# DAILY CURRENT AFFAIRS ANALYSIS

## 24 APRIL 2024

### 1 - Debt and Exchange Rate Control in India:

#### **GS III**

#### **Economy related issues**

#### • Context:

• The annual Article IV consultation report on India, which addresses crucial matters pertaining to the country's exchange rate management and debt sustainability, was recently released by the International Monetary Fund (IMF).

#### • What Projections Does the IMF Have Regarding India's Economic Prospects?

- Debt Sustainability: India's long-term debt sustainability has drawn attention from the IMF.
- According to the projection, in the worst-case scenario, India's total government debt (the combined debt of the Central and State governments) might reach 100% of GDP by the fiscal year 2028.
- Debt Management Challenges: The report emphasized the need for more responsible debt management techniques, stressing the critical need for funding to meet targets for mitigating climate change and boosting natural disaster resilience.
- The IMF's debt projections were disputed by the Indian Finance Ministry, which dismissed them as a worst-case scenario rather than an impending reality.
- The IMF reclassified India's de facto exchange rate regime from "floating" to "stabilized arrangement" for the months of December 2022 to October 2023.
- This reclassification takes into account observations regarding managed fluctuations in the value of the rupee as a result of RBI interventions.
- Stagnant Credit Ratings: India's sovereign investment ratings have been stagnant for a long time, despite the country being praised for having the fastest-growing major economy.
- Since 2006, rating agencies such as Fitch Ratings and S&P Global Ratings have kept India's credit rating at "BBB- with stable outlook," citing issues with the country's poor fiscal performance, heavy debt load, and low per capita income.

#### • What is the state of the world's debt?

- Rising Global Debt: Globally, public debt has surged dramatically, surpassing USD 92 trillion in 2022, a more than fourfold increase since 2000, outpacing the growth of global GDP.
- According to the UN, in 2022, 3.3 billion people live in countries that spend more on interest payments than on education or health.

- Developing countries accounted for almost 30% of the total, of which roughly 70% is attributable to China, India and Brazil, largely driven by diverse factors like the pandemic, cost-of-living crisis, and climate change.
- Debt Asymmetry Between Developed and Developing Nations: Developing countries, including those in Africa, contend with substantially higher borrowing costs compared to developed nations.
- This disparity in borrowing rates compromises debt sustainability for developing nations, leading to increased interest spending relative to public revenues.
- What is India's Current Debt Scenario?
- Government Current Debt Levels: The central government's debt stood at ₹155.6 trillion, approximately 57.1% of GDP by March 2023. Meanwhile, State governments carried a debt of about 28% of GDP.
- As stated by the Finance Ministry, India's public debt-to-GDP ratio is 81% in 2022-23. This, is way higher than the levels specified by the FRBM target.
- The 2018 amendment to the FRBM Act specified debt-GDP targets for the Centre, States and their combined accounts at 40%, 20% and 60%, respectively.
- Interlinked Factors Related to India's Rising Debt Levels:
- High Fiscal Deficit: The government consistently spends more than it earns, leading to the deficit being financed through borrowing. This deficit can arise due to:
- High Expenditure Commitments: Social welfare programs, subsidies, and defense spending significantly contribute to government outlays.
- Slow Revenue Growth: Tax reforms haven't sufficiently boosted revenue collection, creating a revenue-expenditure gap.
- Global Geopolitical Events: Events like the Russia- Ukraine war and rising commodity prices can lead to economic disruptions and higher import costs, forcing the government to borrow to maintain stability.
- Informal Economy and Tax Leakage: India's large informal economy poses challenges for efficient tax collection.
- Tax evasion and lack of formalization in sectors like agriculture and small businesses limit revenue generation, potentially forcing the government to rely on debt financing.
- Guarantees and Contingencies: Government guarantees for loans taken by public sector entities or contingent liabilities, like potential losses from public-private partnerships, substantially add to the debt indirectly.
- Exchange Rate Fluctuations: Fluctuations in exchange rates impact the cost of servicing foreign currency-denominated debt, potentially increasing the overall debt burden.

