

**GOVERNMENT POLICY AND INTERVENTION**

❖ **The funding and demand for MGNREGA**

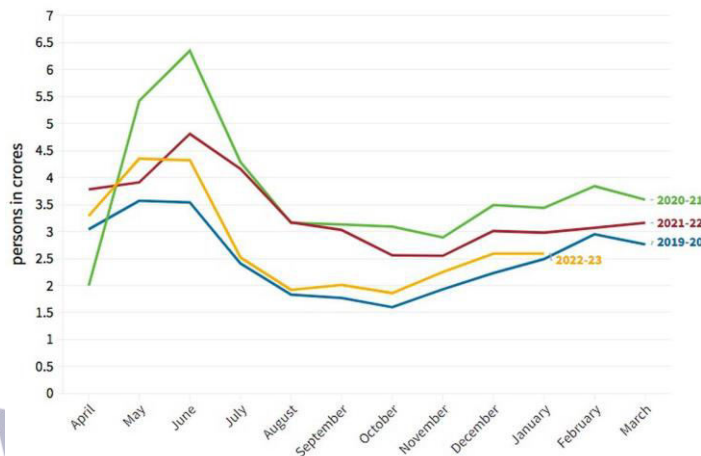
➤ **The Economic Survey 2022-23 presented on January 31, a day ahead of the Union Budget, showed that 6.49 crore households demanded work under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).**

- Of these, 6.48 crore households were offered employment by the government and 5.7 crore actually availed it.
- The survey credited the scheme with having a positive impact on income per household, agricultural productivity, and production-related expenditure.
- It added that this helped with “income diversification and infusing resilience into rural livelihoods”.

➤ **How important is MGNREGA to rural employment?**

- The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was passed in 2005 and aimed at enhancing the livelihood security of households in rural areas. Under it, the MGNREGS is a demand-driven scheme that guarantees 100 days of unskilled work per year for every rural household that wants it, covering all districts in the country except those with a 100% urban population.

- There are currently 15.51 crore active workers enrolled under the scheme. The types of projects undertaken for employment generation under MGNREGA include those related to water conservation, land development, construction, agriculture and allied works.



- Under the scheme, if work is not provided within 15 days from when it is demanded, the worker has to be given a daily unemployment allowance. Additionally, the wages of unskilled workers also have to be paid within 15 days and in case of a delay, the Centre has to compensate them. Beyond being a form of insurance or safety net for the country's poorest rural households, the scheme proved to be beneficial not just for rural workers but migrant labourers as well especially during the COVID-19 pandemic which saw large-scale reverse migration.

- During the first COVID-19 lockdown in 2020, when the scheme was ramped up, and given its highest-ever budget of Rs.1.11 lakh crore, it provided a critical lifeline for a record 11 crore workers.

- Studies gave empirical evidence that wages earned under MGNREGA helped compensate somewhere between 20% to 80% of the income loss incurred because of the lockdown. This is reflected in the fact that the demand for work under MGNREGA spiked to record-high levels during the pandemic years.

- About 8.55 crore households demanded MGNREGA work in 2020-21, followed by 8.05 crore in 2021-22, compared to a total of 6.16 core households asking for work in the pre-pandemic year 2019-20.

- In the Lok Sabha during the Winter Session in December 2022 Finance Minister said that the demand for jobs under MGNREGA has been declining in the recent past, the new economic survey data revealed that as of January 24 this year, 6.49 crore households had already demanded work under the scheme with two more months till the financial year ends.

- Notably, this demand-side figure is still larger than pre-pandemic levels, which indicates that despite the lifting of pandemic curbs and changes in migration trends, rural households are still demanding work under the scheme. Besides, the pandemic-induced demand surge notwithstanding, the Ministry of Rural Development informed Parliament in August last year work that demand under MGNREGS has doubled in the last seven years, that is, 3.07 crore households demanded work in May 2022 compared to 1.64 in the same month in 2015.

➤ **How has the Centre's allocation for MGNREGS changed over the years?**

- Budgetary allocations to the flagship scheme has increased successively since 2013 from Rs.32,992 crore in the 2013-14 Union Budget to Rs.73,000 crore in 2021-22. However, in recent years, the actual expenditure on the scheme has successively been higher than the amount allocated to it at the budget stage.

