

- **First**, the **Structural separations of the big techs**: By breaking big tech's companies into many smaller ones. This will reduce their undue influence over the digital market space.
- **Second**, to **prohibit mergers and acquisitions**: putting a "presumptive prohibition" against big tech companies.
- **Third**, **companies should be prohibited** from operating in an "**adjacent line of business**".

Considering the size of the Indian economy which is in the top five Economies of the World, controlling Big Tech is the key to ensure fair competition. The need of the hour is the passage of the Personal Data Protection Bill along with the incorporation of the recommendations of the Competition Law Review Committee and exploring the possibility of implementing the US House of Representatives panel's report.

Strategic Disinvestment Policy: Issues and Challenges – Explained

COVID-19 pandemic has hit the Indian economy very hard. At once, due to lockdowns, Indian economy was dried out of funds. Economic activities got reduced drastically. At present, the Indian economy is in urgent need of a revenue stream so that all activities can go back to normal.

Government expenditure was expected to help the economy out, just like it did during the 2008 financial crisis. However, all these factors have also reduced the revenue and capital receipts of the government.

Now, the government has announced a large-scale monetization of government sector assets. It includes the sale of vast tracts of land and disinvestment receipts of ₹1.75-lakh crore.

Government Policy for strategic disinvestment

During Union Budget 2020-21 presentation, Government announced a new **policy** for **strategic disinvestment** of public sector enterprises. It will provide a clear roadmap for disinvestment in all non-strategic and strategic sectors. The government has aimed to receive **Rs. 1,75,000 crore from disinvestment** in BE 2020-21.

1. The policy will cover existing Central Public Sector Enterprises (CPSEs), Public Sector Banks, and Public Sector Insurance Companies.
2. The government has classified the public sector under 2 categories: 1. Strategic Sector and 2. Non- strategic sector.
3. In Non-strategic sectors, the government will exit from all businesses. It will keep only a 'bare minimum' presence in four broad strategic sectors, i.e.
 1. Atomic energy, Space and Defence
 2. Transport and Telecommunications
 3. Power, Petroleum, Coal, and other minerals
 4. Banking, Insurance, and financial services
4. The government will incentivize States for disinvestment of their Public Sector Companies. An **incentive package** of **Central Funds** for states will encourage them to do so.

The new disinvestment policy goes further than the past case-by-case approach and straight away allows the sale or closure of nearly 151 PSUs (83 holding companies and 68 subsidiaries) in non-strategic sectors.

Other than that, Government will monetize the surplus land with Government Ministries/Departments and Public Sector Enterprises. A **Special Purpose Vehicle** will be created in the form of a **company** to carry out **monetization**.

What is Disinvestment?

- **Disinvestment means** the sale or liquidation of assets by the government. It usually consists of Central and state public sector enterprises, projects, or other fixed assets.
- The **government undertakes disinvestment to** reduce the fiscal burden on the exchequer. It raises money for meeting specific needs, such as to bridge the revenue shortfall from other regular sources.
- **Strategic disinvestment is** the transfer of the ownership and control of a public sector entity to some other entity (mostly to a private sector entity).
- The disinvestment commission defines strategic sale as **the sale of a substantial portion i.e. 50%**, or higher percentage **of the Government shareholding** in a central public sector enterprise (CPSE). It also involves a transfer of management control.
- **National Investment Fund (NIF)** was constituted in November 2005. In this fund, the proceeds from the disinvestment of Central Public Sector Enterprises were to be channelized.

Need of disinvestment

1. Under the aegis of the Atmanirbhar Bharat Mission, the rationalization of the participation of the CPSEs in commercial activities has been proposed.
2. As per the experts, the involvement of the government should only be limited to 'strategic sectors'. So that it can develop these crucial sectors of the economy with its full energy.
3. This will encourage healthy competition in the non-strategic corporate sector. It will lead to an increase in their efficiency under the pressure of competition.
4. Selling the non-productive companies will provide the government with non-debt revenue in this time of fund crunch. Moreover, it will increase the efficiency of the government investments in the Public sector.

