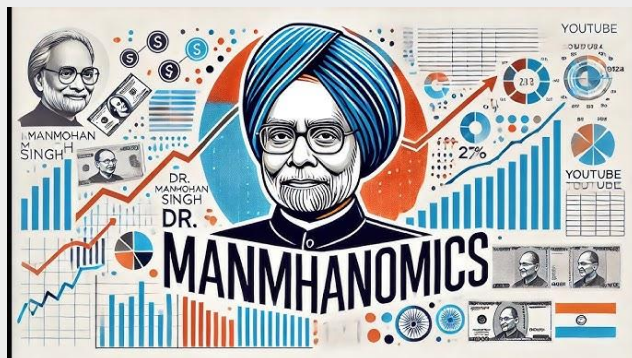


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1. Manmohanomics, in his own words

Introduction



Former Prime Minister Manmohan Singh, who passed away recently, remains one of India's lesser understood public intellectuals.

Education

He obtained a Tripos in Economics with first class honours from Cambridge in 1957, and a DPhil from Oxford in 1962. He taught at the Delhi School of Economics

from 1969 to 1971, and went on to serve in some of the most important policymaking roles in India.

As Finance Minister

He entered politics in 1991, and became the Finance Minister who shaped India's transition from a centrally-planned, highly regulated, and largely closed economy to an open (in terms of trade), liberalised (in terms of regulations and restrictions), market economy.

As Prime Minister

As Prime Minister between 2004 and 2014, he oversaw the phase of fastest economic growth and poverty reduction in the country.

But he left office amid allegations of corruption against his government. The last phase of his tenure saw a "policy paralysis" in which coalition partners — and even his Congress colleagues — moved in different directions, and the Prime Minister appeared too weak to provide direction. The widespread public dissatisfaction reduced the Congress to its worst electoral performance in the 2014 election, and put a question mark over his legacy and beliefs.

Views on Economy

Did Manmohan Singh really believe in the power of Indian entrepreneurs and market forces, and in the promise of free trade and export-led growth? Did he believe governments should "soak the rich" to address inequality? Did he try to support public sector enterprises even when they made losses? Did he care about household sanitation, and understand its links to the economy?

Excerpts from Singh's own writings — sourced from a five-volume set of his most important speeches and writings, published by the Oxford University Press in 2019 — on topics that often dominate the news today, show how far ahead of the curve he was on various economic policy issues long before India reached its current consensus on them.

On planning vs markets

Even as part of India's "Nehruvian" economic policy establishment, Singh showed he was not a blind believer in the planning process, nor was he blind to the threat of corruption in government. Delivering the Vithal N Chandavarkar Memorial Lecture at IISc Bangalore in 1986, Singh, who was then Deputy Chairman of the Planning Commission, said:

"Planning is no panacea for economic ills. It all depends on the institutional setting... Adam Smith's preference for laissez-faire was to an important degree the result of his knowledge of the corruption in British life that regulations under mercantilist influence often led to. If the basic preconditions of a fairly efficient and honest public administration are not satisfied, planning cannot be expected to lead to an improvement either in resource allocation or income distribution."

However, Singh did understand why policymakers before him chose a planned economic approach. He said:

"Newly independent countries of the Third World found that they lacked both a well developed infrastructure of social overhead capital as well as an entrepreneurial class with a strong propensity to bear risk and uncertainty.

"In this environment, exclusive reliance on market forces and private enterprise could not lead to fast enough progress. ...Since development in the initial stages is characterised by large discontinuities and externalities leading to a significant divergence between social and private costs and benefits, reliance on unregulated market forces was considered as contributing to sub-optimal investment decisions.

"There was also the additional concern that in an economy characterised by highly skewed initial distribution of income and wealth, excessive reliance on market forces could accentuate these disparities to an extent which would not be acceptable to the broad mass of people. For all these reasons, a growing role for public ownership and regulation of private investment in the framework of broad national priorities as outlined in a medium term development plan found ready acceptance."

