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TATHASTU

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How to reap the Dividend?

Background:

- The editorial focuses on Demographic Dividend, its benefits, challenges in reaping the Demographic dividend and some of the Government initiatives taken.
- The topic forms an important part of the examination and having necessary data and clarity around it is important.

What is Demographic Dividend?

- Demographic dividend is the **economic growth potential** that can result **from shifts in a population's age structure**.
- It occurs when the proportion of working people in the total population is high because this indicates that more people have the potential to be productive and contribute to growth of the economy.
- **India's average age is 29 years**, whereas the average age in US, China, France, Germany and Japan is 38, 38, 42, 45 and 48 years, respectively.
- India is in a phase where its **working-age population** is rising and the **old-age dependency ratio** is coming down. For example, India's old-age dependency ratio will reach 37 per cent in 2075, whereas the same will be 55.8 per cent in France, 75.3 per cent in Japan, 49.3 per cent in the US.
- India is the youngest among the most populous countries in the world.

What are the benefits of Demographic Dividend?

- **Increase in Economic growth rate** – More people part of productive workforce, more economic activities, higher working-age population and reduced spending on dependent population.
- **Increase in labour force** – more input for labour force, increased competitiveness, can help in bridging manpower shortage.
- **Increase in savings and investment** - Demographic dividends can create an incentive for the working population **to save more for their future retirement**, which can increase the **domestic savings and investment rates**. These savings and investments can be used to stimulate the economy and finance various development projects.
- **Increase in human capital** - Demographic dividend can enable **higher investment per child in terms of education, health and nutrition**, which can enhance the human capital, skills and well-being of the future workforce. This can also improve the quality of life and social outcomes for the population.

What are the challenges of Demographic Dividend in India?

- **Asymmetric Demography** – Growth in the working age group is likely to be concentrated in some of India's poorest states. So, to reap rewards of Demographic dividends these states should have potential to create jobs, Human Resources and financial resources.
- **Lack of employability** – According to **Skills India Report 2021**, only **45.9%** of graduates in India are employable.
- **Huge Skill Gap** – The same report states that **only 5% of workforce is formally skilled** in India. US – 52%, Japan 80%.
- **Gender inequality** - India has one of the **lowest female labour force participation rates** in the world, at **23.3% (latest data)**. This means that a large section of the potential working-age population is not contributing to the economy.
- **Poor performance in Human Development Indicators** – HDI – 130th rank/189 countries. India also lags behind in key nutrition indicators!
- **Rising unemployment**
- **93%** of employment in India is absorbed by the unorganized sector, where workers are employed in underpaid jobs. Thus, there is need to upscale many employees in unorganized sector.

How can India reap its Demographic Dividend?

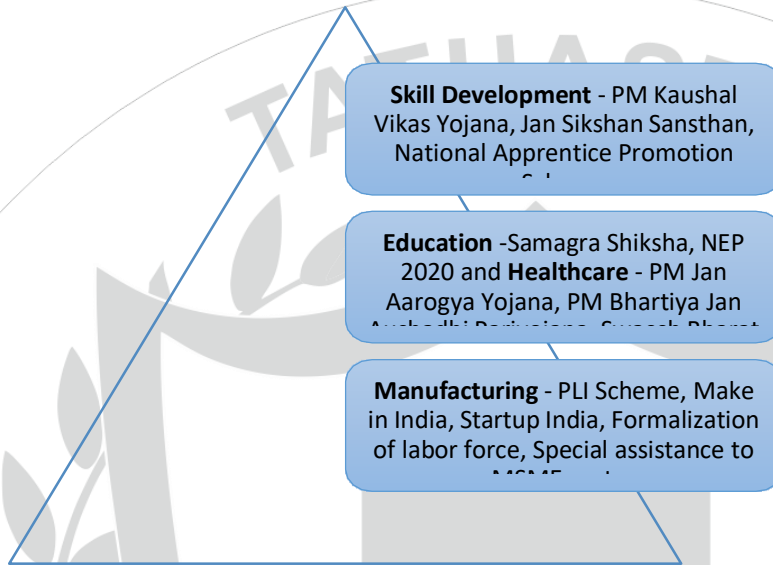
- To create better opportunities for existing labour force and new entrant into the labour market improving their productivity. **Focus on skilling, re-skilling and up-skilling** of labour force.
- **Need to shift** major chunk of the **45.5% of the labour force** engaged in agriculture with low and negligible labour productivity to **more labour-intensive and productive manufacturing industries** such

as textiles, toys, footwear and auto components etc.

- Focus on quality education and health facilities is equally important.
- Address barriers that prevent entry of women in workforce, address issues that limit women's potential.

What are the government initiatives to reap benefits of Demographic Dividends?

The Government has focused significantly in areas such as Health, education, skill development, infrastructure development, labour laws etc.



Conclusion

- According to the **Economic Survey 2018-19**, India's demographic dividend **will peak around 2041**, when the share of working-age (20-59 years) population is expected to hit 59%. Thus, it is important to focus on labour-intensive manufacturing and subsequent structural transformation just like countries like China, Japan, and South Korea did and sustained an almost 10% annual average growth rate.