#### • Legislation for Debt Management in India:

- Fiscal Responsibility and Budget Management Act, 2003 (FRBM Act): FRBM Act is an Indian law enacted to bring financial discipline to the government's fiscal operations and to reduce the country's fiscal deficit.
- FRBMA aimed for specific debt-GDP targets for the Centre and States.
- However, disruptions induced by the pandemic contributed significantly to elevated debt-GDP ratios, surpassing the specified thresholds.
- Also, despite several years since its enactment, the Government of India has struggled to meet the FRBM Act targets.
- What Differentiates Floating Exchange Rate Dynamics from Stabilized Arrangement?
- Floating Exchange Rate:
- Market-Driven: Currency value is determined solely by supply and demand in the foreign exchange market, with minimal government intervention.
- High Volatility: The exchange rate can fluctuate significantly in response to economic news, events, or market sentiment.
- Promotes Flexibility: Businesses and individuals can adjust to changing economic conditions through market-determined exchange rates.

#### • Stabilized Arrangement:

- More Managed than Purely Floating: The government or central bank may intervene in the foreign exchange market occasionally to smooth out excessive volatility or maintain a target range for the currency.
- Moderate Volatility: Aiming for greater stability than a pure float, but still accepting some degree of fluctuation.
- Offers Predictability: Businesses and individuals can plan with a more stable exchange rate environment.
- IMF's Classification of Stabilised Arrangement:
- The IMF classifies an exchange rate regime as a stabilized arrangement when it determines that the exchange rate has not moved beyond a 2% band in 6 months and that this stability has resulted from market interventions rather than market conditions.

#### • What Measures can India Take for Sustainable Debt Management?

#### • Short Term: Fiscal Consolidation:

- Targeted Reforms: Streamlining subsidies, reforming public sector enterprises, and reducing administrative inefficiencies and strict adherence to FRBM Act targets can free up resources for debt repayment and productive investments.
- Improved Tax Efficiency: Strengthening tax administration and tackling tax evasion can significantly boost revenue without excessive borrowing.

#### • Long Term Growth-Oriented Strategies:

- Skill Development and Education: Investing in human capital through education and skill development programs enhances productivity and competitiveness, leading to higher economic growth and improved tax collection.
- Export Promotion: Diversifying export markets, incentivizing high-value exports, and addressing competitiveness challenges can boost foreign exchange earnings, potentially reducing the need for external debt.
- Source → The Hindu 2 - Resistance to Antimicrobials:

#### GS II

#### Health related issues

- Context:
- In the midst of mounting concerns about Antimicrobial Resistance (AMR), the National Center for Disease Control (NCDC) recently conducted a survey that revealed numerous important facts on the prescription and use of antibiotics in hospitals.

#### What are the Survey's Principal Findings?

#### **Antibiotic Use in Preventive Measures:**

Antibiotics were provided to more than half of the patients surveyed (55%) for prophylactic indications, or to prevent infections, as opposed to 45% for therapeutic purposes, or to treat infections.

#### **Patterns of Antibiotic Prescriptions:**

The majority of patients (94%) were receiving empirical therapy, which is based on the physician's clinical assessment of the most likely cause of the disease, while just a tiny percentage (6%) received prescriptions for antibiotics following a definitive diagnosis of the particular bacterium causing their sickness.

#### Absence of a precise diagnosis:

The fact that 94% of patients were prescribed antibiotics prior to a final medical diagnosis demonstrates how often antibiotics are prescribed without a clear understanding of the underlying • Differences Between Hospitals: etiology of the infection.

- The percentage of patients who received an antibiotic prescription varied greatly throughout the hospitals, from 37% to 100%.
- Eighty-five percent (86.5%) of the antibiotic prescriptions were given parenterally, meaning they were not taken orally.

#### AMR's causes:

The excessive and inappropriate use of antibiotics is one of the key factors contributing to the development of antibiotic resistance, according to the NCDC report.

#### Antimicrobial resistance (AMR): what is it?

- Any microorganism (bacteria, viruses, fungi, parasites, etc.) that develops resistance to antimicrobial medications (such as antibiotics, antifungals, antivirals, antimalarials, and anthelmintics) used to treat illnesses is said to have developed antimicrobial resistance.
- Consequently, common therapies lose their efficacy, infections linger, and they may spread to • other people.

- Drugs used to treat infections are becoming less effective due to a natural phenomena caused by the evolution of bacteria.
- Sometimes, microorganisms that become resistant to antibiotics are referred to as "superbugs."
- As one of the top 10 dangers to world health, AMR has been recognized by the World Health Organization (WHO).