On the licence-permit raj

In his TTK Memorial Lecture in Madras in 1983, Singh, who was then Governor of the Reserve Bank of India, argued for sharply scaling back overly restrictive regulations on private enterprise.

"I see no hope of improvement unless there is a deliberate effort to confine detailed programming and licensing only to a manageable list of sectors and industries of critical importance to the country... In all other cases, industrial licensing can be dispensed with. Government can still release demand forecasts for guidance of prospective entrepreneurs but

the choice of investment decision should be left to them. If growth of some of these industries is vital for sustaining the process of industrial development, a scheme of positive incentives should be devised to attract investments into these industries. Licensing is a poor substitute for positive promotional measures in such cases."

On inequality, 'soak the rich'

Singh was concerned about the danger of widening inequalities if India chose the path solely of market forces. Data show that while poverty rates have fallen since economic liberalisation, income and wealth inequalities have soared. In another 1983 lecture, Singh underscored the need for "containing elite-mass contradictions" to avoid widespread social and economic unrest.

"[In] a modern technological society...a certain distance between the elite and the masses is perhaps unavoidable. But if not controlled, elite-mass contradictions can be highly disruptive and destabilising. If the elite sections use their power and influence for personal material gain and comfort, this will lead to distortions in the allocation of scarce resources. ...Overall resources being limited, the insistence of a small privileged minority to enjoy living standards comparable to those prevailing in advanced postindustrial societies will inevitably result in the production structure being biased in favour of luxury goods at the very time when the great mass of our people do not have access even to elementary necessities of life.

[This] can give rise to serious political and economic tensions which can affect the growth of productivity and much more. The elite will be unable to persuade the mass of working classes to accept a degree of restraint on their consumption and, therefore, on wage claims, in the interest of faster accumulation of capital. The resulting struggle between workers and employers...can easily degenerate into hyperinflation of the type one comes across in Latin America."

But Singh also warned against governments adopting "soaking the rich" policies to address inequality.

"The establishment of a relation of mutual trust and confidence between Government and private industry is not an easy task in an underdeveloped mixed economy operating in the framework of an open polity. Entrepreneurs usually belong to small minority groups and very often policies of 'soaking the rich' have a strong electoral appeal. Thus, Governments often fall prey to populist pressures and devise a regulatory framework with an eye on electoral appeal... This...compels entrepreneurs to turn into speculators, short-term maximisers, making a living by manipulating political processes rather than through creative productive activity, and provides them a strong built-in incentive for evading taxes and siphoning off funds abroad for investment in Swiss banks..."

On openness of trade

Many economists now point out that the trade protectionism of the Nehru decades was a mistake. India's weak export performance in the 1950s dismayed Singh as a DPhil candidate. In his thesis, India's export trends and the prospects of self-sustained growth, published in 1962, Singh argued that policymakers had underestimated India's export potential.

"Indian planners were swayed by undue export pessimism, which led to a neglect of the scope and potential of export growth and to the sacrifice of important efficiency gains associated with greater emphasis on international specialisation.

"...In fact, given sensible domestic policies in areas such as the control of inflation and more realistic exchange rate policies, India's exports could do much better than assumed by India's development planners."

On PSU autonomy, unions

Political interventions leading to inefficiencies in public sector undertakings, price controls, and the role of trade unions in sick and struggling firms were areas of concerns that Singh recognised as holding India back. In the 1986 lecture quoted above, he said:

"Autonomy and accountability of public sector enterprises have been under discussion for nearly two decades. Those who swear by the public sector and yet will not grant these enterprises legitimate functional autonomy are no true friends of the public sector. It has also to be recognised that if the top executives of public enterprises do not enjoy a reasonable security of tenure, we cannot expect them to take a fairly long term view of the interest of their enterprises.

"Trade unions which insist on the persistence of obsolete technologies for the sake of job security of their members do not advance the cause of the public sector or, for that matter, of employment.

