THE HINDU ANALYSIS
30th JUNE
BY PRASHANT MAVANI
IN ENGLISH
A positive attitude can really make dreams come true - it did for me.

David Bailey
1. Reform 101: More thought is needed on the proposed regulatory body for higher education

2. A broken tax chain: The GST’s faulty design has prevented the economy from benefiting fully from the indirect tax regime

3. The meaning of secularism: As the Congress prepares for crucial State and general elections, much will depend on its ideological clarity

4. Then there were 16: As the knockout stage begins in the World Cup, it’s anybody’s guess

5. In the city of refugees: As the monsoon rains threaten to ravage the Rohingya refugee camps in Bangladesh’s Cox’s Bazar, relief workers struggle to balance the vital work of damage control with the pressing demands of inter-personal conflict resolution. Vidya Krishnan reports on the routine tragedies of life in the world’s largest ‘refugee city’
UPSC Prelims 2019

Test Series

40 Tests
First Test 10th of July 2018

@Just ₹6000

Available in Hindi & English

testseries.studyiq.com
PRASHANT MAVANI
MSc. in Management, University of Surrey (UK)
Senior Faculty: StudyIQ

https://www.facebook.com/PrashantTMavani/
https://twitter.com/PrashantMavani

Download PDF notes of this lecture from my FB Page
WHAT IS HECI?

HECI will be the new, apex regulator for university and higher education in India. It has to set benchmarks for academic performance, ensure that institutions adhere to these and act against those that violate standards. It will replace UGC once Parliament repeals UGC Act, 1951. The Human Resource Development (HRD) ministry will pilot the Higher Education Commission of India (Repeal of University Grants Commission Act) Act 2018, in the monsoon session of the Parliament. HECI will be governed by a commission headed by a chairperson and vice-chairperson selected by a committee which will include the Cabinet Secretary and Higher Education Secretary (HRD). Twelve other members, including officials from various stakeholder ministries, two serving V-Cs, an industry doyen and two professors will be part of the panel.

HOW IS IT DIFFERENT FROM UGC?

HECI will be a new avatar of UGC with a different vision, focus and powers. While UGC has been vested with grant-giving powers, HECI will have no funds to dole out. This is a decision based on the recommendations of many government committees which pointed out how the fund-giving functions of the UGC allowed for over-regulation -- an oft compromised UGC inspection regime that has led to an inevitable quality decline in India’s higher education system. The fund divestment move will ensure that HECI focuses single-mindedly on academics. HECI will also be distinct as to the powers it will have to act against institutions in case of violation of norms. That it brings in provisions to 'mentor' deficient institutes rather than order closure is also a new approach to upping quality.
Governments across political hues have advocated a single higher education regulator as this can help clean up the regulatory mess in higher education, do away with overlaps and create an ecosystem conducive to nurturing institutes of excellence. This government also proposed a single regulator in 2016 -- an idea backed by the PMO and Niti Aayog. A draft for creating this regulator -- titled ‘Higher Education Empowerment Regulation Agency (HEERA)’ -- was circulated and discussed. Things took a turn after a May meeting in Mussoorie where other regulators which were to be subsumed by HEERA -- like All India Council for Technical Education and National Council for Teacher Education -- red-flagged concerns. It was felt that the move involving dissolution of three regulators to form one could have more trouble passing muster in Parliament, especially since general elections were near. Amendments in Acts governing various regulators would probably be more acceptable.

Since it is the university system and its regulatory framework that was found wanting, HECI could help fix this up. Keeping the regulator off money matters may also reduce the huge trust deficit that UGC had. Many top institutions had been at the receiving end of UGC’s regulatory stick for matters often related to governance rather than academic concerns. If HECI is able to break out of the UGC mould and bring in implementable parameters, it will have a lasting impact on higher education.
• Higher Education Commission of India (HECI) Bill drafted by the Centre
• Vitally important tools for nation building: skill-building and educational opportunity
• HECI bill aims: expansion and quality of human resource development
• 2016-17: Uni 864, Colleges 40,026
• Gross enrolment ratio of students was only about 26%
• To put this in perspective, there were only 20 universities and 500 colleges at the time of Independence.
• Previous expert committees: promoting autonomy, access, inclusion and opportunity for all.
• Centre should give sufficient time to academia, the teaching community and society at large to submit considered opinions on the draft proposals.
Among the key questions that need resolution is the future role of multiple regulatory bodies that currently exist for engineering, medicine and law.

Yash Pal Committee had recommended that they should be brought under the ambit of a single commission.

There is a case to include other professional education streams as well, including architecture and nursing.

The aim should be to set academic benchmarks for each stream, with sufficient autonomy to innovate on courses and encourage studies across disciplines.

Maintaining a balance on allocation of funds and ensuring transparency will now depend on the proposed advisory council to the HECI.

It is welcome that the States are represented on the advisory council, giving it a federal character, although it is the Centre that will have the final say in all matters, not even the apex HECI.
A year ago, GST was launched: heralded as the new freedom.

Is the economy headed in the right direction?

Arguments in favour of the GST:
- Ease of doing business
- Make markets efficient
- Yield higher tax collections: government would be able to deliver better services
- Lead to lower prices

GST was presented as a win-win situation for everyone.