#### • What Causes the Spread of Antimicrobial Resistance?

- High Prevalence of Communicable Diseases: There is a high prevalence of infectious diseases that need to be treated with antibiotics, including tuberculosis, diarrhea, respiratory infections, etc.
- Overworked Public Health System: This restricts the ability of laboratories to perform etiologybased diagnosis and therapy that is specifically targeted.
- Bad Infection Control Practices: Hospitals and clinics' inadequate hygiene contributes to the spread of resistant microorganisms.
- Adjudicious use includes inadequate antibiotic courses, overprescribing by physicians under patient pressure (often self-medication), and the unnecessary use of broad-spectrum antibiotics, which promotes the development of resistant bacteria.
- Easy Access: Self-medication and improper use of antibiotics are encouraged by their inexpensive and uncontrolled over-the-counter availability.
- Lack of Awareness: Misuse is encouraged by a lack of public knowledge about AMR and appropriate antibiotic use.
- Limited Surveillance: It is challenging to track and comprehend the extent of AMR in the absence of sufficient monitoring mechanisms.

#### • What Effects Does the Spread of Antibiotic Resistance Have?

#### • Impact on Healthcare:

• When it comes to treating bacterial infections, AMR can make medications that were once effective ineffective. This makes treating common ailments like skin infections, pneumonia, and UTIs more difficult and increases the risk of death as well as lengthening the duration of the illness and exacerbating symptoms.

#### • Rising Medical Expenses:

• In order to treat resistant infections, more costly and time-consuming therapies, longer hospital stays, and perhaps more intrusive surgeries are needed. Higher healthcare expenses result for people, healthcare institutions, and governments.

#### • Obstacles in Medical Practices:

• AMR increases the danger of some medical operations. The risk of infections that are resistant to common antibiotics increases with surgeries, cancer chemotherapy, and organ transplants.

#### • Restrictions on Available Treatments:

• The supply of potent antibiotics decreases as resistance increases. This lack of treatment alternatives could result in a situation where infections that were previously treatable turn into incurable diseases, taking medicine back to a time before antibiotics were developed, when ordinary infections could be fatal.

#### • What Steps Are Being Done to Address AMR?

- 2012 saw the launch of the National Program on AMR Containment. By constructing labs at State Medical College, this program has strengthened the AMR Surveillance Network.
- The National Action Plan on AMR was introduced in April 2017 with the goal of incorporating numerous ministries and departments that are stakeholders. It is centered on the One Health concept.
- The AMR Surveillance and Research Network (AMRSN) was established in 2013 with the goal of gathering data and identifying national trends and patterns in drug-resistant illnesses.
- AMR Research and International Collaboration: To enhance medical research in AMR, the Indian Council of Medical Research (ICMR) has taken the lead in forming international partnerships to create novel medications.
- A collaborative call for research on antibiotic resistance was launched in 2017 by the ICMR and the Research Council of Norway (RCN).
- A combined Indo-German partnership on AMR research is conducted by ICMR and the Federal Ministry of Education and Research (BMBF), Germany.
- Antibiotic Stewardship Program: To reduce the abuse and overuse of antibiotics in hospital wards and intensive care units (ICUs), the ICMR launched the Antibiotic Stewardship Program (AMSP) as a pilot study throughout India.
- Forty Fixed Dose Combinations (FDCs) have been prohibited by DCGI due to their inappropriateness.

#### • Worldwide Measures:

• World Antimicrobial Awareness Week (WAAW): Since 2015, WAAW has been an annual global effort to increase public awareness of antimicrobial resistance (AMR) and to promote best practices among the public, healthcare professionals, and policymakers to reduce the emergence and spread of drug-resistant diseases.