Performance of disinvestment in the recent scenario:

- According to the Department of Investment and Public Asset Management (DIPAM), between 2004-05 to 2013-14, disinvestment raised Rs. 1.07 lakh crore, on an average yearly collection of Rs. 10,700 crores.
- However, from 2014-15 to 2017-18, the collection went up to Rs. 2.12 lakh crore, i.e., a yearly collection of Rs. 53,000 crores.
- The government has exceeded the target of Rs. 1 lakh crore in 2017-18 and Rs. 80,000 crores in 2018-19.
- The success of **BHARAT-22 Exchange Traded Funds (ETF)** takes government closer to the disinvestment target. The ETF is a benchmark to an index named BHARAT22 consisting of 22 companies (19 PSEs and 3 private).
- However, in 2020-21 due to the COVID-19 pandemic, the disinvestment process was hindered in between. It could only gather disinvestment revenues of Rs 31,000 crore against a target of Rs 2.1 lakh crore.

Challenges of disinvestment policy:

First, the Sale of profit-making and dividend-paying PSUs would result in the **loss of regular income to the Government**. It has become just a resource raising exercise by the government. There is no emphasize on reforming PSUs.

Second, the valuation of shares has been affected by the government's decision not to reduce government holdings below 51 percent. With the continuing majority ownership of the government, the public enterprises would continue to operate with the earlier culture of inefficiency.

Third, Government is **not willing to give up its control** even after strategic disinvestment. It is evident from the budget speech of 2019-20 by the Finance Minister. She stated that government is willing to change the extant policy of government. It will change the policy of "directly" holding 51 percent or above in a CPSU to one whereby it's total holding, "direct" plus "indirect", is maintained at 51 percent. It means government will still exercise its control over PSUs.

Fourth, The process of disinvestment is **suffering from bureaucratic control**. Almost all processes starting from conception to the selection of bidders are suffering due to it. Moreover, bureaucrats are reluctant to take timely decisions in the fear of prosecution after retirement.

Fifth, Strategic Disinvestment of Oil PSUs is seen by some experts as a threat to **National Security**. Oil is a strategic natural resource and possible ownership in the foreign hand is not consistent with our strategic goals. For example, disinvesting Bharat Petroleum Corporation Limited (BPCL).

Sixth, Loss-making units **don't attract investment so easily**. It depends upon the perception of investors about the PSU being offered. This perception becomes more important in the case of strategic sales, where the amount of investment is very high.

Seventh, Complete Privatization may result in public monopolies becoming **private monopolies**, which would then exploit their position to increase costs of various services and earn higher profits

Eighth, using funds from disinvestment to bridge the fiscal deficit is an unhealthy and short-term practice. It is said that it is the equivalent of selling '**family silver**' to meet short term monetary requirements.

Way forward

Disinvestment and rationalization of some CPSEs are being planned. But there is also a need to strengthen the sectors retained by the government to fully meet the expectations.

For strengthening them, the government should take steps to completely revamp the Boards of the CPSEs and reorganize their structure.

The government should increase the operational autonomy in CPSEs. It can be supplemented by strong governance measures like listing on stock exchanges. It will increase the transparency in their performance.

The government must also try to provide the bidders with a fair valuation of the PSUs. It will boost their confidence in the disinvestment process.

The government should also avoid its involvement by any means in the management of operations of PSUs, after its strategic sale. Otherwise in the long run, it would discourage the buyers from investing in them.

Some steps taken by the Department of Public Enterprises will improve the performance of CPSEs. These are:

1. The performance monitoring system of the CPSEs has been reformed.
2. It has also improved the process of timely closure of sick and loss-making CPSEs and disposal of their assets.

Medical Termination of Pregnancy (Amendment) Bill, 2020 – Explained

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Recently Medical Termination of Pregnancy (Amendment) Bill 2020 is scheduled to be tabled in Rajya Sabha. The MTP bill was passed in Lok Sabha last year. The bill aims to strengthen the abortion rights of women from the earlier Medical Termination of Pregnancy Act 1971. But the bill has certain important challenges associated with it, preventing it to become a comprehensive legislation.