"Lack of periodic technological upgradation often leads to uncompetitive costs, low profitability and restricted scope for future expansion of both output and employment. Similarly, public policies which will not permit adjustment of prices of public enterprises despite justified increase in costs also do not serve the cause of growth. Very often, needed price adjustments are postponed under political pressure so that in the meanwhile, losses go on increasing and public sector enterprises are starved of funds needed for their expansion. The time has come to depoliticise the process of price formation in the public sector."

On education, health, women

In a lecture at the National Productivity Council in 1983, Singh stressed the critical role of better education, health, and sanitation in boosting India's productive capacity.

"The spread of mass education can greatly help to change attitudes, aspirations, motivation and ability to master new skills. It is really unfortunate that even after thirty-five years of independence, universal primary education is not a reality... The heavy dropout rate [in schools] robs the rise in enrolment ratio of any great significance. The proportion of illiterates is much higher among women... [which] is bound to affect the progress of family planning and preventive health care measures through adoption of simple hygienic practices in our homes. Without paying adequate attention to the health care and nutrition needs of pregnant women, nursing mothers and young children, we can never hope to realise adequately the vast productive potential represented by a nation of 700 million people. An adequate and more equal access to basic public goods, especially education and health, can release vast latent human energies for creative, purposeful and socially satisfying work."

Relevance: GS Prelims & Mains Paper III; Economics
Source: Indian Express

2. How furry sea otters are saving California's coastal ecosystems

Introduction



Sea otters are devouring thousands of green crabs — an invasive species native to Europe — at the Elkhorn Slough National Estuarine Research Reserve in California, helping save the ecosystem of the West Coast of the United States, according to a new study.

Once thought to be extinct, sea otters have rebounded along the coast, and

have eaten so many crabs that they have locally solved a problem that has plagued the West Coast for years.

The study, 'Recovering population of the southern sea otter suppresses a global marine invader', was published by the journal Biological Invasions.

Why are green crabs a threat?

Green crabs first arrived in North America in the 1800s, likely via the ballast water — fresh or saltwater held in the ballast tanks and cargo holds of ships — of merchant ships from Europe, according to a report by National Oceanic and Atmospheric Administration Fisheries. They reached the West Coast in ballast water as well.

It was around the late 1980s when green crabs came to be seen as a threat to coastal ecosystems in the region. That is because they were damaging seagrass beds in multiple states, aggressively hunting and eating its prey which were crucial to other species' survival, and outcompeting native species for food and habitat.

Despite several efforts by states to curtail their population, green crabs continued to proliferate. For instance, in 2021, scientists said they failed to eradicate green crabs from an estuary in Stinson Beach, California, after years of efforts.

How did sea otters solve the issue?

Sea otters are a rare species as humans excessively hunted them in the 18th and 19th Century. They were mainly hunted for their thick, soft fur. It was only in 1913 that California declared them as a "fully protected mammal" but this did not stop them from being hunted. The sea otter population was further hit by oil spills which impacted their ability to remain warm.

Their number began to rebound after being listed as threatened and named a protected federal species in 1977.

"The first male sea otter arrived in the Elkhorn Slough, 35 miles north of Bixby Cove, in the late 1990s. Only in the early 2000s did females arrive, and soon thereafter pups," Kerstin Wasson, research coordinator with the Elkhorn Slough Reserve and co-author of the new study, told USA Today.

As a result, their population increased in the region — there are around 120 southern sea otters at the reserve currently. The new study found that these sea otters are consuming somewhere between 50,000 and 120,000 green crabs a year, playing a key role in limiting the proliferation of the invasive species.

Sea otters are a "super voracious predator" as unlike most marine mammals, they rely on a very rapid metabolism to stay warm in chilly oceans.

Wasson said, "Other marine mammals like seals have blubber (a thick layer of fat) to keep them warm. But sea otters do not have blubber, so they have to eat an enormous amount of food every day."

Sea otters eat about a quarter of their body weight every day, according to a report in The Marine Mammal Centre, a US-based non-profit organisation.

How else do sea otters help maintain healthy ecosystems?