- The World Health Organization (WHO) established the Global Antimicrobial Resistance and Use Surveillance System (GLASS) in 2015 with the goal of addressing information gaps and guiding strategies across the board.
- GLASS was designed to gradually add data from antimicrobial medication use surveillance, human AMR surveillance, food chain AMR surveillance, and environmental AMR surveillance.
- Global Point Prevalence Survey Methodology: The World Health Organization (WHO) developed the global point prevalence survey methodology to better understand hospital prescribing practices and the variations in antibiotic use over time. This approach addresses the issue of inadequate data on the prescription and usage of antibiotics at the patient level.
- This methodology has been applied in relatively few Indian studies.
- Way Ahead:
- Campaigns for Public Education: Educate the public of AMR, its risks, and preventative measures. The media, community engagement initiatives, and educational resources in regional tongues can all help achieve this.
- Antibiotic Stewardship Programs: Establish initiatives in clinics and hospitals to monitor and maximize the use of antibiotics, making sure they are only administered when absolutely necessary and for the least amount of time possible.
- Control of Antibiotic Sales: Tighten laws governing the over-the-counter sale of antibiotics by mandating prescriptions for all antibiotics.
- Increase AMR Surveillance: To monitor the occurrence and spread of resistant bacteria in people, animals, and the environment, set up a national AMR surveillance system.
- Create New Technologies: Investigate how novel technologies, such phage therapy, might be used to solve AMR issues.
- Source  $\rightarrow$  The Hindu

#### 3 – Details of the Bilkis Bano Case:

#### GS II

#### Judiciary related issues

- Context:
- The Gujarat government's decision to award remission to eleven prisoners who were convicted of gangraping Bilkis Bano and killing seven of her family members during the 2002 state riots was recently overturned by the Supreme Court.

#### • What is the Bilkis Bano Case's History?

- Bilkis Bano, a pregnant lady at the time, was brutally gang-raped during the 2002 Gujarat riots, and a mob also slaughtered seven members of her family, including her three-year-old daughter.
- The case was probed by the Central Bureau of Investigation (CBI) after protracted judicial proceedings.
- After receiving death threats against Bilkis in 2004, the Supreme Court ordered the central government to designate a special public prosecutor and shifted the trial from Gujarat to Mumbai.
- The 2008 Mumbai court verdict that found 11 people guilty of gang rape and murder was a major step in the right direction for Bilkis Bano's legal case.
- But these 11 prisoners were freed in August 2022 after the Gujarati government awarded them remission. Due to questions about the jurisdiction and authority in charge of awarding these remissions, this judgment has generated controversy and legal challenges.
- What is the SC ruling that nullifies the remission grant from the Gujarat government?

#### • Absence of Power and Withheld Information:

- The Court stressed that the remission orders could not have been issued by the Gujarati government since it lacked jurisdiction or power.
- The state governments do have the authority to remit or postpone a sentence under Section 432 of the CrPC. However, the court pointed out that the law's Section 7(b) makes it quite plain that the appropriate government is the one to whom the offender is sentenced.
- It was made clear that the state where the offenders were convicted, not the location of the crime or the jail, should make the choice to grant remission.

#### • Disapproval of the Remission Procedure:

• The Court called attention to significant irregularities in the remission procedure, noting that the orders were obtained by deceitful means and did not receive due consideration, so amounting to fraud against the court.

#### • Excessive and Illegal Use of Authority:

• In its criticism of the Gujarat government's overreach, the Court claimed that in issuing remission orders, it had illegally used authority that legitimately belonged to the Maharashtra government.

#### • Instructions and Denial of Liberty Appeal:

• The Court ordered the prisoners to turn themselves in to the jail authorities within two weeks, rejecting their request to preserve their freedom.

#### • What is the Remission process?

- A sentence that ends completely at a reduced point is called a remission. Remission is different from both furlough and parole because it is a sentence reduction rather than a release from incarceration.
- Remission modifies the sentence's essence without altering its duration; that is, it eliminates the requirement to complete the remaining portion of the sentence.
- The result of the remission is that the prisoner is assigned a release date and becomes a free man according to the law on that day.
- However, if any of the terms of remission are broken, it will be revoked, and the offender will be required to serve the full amount of his original sentence.

#### • Articles of the Constitution:

- The Constitution grants the sovereign power of pardon to both the President and the Governor.
- The President may, in accordance with Article 72, pardon, reprieve, respite, or remit penalty, as well as suspend, remit, or commute a person's sentence.
- Anybody found guilty of any crime may do this in any situation where:
- All situations where the penalty or sentence is administered by a court-martial
- The penalty is imposed for violating any statute pertaining to the executive branch of the Union government, including death penalties.
- A governor may, in accordance with Article 161, pardon, reprieve, respite, or remit punishment, as well as suspend, remit, or commute the sentence.
- Anyone found guilty under any legislation on a subject falling under the executive branch of the government may do this.
- The President's pardoning authority under Article 72 is more expansive than the Governor's pardoning authority under Article 161.