What is the Medical Termination of Pregnancy (MTP) Act 1971?

The Act defines the conditions on which the termination of pregnancy can be made, and the qualified persons to perform the same. The Act aims to reduce the maternal mortality ratio due to unsafe abortions in India.

The act allows a woman to terminate her pregnancy within the first 12 weeks of pregnancy. After consulting an RMP (registered medical practitioner) woman can terminate her pregnancy.

If the women want to terminate her pregnancy between 12-20 weeks, she needs to get an opinion from 2 RMPs. The Medical practitioners have to ascertain that continuance of the pregnancy would **risk the life of the pregnant woman or** substantial risk (Physical or mental abnormalities) to the **child** if it is born.

Need for the Amendment:

First, the present abortion law is five decades old. The law permits abortion up to a maximum foetal gestation period of 20 weeks only. **This denies reproductive rights to women.** (Abortion is one of the important aspects of women's reproductive health).

Second, currently, if a woman wants to terminate the pregnancy beyond 20 weeks, she has to follow legal procedure. The slow judicial process in India force woman to take **illegal means to terminate the pregnancy.** **India Journal of Medical Ethics report** in 2015 mentioned **unsafe abortions were leading to 10-13% of maternal deaths in India.** This makes unsafe abortions as the **third-highest cause of maternal death.**

Third, the advancement of science. **After the 20th week**, many **foetal abnormalities can be detected** using techniques like Ultrasonography. As the current law limit the time to 20 weeks, it can cause trouble to the mother as well as children in the near future. Hence, its extension is much needed.

Fourth, International practice: 52 % of global countries including the UK, Ethiopia, Austria, Spain, Italy, France allow termination of pregnancy beyond 20 weeks if there are any foetal abnormalities. 23 countries including Germany, Canada, Vietnam allow termination of pregnancy at any time based on the request of the mother.

Salient provisions of MTP Amendment Bill 2020:

First, the Bill **extends the upper limit for permitting abortions from the current 20 weeks to 24 under special circumstances.** This is applicable to a **“special category of women”**. Victims of abuse, rape survivors, the differently-abled, and minors fall under this category.

Second, the Bill proposes the requirement of the opinion of one **registered medical practitioner (RMP) for termination** of pregnancy up to 20 weeks of gestation.

Third, the Bill provides for **two RMPs opinions for termination of pregnancy between 20 and 24 weeks**.

Fourth, Bill **constitutes a Medical Board**. Every state government has to constitute a medical board. These medical boards will diagnose pregnant women for substantial foetal abnormalities. **If any such substantial foetal abnormalities** get detected then the **termination** of pregnancy can be done even after 24 weeks of gestation (no upper limit for the termination of pregnancy in this case).

The Medical Boards will consist of the following members:

1. a gynecologist,
2. a pediatrician,
3. a radiologist or sonologist,
4. any other number of members, as may be notified by the state government.

Fifth, Bill **protects the privacy of a woman**. No RMP can reveal the name and other particulars of a woman who performs the abortion. However, RMP can reveal the identity to a person authorised by law. The violation of this provision is punishable with imprisonment up to one year, or a fine, or both.

Advantages of the proposed Bill:

First, the Bill raises the **foetal gestation period** for termination of pregnancy **beyond 20 weeks**. The MTP Bill also includes a **special category of women**. In short, the bill enables access to safe abortion and curb illegal abortion practices.

Second, the 1971 MTP Act states that, if a **minor** wants to terminate her pregnancy, the guardian has to provide written consent. The proposed bill has excluded this provision.

Third, the Bill will **strengthen the reproductive rights of women**. The Supreme Court in *Mrs X v. Union of India, 2017 case* has recognised women's right to make reproductive choices and their decision to abort as a dimension of their personal liberty. The court also mentioned abortion primarily fall within the Right to Privacy.

Fourth, the Bill will **reduce the burden on the Judiciary**. At present, there are many cases registered in court seeking permission for abortion beyond 20 weeks. Meanwhile, with the establishment of the Medical Board, the burden on the judiciary will reduce.

What are the challenges associated with the present Bill?

