

INDIA HAS BECOME THE FIFTH LARGEST ECONOMY IN THE WORLD

Context

- In the 75th year of our Independence, India has overtaken Britain to become the **fifth largest** economy in the world, i.e. India \$3.5 trillion vs the UK \$3.2 trillion.
- The latest change in rankings is based on **quarterly GDP numbers** in current dollars for the period ending December 2021. India increased its lead over the UK in the quarter ending March, IMF data shows.
- The article analyses the path of the Indian economy and examines growth over a three-year period from 2019 to 2022 for the April-June quarter.

Background

- The government data released recently showed that **India's GDP grew at 13.5 per cent** during the **Q1 FY23**, the fastest in the last four quarters.
- India's GDP growth is 2.8 times higher than the average GDP growth and is now behind the **US, China, Japan** and **Germany** in terms of economy.
- Among all major economies, **India's growth at 3.83% in the three-year period is highest** followed by US 3.78%, Canada 2.58%, UK 1.06%, France 0.68%, Italy 0.21%, Germany 0.11% and Japan -1.27%.
- A decade back, India was ranked 11th among the large economies while the UK was at the fifth position. The Indian economy is also registering a growth of 7 per cent, while the UK economy is growing at less than 1 per cent.

Three engines of growth

- **Consumption, investment** and **exports**, which represent the three key engines of the economy, have **all grown strongly** at about 26%, 20% and 15% respectively over the last year.
- **Collective picture:** These three key engines have grown at about 22% over the last year and 9% over a three-year period.

- **Individual outlook:** Over a **three-year period**, consumption and exports have grown at about 9% and 20% respectively.
- **Lag in investment:** The **investment** on the other hand, has grown **at only 3.6%** over the three-year period.
 - This is due to the fact that private investment is impacted far more by the **economic uncertainty** engendered by the **Covid-19 crisis** and the **Ukraine war** than any other component of GDP.
 - However, the growth in investment of 20% over last year signals that investors are now comfortable to start investing.

Way forward

- **Boosting capital expenditure:** The budgeted capital expenditure must be front-loaded since the **multiplier effect** of capital expenditure is **much higher** and such expenditure does **not lead to higher inflation**. Thus its beneficial effects add to the improving strength of the economy.
- **Insignificant fears:** Historically, India has faced a macroeconomic crisis only when faced with a triple whammy, a **high Current Account Deficit (CAD) to GDP ratio**- one greater than 2.5%, combined with **double digit inflation** and very **high fiscal deficit**.
 - However, with **inflation moderating** and tax revenues looking comfortable to avoid any escalation in the fiscal deficit, any worries of impending macro-instability due to high CAD are overblown.
- **New reforms:** Implementing the rules for **labour law reforms** would significantly help the growth of **manufacturing** sectors, and privatisation would add to economic efficiency.
- **Sensitive fiscal policy:** Owing to economies across the world still emerging out of the Covid-19 shock, fiscal policy must continue to be supportive of growth.
- The measures announced as part of **Atmanirbhar Bharat policy** must also be seen through to completion. The policy focus on growth that has helped India emerge as the fifth largest economy must continue.

Delhi's iconic Rajpath – stretching from Rashtrapati Bhavan to India Gate – is all set to be renamed Kartavya Path (Path of Duty), with Prime Minister Narendra Modi inaugurating the revamped Central Vista Avenue on Thursday September 8.



About:

- The avenue is part of the larger Central Vista project, where a new triangular Parliament Building, along with the Central Secretariat and several other Government offices are being rebuilt.
- Called Kingsway during British rule, it was built as a ceremonial boulevard by Edwin Lutyens and Herbert Baker, the architects of New Delhi, in around 1920.
- Running from Rashtrapati Bhavan on Raisina Hill through Vijay Chowk and India Gate, the avenue is lined on both sides by huge lawns, canals and rows of trees.
- Following the independence of India, the road was given its Hindi name of 'Rajpath' in place of its English designation. This represented a mere translation than a renaming since 'Rajpath' in Hindi broadly means king's way.
- The construction work for the Central Vista Redevelopment Project started in February 2021, with the new Parliament building and redevelopment of central vista avenue as its first phase.

