



**DHYEYA IAS<sup>®</sup>**  
*most trusted since 2003*

JANUARY | 2024



# EASE OF DOING BUSINESS

Comprehensive & In-depth Analysis

Simple & Lucid Language

Usage of Flow Chart, Diagrams & Figures

## THE JAN VISHWAS (AMENDMENT OF PROVISIONS) ACT, 2023: CONCEPTION AND DEVELOPMENT

The primary aim of the Act is to redefine the legal landscape by decriminalizing minor infractions devoid of harm to the public interest or national security, replacing punitive measures with civil penalties or administrative actions. This shift alleviates the strain on the justice system by sparing minor, technical, and procedural transgressions from severe criminal repercussions, thereby prioritizing the adjudication of more significant offenses. The implementation of the Jan Vishwas Act heralds a significant change, as a multitude of cases stemming from 183 provisions across 42 Acts will no longer burden the courts' dockets, marking a pivotal transformation in legal proceedings.

### Factors Leading to the Initiation of the Jan Vishwas Act:

- **Government Initiative:** Discussions during the Committee of Secretaries (CoS) meeting on June 29, 2022, sparked the idea of streamlining decriminalization processes across ministries, initiated by the Hon'ble PM.
- **Common Amendment Bill:** The need for a common amendment bill to unify decriminalization efforts across sectors was recognized, aiming to save time for both the judiciary and legislative departments.
- **Strategic Approach:** After consultation with the Cabinet Secretary and the Legislative Department, introducing a common amendment bill to decriminalize minor offenses was deemed viable, marking the inception of the Jan Vishwas Act.

### Foundational Principles Guiding the Formulation of the Jan Vishwas Act:

- **Simplifying Legal Processes:** The Act aimed to simplify legal procedures and reduce compliance burdens for businesses and citizens.
- **Balanced Legal Framework:** Foundational principles prioritized a balanced legal framework, replacing minor criminal punishments with civil penalties or administrative actions for non-harmful offenses.

### Challenges Faced in Inter-Ministerial Coordination:

- **Diverse Perspectives:** Coordinating across 19 Union Ministries required addressing diverse perspectives and concerns.
- **Communication Channels:** Strategies included regular consultations, inter-ministerial meetings, and clear communication channels to align objectives and resolve differences.
- **Informal Communication:** Informal modes of communication were employed to address specific concerns swiftly, ensuring momentum in the collaborative effort.

### Strategies for Stakeholder Engagement:

- **Comprehensive Consultations:** Ministries conducted consultations internally to gather insights and concerns before engaging with industry associations and stakeholders.
- **Continuous Dialogue:** Regular communication channels were established to understand challenges faced by different industries, ensuring legislation reflected practical needs and improved ease of doing business and living.
- **Inclusive Approach:** Actively involving stakeholders at various stages ensured a balanced and comprehensive approach in formulating the Jan Vishwas Act, demonstrating the Government's commitment to regulatory reforms.

### Challenges in Aligning Interests and Objectives of Different Ministries:

- **Reconciling Varying Perspectives:** Diverse priorities and perspectives across ministries posed a significant challenge during the development of the Jan Vishwas Act.
- **Guidance from Leadership:** The guidance of the Hon'ble PM and the Cabinet Secretary provided a unified vision, aligning the amendments of different ministries toward a common aim.
- **Formation of Committees:** A committee comprising representatives from NITI Aayog, Department of Legal Affairs (DoLA), and Department for Promotion of Industry and Internal Trade (DPIIT) played a crucial role in establishing guiding principles and facilitating coordination among ministries.

#### **Mechanisms Ensuring Consistency Across Amendments:**

- **Issuance of Common Directions:** Common directions were issued to all ministries to ensure a cohesive approach, laying the groundwork for consistent amendments across Acts.
- **Committee Oversight:** A committee overseeing the process sets common principles, guiding the decriminalization efforts and ensuring consistency throughout.
- **Targeted Approach:** A nuanced strategy targeted general criminal provisions for significant offenses, while minor provisions were earmarked for decriminalization, maintaining deterrence while simplifying legal processes.
- **Extensive Legal Vetting:** Amendments underwent extensive legal scrutiny to ensure adherence to overarching legal principles, maintaining consistency and legality across the board.
- **Inter-Ministerial Consultations:** Regular consultations among the 19 ministries and various departments facilitated communication and collaboration, addressing specific challenges and ensuring alignment with each ministry's objectives.

#### **Impact of the Jan Vishwas Act on the Judicial System and Case Pendency:**

- **Decriminalization of Minor Offenses:** The Act aims to decriminalize minor offenses lacking harm to public interest or national security, replacing them with civil penalties or administrative actions. This reduces the burden on the justice system.
- **Reduction of Case Burden:** Minor, technical, and procedural defaults no longer attract severe criminal consequences, prioritizing adjudication of serious offenses and reducing the number of cases handled by the courts.
- **Introduction of Adjudication Mechanisms:** Administrative adjudication mechanisms, along with appellate mechanisms, provide an alternative forum for addressing grievances related to penalties, further alleviating pressure on the justice system.

#### **Challenges and Considerations in Presenting the Jan Vishwas Act to the Joint Parliamentary Committee (JPC):**

- **Thorough Briefing and Presentations:** DPIIT conducted detailed briefings and ministries presented comprehensive presentations, facilitating transparent and collaborative exchanges of ideas.
- **General Recommendations by JPC:** The Committee made seven general recommendations, of which six were accepted unanimously by the ministries, including continuing similar exercises in the future and examining acts for potential decriminalization.
- **Addressing Retroactive Effect:** A notable challenge revolved around the JPC's recommendation for retrospective effect to decriminalized provisions. Extensive

discussions and examinations led to the conclusion that providing a retrospective effect was not feasible.