First, the **constitution of the Medical board**. The constitution of the medical board presents a variety of challenges such as

1. The present **healthcare budgetary allocation** (1.5% of GDP) makes setting up a board across the country, both financially and practically impossible.
2. Apart from that, even if it is set up, **access to the board** by pregnant women in remote areas of the state is a matter of concern.
3. No time limit is set for the board to respond to the requests.
4. The board subject women to multiple examinations before allowing her to terminate her pregnancy. This is a **violation of rights to privacy** and dignity.
5. **Personal beliefs could impact** the medical board's opinion. For example, Madhya Pradesh High Court denied terminating the pregnancy of 13-year-old rape survivor only because a psychiatrist on the medical board had not supported her abortion.

Second, the amendments continue the **patriarchal population control legacy**. The bill does not give women control over their own bodies. It requires the medical practitioner's opinion and not the request or will of pregnant women alone.

Third, the current **bill does not consider** a few important things in the termination of pregnancy. Such as **personal choice, a sudden change in circumstances** (due to separation from or death of a partner), and **domestic violence**.

Fourth, the amendment also fails to consider the abortion rights of intersex, transgender, and gender diverse persons.

Suggestions:

First, the government needs to amend the bill to include a few changes in the Medical Board.

1. The government has to specify a time limit for the board.
2. The government have to consider the majority of opinion of the board members to avoid personal belief's interfering with the board opinions.

Second, the government has to introduce **personal choice, a sudden change in circumstances, and domestic violence** as a criterion. Apart from that, the bill must include abortion among intersex, transgender, and gender diverse persons.

Third, the government might include a provision of will to terminate the pregnancy at an early stage within 20 weeks without the opinion of RMP. On the other hand, the government also have to release clear guidelines to restrict,

- Women performing abortions to **prefer a male child**
- Women performing abortions due to family pressures etc.

In conclusion, the MTP bill 2020 is a step in the right direction to ensure access to safe and legal abortion. But, it falls a few steps behind in terms of ensuring **dignity, autonomy and justice for women**. This can be done by including the necessary suggestions under the Act.

Issue of Digital Services Tax between India and US – Explained

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Recently the U.S. determined India's Digital Services Tax (DST) as discriminatory. It concluded that the DST is causing an adverse impact on American commerce and hence, an action needs to be taken under trade act. Meanwhile, [The USTR](#) also said, "DST by its structure and operation discriminates against U.S. digital companies". But the USTR in its **special 301 report** missed few important aspects and also completely neglected the global need to tax digital services.

What is Digital Services Tax (DST)?

In 2016 India introduced a 6% equalisation levy. But the levy was restricted to online advertisement services (commonly known as "**digital advertising taxes**" or DATs). In simple terms, the levy applied on the payments made to a non-resident by the Indians for advertising on their platform.

The government in 2020 introduced an amendment to the equalisation levy in the Finance Bill 2020-21. The important amendments include,

- A **2% Digital Service Tax (DST)** was imposed on non-resident, digital service providers. With this amendment, the **foreign digital service providers** have to pay their fair share of **tax on revenues generated in the Indian digital market**.
- The amendment **widens the tax to include a range of digital services**. These services include digital platform services, software as a service, data-related services, and several other categories including e-commerce operations.
- Companies with a turnover of more than Rs. 2 crores, will pay this tax.

Why India introduced the Digital Service Tax?

First, the **nature of digital service companies**. These companies don't have any physical presence in the markets. Instead, they use intangibles to provide services. For example, one can pay for the Amazon Prime membership in India. But the services of prime membership like watching movies, listening to songs are intangible.

Determining the value of these intangibles is tough. So the government introduced the Digital Service Tax of 2% on non-resident service provider's revenue in India.

Second, the **failure of international consensus**. In 2013, the OECD (Organisation for Economic Co-operation and Development) launched the Base Erosion and Profit Shifting (BEPS) programme. It was launched primarily to find a way to tax digital companies. But no consensus has been achieved yet. So, in 2016 India became the first country to implement the equalisation levy as a temporary way of taxation. This is then followed by countries like France, UK, etc.