Sea otters not only hunt green crabs but also sea urchins — small, spiky animals which can destroy entire forests of kelp, leaving behind deserts called urchin barrens. Kelp forests play a critical role in maintaining global environmental health. With levels of carbon dioxide rising in the atmosphere, a large amount of it is being absorbed by the sea, making it more acidic and harmful to numerous species. However, studies have shown that healthy kelp forests can absorb billions of kilograms of carbon and help protect marine ecosystems.

In his 2016 book, 'Serendipity: An Ecologist's Quest to Understand Nature', marine biologist James Estes wrote that in his observations, around islands where sea otters had disappeared, sea urchins had proliferated and destroyed kelp forests. On the other hand, near islands where sea otters had survived or had been reintroduced, kelp forests flourished.

Relevance: GS Prelims; Environment

Source: Indian Express

3. India State of Forest Report (ISFR) 2023

Introduction

The India State of Forest Report (ISFR) 2023 shows that the country's Forest and Tree cover now spans 827,357 square kilometers, covering 25.17% of the nation's total land area. This includes 715,343 square kilometers (21.76%) of forest cover and 112,014 square kilometers (3.41%) of tree cover. This progress reflects India's successful efforts to balance development with environmental conservation.

ISFR 2023: A Snapshot of India's Forests

The India State of Forest Report (ISFR) 2023, published by the Forest Survey of India (FSI), is a biennial assessment of the country's forest resources using satellite data and field information.

The first report was published in 1987, and the ISFR 2023 marks the 18th edition.

The report is published in two volumes:

- Volume-I provides a national-level assessment, covering aspects like forest cover, mangrove cover, forest fires, growing stock, carbon stock, agroforestry, forest characteristics, and decadal changes.
- Volume-II offers detailed information on forest cover and field inventory data for each State/UT, including district and forest division-wise forest cover data.

Growth in Forest Cover



The India State of Forest Report (ISFR) 2023 highlights positive growth in India's forest cover, increasing from 698,712 km² in 2013 to 715,343 km² in 2023. Fire incidents have also decreased, with 203,544 fire hotspots recorded in 2023-24, down from 223,333 in 2021-22. In line with India's Nationally Determined Contributions (NDC) target, the country has achieved a carbon sink of 30.43 billion tonnes of CO₂ equivalent. This represents an additional 2.29 billion tonnes of carbon sink in Forest and Tree Cover since 2005, nearing the target of 2.5 to 3.0 billion tonnes of CO₂ equivalent by 2030. These advancements in forest cover and the reduction in fire incidents highlight India's progress toward sustainable environmental conservation.

Govt. Schemes and Initiatives to Increase the Forest Cover

The Forest Survey of India (FSI) has been key in improving forest monitoring through better forest cover mapping, the creation of an upgraded Forest Fire Alert System, and the completion of the first five-year cycle of the National Forest Inventory, which has provided important data on forest growth and carbon stocks. Additionally, the digitization of forest boundaries in 25 States and UTs has significantly improved forest cover assessments. These initiatives, coupled with the Ministry of Environment, Forest and Climate Change's efforts to expand forest and tree cover and conserve mangroves and wetlands, have greatly contributed to the development of forest cover. Here are some schemes that have supported these advancements:

• **National Mission for a Green India (GIM):** Launched in February 2014, this mission aims to enhance India's forest cover through protection, restoration, and expansion initiatives via Joint Forest Management Committees (JFMCs). The program has released Rs. 944.48 crore to 17 States and 1 Union Territory for plantation and eco-restoration efforts.

• **Nagar Van Yojana (NVY):** Established in 2020, this scheme focuses on developing green spaces in urban and peri-urban areas. The Ministry has approved 546 projects across 31 States/UTs, with Rs. 431.77 crore allocated for the initiative.

• **School Nursery Yojana (SNY):** Aimed at raising awareness about the importance of plants, this scheme encourages tree planting in schools across India. With an allocation of Rs. 4.80 crore, 743 projects have been sanctioned in 19 States/UTs.