- For instance, in 2021-22, while Rs.73,000 crore was allocated to MGNREGS, supplementary allocations made later pushed up the revised estimates to Rs.98,000 crore, as funds had run out in the middle of the year. Even so, the Central government once again allocated Rs.73,000 crore (25% lower than the previous year's revised estimate) for the scheme in budget 2022-23, then seeking an additional Rs.45,000 crore as supplementary grants in the Winter Session in December 2022.

- The Parliamentary Standing Committee on Rural Development in 2022 questioned the rationale behind the Centre's budgetary allocations to MGNREGA. Pointing out that despite the total expenditure on the scheme in 2020-21 being around Rs.1,11,170.86 crore, the panel found it “perplexing” that the budget estimate (BE) for 2021-22 was just Rs.73,000 crore. It also flagged the substantial hike in allocation at the revised estimates stage in order to augment the initial sum each year.

- Advocacy group NREGA Sangharsh Morcha noted that “every year, about 80-90% of the budget gets exhausted within the first six months”, leading to a slowdown of work on the ground and a delay in wage payments to workers.

➤ **What are the challenges to its implementation?**

- While the scheme guarantees 100 days of employment per household per year, an analysis by PRS Legislative Research shows that since 2016-17, on average, less than 10% of the households completed 100 days of wage employment. Besides, the average days of employment provided per household under the MGNREGS fell to a five-year low this financial year. As of January 20 2023, the average days of employment provided per household is just 42 days, while it was 50 days in 2021-22, 52 days in 2020-21, 48 days in 2019-20 and 51 days in 2018-19.
- While a full 100 days of employment has not been provided per year, the Parliament Committee and activist groups have strongly recommended an increase in the number of guaranteed days of work per household from 100 to 150 so that rural populations have a safety net for a longer period in the year.
- Notably, Peoples’ Action for Employment Guarantee (PAEG) and the NREGA Sangharsh Morcha said in a joint statement recently, that if the government intends to provide legally guaranteed 100 days of work per household for at least those that worked in the scheme in the current financial year, that minimum budget for it in the upcoming financial year 2023-24 should be at least Rs.2.72 lakh crore.
- Another issue that continues to hamper the scheme’s proper implementation is the delay in wage payments. As per data released by the Centre, it owed Rs.4,700 crore in MGNREGA wages to 18 States as of December 14, 2022, In 2016, the Supreme Court of India directed the government to ensure that wages were paid on time, calling the act of making workers wait for wages for months equal to “forced labour”. Additionally, as of December 14, the government also owed Rs.5,450 crore worth of material costs (for MGNREGA projects) to 19 States. Furthermore, the delay in material costs, has a domino impact on the MNREGA work, since a delay in payment breaks the supply chain. Because of the prolonged delays in payments, vendors are reluctant to supply materials for any new work.
- Another concern pointed out by a panel of the Rural Development Ministry is that the minimum wage rate under MGNREGS is fixed by the central government on the basis of the Consumer Price Index-Agricultural Labourers. It noted that the type of work done by agricultural labourers and MGNREGS workers was different, suggesting that minimum wage be decided vis-a-vis the Consumer Price Index-Rural, which it said was more recent and provided for higher expenditure on education and medical care.
- Fake job cards, widespread corruption, late uploading of muster rolls, and inconsistent payment of unemployment allowance are some of the other issues hampering the implementation of MGNREGA, the Parliamentary Committee pointed out in 2022.

❖ **Electoral bond scheme**

➤ **CONTEXT: The Supreme Court is scheduled to examine whether petitions challenging the validity of the electoral bonds scheme need to be referred to a Constitution Bench.**

- The petitions allege that the scheme has opened the doors for anonymous donations to political parties days before polls are due.
- It argued that amendments made via Finance Acts of 2016 and 2017, both passed as Money Bills, have through the electoral bonds scheme, opened the floodgates to unlimited political donations.
- The legality of the scheme and the long pendency of the case in court have come back into focus. Also in focus in the court is a challenge to a recent notification allowing the sale of electoral bonds for an additional 15 days during Assembly poll years.