Third, India's **right to tax** digital service providers. If a company has users in India and also has an economic connection with India then, India has the right to tax its economic operation. India being a developing country provides large markets for digital corporations. So taxing them is a matter of right.

Fourth, These DST create a level playing field between online and regular (brick and mortar businesses). In 2016, **the Akhilesh Ranjan Committee Report** had also suggested to tax the digital companies as they enjoy a sustainable economic presence.

What are the accusations mentioned by the US? What India said in reply?

The first accusation, DST is inconsistent with the principles of international taxation. International taxation laws apply to the revenue of companies (not on income), extraterritorial application of DST (Digital service companies present outside India), etc.

- **Indian reply:** Several global tax measures like royalty, technical fees are not levied on revenue. Similarly, all US states have laws on remote sellers, and they tax non-US resident entities.

The second accusation, DST does not extend to identical services provided by non-digital service providers. This is a violation of trade practices.

- **Indian reply:** When the company is non-digital (i.e., brick and mortar) then that company is subject to **Indian income tax**. Further, this DST has been introduced to provide a level-playing field.

The third accusation, DST is discriminatory because it targets US companies.

- **Indian reply:** The DST is applicable to all digital service providers having an annual turnover of more than ₹2 crores in India-based digital services. As per USTR's own analysis, only 119 companies in the world would likely be subject to the DST, of which 86 are U.S. companies. So the criteria do not target anyone. It is the result of the asymmetric digital power of US companies.

Concerns associated with DST:

First, the DST as a **tax policy targets a single sector** (digital services). Economic experts argue that framing a tax policy to **target a particular sector** is unfair and have disastrous consequences for the growth of that sector.

Second, digital service providers **might pass on the tax to consumers. Ultimately, burdening consumers.** Just like service tax passed on to consumers, DST can also pass on to consumers if the service provider wishes.

Third, not feasible to separate the digital economy and the global economy. The growing digitization has blurred the line between them. This is one of the prime reasons due to which OECD is unable to arrive at a consensus.

Fourth, the DST might attract **Retaliatory Tariffs**. The USTR investigations pose a threat of retaliatory tariffs and might trigger the trade war between India and the US. Even the slightest retaliatory tariff will affect the Indian ICT industry's growth.

Suggestions:

First, India can follow the U.K. model of DST. The major advantages of the U.K. model are,

- The U.K. allows companies to not pay any tax if their net operating margin is negative. By including this, India can avoid criticisms like India's equalization levy is on revenue and shift towards the profit of the company.
- India can consider taxing only 50% of the revenues from the transactions involving three jurisdictions. For example, an Australian user located in India receiving services from a U.S. company. This will make Indian DST more inclusive and also garners international support.

Second, India has to remain committed to the OECD process. Apart from that, India can mention the ways to tweak DST design or try to achieve consensus. This will make India move ahead and phase out DST and roll out the new agreed tax policy of OECD.

Third, the U.S. government has to realize the challenges in taxing digital service providers and also have to participate in these global talks. This will not be only beneficial for other countries but also a way to make these digital giants accountable.

More than 24 countries have either adopted or are considering adopting, a DST or a DAT after the concept got introduced in India. So the tax challenges posed by the digital economy is not a problem between India and the US. It is a global problem and the US has to accept this and act accordingly.

Disengagement agreement at Pangong Tso Lake – Explained

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- **Background**
- **What are the important points of the agreement?**
- **What are the reasons leading to the present agreement?**
- **Concerns with the disengagement agreement**
- **Suggestions to improve the disengagement**

Recently, a military [disengagement agreement signed](#) between India and China. This is the first major breakthrough to resolve the **nine-month-long military stand-off** along the Line of Actual Control (LAC) in Ladakh. Both the Chinese and Indian troops present on the south and north of [Pangong Tso lake](#) already started a “**synchronized and organized disengagement**”.

