

GOVERNANCE**FFC Recommendations for Health Sector**

The Fifteenth Finance Commission (FFC) has made recommendations about the need for reprioritising public spending to fix the creaky health infrastructure exposed by the coronavirus pandemic.

- FFC has submitted its report to the President advising how to share tax revenues with states for the Financial Year (FY) 2022-26 period.
- The FFC report also makes recommendations about performance incentives to states in several reform areas.

Key Points**Recommendations:**

- FFC has mooted a greater role for public-private partnerships (PPPs) to ramp up the health infrastructure and scale up public spending on health from 0.95% of GDP to 2.5% by 2024.
- While public outlays should focus on primary health care at the panchayat and municipality level, private players should be relied on for speciality healthcare.
- The total spending of around 0.95% of GDP is not adequate in relation to the commitments under the National Health Policy of 2017.
- The 2017 Policy proposes raising public health expenditure to 2.5% of the GDP in a time-bound manner.
- There is a need for a more holistic approach to encouraging PPP in the health sector. There should be a constant working relationship and the government should not resort to the private sector in the case of an emergency only.
- The trust deficit that exists between industry and government needs to be bridged.
- District hospitals can become great grounds for training paramedics, creating health and employment multipliers.
- FFC Chairman emphasised on the need to create a cadre for medical officers as mentioned in the All India Services Act 1951.
- All-India health service is needed to address issues within the health sector.
- There is a need for substantial improvements in the working conditions for doctors in government hospitals, many of whom are hired on a contract basis by States.

Issues in the Health Sector:

- India's general government expenditure on healthcare as a percent of GDP was just 1.0% in 2017, according to the World Health Organisation (WHO) data, placing it at number 165 out of 186 countries in terms of government expenditure on healthcare.
- Skewed availability of healthcare across India as poorer States have the worst facilities.
- In terms of access and quality of health services, India was ranked 145 out of 195 countries in a Lancet study published in 2018, below countries like China (48), Sri Lanka (71) Bhutan (134) and Bangladesh (132).
- Availability of trained epidemiologists is an issue due to low salary and job insecurity in the health system.
- There should be one epidemiologist per 0.2 million population. An epidemiologist is a technical person to guide and monitor the process of contact-tracing, marking containment zones and isolating suspected cases.
- India's expenditure on R&D as a percent of GDP has continued to remain stagnant at 0.7% of GDP for three decades, with the public sector accounting for 51.8% of national R&D expenditure.
- This compares to around 2.8% of GDP for the USA, 2.1% of GDP for China, 4.4% of GDP for Korea and around 3% for Germany where the dominant sector by spending on R&D is the private sector.

Inadequate spending

The table lists the three States/Union Territories with the highest and lowest per capita public expenditure on health-care, respectively according to FY20 (budget estimates)

STATES SPENDING THE MOST

State/U.T.	Per capita public expenditure on healthcare
Delhi	₹3,808
Himachal Pradesh	₹3,780
Jammu and Kashmir	₹3,163

STATES SPENDING THE LEAST

Bihar	₹781
West Bengal	₹988
Uttar Pradesh	₹1,065



Recent Initiatives

- Recently, the government has expanded the provision of financial support by means of viability gap funding for Public Private Partnerships (PPPs) in infrastructure projects to social sectors such as health, education, water and waste treatment.
- Several public-private partnerships and collaborations are already underway. The Defence Research and Development Organisation (DRDO) which has developed ventilators, collaborated with industry to scale up production of ventilators.
- There have been several examples of how public research laboratories, public institutions like the IITs, and private players including startups have risen to the challenge of working on Covid-19 testing kits, masks, alcohol-based sanitizers, personal protective equipment (PPEs) and ventilators, to overcome challenges of global supply chain disruptions and to cater to domestic needs.
- The government has made several interventions in the health sector including National Medical Commission, National Digital Health Mission, Ayushman Bharat, etc.
- A total of 17 Global Health Security Agenda (GHSA) projects have been started in India, with different government and private organisations.
- GHSA, set in 2014, builds on the WHO International Health Regulations (IHR) that provide guidance for countries to assess and manage serious health threats that have the potential to spread beyond borders.
- Capacity-building of the healthcare workers for surveillance and outbreak investigation is a vital step under workforce development of GHSA's action package.
- One of the institutes responsible for workforce development under GHSA is the National Institute of Health and Family Welfare (NIHFW), that has implemented the "Public Health Systems Capacity Building in India" project.