➤ **About Bond**

- An electoral bond is like a financial tool used for making donations to political parties.
- The general public can also issue these bonds to fund eligible political parties.
- A political party eligible to run campaigns must register in the Representation of the People Act, 1951, under Section 29A.
- The bonds play a similar role as banknotes that are payable to the bearer free of interest and demand.
- An individual party can purchase these bonds digitally or with the help of a DD or cheque.
- ✓ Any Indian corporate body, registered agency or undivided Hindu family can issue electoral bonds by donating funds to the political parties as per their choice that states as eligible to the campaign.
- ✓ The RBI notified banks such as the State Bank of India (SBI) to issue corporate bonds and are available in the denominations of: Rs.1000, Rs.10,000, Rs.1,00,000, Rs.10,00,000, and Rs.1,00,00,000.
- ✓ Electoral bonds are valid for 15 days after being issued.
- ✓ The political parties expect to approach the electoral commission to file returns on the total electoral bonds they have received.
- Tax benefits:
  - ✓ There are several tax benefits for issuing electoral bonds.
  - ✓ The electoral bond donor gets an additional tax advantage for the same.
  - ✓ Under the Income Tax act, one’s electoral bond donations are considered tax-exempt.
  - ✓ However, the political party on the receiving end of the donations can also receive a donation as per the Income Tax Act’s Section 13A.
- How to use Electoral Bonds?
  - ✓ A donor having a KYC compliant account can purchase the bonds and can donate to a political party or individual of their choice.

- ✓ The receiver collecting electoral bonds can encash the bonds through the party's verified account.
- ✓ Conditions of Electoral Bonds
- ✓ Any party registered under section 29A of the Representation of the Peoples Act, 1951 and has secured at least one per cent of the votes polled in the most recent General elections or Assembly elections entitled to receive electoral bonds.
- ✓ The Election Commission of India (ECI) will allot a verified account to the party, and all the transactions of an electoral bond will be made through this account.
- ✓ The electoral bonds will not bear the name of the donor.
- **Issues and challenges**
  - Concerns about electoral corruption: The Election Commission submitted that contrary to the government's claims, donations received through electoral bonds would cause a serious impact on transparency.
  - Amendments to Finance Acts: In order to bring in the scheme, the Centre had made multiple amendments by way of two Finance Acts— Finance Act, 2017 and Finance Act, 2016, both passed as money bills (not necessitating the oversight of the Rajya Sabha). The amendments are challenged as being “unconstitutional”, “violative of doctrines of separation of powers” and violative of some fundamental rights. The ECI said that the amendments would pump in black money for political funding.
  - Amendment to the Representation of the People Act: The government amended Section 29C of the Representation of the People Act, 1951, effectively exempting political parties from informing the ECI about the details of contributions made to them through electoral bonds. This would impact transparency and keep citizens from vital information about how much contribution a political party received and through what source, as the source or donor is anonymous under electoral bonds. The ECI said that would prevent it from ascertaining whether the donations were received illegally from government companies or foreign sources, calling it a retrograde step for transparency.
  - Companies Act amendment: No companies are required to give details of political contributions in their annual profit and loss accounts. It is argued that this would increase opacity in political funding and the danger of quid pro quo in return for benefits passed to such companies by political parties. The removal of the cap or ceiling for companies to make donations was also opposed.
  - Income Tax Act amendment: The ECI also raised concerns about the amendment to the Income Tax Act 1961, allowing anonymous donations only less than Rs. 20,000. Due to this, many political parties had started reporting a major portion of the donations received as being less than the prescribed limit of Rs. 20,000.
  - Derailing of ECI guidelines: The ECI said that the amendments derailed its 2014 guidelines on disclosure of expenditure and contributions received by political parties.
- **Way forward:**
  - In actual practice, the electoral bonds scheme has left a lot to be desired.
  - It has not improved transparency in electoral funding.
  - It is being argued that this scheme has rigged the game in favour of the ruling party.
  - That's because while a donor's identity is hidden from the public view, it is possible for the ruling party to know since these bonds are issued by a government-owned bank (State Bank of India).
  - This advantage with the ruling party allows the possibility for the government of the day to either extort money or victimise those individuals/ entities that fund the Opposition.
  - Another key area of concern is that the government, as part of the introduction of the electoral bonds, had removed the cap on how much money a company could donate.
  - A quick closure in these matters is necessary to ensure transparency in campaign financing, critical to the integrity of the electoral process.