[WITHDRAW SECTION 66A CASES IN 3 WEEKS: SC](#)

In News:

- Recently, the SC directed state chief secretaries to take back cases registered under the repealed Section 66A of the Information Technology Act within three weeks.
- According to an SC bench, led by the Chief Justice of India (CJI), cases are still being registered under the dead Section.
- In 2015, calling freedom of thought and speech cardinal, the SC had repealed this Section under which a person posting obscene online content could be imprisoned for up to 3 years and fined.

Section 66A of the Information Technology (IT) Act, 2000:



- Section 66A, added in 2008 by amending the IT Act, granted the government the authority to arrest and imprison someone for allegedly "offensive and intimidating" online (through a computer, a

mobile phone or a tablet) posts.

- It gave police the authority to make arrests, as the police had to determine whether the information communicated in the message was objectionable or not.
- To be booked under Section 66A, the information in the message had to be:
 - Grossly offensive
 - False and meant for the purpose of causing annoyance, inconvenience, danger, obstruction, insult, injury, criminal intimidation, enmity, hatred or ill will
 - Meant to deceive or mislead the recipient about the origin of such messages
- The crime was punishable with 3-year jail and fine.

Criticism of the law:

- The issue was ambiguity about what was "offensive," as the word was open to numerous interpretations.
 - Eg., what appeared to be harmless to one person could result in a complaint from another.
 - As a result, based on their subjective discretion, the police can make arrests.
- The first petition (filed by Shreya Singhal) was filed in the SC in response to the arrest of two females in Maharashtra (in 2012) for a Facebook post criticising Mumbai's shutdown for Shiv Sena chief's funeral.

- Then, several more petitioners (including activist Aseem Trivedi, arrested for making cartoons criticising Parliament and the Constitution to highlight their ineffectiveness) approached the SC over the government agencies' misuse of Section 66A.

The SC's verdict:

- **Grounds on which Section 66A was challenged:**

- The 2008 amendment's goal was to limit the misuse of information technology, particularly social media.
- However, the majority of the terms used in the Section had not been clearly defined, allowing for arbitrary interpretations by law enforcement agencies.
- As a result, the law could be used to silence legitimate free speech online and to limit the freedom of speech and expression.

- **Shreya Singhal v. Union of India (2015):**

- The apex court declared Section 66A **unconstitutional** for being **violative of Article 19(1)(a)** (and Article 21 - Right to life and personal liberty) and not saved under Article 19(2).
 - Article 19(1)(a) gives people the right to speech and expression.
 - 19(2) accords the state the power to impose “reasonable restrictions” on the exercise of this right.
- Section 66A is so broad that it would embrace almost any opinion on any subject. If it passes the legality test, it will have a total limiting impact on free expression.
- The verdict was seen as a watershed moment in the legal fight against state infringement on free speech and expression.

- **After-effects of the verdict:**

- The continuous use of Section 66A resurfaced in 2019 when the People's Union for Civil Liberties (PUCL) petitioned the SC, citing a report by the Internet Freedom Foundation that showed the defunct law was still being used by police across India.
- According to the petition, there was a significant communication gap between the SC order and the ground level police personnel.
- The petitioners claimed that even lower court judges were unaware of the significant SC decision.

- The Supreme Court dubbed it a shocking state of affairs, and the Centre responded by reminding all states and union territories to bury the law that died six years ago.

INDIA-BANGLADESH TRADE

Following a meeting with the visiting Prime Minister of Bangladesh Sheikh Hasina, Prime Minister Narendra Modi said India and Bangladesh will soon commence negotiations on a Bilateral Comprehensive Economic Partnership Agreement (CEPA).



About:

- In 2021-22, Bangladesh has emerged as the largest trade partner for India in South Asia and the fourth largest destination for Indian exports worldwide. Exports to Bangladesh grew more than 66 per cent from \$9.69 billion in FY 2020-21 to \$16.15 billion in FY 2021-22.
- India is Bangladesh's second biggest trade partner, and its largest export market in Asia. Despite Covid-19 related disruptions, bilateral trade grew at an unprecedented rate of almost 44 per cent from \$10.78 billion in 2020-21 to \$18.13 billion in 2021-22.
- India's main exports to Bangladesh are raw cotton, non-retail pure cotton yarn, and electricity, and its main imports from the country are pure vegetable oils, non-knit men's suits, and textile scraps.

CYBER SECURITY

India's National Security Council Secretariat (NSCS) and the UK Government in collaboration with BAE Systems successfully designed and conducted the Cyber Security Exercise for 26 Countries.