BIODIVERSITY AND ENVIRONMENT

Deemed Forests in Karnataka

Recently, Karnataka has announced that it would declassify 6.64 lakh hectares (nearly 67%) of the 9.94 lakh hectares of deemed forests in the state and hand it over to Revenue authorities.

- The issue of deemed forests is a contentious one in Karnataka, with legislators across party lines often alleging that large amounts of agriculture and non-forest land are "unscientifically" classified as such.

Key Points

Definition of Deemed Forests:

- Deemed forests, comprising about 1% of India's forest land, are a controversial subject as they refer to land tracts that appear to be a "forest", but have not been notified so by the government or in historical records.
- The concept of deemed forests has not even been clearly defined in any law including the Forest Conservation Act 1980.
- In the T N Godavarman Thirumalpad case 1996, the Supreme Court (SC) accepted a wide definition of forests under the Act and held that the word 'forest' must be understood according to its dictionary meaning.
- This description covers all statutorily recognised forests, whether designated as reserved, protected or otherwise for the purpose of Section 2 (1) of the Act and also includes any areas recorded as forest in the government record irrespective of the ownership.
- The provisions for the conservation of forest and the matters connected therewith applies clearly to all forests irrespective of the ownership or classification.
- The freedom to define which tracts of forest qualify as forest has been the prerogative of States since 1996.
- However, this only applies to forest land that has not already been historically classified as "forest" in revenue records, or categorised so by the government as "protected" or "reserve forest".

Deemed Forests in Karnataka:

Areas Included: An expert committee constituted by the state government identified 'deemed forests' as:

- Land having the characteristic of forests irrespective of the ownership.
- Thickly wooded areas of the Revenue Department, not handed over to the Forest Department.
- Thickly wooded areas recommended to be handed over to the Forest Department.
- Thickly wooded land distributed to grantees but not cultivated.
- Thickly wooded plantations of the Forest Department.

Land Coverage: The expert committee reports in 1997 and 2002 identified 43.18 lakh hectares of forest land for conservation in Karnataka, which included 33.23 lakh hectares notified forest area as per forest records and 9.94 lakh hectares 'deemed forests'.

Issue of Contention:

- In 2014, the government relooked at the categorisation of forests and found that some of the 'statutory forests' had been wrongly classified as 'deemed forest'.
- It also held that a well-defined scientific, verifiable criterion was not used while applying the dictionary definition which resulted in a subjective classification of areas as deemed forests.
- The subjective classification, in turn, resulted in conflicts between the Forest Department and other departments like Revenue, Irrigation, Public Works and Energy.
- The random classification caused hardship to farmers in some areas and there is also a commercial demand for mining in some regions designated as deemed forests.

Revised Coverage:

- Later, newly formed committees identified 5.18 lakh hectares of deemed forest land that could be released from the total area.
- After a recent study of the actual extent of deemed forest areas, the amount of deemed forest land to be released has been revised to 6.64 lakh hectares.
- In 2019, the state had filed an interim application in the SC for the exclusion of the revised area but the Court did not pass an order on the application.

Forest and Tree Resources in Karnataka

- Total Forest cover: 20.11%, according to the India State of Forest Report 2019, the 16th biennial assessment of India's forests by Forest Survey of India (FSI).
- FSI is an organisation under the Ministry of Environment, Forest and Climate Change (MoEFCC).
- It undertakes National Forest Inventory to assess the growing stock in forests and Tree Outside Forest (TOF), bamboo resource, carbon stock and to assess the dependence of the people living in Forest Fringe Villages for fuelwood, fodder, small timber and bamboo.

Physiographically, the state can be divided into two distinct regions:

- Hilly region (Malnad): comprising the Western Ghats.
- Plain region (Maidan): comprising the inland plateau.