Businesses have not yet experienced ‘ease of doing business’ though some have adjusted to it.
• GST rates were fixed rather late
• GSTN: volume of traffic
• Complexity: businesses had to file one form by the 10th of the month, check the next form by the 15th and file the third form by the 20th.
• The form to be filed by the 15th was to be auto populated on the basis of returns filed by the suppliers to the business.
• If some suppliers delayed filing or did not file, one had to chase them or one could not file one’s return.
• This proved to be insurmountable for many.
• For each State one was operating in, three returns had to be processed every month.
• Then there was an annual return to be filed.
• So for each State, a business had to file 37 returns in a year.
• Composition Scheme: small businesses
  • turnover between ₹20 lakh and ₹75 lakh; later the limit was raised to ₹1.5 crore
• They could not give input tax credit (ITC) and if anyone bought from them, then the buyer had to pay the tax that the small business should have paid.

• This was the reverse charge mechanism (RCM).

• These small businesses were not permitted to make inter-State sales so that their market became limited in case they were at the border of the State.

• Thus, not only big but also small businesses faced severe difficulties.

• e-way bill (to track goods being transported) was postponed to April 2018.

• RCM was suspended and may resume now.

• The tax rate for businesses under the Composition Scheme was brought down.

• Restaurants were brought under the Composition Scheme with a 5% tax rate but no ITC.
• Prices have not fallen.
• Services are now taxed higher
• The government’s concern about the misuse of the ITC prompted it to legislate the anti-profiteering clause. But it is proving hard to implement; industry is resisting it.

• The tax rate structure (0%, 5%, 12%, 18% and 28%) also adds to the complexity.
• Then there are different rates for gold and jewellery. Some petro-goods and alcohol (human consumption) are not a part of the GST.
• Electricity and real estate are also out of the GST.
• The multiplicity of tax rates and exemptions means that the cascading effect continues.
• India does not have a full GST which is applicable from raw material to the final good/service.
Hear Arvind Subramanian, scrap the 28% GST rate

- Outgoing chief economic adviser Arvind Subramanian says that to simplify India’s goods and services tax (GST), the 28% tax slab should go.
- The lower rates should further boost tax buoyancy and lead to much better tax compliance.
- The fact is that there’s been a huge increase in tax collections, both of direct (on income and profits) and indirect taxes since the rollout of GST in the last one year.
- It has widened the tax base and improved transparency in the tax regime, and subsequent steps by the GST Council have further reduced GST rates across items.
- The peak GST of 28% is now confined to only about 50 items.
- The two middle rates also need to be fused. The objective needs to be to have, in effect, three GST rates: zero, a low rate and a standard rate, which is now the norm for large economies adopting GST, apart from jewellery.
Important News

• Not all Swiss bank money illegal: govt.
  • Finance Minister Piyush Goyal said on Friday that the reported 50% rise in deposits by Indians in Swiss banks could not be presumed to be a case of black money parked abroad.
  • He added that the government would start getting details on bank accounts of Indians in Switzerland from next year under a bilateral tax treaty, and strong action would be instituted against anyone found guilty.

• Five killed in newsroom shooting in Maryland

• Campaigner against rumours lynched
  • Mr. Chakraborty, 33, was one of the three people killed in Tripura in two days following rumours about child-lifting for organ trade spread through social media.
  • Five others, including a constable, have been injured in mob attacks.
• Woman beaten, stripped in Palam area
  
  • A 45-year-old woman was thrashed and stripped in south-west Delhi’s Palam on Wednesday for trying to stop a group of people from attacking her 65-year-old landlady.

• Iran not just an energy supplier: Ansari
  
  • Iran ensures overland connectivity between Eurasia and India and it is not just an energy supplier, former Vice-President Hamid Ansari said here on Friday.

• We want best healthcare at the lowest cost: Modi

• FATF hands 10-point plan to Pak.

• Nasheed exits presidential race after EC barred him

• IRDA okays LIC-IDBI Bank deal

Body blow
In a setback to Pakistan, global financial watchdog FATF placed it on the grey list for failing to curb terror financing

- The placement of Pakistan on the grey list could hurt its economy as well as its international standing
- China has defended its close ally, while stressing that the world should recognise “enormous efforts and sacrifices” made by Islamabad to combat terrorism

FATF: An inter-governmental body established in 1989 to combat money laundering, terrorist financing and other related threats to the integrity of the international financial system
1. Which country cut off funding for a system that monitored the flow of greenhouse gases?
   - Germany
   - Russia
   - United States
   - North Korea

2. Which was the world’s largest remittance-receiving country in 2017, as per ‘RemitSCOPE - Remittance markets and opportunities - Asia and the Pacific’?
   - India
   - USA
   - China
   - Japan
Questions

1. The world’s second oldest rock was discovered in which country?
   A) China
   B) India
   C) Nepal
   D) Sri Lanka

2. Who was conferred with the 11th KISS Humanitarian Award 2018?
   A) Alejandro Toledo
   B) Malala Yousafzai
   C) Muhammad Yunus
   D) Dalai Lama
UPSC Prelims 2019

Test Series

40 Tests

First Test 10\textsuperscript{th} of July 2018

7500
@ Just ₹6000

Register Now

Available in Hindi & English

testseries.studyiq.com
Do you know?

Nalanda = Na+alam+Daa, meaning “no stopping of the gift of knowledge”

So do gift share this lecture with your loved ones. Thanks

Download PDF notes of this lecture from my FB page or Twitter or our Telegram Channel