About:

- The exercise has been conducted as part of the International Counter Ransomware Initiative- Resilience Working Group which is being led

by India under the leadership of National Cyber Security Coordinator (NCSC).

- The theme of the exercise is based on Energy Sector in which the respective National Cyber Crisis Management Teams of the CRI Partner Nations will have to deal with a ransomware attack on multiple electricity distribution companies.
- The aim to organise this virtual Cyber Exercise on Ransomware Resilience is to simulate a large, wide-spread cyber security incident affecting organisations within a country.
- National Cyber Security Coordinator (NCSC) under National Security Council Secretariat (NSCS) coordinates with different agencies at the national level for cyber security matters.

CLIMATE REPARATION

Facing the worst flooding disaster in its history, Pakistan has begun demanding reparations, or compensation, from the rich countries that are mainly responsible for causing climate change.



About:

- The demand for compensation for loss and damage from climate disasters is an extension of the universally acknowledged “Polluter Pays” principle that makes the polluter liable for paying not just for the cost of remedial action, but also for compensating the victims of environmental damage caused by their actions.
- In the climate change framework, the burden of responsibility falls on those rich countries that have contributed most of the greenhouse gas emissions since 1850, generally considered to be the beginning of the industrial age.
- Historical responsibility is important because carbon dioxide remains in the atmosphere for hundreds of years, and it is the cumulative accumulation of this carbon dioxide that causes global warming. A country like India, currently the third largest emitter, accounts for only 3% of historical emissions. China, which is the world’s biggest emitter for over 15 years now, has contributed about 11% to total emissions since 1850.

- The Warsaw International Mechanism (WIM) for Loss and Damages, set up in 2013, was the first formal acknowledgment of the need to compensate developing countries struck by climate disasters.
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SC ASKS CENTRE, STATES TO ALLAY (Diminish / Put at rest) EWS QUOTA CONCERNS

In News:

- Recently, a five-judge constitution bench of the Supreme Court decided to go ahead with the hearing of batch of petitions challenging 10 per cent reservation for Economically Weaker Sections (EWS) amongst the general category of population introduced in 2019.

Background:

- EWS reservation was granted based on the recommendations of a commission headed by **Major General (retd) S R Sinho**.
- The Commission for Economically Backward Classes was constituted by the then Union government in 2005, and submitted its report in 2010.
- To implement this, a Cabinet Note was prepared by the Ministry of Social Justice and Empowerment in 2019.
- Based on this, the Cabinet, in 2019, decided to amend the Constitution (103rd Amendment) to provide reservation to EWS.

About EWS Reservations:

- The **103rd Constitutional Amendment Act, 2019** added Clause (6) to **Article 15** of the Constitution.
- Under this clause, the government was provided with the authority to make special provisions for the EWS among citizens who are not already eligible for reservation.
- The Act allows up to 10 per cent reservation in public and private educational institutions, whether aided or unaided, with the exception of minority-run institutions.

- The Act also added Clause (6) to **Article 16** of the Constitution to make employment reservations easier.
- Article 16 of the Indian Constitution guarantees equal opportunity to all citizens in matters related to employment in the public sector.
- It was enacted to promote the welfare of the poor not covered by the 50% reservation policy for Scheduled Castes (SCs), Scheduled Tribes (STs) and Other Backward Classes (OBCs).
- The Act states unequivocally that the EWS reservation will be added to the existing reservation.

Eligibility Criteria:

- Candidate's annual family income must be less than Rs. 8 lakhs per annum,
- Their family must not own more than 5 acres of agriculture land,
- The residential flat area should be below 1000 sq. ft.,
- The residential plot's area should be below 100 square yards if in a notified municipality sector,
- The residential plot's area should be below 200 square yards if in a non-notified municipality sector.

Which institutions are covered?

- EWS certificate can be used to avail the 10% reservation for the GEN-Economically Weaker Section in higher education and government jobs all over India.

News Summary:

- A five-judge constitution bench, comprising the Chief Justice of India, has tentatively earmarked five-days for the hearing of a batch of petitions challenging the EWS reservation.
- The Supreme Court has raised the question of whether the amendment breached the Basic Structure of the Constitution in excluding the SEBCs/OBCs/SCs/STs from the scope of EWS reservation.
- It will also look into the issue of the 10% EWS quota infringing the 50% ceiling limit for reservation.