- The evergreen forests of the Western Ghats cover about 60% of the forest area of the State and are recognised as one of the four Biodiversity Hotspots of India.
- Other three biodiversity hotspots are the Himalayas, Areas under Indo-Burma and Sundalands.
- Protected Area Network of the State: 5 National Parks (Anshi, Bandipur, Bannerghatta, Kudremukh, Nagarhole) 30 Wildlife Sanctuaries, 15 Conservation Reserves.
- Karnataka supports about 10% of the total tiger population and 25% of the elephant population of the country.

SOCIAL JUSTICE

Online Education Woes

A recent study by the Azim Premji University on the efficacy and accessibility of e-learning has highlighted various challenges involved in online education in the country.

Key Points

Student Specific Finding:

Reason for student's lack of accessibility to online classes:

- Non-availability or inadequate number of smartphones for dedicated use or sharing.
- Difficulty in using apps for online learning.
- Children with disabilities found it more difficult to participate in online sessions.

Parents Specific Findings:

- 90% of parents of government school students surveyed were willing to send their children back to school, if the health of their children was taken care of.
- 70% of the parents surveyed were of the opinion that online classes were not effective and did not help in their child's learnings.

Teacher's Specific Findings:

- Teachers' main problem found during the online classes was the one-way communication, which made it difficult for them to assess whether students were able to understand what was being taught.
- More than 80% of teachers surveyed said they were unable to maintain emotional connect with students during online classes, while 90% of teachers felt that no meaningful assessment of children's learning was possible.
- 50% of the teachers reported that children were unable to complete assignments shared during the online classes, which had led to serious gaps in learning.
- The survey also revealed that around 75% of the teachers spent, on an average, less than an hour a day on online classes for any grade.
- Teachers also reported that they were ill-prepared for online learning platforms.
- More than half the teachers surveyed shared that their knowledge and user-experience on online platforms and modes of teaching were inadequate.

SCIENCE AND TECHNOLOGY

Chapare Virus

Researchers from the US Centers for Disease Control and Prevention (CDC) have recently discovered a rare Ebola-like illness that is believed to have first originated in rural Bolivia in 2004.

- The virus is named Chapare after the province in which it was first observed.
- Chapare, is a rural province in the northern region of central Bolivia.

Key Points

About:

- Chapare Virus belongs to the same Arenavirus family that is responsible for illnesses such as the Ebola virus disease (EVD). It causes Chapare Hemorrhagic Fever (CHHF).

Vector:

- Chapare virus are generally carried by rats and can be transmitted through direct contact with the infected rodent, its urine and droppings, or through contact with an infected person.
- A disease vector is any agent which carries and transmits an infectious pathogen into another living organism.

Symptoms of Chapare Hemorrhagic Fever (CHHF):

- Hemorrhagic fever much like Ebola.
- Viral hemorrhagic fevers are a severe and life-threatening kind of illness that can affect multiple organs and damage the walls of blood vessels.

- Abdominal pain,
- Vomiting,
- Bleeding gums,
- Skin rash,
- Pain behind the eyes.

Transmission:

- Virus can spread from person to person.
- Chapare spreads only through direct contact with bodily fluids.

Sexually transmission:

- Researchers also found fragments of Ribonucleic acid (RNA) associated with Chapare, in the semen of one survivor 168 days after he was infected.

Diagnosis:

- Chapare virus is much more difficult to catch than the coronavirus as it is not transmissible via the respiratory route. Instead, Chapare spreads only through direct contact with bodily fluids.
- New sequencing tools will help develop an RT-PCR test — much like the one used to diagnose Covid-19 to help detect Chapare.

Treatment:

- Since there are no specific drugs to treat the disease, patients generally receive supportive care such as intravenous fluids.
- Intravenous therapy is a medical technique that delivers a liquid directly into a person's vein. The intravenous route of administration is commonly used for rehydration solutions or to provide nutrition in those who cannot consume food or water by mouth.

Maintenance of hydration.**Management of shock through fluid resuscitation.**

- Fluid resuscitation is the medical practice of replenishing bodily fluid lost through sweating, bleeding, fluid shifts or other pathologic processes.