### PRELIMS

1. **President address to Parliament**
  - **CONTEXT:** Ahead of the Union Budget, President Droupadi Murmu addressed the joint sitting of Parliament for the first time after assuming the position in July 2022.
  - **What is the history?**
    - In the United Kingdom, the tradition of the monarch addressing the Parliament began in the 16th century. In the United States, President George Washington addressed Congress for the first time in 1790.
    - In India, the practice of the President addressing Parliament was established after the promulgation of the Government of India Act in 1919. This law gave the Governor-General the right of addressing the Legislative Assembly and the Council of State. The law did not have a provision for a joint address but the Governor-General did address the Assembly and the Council together on multiple occasions. Between 1947 and 1950, there was no address to the Constituent Assembly (Legislative).
    - After the Constitution came into force, President Rajendra Prasad addressed members of Lok Sabha and Rajya Sabha for the first time on January 31, 1950. The Constitution gives the President and the Governor the power to address a sitting of the legislature.
    - Article 87 provides two special occasions on which the President addresses a joint sitting. The first is to address the opening session of a new legislature after a general election. The second is to address the first sitting of Parliament each year. A session of a new or continuing legislature cannot begin without fulfilling this requirement.

- When the Constitution came into force, the President was required to address each session of Parliament. So during the provisional Parliament in 1950, President Prasad gave an address before every session. In 1951, the First Amendment to the Constitution changed this and made the President's address an annual affair.
- **What is the government's role?**
- There is no set format for the President's or Governor's speech. The Constitution states that the President shall "inform Parliament of the cause of the summons".
  - ✓ During the making of the Constitution, Prof K T Shah wanted the President's address to be more specific. He suggested that the language be changed to specify that the President shall inform Parliament "on the general state of the Union including financial proposals, and other particular issues of policy he deems suitable for such address". His proposal took inspiration from the US Constitution, according to which the President "shall from time to time give to the Congress information on the State of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient". But the Constituent Assembly didn't accept Prof Shah's amendment.
- The address of the President follows a general structure in which it highlights the government's accomplishments from the previous year and sets the broad governance agenda for the coming year.
- The President's speech is essentially the viewpoint of the government and is also written by it.
- Usually, in December, the Prime Minister's Office asks the various ministries to start sending in their inputs for the speech. The Ministry of Parliamentary Affairs sends a message, asking ministries to give information about any legislative proposals that need to be included in the President's address.
- All this information is collated and shaped into a speech, which is then delivered to the President.
- The President's address serves as a platform for the government to make policy and legislative announcements.
- **What if the President disagrees with the text of the speech?**
- The President or Governor cannot refuse to perform the constitutional duty of delivering an address to the legislature. But there can be situations when they deviate from the text of the speech prepared by the government. So far, there have been no instances of a President doing so. But there have been occasions when a Governor skipped or changed a portion of the address to the Assembly.
  - ✓ Most recently, Tamil Nadu's Governor R N Ravi made changes to the prepared speech he read out in the Assembly, Chief Minister MK Stalin had to step in and move a resolution, which demanded that only the original speech given to the Governor be put in records.
  - ✓ In 2020, Kerala Governor Arif Mohammad Khan, during his address to the Assembly, stopped before reading out his speech's paragraph 18, which related to the Kerala government's opposition to the Citizenship Amendment Bill.
  - ✓ Before this, in 1969, West Bengal's Governor Dharma Vira skipped two paragraphs of the speech written by the United Front government, which was at the time led by Chief Minister Ajoy Kumar Mukherjee with Jyoti Basu as the Deputy CM. The skipped portions were related to the dismissal of the first United Front government by the Congress-ruled central government.
- **What is the procedure and tradition?**
- After the President's address, the two Houses move a motion to thank the President for her speech. This is an occasion for MPs in the two Houses to have a broad debate on governance in the country. The issues raised by MPs are then addressed by the Prime Minister, who also replies to the motion of thanks. The motion is then put to vote and MPs can express their disagreement by moving amendments to the motion.
- Opposition MPs have been successful in getting amendments passed to the motion of thanks in Rajya Sabha on five occasions, including in 1980, 1989, 2001, 2015 and 2016. However, they have been less successful in the Lok Sabha.
  - ✓ For instance, MPs of the lower house, in 2018, tabled 845 amendments of which 375 were moved and negated.
- The President's address is seen as one of the most solemn occasions in the Parliamentary calendar. It is the only time in the year when the whole Parliament comes together.
- 2. **Trishakti Prahar**
- **CONTEXT: The Army conducted a joint training exercise 'Trishakti Prahar' in North Bengal close to the strategic 'Siliguri' corridor.**
- The Trishakti Prahar exercise is a joint training exercise between the Indian Army, the Indian Air Force (IAF) and the Central Armed Police Forces (CAPF).
- The exercise enabled rehearsal and coordination amongst them for quick movement and employment of forces across North Bengal.
- It was designed to test the Security Forces' ability to fight using the most modern tools and weapons in a networked, integrated environment.
- A Fire Power Exercise aimed at synergising the firepower assets of the forces to orchestrate an integrated battle was also held.
- **Siliguri corridor**
- The Siliguri corridor, also called Chicken's neck, is a stretch of land located in West Bengal
- **Geostrategic significance** - The narrow stretch of land is about 20-22 km wide.
- The Siliguri corridor connects the Northeast India to the rest of the country.
- It shares borders with Nepal and Bhutan in the north and Bangladesh in the south.
- It is also very close to the India-Tibet-Bhutan trijunction at the Doklam plateau, where Indian and Chinese troops saw a stand-off in 2017.