Background:

- Line of Actual Control is the disputed boundary between India and China. LAC is divided into three sectors: western, middle, and eastern.
- **Both countries disagree on the actual location of the LAC.** India claims that the LAC is 3,488 km long. But the Chinese believe it is around 2,000 km only.
- LAC mostly passes on the land, but in [Pangong Tso lake](#), LAC passes through the water as well.
- The contested area of the lake is divided into 8 Fingers.
- Chinese contested that the LAC is at finger 4. But, India’s perceived LAC (Line of Actual Control) is at finger 8. This led to frequent disputes in the area.
- Previously India patrolled on foot up to Finger 8. But there is no motorable road access from India’s side to the areas east of Finger 4.
- China on the other hand already built a road on their side and dominated up to Finger 4.



- The recent (in May 2020) standoff on North and South bank of the lake is one such dispute.
- During the stand-off, Chinese troops marched to the ridgeline of finger 3 and 4. Indian forces were forced to stay within finger 3.
- But, in August 2020, India obtained **some strategic advantages** in the region by occupying certain peaks in the Kailash ranges. After that, Indian troops started positioning in Magar Hill, Mukhpari, Gurung Hill, etc. This pressurized China to enter into a negotiation.
- Later, India and China finally reached to an agreement on disengagement at Pangong Lake.
- The agreement was reached in the **9th corps commander meeting** held on 24th January 2021.

What are the important points of agreement?

1. The agreement calls for **disengagement along the Pangong Tso region**. It includes the pulling of tanks and troops from both sides.
2. The troops will return to pre standoff position in a gradual manner on the north and south banks of the lake.
3. In the north bank, **China will pull back to finger 8** and **India will get back** to its Dhan Singh Thapa post **near finger 3**.
4. The area between finger 3 and 8 will become a **no patrolling zone** for a temporary period.
5. All the **construction** done after April 2020 will be **removed** by both sides
6. Negotiation of the agreement through military and diplomatic discussions will take place to decide the patrolling on the area between finger 3 and 8.

What are the reasons leading to the present agreement?

First, India's **strategic advantage and ability to remain strong**. China started the standoff in March and soon captured Finger 4 area. Chinese thought that they were in an advantageous position both militarily and strategically as compared to India (As the move coincides with COVID pandemic). China never expected such prolonged opposition from India. But India achieved this, which resulted into the agreement.

Second, there is also a climatic reason for it. The icy-cold winter in Ladakh with temperature as low as minus 20 degrees Celsius forced China for an agreement. Chinese forces are not habituated to such extreme temperature. For example, 10,000 troops from the Western Theatre Command (WTC) had moved to lower locations due to fatigue and other complications in January.

Third, sensible diplomacy of India. India handled the pressure from China very well. For example, handling the Chinese provoking tactics, India did not turn out aggressive at any point of dispute. All these along with India's diplomatic will to ban Chinese apps **forced China to engage in talks**.

Fourth, International Pressure on China. China's image in the international arena got deteriorated due to various reasons like

- China's opaque way of handling COVID outbreak
- The way China forces its maritime neighbours in the South China Sea.

All these forces along with the standoff deteriorated China's image. With the nations recovering from COVID pandemic, China wanted to create a positive image (as Chinese manufactured goods need markets). So China agreed to disengagement.

Fifth, New Biden-Harris alliance in the US promised greater stability in the South China Sea region. China cannot afford a conflict on its two fronts (East – South China Sea dispute, West – India – China standoff). So China agreed to return to pre-stand off position.

Concerns with the disengagement agreement:

First, there is a **lack of trust** amongst the countries. This restricts them from the attainment of lasting peace in the region.

Second, Ambiguity with respect to China's intent. Even the US warned India to remain vigilant in disengagement.

Third, there is still a **higher probability of escalation of violence** in the region. For example, **clashes in Galwan Valley** started when the troops were pulling back in June last year.

Fourth, Pangong Tso is just one point of friction. **Focus on other areas is also required.** Else the efficacy of this disengagement is also at risk. The other areas include,

1. **Gogra Post** at Patrolling Point 17A (PP17A)
2. **Hot Springs area** near PP15
3. PP14 in **Galwan Valley**
4. **Depsang Plains**, which is close to India's strategic Daulat Beg Oldie base

According to the present agreement, the discussion on Gogra Post and Hot Springs area will take place 48 hours after the disengagement at Pangong Tso Lake will complete.