Pain Relief Medicines

- Transfusions as the supportive therapy that can be administered on patients.

People at Risk:

- The disease is also known to be most commonly transmitted in more tropical regions, particularly in certain parts of South America where the small-eared pygmy rice rat is commonly found.

Mortality Rate:

- As there are very few cases on record, the mortality and risk factors associated with the illness are relatively unknown.
- In the first known outbreak, the only confirmed case was fatal. In the second outbreak in 2019, three out of five documented cases were fatal (case-fatality rate of 60%).

Recent Outbreak:

- The recent biggest outbreak of the 'Chapare virus' was reported in 2019, when three healthcare workers contracted the illness from two patients in the Bolivian capital of La Paz.

Ebola Virus Disease

- Ebola Virus Disease (EVD) or Ebola Hemorrhagic Fever (EHF), is a viral hemorrhagic fever of humans and other primates caused by ebolaviruses

Transmission:

- Fruit bats of the Pteropodidae family are natural Ebola virus hosts.

Animal to human transmission:

- Ebola is introduced into the human population through close contact with the blood, secretions, organs or other bodily fluids of infected animals such as fruit bats, chimpanzees, etc.

Human-to-human transmission:

- Ebola spreads via direct contact (through broken skin or mucous membranes) with:
- Blood or body fluids of a person who is sick with or has died from Ebola.

- Objects that have been contaminated with body fluids (like blood, feces, vomit) from a person sick with Ebola or the body of a person who died from Ebola.

Vaccines:

- An experimental Ebola vaccine, called rVSV-ZEBOV proved highly protective against EVD.

IMPORTANT FACTS FOR PRELIM**NDB Loan to India**

Recently, a 500-million dollar loan agreement was signed between the Union government, the Ministry of Housing and Urban Affairs, National Capital Region (NCR) Transport Corporation Limited and the New Development Bank (NDB) for the Delhi-Ghaziabad-Meerut Regional Rapid Transit System (RRTS).

Key Points**Delhi-Ghaziabad-Meerut Regional Rapid Transit System.**

- It is an 82.15 km long, under-construction, semi-high speed rail corridor connecting Delhi-Ghaziabad-Meerut.
- It is one of the three rapid-rail corridors planned under Phase-I of Regional Rapid Transport System (RRTS) project of National Capital Region Transport Corporation (NCRTC).

Benefits:

- The Project will provide a fast, reliable, safe and comfortable public transport system in the NCR.
- The project will serve as a demonstration for developing high-capacity rapid urban transit corridors in other urban areas of India.
- High-speed connectivity will result in balanced economic development across the region, leading to economic benefits to all strata of society and many nodes of development rather than all economic activity happening at one place.
- It will help in reducing traffic congestion and total emissions from the transport sector in NCR.
- Other Contributors: The total project cost is estimated at 3,749 million dollars, which will be financed by the NDB, Asian Infrastructure Investment Bank (AIIB), Asian Development Bank (ADB), Japan Fund for Poverty Reduction, government and other sources.

New Development Bank

- It is a multilateral development bank jointly founded by the BRICS countries (Brazil, Russia, India, China and South Africa) at the 6th BRICS Summit in Fortaleza, Brazil in 2014.
- It was formed to support infrastructure and sustainable development efforts in BRICS and other underserved, emerging economies for faster development through innovation and cutting-edge technology.
- It is headquartered at Shanghai, China.
- In 2018, the NDB received observer status in the United Nations General Assembly, establishing a firm basis for active and fruitful cooperation with the United Nations.

DAILY ANSWER WRITING PRACTICE

Qns. In the wake of the slowdown in economic activities due to the lockdown, the rise in Non-performing assets (NPAs) is inevitable. In this context, critically analyse the need for the bad bank. (250 words)

Ans:

In wake of due to economic slowdown induced by lockdown, credit rating firm Crisil held that NPAs are expected to cross Rs 11 lakh crore by the end of this fiscal year. In this context, the Indian Banks Association (IBA), have refloated an old idea of creating a 'bad bank'.