**3. National Institute of Biologicals (NIB)**

- **Context: Recently Health Minister virtually inaugurates National Summit on Quality of Biologicals.**
- NIB is playing a vital role in ensuring that only quality biological products reach the health system, thereby strengthening Prime Minister's mission of ensuring quality health and wellness for all.
- **About:**
  - It was set up in 1992 as apex autonomous institute under the administrative control of Ministry of Health and Family Welfare.
  - It is performing primary statutory function of Quality Control of Biologicals. e.g., Insulin, erythropoietin, blood products, diagnostic kits.
- **About Biological:**
  - Biological therapeutics, also referred to as Biologicals, are those class of medicines which are grown and then purified from large-scale cell cultures of bacteria or yeast, or plant or animal cells.
  - Biologicals are a diverse group of medicines which includes vaccines, growth factors, immune modulators, monoclonal antibodies, as well as products derived from human blood and plasma.
  - What distinguishes biologicals from other medicines is that these are generally proteins purified from living culture systems or from blood, whereas other medicines are considered as 'small molecules' and are either made synthetically or purified from plants.
  - Key difference between biologicals and other medicines: biologicals are generally proteins purified from living culture systems or from blood.
  - Other medicines are considered as 'small molecules' and are either made synthetically or purified from plants.

**ANSWER WRITING**

**Q. What does this quotation mean to you in the present context- "Anger and intolerance are the enemies of correct understanding." ~Mahatma Gandhi.**

Anger and intolerance are negative emotions that suspend the rational thinking and judgment of an individual. While anger is a natural response to a perceived threat, intolerance refers to a lack of respect for beliefs and practices other than one's own. As Gandhiji said anger and intolerance are enemies of correct understanding one needs to manage these vices to have a better worldview.

How anger impacts understanding:

- Anger makes a person lose their calm and patience leading them towards hasty, emotional, and non-rational decisions, which are not based on well-thought outcomes and understanding of the consequences of such decisions
- Anger affects the person who is angry and also all the other people who are touched by that person's anger.
- Anger is a negative emotion and hence it clouds moral judgment. When provoked people can resort to violence as seen through the cases of mob lynching.
- Evils such as honour killing, domestic violence, and acid attack are because of anger at that moment.
- It is because of the above-mentioned reasons that every religion be it Hinduism, Christianity or Buddhism considers anger as a sin. Buddha said that "you are the first victim of your own anger."

How intolerance impacts understanding:

- Intolerance stems from an invincible assumption of the infallibility and truth of one's beliefs, and with the passage of time, this leads to the forcible imposition of one's ideology on others, often resulting in violence.
- Intolerance just like anger is contagious and encourages people to be blind toward diverse views in society. Intolerance also has a chilling effect on freedom of thought and discussion. For example, Galileo suffered for his theory that the sun was the centre of the solar system and not the earth. Darwin was also a victim of intolerance and was considered an enemy of religion for his seminal work, The Origin of Species.
- Intolerance also leads to ignorance and a narrow belief system. For example, politicians with religious backgrounds are intolerant of LGBTQ rights. Another example is that of Raja Ram Mohan Roy, whose efforts for reform, especially for the abolition of Sati, evoked fierce opposition because of intolerance.
- At present, the virus of intolerance has acquired global dimensions. Religious and political persecution has become rampant throughout the world as a fallout of fundamentalism.

It is common for people to lose the steadiness of mind when faced with stress. However, it is important to be emotionally intelligent and to act in a fair manner. Balanced decision-making for societal progress and development can only be made with an objective and unbiased mind. This can be achieved by developing virtues like acceptance, tolerance, and Interaction in society.