#### • Statutory Remission Authority:

- Remission of prison terms, which allows for the cancellation of all or part of the sentence, is provided for by the Code of Criminal Procedure (CrPC).
- A sentence may be suspended or remitted in whole or in part, with or without restrictions, under Section 432 by the "appropriate government."
- Section 433 allows the relevant government to commute any sentence to a less severe one.
- State governments have the authority to use this power to order the release of inmates before their sentences are up.

#### • Famous Remission Cases:

#### • State of West Bengal v. Laxman Naskar (2000):

- In this instance, the SC outlined the following criteria that control the granting of remission:
- Whether the offense is a solitary criminal conduct that has no impact on society as a whole?
- Is there a possibility that criminal activity may occur again in the future?
- Does the convicted person no longer have the ability to commit crimes?
- Is there a good reason to keep this prisoner in confinement any longer?
- The family's socioeconomic status of the convicted person.
- State of AP v. Epuru Sudhakar (2006):
- The Supreme Court ruled that the following reasons qualify for judicial review of the remission order:
- lack of mental application;
- order is not genuine;
- order has been made based on superfluous or completely unimportant factors;
- pertinent materials that were disregarded;
- order is hampered by arbitrary behavior.
- A pardon totally releases the convicted party from all penalties, disqualifications, and sentences by removing both the conviction and the sentence.
- Commutation is the term used to describe the replacement of a harsh punishment with a less severe one. For instance, a death sentence could be reduced to a strict jail term.
- Respite refers to the imposition of a lighter sentence in lieu of the one that was initially imposed because of a particular circumstance, such as a convict's physical impairment or a woman offender's pregnancy.
- Reprieve: This refers to a brief halt in the execution of a sentence, particularly one that carries the death penalty. Its goal is to provide the offender enough time to ask the President for a pardon or commutation.
- Source  $\rightarrow$  The Hindu

#### 4 - Issues related to the Hit-and-Run Law:

#### **GS II**

### **Government Policies and Interventions**

#### **Context:**

- Recent demonstrations by commercial drivers and transporters in areas like West Bengal, Punjab, Maharashtra, and Chhattisgarh have brought attention to the controversial Section 106(2) of the Bharatiya Nyaya Sanhita, 2023 (BNS).
- The driving community is increasingly upset with this clause, which imposes harsh penalties for hit-and-run instances.
- Following the government's assurance that it will consult stakeholders prior to enacting a controversial law barring hit-and-runs, the nationwide truckers' strike was called off.
- Hit-and-Run Law: What Is It? Provisions:

#### **Provisions:**

- The Indian Penal Code, 1860, from the colonial era is slated to be replaced with the Bharatiya Nyaya Sanhita (BNS), which includes the hit-and-run clause.
- According to Section 106(2) of the BNS, 2023, leaving the scene of an accident without reporting it to a police officer or magistrate carries a fine and a maximum sentence of 10 years in jail.
- But rather than being charged under Section 106(2), the driver will be charged under Section 106(1) if they report the occurrence as soon as possible after the collision. Section 106(1)stipulates that any careless or reckless act that results in death but does not constitute criminal homicide may result in a maximum five-year sentence.
- The new regulation is being implemented against the backdrop of alarming traffic accident statistics in India.
- Over 1.68 lakh road crash deaths occurred in India in 2022, with an average of 462 deaths each day.
- In contrast to a 5% decline in road crash mortality worldwide, India saw a 12% increase in accidents and a 9.4% increase in fatalities.
- In India, traffic accidents claim the lives of 19 people each hour on average, or nearly one person • every three and a half minutes.

- Less than 5% of the entire road network consists of national and state highways, where more than half of all traffic deaths occur.
- With only 1% of all automobiles worldwide, India accounts for 10% of crash-related deaths and loses between 5 and 7% of its GDP annually as a result of traffic accidents.

