sri Lanka's maritime boundary, located 33 km off the coast of Tamil Nadu.

The report cited by the PM claimed that the documents Annamalai received through his RTI application revealed India's fluctuating stance on the island's sovereignty, ultimately leading to it being ceded to Sri Lanka in 1974, when Indira Gandhi was PM.

Responding to Modi's statement, Congress chief Mallikarjun Kharge said: "Under your (Modi's) government, in a friendly gesture, 111 enclaves from India were transferred to Bangladesh, and 55 enclaves came to India. In 1974, a similar agreement, based on friendly gesture, was initiated with another country — Sri Lanka on Katchatheevu."

"On the eve of elections in Tamil Nadu, you are raising this sensitive issue, but your own government's Attorney General, Shri Mukul Rohtagi, in 2014 told the following to the Supreme Court: 'Katchatheevu went to Sri Lanka by an agreement in 1974. How can it be taken back today? If you want Katchatheevu back, you will have to go to war to get it back.'" Kharge said.

He also asked whether the Modi government was taking any steps to "resolve this issue and take back Katchatheevu".

Union Home Minister Amit Shah posted on X: "Slow claps for Congress! They willingly gave up Katchatheevu and had no regrets about it either. Sometimes an MP of the Congress speaks about dividing the nation and sometimes they denigrate Indian culture and traditions. They only want to divide or break our nation," he said in a post on X.

Congress's INDIA bloc ally DMK, in power in Tamil Nadu, said its position on the issue had been made clear multiple times by late party patriarch M Karunanidhi and party president and Tamil Nadu CM MK Stalin.

DMK organisation secretary R S Bharathi said the PM has "no achievements" to showcase and alleged that he was spreading "lies". Bharathi said in 1974, the DMK held state-wide agitations and public meetings to oppose and condemn the ceding of Katchatheevu to Sri Lanka.

Katchatheevu has never been an issue that had any significant influence on the electorate in Tamil Nadu. However, the BJP's move to bring up the issue comes amid the DMK government's criticism of the ruling party at Centre over issues of federalism and states' rights.

The island is home to the 110-year-old St Anthony's Church, which attracts thousands of devotees from India. Originating from a 14th-century volcanic eruption, Katchatheevu had been under the control of the kingdom of Ramnad Raja, who was based in Ramanathapuram (now a city in Tamil Nadu). The island later came under British rule, within the Madras Presidency. In 1921, under British rule, India and Sri Lanka raised claims over Katchatheevu to determine their fishing boundaries. A survey marked Katchatheevu within Sri Lankan boundaries, but a British delegation from India challenged this, citing the ownership of the island by the Ramnad Kingdom.

The dispute remained unsettled until the 1974 agreement between India and Sri Lanka ceded Katchatheevu to Sri Lanka, allowing Indian fishermen access for specific purposes, but not explicitly granting fishing rights.

Context: Recently, the decades-old territorial and fishing rights dispute surrounding Katchatheevu Island has been reignited, as the Prime Minister of India has criticized the opposition for relinquishing the island to Sri Lanka, prompting a retaliatory response from the party.

Katchatheevu Island

- **About**: It is a 163-acre uninhabited island administered by Sri Lanka.
- **Location**: Between Neduntheevu, Sri Lanka and Rameswaram, India.
- **Background**: In June 1974, an **agreement was signed by the then Prime Ministers of India and Sri Lanka**.
- **Issue**: The main problem continues to grow as more fisherman move into the Sri Lankan sea area for illegal poaching. In 2010 the Sri Lankan government issued a notice to the Tamil Nadu government saying the Indian court cannot nullify the 1974 agreement.
  - The agreement specifically delineated the boundary between the two nations in the historic waters spanning from Palk Strait to Adam's Bridge.
- **A Colonial Indian Island:** Katchatheevu was once part of the Ramnad Zamindari.
  - The Ramanathapuram principality (or Ramnad) was established in 1605 by the Nayak dynasty of Madurai.
  - It consisted of 69 coastal villages and 11 islets, including Katchatheevu.
- **Importance of Kachatheevu**: The island is important for fishing grounds used by fishers from both countries.
  - The Indo-Sri Lankan agreement allows Indian fishermen to fish around Katchatheevu and to dry their nets on the island.