Sarpanch Pati

News: Recently, The SC of India has stated that the onus handling issue pertaining the infamous practice of Sarpanch Pati where men wield power behind elected women in grassroots politics needs to be addressed by the political class and not the judiciary.

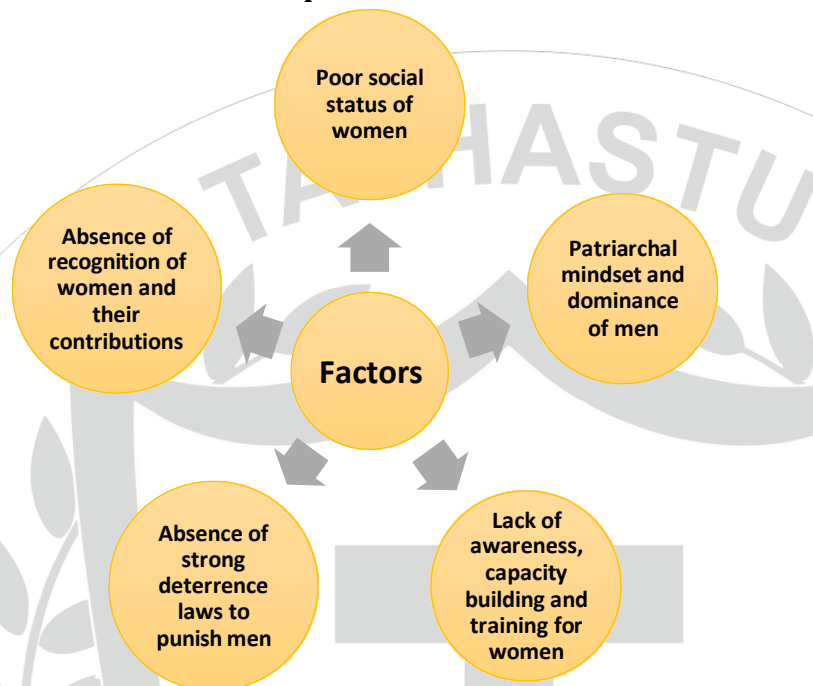
What is Sarpanch Pati?

- Sarpanch Pati is a term used to describe the phenomenon of men who exercise power and authority in local self-governance bodies by making their wives contest from constituencies reserved for women under the Constitution 73rd Amendment Act. This act guarantees 33% reservation for women to promote their political participation in Panchayati Raj Institutions.
- In April 2015, **Prime Minister Narendra Modi** spoke about **ending the Sarpanch Pati culture** and **urged women sarpanchs** to assert their rights and responsibilities. He also praised the contribution of women to the functioning of panchayats and said that they had shown more honesty and concern for development than men.
- **In March 2021**, a man named Rajesh took oath as the sarpanch of Hanukhedi village in Shajapur district of



Madhya Pradesh in place of his wife Sunita, who was elected from a seat reserved for women. The secretary who administered the oath was suspended and the process to act against the husband was initiated.

What are the causative factors for this phenomenon?



Impact of this phenomenon:

- Undermining of women's rights and empowerment
- Violation of the spirit and purpose of the constitutional amendment
- Deprivation of women's voice and representation in decision-making
- Loss of accountability and transparency in governance
- Hindrance to the development and welfare of the community

The Digital Personal Data Protection Bill, 2022

News: The draft of The Digital Personal Data Protection Bill, 2022 is expected to be tabled in Parliament's monsoon session.

Background:

- Official details of the bill will be known only once the Bill is introduced in the parliament but it is said that some of the contentious provisions have been retained from the earlier drafts.
- The Supreme Court had already held Privacy to be a Fundamental Right in the *KS Puttaswamy* judgement.

What is the significance of Privacy law?

- **The Digital Personal Data Protection Bill, 2022**, is a crucial pillar of the overarching framework of technology regulations which also includes the **Digital India Bill** — the proposed successor to the Information Technology Act, 2000, the **draft Indian Telecommunication Bill, 2022**, and a **policy for non-personal data governance**.
- The proposed law will apply to processing of digital personal data within India; and to data processing outside the country if it is done for offering goods or services, or for profiling individuals in India.
- It requires entities that collect personal data — called data fiduciaries — to maintain the accuracy of data, keep data secure, and delete data once their purpose has been met.
- The highest penalty — to be levied for failing to prevent a data breach — has been prescribed at Rs 250 crore per instance, it is learnt.