Fifth, there is also an accusation on India for getting into agreement despite being in a dominant position. They are,

1. Prior to the standoff, Finger 4 belonged to Indian territory. But in the agreement, India agreed to move to Finger 3 and not to stay on Finger 4.
2. Indian troops, after capturing Kailash ranges are now moving back.

But one has to realize following points,

1. China moving back to Finger 8 after capturing Finger 4.
2. Focus on long term solution instead of the short term needs.
3. Falling behind itself is like a defeat to China considering its military potential.
4. The area between finger 3 to finger 8 is currently under negotiation.

Suggestions to improve the disengagement:

First, The immediate focus should be on the **disengagement and gradual withdrawal in the entire region** along with the proper implementation of Pangong Tso disengagement agreement.

Second, Both countries can **reach a diplomatic solution** like the **creation of buffer zones or demilitarized zone** in disputed areas. As the next step of the solution, they can also create further improvements. Such as **Neither side** will deploy/patrol/develop infrastructure in the buffer zone or permitting joint patrolling of troops.

Third, **Both** the countries should **sign an agreement** to resolve the conflict in the long run by,

1. Accepting and respecting the LAC by both the parties.
2. Neither party should attempt to change the status quo unilaterally.
3. Both parties should adhere to all the agreements.

Despite the Chinese agreement India always has to remain cautious of earlier Chinese aggressions such as non-adherence to the principles, frequent violation in the region, creating infrastructure in disputed areas, etc. Once the disengagement is done India will have to keep the momentum and move ahead to resolve all the boundary conflicts. That is the only solution beneficial for both the countries.

Link between Dam and Natural disasters – Explained Pointwise

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Rishiganga dam in Uttarakhand was recently destroyed by the [Glacial Lake Outburst Flood](#) and intensified the GLOF in the region. This is not the first time a Dam is aiding and intensifying the disaster in India. It can be a potential hazard to both human life and the environment. This raises a larger question on the net benefit of big dams.

What is Dam?

It is a structure built across a stream or river to hold back water. There are many reasons to build a dam. Such as,

1. Generation of hydropower
2. Reducing the run-off water from a river to sea
3. Fulfill the drinking, irrigation, and industrial needs of water
4. Reduce floods in the area
5. Provide inland navigation, etc.

How dams are aiding disasters?

Dams were built to provide benefits to human. But many times instead of providing benefits, dams are harming the region by aiding a disaster. The reasons are:

1. **Dams as a hydropower plant:** Construction of hydro-power plant requires diversion of rivers through tunnels to generate power. The construction of these tunnels **unsettles the mountainous terrain by displacing the supportive sediment**. It results in the slipping down of rocks due to the removal of their support system (Landslides).
2. **Dams as a reason for frequent floods:** Due to poor maintenance, siltation, etc. dams are not able to hold adequate water. This is responsible for the increasing frequency of floods in India.
3. **Dam as a solution to prevent/divert large run-off water:** To protect the river run-off, many bigger dams have been constructed in highly vulnerable locations, like the Himalayas. **For example**, the entire state of Uttarakhand is vulnerable to earthquakes, but there are large dams planned in the fragile region that disturb the ecosystem. Dams in these locations aggravate the natural disaster.
4. **Dams as a reason for an earthquake:** When a large quantity of water is loaded and unloaded frequently in the region, it might lead to **reservoir induced seismicity**. For example, Koyna earthquake of December 1967.

All these reasons lead to **dam failure**. This is then followed by a large-scale release of water, downstream of the river and creating floods. This will create economical, infrastructural, environmental, and livelihood losses.

Dams aided disasters in the past:

1. **The worst dam disaster** in India was the Machu dam failure (Gujarat) in 1979. The **torrential rainfall** in the area created a large scale flood and a failure in the dam. According to the official estimates, around 2000 people had lost their lives.