BIMA SUGAM

(Syllabus: GS Paper 3 – Economy)



Bima Sugam can be a game-changer for insurance

The insurance regulator has approved setting up of Bima Sugam, an online insurance marketplace. Saikat Neogi explains how it will make insurance products accessible to the underserved, help companies reduce costs and provide an end-to-end digital journey for all policyholders

4%
insurance penetration in India which is low compared to the global average of 6.8%

₹42,322 crore
commission expenses of life insurers in FY23, an increase of 18% as compared with FY22

₹20,145 crore
commission expenses of general insurers in FY23, up from ₹16,931 crore in FY22

How will it benefit consumers?

THEY CAN COMPARE policies and make informed decisions based on their needs. The portal will eliminate paperwork and save them from the hassles of filling physical forms and submit copies of KYC details like PAN, Aadhaar, photo etc. The soft copies of the policies will be available through an electronic insurance account. Customers can raise service requests, pay renewal premiums and claim maturity benefits from the portal as all policies will be linked and stored in the platform. The regulator had proposed that an insurance company can offer discounts on premium rates for policies purchased from the platform.

Impact on aggregators

THE REGULATOR HAS said that the platform is not aimed at putting aggregators or online distributors out of business and that they can be a part of it. However, margins of aggregator will be affected as they charge a fixed commission to sell product and push those policies where the commissions are high. The portal will be a repository as all policies will be stored in digitise format, which is not available in aggregator platform. As Bima Sugam will be promoted by the insurance regulator, people are likely to have greater faith in it.

What are the challenges?

WHILE THE PLATFORM'S initial launch was in January last year it has been delayed due to several technical challenges. It has to address risk factors such as data privacy protect sensitive person information of policyholders. The platform must have technology place for integrating with existin insurance companies' systems and regulatory framework. The regulator will have to create public awareness for widespre adoption and ensure user-friendliness so that those with limited knowledge of technolog can even operate on it, especial in semi-urban and rural areas.

What is Bima Sugam?

IT WILL BE an online insurance marketplace, backed by the regulator, where all insurance companies — life, general and standalone health insurance — can sell their products and customers can compare and purchase various policies. It will manage existing policies and streamline the entire insurance value chain such as viewing details, paying premiums, facilitating claim settlement. The Open Network for Digital Commerce-like electronic marketplace, Bima Sugam, will serve as a digital public infrastructure that can bridge geographical barriers and make products more affordable. It will make insurance products accessible to underserved populations. The platform will be integrated with various government databases, insurance companies and insurance repositories for sharing and use of data.

Who will run the marketplace?

IT WILL BE a not-for-profit company formed as per Section 8 of the Companies Act. The shareholding will be held by life, general and standalone insurance companies. However, no single entity will have a controlling stake. While the capital-sharing arrangement is yet to be notified, the draft states that the shareholders will contribute to capital as and when required. The regulator will nominate two members on the board of the company and approval of the regulator will be required to appoint the chairperson and chief executive officer of the company. The board will constitute a risk management committee to mitigate various risks. Consumers won't be charged for availing the services and they can access the portal through Aadhaar authentication unlike a demat account which is required for share trading.

How will it help insurance companies?

IT will enable insurers real-time access to validate and authenticate data from multiple government entities such as UIDAI, DigiLocker, Parivahan. It will help them to reduce time and costs for customer on-boarding. Companies can reduce their distribution costs and commissions paid to intermediaries — around 40% is paid for selling a new policy — if they sell their products directly by listing their policies on the platform, manage quotes and receive applications. InsureTech start-ups can leverage the data through the standard application programming interface integration to develop customised products for the evolving needs of consumers across various geographies and geographies. It will encourage innovation while ensuring consumer protection and regulatory compliance.