#### • Fundamental Idea of the Law:

- 50,815 persons lost their lives as a result of 47,806 hit-and-run events that were reported to the National Crime Records Bureau in 2022.
- It is legally required of offenders to report traffic accidents to the police or magistrate, and failure to do so may result in criminal penalties.
- The goal of Section 106(2) of the hit-and-run law is to punish individuals who depart the scene without reporting or assisting the victims and to discourage reckless and irresponsible driving.
- The legislative goal to impose moral responsibility on the criminal towards the victim is reflected in the statute.
- By drawing comparisons to current legislation, such as Section 134 of the Motor Vehicles Act, 1988, the government demonstrates its commitment to requiring drivers to respond to incidents promptly and responsibly.
- According to Section 134 of the Motor Vehicles Act of 1988, the driver of the vehicle must make every effort to get the injured person medical assistance, unless there is an impassable reason, such as mob rage, that prevents him from doing so.
- Transporters and commercial drivers are requesting that Section 106(2) of the BNS, 2023 be removed or changed.
- The stipulated punishments, which include a Rs. 7 lakh fine and a 10-year prison sentence, are deemed unduly harsh by protestors.
- The widely held belief that leaving the scene of an accident without reporting it to a police officer or magistrate might result in up to 10 years in prison and a fine of Rs. 7 lakh, as stated in Section 106 (2) of the BNS, is blatantly false.
- Although this Section talks about a fine and a maximum sentence of ten years, the BNS makes no reference of the fine being Rs seven lakh.
- Compensation for victims of hit-and-run accidents is provided under Section 161 of the Motor Vehicles (Amendment) Act, 2019.
- For fatalities, compensation is Rs 2 lakh; for severe injuries, it is Rs 50,000. In contrast to Section 106(2) of BNS, the drivers are not liable for the compensation in this instance.
- Demanding Circumstances:
- They contend that the fine is exorbitant and ignores the terrible working conditions faced by drivers, such as long hours and treacherous roads.
- Transporters further contend that non-driver-related variables, such as fog-related poor vision and drivers' fear of being attacked by mobs if they stop to help at accident scenes, may contribute to accidents.

• Following an accident, drivers' decision-making process is further complicated by their fear of violence.

#### • Accused of Unfair Blame:

- Drivers contend that, regardless of the true circumstances, they are frequently unfairly held responsible for accidents.
- The harsh approach of the legislation can increase this sense of injustice and have a detrimental effect on the transportation sector.

#### • Potential Abuse by the Government:

- They worry that the severe fines could harm the transportation sector as a whole and that law enforcement may misuse the law.
- Inequitable Handling and Restricted Classification:
- Concerns regarding the fairness of the fines placed on truck drivers and individual vehicle drivers are raised under the current regulations.
- For example, under BNS 106 (1), doctors are exempt from penalties for reckless or careless acts; otherwise, they face a two-year sentence and a fine.
- This narrow classification is problematic and goes against the equality principles since it fails to lessen the culpability of a diverse range of workers in other areas.

#### • Insufficient Distinction:

- There is no distinction made in Section 106(2) between driving recklessly and driving recklessly, which are two independent offenses with varying degrees of culpability.
- They also argue that the provision fails to take into account other relevant variables that may influence the driver's liability, such as other similar circumstances, road conditions, commuter behavior, and lighting on the road.
- If a single rule is applied to every scenario, drivers may be unfairly discriminated against in certain instances.

#### • Way Ahead:

- Start thorough stakeholder engagements to address issues and gather different viewpoints, paying particular attention to drivers and transport associations.
- Provide an unambiguous and uniform emergency response protocol that stresses the need for timely reporting without putting drivers in danger of violence.
- The existing BNS Section 106(2) hit-and-run statute does not distinguish between various accident types and results.

- The legislation ought to be categorized according to several liability scales, such as death, severe harm, small harm, or simple harm, and the penalty ought to be appropriate for the offense.
- The legislation should also make clear how reports should be filed and what documentation drivers must provide to prove their innocence or provide mitigating circumstances.
- Minor injuries from traffic accidents should not be treated as crimes; instead, other sanctions such community service, license suspension, or required driving retests should be used.
- To lessen the chance of hit-and-run occurrences and to ameliorate accidents, make investments in safety features, visibility enhancements, and enhanced road infrastructure.
- Examine and apply effective models and best practices from other nations that have hit-and-run laws in place, making necessary adaptations to the Indian context.
- Source → The Hindu