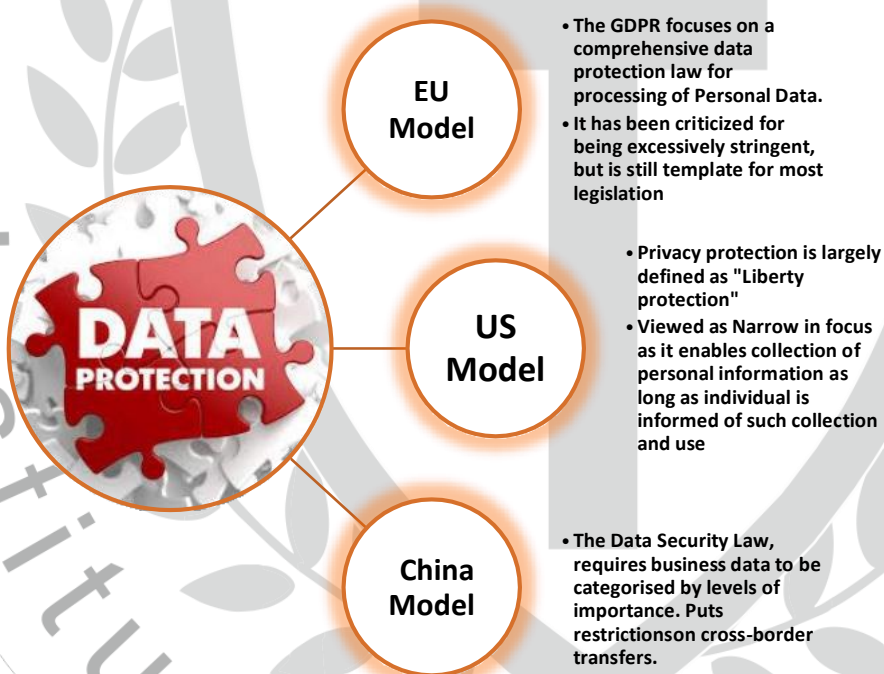
What are concerns around the Draft Bill?

- Wide-ranging exemptions for the central government and its agencies have been retained.
- For example, the central government can exempt “**any instrumentality of the state**” from adhering to the provisions on account of **national security, relations with foreign governments, and maintenance of public order** among other things.
- The role of central government in appointing members of **Data Protection Board**.
- There is also concern that the law could **dilute the Right to Information (RTI) Act**, as personal data of government functionaries is likely to be protected under it, making it difficult to be shared with an RTI applicant.

What changes are likely?

- A key change in the final draft is learnt to have been made in the way it deals with **cross-border data flows to international jurisdictions** — moving from a ‘**whitelisting**’ approach to a ‘**blacklisting**’ mechanism.
- Whitelist – Jurisdictions where data transfer would be allowed.
- A provision on “**deemed consent**” in the previous draft could also be reworded to make it stricter for private entities, while allowing government departments to assume consent while processing personal data on grounds of national security and public interest.

How does India’s proposal compare with other countries?



Facts for Prelims

Farmers Distress Index

News: Central Research Institute for Dryland Agriculture (CRIDA), an institution under the Indian Council of Agricultural Research (ICAR) has developed an early warning system called 'farmers distress index'.

What is Farmers Distress Index?

- The Farmers Distress Index is a tool that measures the level of hardship and suffering faced by farmers due to various factors such as climate change, crop failure, price volatility, and income loss.
- It is developed by the Central Research Institute for Dryland Agriculture (CRIDA), an institution under the Indian Council of Agricultural Research (ICAR).
- The index is based on a survey of farmers using 21 questions that cover seven indicators of distress, such as exposure to droughts, floods, pest attacks, debt, adaptive capacity, triggers for immediate distress, and socio-psychological factors.
- The index will help in identifying the degree of distress in different regions and providing timely preventive measures and support packages for farmers in need. The index is currently being worked out in the form of a mobile or desktop application.

How is the index calculated?

- The index is calculated by assigning weights to the seven indicators of distress based on their relative importance and aggregating them to form a composite score for each farmer and sub-district.
- The index ranges from 0 to 1, where 0 indicates no distress and 1 indicates extreme distress.

Exercise SALVEX

News: The Indian Navy and the US Navy recently collaborated for the seventh edition of the IN-USN Salvage and Explosive Ordnance Disposal (EOD) exercise, known as SALVEX.

What is SALVEX?

- Exercise Salvex is a biennial, bilateral maritime exercise between the Indian Navy (IN) and the United States Navy (USN) that focuses on salvage and explosive ordnance disposal (EOD) operations.
- The exercise is designed to enhance interoperability between the two navies and to share best practices in the field of salvage and EOD.
- The exercise features the participation of ships, such as INS Nireekshak and USNS Salvor, as well as specialist diving and EOD teams from both navies.

Places in News

Zanzibar

News: Recently, Zanzibar has been in the news for hosting the first overseas campus of the Indian Institute of Technology (IIT), which will be set up under the name of IIT Madras at Zanzibar.

About:

- Zanzibar is an insular **semi-autonomous province of Tanzania**, located in the Indian Ocean off the coast of the African mainland.
- It consists of many small islands and two large ones - **Unguja** (the main island, referred to informally as Zanzibar) and **Pemba Island**.
- Its historic centre, **Stone Town**, is a World Heritage Site.
- Zanzibar has also received praise for its **Kiduthani project**, which will provide **drinking water to 30,000 households in rural areas with the help of India's development assistance**. (remember the name of the project)