Context: The insurance regulator recently approved the establishment of Bima Sugam, an online insurance marketplace.

Bima Sugam

- **About**: Bima Sugam will function as an online marketplace for insurance products, allowing insurance companies to sell their offerings while enabling customers to compare and purchase policies conveniently.
- **Regulatory Backing**: The platform will be supported by regulators, ensuring compliance and reliability for both insurers and customers.
- **Coverage**: It will host a wide range of insurance products, including life, general, and standalone health insurance, providing customers with diverse options to choose from.
- **Accessibility:** The platform aims to make insurance products accessible to underserved populations, promoting financial inclusion and security for all.
- **Data Integration**: Bima Sugam will be integrated with various government databases, insurance companies, and repositories, ensuring seamless data sharing and utilization for enhanced services and offerings.

Features of Bima Sugam:

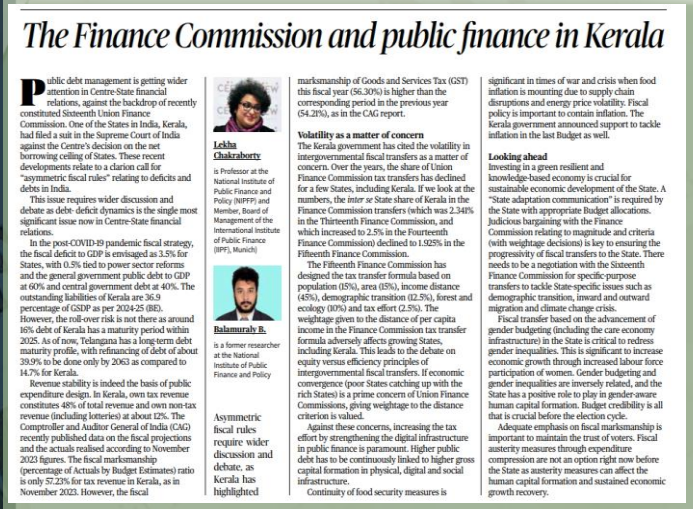
- **E-commerce Platform**: Bima Sugam operates as an e-commerce platform facilitating insurance companies to showcase their products digitally, ensuring a seamless experience for customers.
- **Paperless Policy Handling**: It digitizes the policy issuance process, eliminating paperwork and enabling customers to access all their policies, including life, health, and non-life insurance, through a single application or window.
- **Potential Cost Reduction**: Bima Sugam aims to decrease commissions paid to intermediaries, potentially leading to more affordable insurance policies and lower premiums for policyholders.
- **Unified Service Platform**: It provides a centralized platform for policy issuance, claim settlement, and service requests, fostering transparency and cooperation within the insurance industry.

THE HINDU

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FINANCE COMMISSION

(Syllabus: GS Paper 2 – Polity)



The Finance Commission and public finance in Kerala

Public debt management is getting wider attention in Centre-State financial relations, against the backdrop of recently constituted Sixteenth Union Finance Commission. One of the States in India, Kerala, had filed a suit in the Supreme Court of India against the Centre's decision on the net borrowing ceiling of States. These recent developments relate to a clarion call for "asymmetric fiscal rules" relating to deficits and debts in India.

This issue requires wider discussion and debate as debt- deficit dynamics is the single most significant issue now in Centre-State financial relations.

In the post-COVID-19 pandemic fiscal strategy, the fiscal deficit to GDP is envisaged as 3.5% for States, with 0.5% tied to power sector reforms and the general government public debt to GDP at 60% and central government debt at 40%. The outstanding liabilities of Kerala are 36.9 percentage of GSDP as per 2024-25 (BE). However, the roll-over risk is not there as around 16% debt of Kerala has a maturity period within 2025. As of now, Telangana has a long-term debt maturity profile, with refinancing of debt of about 39.9% to be done only by 2063 as compared to 14.7% for Kerala.