A bad bank is similar to an asset reconstruction company that buys bad loans(NPAs) from the commercial banks at a discount and tries to recover the money from the defaulter by providing a systematic solution over a period of time.

Feasibility of Bad Bank

- Alleviating Provisioning Requirement: The banks have to keep supplementary capital (provisioning requirement) under the Basel Accord. High burden of NPAs further reduces its capital base and the resulting losses erode depositor confidence

- Bad bank by way of absorbing NPAs, will ease the provisioning requirement by the banks and help them to get on with business as usual.
- Greater Reliability: The creation of a bad bank allows the segregation of a bank's good assets from its bad assets. This allows investors to assess its financial health with greater clarity and for banks to grow financially.
- Being a government-led initiative may perhaps make it more attractive for investors to invest their money- both domestic and foreign.
- Existing models: The 2007-2010 financial crisis led to the creation of bad banks in many countries.
- In this period, in the US and Ireland, bad banks were created to deal with the growing NPAs in the impending financial emergency.
- Complementing IBC Code: Many lenders are concerned over huge haircuts they have to endure after a resolution through the Insolvency and bankruptcy code.
- Also, NPAs in the sectors such as power can't be resolved through the IBC system as factors like the lack of coal linkages and the absence of purchase power agreements make them unfit for a resolution through the IBC.
- If banks feel the assets having future demand-supply issues face liquidation under the IBC, such a problem can be solved under the bad bank.
- Thus, a bad bank may save a defaulting firm from liquidation and closure.

Associated Challenges

- Mobilising Capital: Finding buyers for bad assets in a pandemic hit economy will be a challenge, especially when governments are facing the issue of containing the fiscal deficit.
- Not Addressing the Underlying Issue: Without governance reforms, the Public sector banks may go on doing business the way they have been doing in the past and may end up piling-up of bad debts again.
- Provisioning Issue Tackled Through Recapitalization: Union Government, in the last few years, has infused nearly Rs 2.6 lakh crore in banks through recapitalisation. Thus, recapitalisation of the banks to compensate for the write-offs contests the need for a bad bank.
- Market-related Issues: The price at which bad assets are transferred from commercial banks to the bad bank will not be market-determined and price discovery will not happen.
- Moral Hazard: A former RBI Governor had said that a bad bank may create a moral hazard and enable banks to continue reckless lending practices, without any commitment to reduce NPAs.

Conclusion

Bad bank seems to be a viable option to tackle the escalation of NPAs in the lockdown induced economic slowdown, but structural issues like the deficit in the professionalism of management and non-adoption of greater prudential discipline by the Public sector banks needs to be addressed simultaneously. Therefore, the debate regarding setting up a bad bank must be preceded by proper implementation of holistic reforms in the banking sector.

DAILY QUIZ

1. With reference to National Population Register (NPR), consider the following statements:

1. It is a database containing a list of all citizen residents of the country.
2. NPR is a mechanism outlined in a set of rules framed under the Citizenship Act, 1955.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only**
- c) Both 1 and 2
- d) Neither 1 and 2

2. Consider the following statements regarding the Chapare Virus:

1. The virus belongs to the Flaviviridae Family.
2. The virus spreads from person to person through direct contact with bodily fluids of the vector.

Which of the statements given above is/are not correct?

- a) 1 only**
- b) 2 only

- c) Both 1 and 2
- d) Neither 1 nor 2

3. With reference to Project Sunrise, consider the following statements:

- 1. It is an initiative launched by the Ministry of AYUSH to tackle the rising HIV.
- 2. This project covers all the states and Union territories.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2**

4. With reference to the Guillain Barre Syndrome (GBS), consider the following statements:

- 1. It is a rare autoimmune disorder in which the patient's immune system attacks nerves.
- 2. The Covid-19 patients have been found suffering from GBS.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2**
- d) Neither 1 nor 2

5. Consider the following statements:

- 1. Deemed forest refers to land tracts that appear to be a “forest”, but have not been notified so by any government.
- 2. Deemed forests comprises about one-tenth of India’s forest land.

Which of the above statements is/are correct?

- a) 1 only**
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 and 2



VANIK-IAS
Exclusive Coaching for UPSC/OPSC