**MCQs**

1. Consider the following statements:
  1. Biofilms can form on medical implants within human tissues.
  2. Biofilms can form on food and food processing surfaces.
  3. Biofilms can exhibit antibiotic resistance.
 Which of the statements given above are correct?
 

a) 1 and 2 only      b) 2 and 3 only      c) 1 and 3 only      **d) 1, 2 and 3**
2. Which one of the following statements with regard to the National Rural Employment Guarantee Act, 2005 is correct?
  1. It ensures 175 days of employment to needy persons in rural areas.
  2. It gives higher wages to women workers.
  3. People are generally given both skilled and unskilled jobs.

4. This is implemented only in rural areas of India.  
Choose the correct answer using the codes given below  
a) 1 and 2 only      b) 3 only      c) 2 and 4 only      **d) 4 only**
3. Consider the following statements:  
1. The Atal Pension Yojana (APY) was launched to create a universal social security system for all Indians, especially the poor and the under-privileged  
2. APY is administered by Pension Fund Regulatory and Development Authority (PFRDA).  
Which of the above statements is/are correct?  
a) Only      b) 2 only      **c) Both 1 and 2**      d) Neither 1 nor 2
4. "Har Ghar Dhyam" campaign often mentioned in news is associated with which of the following Ministry?  
a) Ministry of Home Affairs  
b) Ministry of Health and Family welfare  
**c) Ministry of Development of North Eastern Region**  
d) Ministry of Environment, Forest and Climate change
5. 'Trishakti Prahar' is in news recently is a joint training exercise between which of the following?  
a) Indian Army, Indian Navy and Indian Air force  
**b) Indian Army, the Indian Air Force and the Central Armed Police Forces (CAPF)**  
c) Indian Army, India Navy and Indian Coast Guard  
d) Indian Army, Assam Rifle, Indo-Tibetan Border Police
6. In context of India, with reference to President Address to Parliament, consider the following statements  
1. In India, the practice of the President addressing Parliament was established after the promulgation of the Government of India Act in 1935.  
2. Constitution of India provides special occasions on which the President addresses a joint sitting.  
3. The President or Governor cannot refuse to perform the constitutional duty of delivering an address to the legislature.  
4. The preparation of speech content of President of India to address the parliament is the sole responsibility of Ministry of Parliamentary Affairs  
Which of the above statement/s is/are correct?  
a) 1 and 2 only      **b) 2 and 3 only**      c) 3 and 4 only      d) 2 and 4 only
7. Consider the following statements  
1. PM CARES Fund is administered on the pattern of Prime Minister's National Relief Fund (PMNRF) as both are chaired by the Prime Minister.  
2. PM CARES Fund is not a government fund as donations to it do not go to the Consolidated Fund of India  
3. Recently Supreme Court declare the PM CARES Fund a 'State' under the Constitution  
Which of the above statement/s is/are correct?  
**a) 1 and 2 only**      b) 2 and 3 only      c) 1 and 3 only      d) 2 only
8. Consider the following statements about Electoral Bond Scheme 2018:  
1. The aim of this scheme is to bring about transparency in the funding process of political parties.  
2. Only the political parties recognized by the Election Commission which secured not less than one per cent of the votes polled in the last general election to the House of People or the Legislative Assembly of the State shall be eligible to receive the Electoral Bonds.  
3. Electoral Bonds shall be valid for fifteen calendar days from the date of issue.  
4. The Electoral Bond deposited by an eligible political party in its account shall be credited on the same day.  
Which of the above statements are correct?  
a) 1,2 and 3 only      b) 2,3 and 4 only      c) 1,2 and 4 only      **d) 1,2,3 and 4**
9. Consider the following statements:  
1. The weightage of food in Consumer Price Index (CPI) is higher than that in Wholesale Price Index (WPI).  
2. The WPI does not capture changes in the prices of services, which CPI does.  
3. Reserve Bank of India has adopted WPI as its key measure of inflation and to decide on changing the key policy rates.  
Which of the statements given above is/are correct?  
**a) 1 and 2 only**  
b) 2 only  
c) 3 only  
d) 1, 2 and 3
10. Recently the core sector saw a growth of 7.8%, with reference to this consider the followings  
1. Crude oil  
2. Natural gas  
3. Coal  
Which of the above is/are the Core Industries?  
a) Only 1  
b) Only 1 and 2  
c) Only 2 and 3  
**d) 1,2 and 3**