2. In August 2018 **Kerala witnessed its worst floods since 1924** due to the torrential rainfall. Too much water stored in the dam aggravated the disaster. At least 35 of 50 large dams had been opened for releasing water in to the already flooded areas. The flood took the lives of around 503 people in the state.
3. Similarly, in **2019** heavy rain caused a breach in Tiwre dam (Maharashtra). This led to the flooding of seven villages and 20 people swept away.
4. Most recently, a Glacial Lake Outburst Flood destroyed the Rishiganga dam. This led to a large surge of water downstream which breached the [Tapovan Hydropower Plant](#).

Vulnerability of Indian dams:

1. **India has more old dams.** India in total has 5,745 reservoirs in the country, of which, 293 are more than 100 years old. The age of 25% of the dams is between 50 and 100 years and the remaining 80% are over 25 years old. Ageing dams face the following issues,
 1. Differential settlement of foundation in the dam,
 2. Clogging of filters, increase of uplift pressures,
 3. Cracks in the dam core,
 4. Loss of bond between the concrete structure and embankment,
 5. Reduction in slope stability in earthen and rockfill dams,
 6. Erosion of earthen slopes,
 7. Deformation of the dam body itself. All these aids the intensification of any disaster.
2. Many dams have **structural deficiencies and shortcomings in operation and monitoring** facilities. Few dams not even meet the present safety standards on structural and hydrological conditions.
3. Many states are **not providing sufficient budgets for the maintenance and repair** of the dam. There is also a **lack of institutional and technical capacities** for addressing dam safety issues. For example, According to Central Water Commission data, **“Not even a single dam in Kerala was inspected before monsoon during Kerala floods”**.
4. **The current legal framework does not have any provision for penalizing** the person/trust/state responsible for dam failure.
5. **Real-time inflow forecasting systems** are not in place even in important reservoirs. This creates vulnerability to dam safety and dam operation.

Government Initiatives to improve dam safety:

1. **Dam Rehabilitation and Improvement Project (DRIP)**
 - It is a World Bank assisted project. The project aims to improve the safety and operational performance of selected existing dams and associated appurtenances sustainably.
 - Ministry of Water Resources, River Development & Ganga Rejuvenation through the Central Water Commission, is implementing the project.
2. **Dam Safety Bill, 2019.**
 - The Bill provides for proper surveillance, operation, inspection, and maintenance of all specified dams in the country.
 - The Bill aims to constitute the **National Committee on Dam Safety**. The committee shall suggest dam safety policies and also recommend any necessary regulations.
 - The Bill also establishes the **National Dam Safety Authority**. The NDSA is a regulatory body that discharges functions to implement the policy, guidelines, and standards in the country.
 - The Bill also provides for the constitution of a State-level Committee on Dam Safety by State Governments.
3. **Dam Health And Rehabilitation Monitoring Application (DHARMA)**

- It is a web-based software package. It supports the effective collection and management of Dam Safety data in **all large dams** of India.
 - The major aim of DHARMA is to **digitize all dam related data**.
4. **Seismic Hazard Assessment Information System (SHAISYS)** for mapping **Seismic Hazards**.
- It is an application tool (currently under development) of CWC (Central Water Commission). The tool will estimate the seismic hazard of the Indian region at any given time. This will aid in dam water management.

Suggestions to make dams disaster-resilient:

1. State governments should strictly follow **the dam safety manual**.
2. **Creation of the buffer zone:** States have to ensure that there is no encroachment in the nearby area.
3. Need to **integrate urban-rural planning with dam safety**. Since India is a populous country, it is impossible to shift people during calamities. Proper dissemination of information on a real-time basis and regular flushing of water has to be carried out downstream to keep the river beds dry. This can be done only through an integrated approach.
4. A Standing Committee recommended a **penal provision for dam failures on authorities**. The government has to incorporate this into law. Along with that, the government has to **increase the capacity building of locals and associated institutions**.
5. The government has to create a **well-planned monitoring system using modern instruments**. This is the key to the early detection of defects and averts disasters.

The government must consider the issue holistically and avoid building large dams for political gains in fragile regions. The construction of a dam is not a disaster, but the mismanagement and poor planning of the dam is a disaster which affects all of us in a severe manner. It is a high time for the government to understand this.