Revenue stability is indeed the basis of public expenditure design. In Kerala, own tax revenue constitutes 48% of total revenue and own non-tax revenue (including lotteries) at about 12%. The Comptroller and Auditor General of India (CAG) recently published data on the fiscal projections and the actuals realised according to November 2023 figures. The fiscal marksmanship (percentage of Actuals by Budget Estimates) ratio is only 57.23% for tax revenue in Kerala, as in November 2023. However, the fiscal marksmanship of Goods and Services Tax (GST) this fiscal year (56.30%) is higher than the corresponding period in the previous year (54.21%), as in the CAG report.

Volatility as a matter of concern

The Kerala government has cited the volatility in intergovernmental fiscal transfers as a matter of concern. Over the years, the share of Union Finance Commission tax transfers has declined for a few States, including Kerala. If we look at the numbers, the *inter se* State share of Kerala in the Finance Commission transfers (which was 2.34% in the Thirteenth Finance Commission, and which increased to 2.5% in the Fourteenth Finance Commission) declined to 1.925% in the Fifteenth Finance Commission.

The Fifteenth Finance Commission has designed the tax transfer formula based on population (15%), area (15%), income distance (45%), demographic transition (12.5%), forest and ecology (10%) and tax effort (2.5%). The weightage given to the distance of per capita income in the Finance Commission tax transfer formula adversely affects growing States, including Kerala. This leads to the debate on equity versus efficiency principles of intergovernmental fiscal transfers. If economic convergence (poor States catching up with the rich States) is a prime concern of Union Finance Commissions, giving weightage to the distance criterion is valued.

Against these concerns, increasing the tax effort by strengthening the digital infrastructure in public finance is paramount. Higher public debt has to be continuously linked to higher gross capital formation in physical, digital and social infrastructure.

Continuity of food security measures is significant in times of war and crisis when food inflation is mounting due to supply chain disruptions and energy price volatility. Fiscal policy is important to contain inflation. The Kerala government announced support to tackle inflation in the last Budget as well.

Looking ahead

Investing in a green resilient and knowledge-based economy is crucial for sustainable economic development of the State. A "State adaptation communication" is required by the State with appropriate Budget allocations. Judicious bargaining with the Finance Commission relating to magnitude and criteria (with weightage decisions) is key to ensuring the progressivity of fiscal transfers to the State. There needs to be a negotiation with the Sixteenth Finance Commission for specific-purpose transfers to tackle State-specific issues such as demographic transition, inward and outward migration and climate change crisis.

Fiscal transfer based on the advancement of gender budgeting (including the care economy infrastructure) in the State is critical to redress gender inequalities. This is significant to increase economic growth through increased labour force participation of women. Gender budgeting and gender inequalities are inversely related, and the State has a positive role to play in gender-aware human capital formation. Budget credibility is all that is crucial before the election cycle.

Adequate emphasis on fiscal marksmanship is important to maintain the trust of voters. Fiscal austerity measures through expenditure compression are not an option right now before the State as austerity measures can affect the human capital formation and sustained economic growth recovery.

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Asymmetric fiscal rules require wider discussion and debate, as Kerala has highlighted

Context: Public debt management is getting wider attention in Centre-State financial relations, against the backdrop of recently constituted Sixteenth Union Finance Commission.

Public Finance

- **About:** It encompasses the examination of the government's involvement in the economy, including its revenue generation and expenditure allocation.
- **Revenue and Expenditure Assessment**: It involves evaluating government revenue and expenditure to achieve favorable outcomes and mitigate unfavorable ones.
- **The purview of public finance is:**
  - The efficient allocation of available resources;
  - The distribution of income among citizens; and
  - The stability of the economy.