• **Mangrove Initiative for Shoreline Habitats & Tangible Incomes (MISHTI):** This five-year initiative (2023-2028) seeks to restore and promote mangroves along India's coastline, enhancing coastal habitats' sustainability. Rs. 17.96 crore has been allocated to states like Andhra Pradesh, Gujarat, Kerala, Odisha, West Bengal, and U.T. of Puducherry.

• **Ek Ped Maa Ke Naam:** Launched by the Prime Minister on 5th June 2024, this campaign encourages citizens to plant trees in honor of mothers, fostering a deep connection between nature and nurturing.

• **Compensatory Afforestation Fund Management and Planning Authority (CAMPA):** This scheme compensates for the loss of forest cover and ecosystem services caused by the diversion of forest land for non-forestry purposes, in line with the Van Sanrakshan Evam Samvardhan Adhiniyam, 1980.

• **Afforestation Targets under the Twenty-Point Programme:** The Ministry sets annual afforestation targets for States/UTs, utilizing a mix of Central Government schemes, State Government plans, and efforts by NGOs, private organizations, and civil society.

• **Awareness and Mass Plantation Drives:** The Ministry promotes tree planting through events like International Day of Forests, World Environment Day, Van Mahotsav, and Wildlife Week, alongside conferences, workshops, and informational campaigns.

• **Indian Forest Management Standard:** A part of the National Working Plan Code – 2023, this standard establishes criteria and frameworks for monitoring sustainable forest management and supports the Indian Forest and Wood Certification Scheme, particularly benefiting small-scale timber producers.

• **National Action Plan on Forest Fire-2018:** This plan provides measures to prevent forest fires, build resilience, and enhance community capacity for fire control and prevention.

• **Joint Forest Management and Eco Development Committees:** In line with the National Forest Policy of 1988, the Ministry has promoted community involvement through Joint Forest Management Committees (JFMCs) for better forest and wildlife protection, ensuring local participation in management and conservation activities.

Additionally, the conservation of forests, mangroves, and wetlands is ensured through strict enforcement of relevant Acts, Rules, Regulations, and Court orders.

Legal Framework for Forest and Wildlife Protection

In India, the protection and management of forest and wildlife resources are governed by a strong legal framework designed to ensure conservation and sustainable use. Key laws include the Indian Forest Act, 1927, the Van (Sanrakshan Evam Samvardhan) Adhiniyam, 1980, and the Wildlife (Protection) Act, 1972, aimed at protecting wildlife species and their habitats, including the creation of protected areas like national parks and sanctuaries. Additionally, State Forest Acts cater to forest management specific to each state, while Tree Preservation Acts and Rules focus on protecting trees in both urban and rural areas. The enforcement of these laws is primarily the responsibility of State Governments and Union Territories, which take necessary actions to ensure the protection and management of forests and wildlife as per these legal provisions.

People's Connection with Nature

Laws, schemes, and acts alone cannot drive the change we need; it takes dedicated individuals to truly make a difference. Padma Shri Tulsi Gowda, also known as the "Mother of Trees," dedicated over 60 years to planting and nurturing lakhs of trees in Karnataka, transforming barren land into lush forests. Her work has left a lasting legacy in environmental conservation. Tulsi's passing serves as a poignant reminder of the urgent need for more individuals like her—those who selflessly dedicate their lives to nurturing and protecting the Earth, ensuring a greener, more sustainable future for generations to come.

Conclusion

India is making remarkable strides in its journey towards environmental sustainability. The 2023 India State of Forest Report showcases impressive growth in both forest and tree cover, a significant decline in fire incidents, and the flourishing of agroforestry. These achievements reflect the country's dedication to balancing development with conservation. Through innovative government initiatives and the involvement of local communities, India is not just protecting its natural resources but actively restoring them. With continued commitment and collective action, India is paving the way for a greener, healthier future for all.

Relevance: GS Prelims & Mains Paper III; Environment

Source: PIB