Finance Commission

- **About**: Article 280 of the Constitution of India provides for a Finance Commission as a quasi judicial body.
- **Constituted by**: President of India every fifth year or at such earlier time as he considers necessary.
- **Composition**: Chairman and four other members to be appointed by the president.
- **Tenure**: They hold office for such period as specified by the president in his order.
- **Recommendation of Commission**: The recommendations made by the Finance Commission are **only of advisory** nature, **not binding on the government.**
- **Fifteenth Finance Commission was constituted**: On November 27, 2017
- **Function:**
  - **Net proceeds of taxes: The** distribution between the Union and the States of the net proceeds of taxes which are to be, or may be, divided between them and the allocation between the States of the respective shares of such proceeds.
  - **Grants-in-aid**: The principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India.
  - **Consolidated Fund of a State**: The measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State on the basis of the recommendations made by the Finance Commission of the State.
  - **Supplement to municipalities:** The measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State.
  - **President reference:** Any other matter referred to the Commission by the President in the interests of sound finance.

CHINA PLUS ONE STRATEGY

(Syllabus: GS Paper 2 – IR)

Shedding China-plus tag

India should follow an independent path towards development using its intrinsic strengths

LOOKING TO THE future, India must follow its own path to becoming a developed economy rather than fast-track development through a China-plus strategy, according to top former Indian diplomats at a media event last week. This refers to foreign investors seeking to decouple or de-risk their production and supply chain activities by adding an alternative manufacturing or sourcing location to China due to US-China geopolitical tensions. The US in particular is aggressively pushing such a strategy with allies like India, which stands to benefit from diversifying supply chains. But the fundamental fact remains that its economic future cannot be subject to somebody liking China, which can swiftly change, argued former national security advisor, Shivshankar Menon.

The difficulty is that this strategy is also not playing out according to the script. For all the talk of de-risking, the world's dependence on China remains intact. The dragon accounts for 40% of global growth, while its trade with the US and European Union is booming. When Western nations talk of China-plus, they are only looking at additionality. India's bilateral trade and dependence on China, too, is growing despite efforts to minimise it due to the ongoing border stand-off since April 2020. India's imports are close to $98 billion. Of this, 28 categories account for $90 billion. Within that, electrical equipment and power equipment account for 50%. While there has been some progress in getting Apple to shift part of its iPhone production and attract its preferred contract manufacturers like Foxconn and Pegatron, they are in no tearing hurry to reduce their dependence on the mainland.

Nobody is really moving away from China except in an incremental sort of way, the speakers said, adding that due to rising domestic wages Chinese companies themselves are relocating to Vietnam and Mexico. For India to be an automatic destination for a China-plus one strategy, the policy imperative must be to ensure that it is equal or more attractive than Thailand, Bangladesh, Mexico and Vietnam. These countries are a part of trading arrangements where they have access to the US market and are members of the RCEP to become a part of global supply chains. India, for its part, has chosen to opt out of the latter mega regional trade grouping as it was totally against the country's interests and gave undue advantage to China-made goods.

India therefore cannot bank on a China-plus strategy to further its development. It is far more efficacious to rely on its intrinsic strengths of being currently the world's fastest growing economy which has a huge domestic market to attract global MNCs. India's attractiveness to potential investors is its access to a large labour supply with relatively cheap wages for skilled labour and a massive $1.4 trillion infrastructure development is underway to lower logistics costs. India's manufacturing labour costs may be nearly half of Vietnam's at $0.8 an hour, but investors prefer to relocate to the latter because of its manufacturing ecosystem and rapid improvements in logistics performance indices. If it maintains an open and unrestrictive trade policy and a higher level of ambition in inking agreements with mega regional groupings, it can fully leverage the benefits of globalisation by exporting more. In addition, it must follow a China-plus one strategy in its imports by finding alternative sources for the critical goods and equipment imported from the mainland, although that is admittedly difficult.

Context: According to top former Indian diplomats, India must recently prioritize following its own path to becoming a developed economy instead of opting for fast-track development through a China-plus strategy.

China Plus One Strategy

- **About:** It promotes diversification of business operations beyond China while retaining a presence in the country.
- **Western Investment in China**: Over the past three decades, Western businesses have heavily invested in China due to its low labor and manufacturing costs and expanding consumer market.
- **Risks of Over-Reliance on China**: Heavy reliance on China for business interests poses risks amid geopolitical tensions and unforeseen disruptions.
- **Origin**: 2013,
- **Aim**: To mitigate risks by investing in additional countries and diversifying supply chains.

India benefit from China Plus One strategy

- **Cost Advantage and Skilled Labor Pool**: India offers competitive wages and a vast pool of skilled labor, making it an attractive alternative to China for multinational corporations seeking to reduce costs.
- **Government Incentives and Local Production**: India's PLI (Production-Linked Incentive) initiative incentivizes local production and technology localization, thereby enhancing India's manufacturing capabilities.
- **Progress in Corporate Accessibility**: India has made significant progress in enhancing corporate accessibility, simplifying operations for businesses looking to invest in the country.
- **Learning from China's Successes and Challenges**: Indian businesses can learn from China's successes while addressing challenges such as supply chain disruptions and uncertainty to effectively capitalize on the "China Plus One" strategy.

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DIGITAL INDIA TRUST AGENCY

(Syllabus: GS Paper 3 – Economy)

RBI considers setting up Digital India Trust Agency to curb cyberfraud

PRESS TRUST OF INDIA
New Delhi, 31 March

As part of its efforts to curb growing cyberfraud, the Reserve Bank of India (RBI) is considering establishing a Digital India Trust Agency (DIGITA) to stop the mushrooming of illegal lending applications.

The proposed agency will enable verification of digital lending apps and maintain a public register of verified apps, sources said.

Apps not carrying the 'verified' signature of DIGITA should be considered unauthorised for the purpose of law enforcement, sources said, adding that this will serve as a pivotal checkpoint in the fight against financial crimes in the digital realm.

DIGITA, once in place, would be entrusted with the responsibility of vetting digital lending apps, they noted.

According to sources, a thorough verification process would help instil greater transparency and accountability within the growing digital lending sector, which has witnessed a surge in fraudulent activities and unscrupulous practices in recent times. Meanwhile, the RBI has shared a list of 442 unique digital lending apps with the IT Ministry to whitelist with Google.

Besides, Google has removed over 2,200 digital lending apps from its app store from September 2022 to August 2023.

The search giant has updated its policy regarding the enforcement of loan apps on the PlayStore, and only those apps are allowed which are published by the RBI's regulated entities or those working in partnership with REs.

Functions of DIGITA

- **Verification of Apps**: DIGITA will vet digital lending apps to ensure compliance with RBI regulations.
- **Public Register Maintenance**: The agency will maintain a public register of verified apps, aiding consumers in identifying legitimate options.
- **Combatting Financial Crimes**: DIGITA's verification mark will serve as a crucial checkpoint in combating financial crimes in the digital domain.

Context: As part of its efforts to curb growing cyber fraud, the Reserve Bank is considering establishing a **Digital India Trust Agency (DIGITA)** to stop the mushrooming of illegal lending apps.

Digital India Trust Agency (DIGITA)

- **About:** It would be considered unauthorised for law enforcement purposes, serving as a crucial checkpoint in combating financial crimes in the digital domain.
- **Aim**: To tackle issues of fraud and unethical practices prevalent in India's digital lending sector.
- **Rise in Fraudulent Activities**: Recent years have seen a surge in fraudulent activities within the digital lending sector in India.
- **Task of DIGITA**: Once established, DIGITA would be tasked with vetting digital lending apps to ensure compliance.
- **Maintaining a Public Register**: The proposed agency would aim to verify digital lending apps and maintain a public register of verified apps.
- **Promoting Transparency**: A thorough verification process is expected to promote transparency and accountability in the digital lending sector, which has seen a rise in fraudulent activities and unethical practices.
- **Whitelisting Efforts**: Google has collaborated with the RBI and the IT Ministry to whitelist legitimate apps, removing unauthorized ones from the Play Store.
- **Current Status**: As of March 2024, DIGITA remains a proposed initiative, awaiting official announcement from the RBI.

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