- **Collaborative Approach:** The Departments of Legal Affairs and Legislative actively engaged in discussions, examining each recommendation extensively and incorporating valuable insights into the bill.
- **Responsive Amendments:** The bill was amended in alignment with the committee's views, reflecting a collaborative effort to address concerns and incorporate recommendations.

### **Principles and Learnings for Jan Vishwas 2.0 from Jan Vishwas Act, 2023:**

#### **Guidance from Higher Authorities:**

- Insights from the Hon'ble Prime Minister and Cabinet Secretariat provided direction for the Jan Vishwas Act, 2023.
- Emphasis on consistency in amendments, focusing on operational acts, considering user and regulator perspectives, assessing risk factors in penalty systems, studying international best practices, and indexing fines and penalties to prevent frequent amendments.

#### **Recommendations from the Joint Parliamentary Committee (JPC):**

- JPC recommendations outlined key approaches to decriminalization.
- Suggestions include appointing a group to examine additional acts, incorporating adjudication mechanisms with appellate authority, and substituting imprisonment with penalties where feasible to minimize litigation.

#### **Approach to Decriminalization:**

- Jan Vishwas Act, 2023 employs a multifaceted approach to decriminalization, eliminating imprisonment and/or fines in various provisions.
- The introduction of penalties instead of imprisonment and/or fines, alongside compounding options, enhances the equity of the legal system.
- Following similar patterns in future decriminalization efforts streamlines the identification and drafting of amendments, facilitating the enactment of future bills.

The Jan Vishwas (Amendment of Provisions) Act, 2023 marks a transformative shift towards decriminalization, prioritizing efficiency, equity, and citizen trust in the legal system. Through collaborative inter-ministerial efforts, guided by leadership and parliamentary insights, the Act streamlines processes reduces case burdens, and introduces fair adjudication mechanisms. Emphasizing consistency, stakeholder engagement, and a balanced approach to decriminalization, it sets a precedent for future reforms like Jan Vishwas 2.0. By trusting citizens and redefining punitive measures, the Act paves the way for a more just, accessible, and responsive legal framework, aligning with broader goals of promoting transparency and upholding fundamental rights.

## TRUSTING CITIZENS: DECRIMINALISATION WAY

---

The new legislation aims to replace imprisonment with monetary penalties for minor offenses and to standardize penalties based on the severity of the offenses. The goal is to prevent individuals from being brought to court for minor or unintentional violations by introducing monetary penalties and allowing adjudication by authorities outside formal criminal courts.

### Experience in Drafting the Jan Vishwas Bill:

**Leadership Role:** Leading the drafting team of the Jan Vishwas (Amendment of Provisions) Bill, 2023, within the Legislative Department provided a unique and privileged experience.

- **Authentication and Forwarding:** Responsible for authenticating and forwarding the bill to Parliament for introduction, ensuring its progression through legislative channels.
- **Monitoring and Defense:** Engaged in monitoring the bill's progress through various parliamentary readings and collaborating with the Department for Promotion of Industry and Internal Trade (DPIIT) and other ministries in defending the amendments before the Joint Parliamentary Committee (JPC).
- **Professional Significance:** The drafting process presented challenges and contributed to lasting institutional memories within the Legislative Department, offering unparalleled professional growth as a Legislative Counsel.

### Jan Vishwas - Trusting the People:

- **Prime Minister's Vision:** Aligned with the Prime Minister's vision of fostering trust in citizens and streamlining governance processes for ease of living and doing business.
- **Legislative Amendments:** Part of a series of initiatives aimed at modernizing laws and regulations, including provisions for self-attestation of documents, the establishment of national judicial data grids, and enhancements to various electronic portals.
- **Criminal Justice Reform:** This represents a significant shift towards trust-based governance by converting criminal punishments to monetary penalties, easing burdens on litigants and criminal courts.
- **Trust-Building Exercise:** Seeks to bridge trust deficits between the government and citizens by empowering administrative, adjudicatory, and appellate mechanisms to resolve minor violations and contraventions.

### Drafting Challenges:

- **Creativity and Innovation:** Legislative drafting required innovative approaches to address diverse subject matters ranging from agriculture to finance, encompassing 42 Central Acts and 182 provisions.
- **Inter-Ministerial Coordination:** Collaboration with 19 administrative ministries involved vetting numerous draft notes for the Cabinet and consolidating amendments into a single legislative instrument.
- **Compliance Burden Reduction:** Originating from the Prime Minister's vision, the proposal aimed to reduce compliance burdens on individuals and entities, leveraging existing policies and pending proposals related to ease of living and doing business.

### Shaping up the Draft:



- **Recognizing Urgency:** Understanding the urgency conveyed by the Department for Promotion of Industry and Internal Trade (DPIIT), our team swiftly initiated action to address the impending Cabinet consideration.
- **Consolidating Amendments:** Opting for a single bill covering amendments to various acts, rather than individual bills, streamlined the process and reduced the burden of drafting and circulation among ministries.
- **Engaging Administrative Ministries:** Scheduled discussions with administrative ministries, facilitated by DPIIT, ensured efficient coordination and minimized duplication in drafting and finalizing amendments.
- **Responsive Collaboration:** DPIIT's responsive and pragmatic approach enabled effective collaboration, ensuring timely progress and resolution of key drafting issues.

#### **Formatting Considerations:**

- **Designing the Bill:** Collaboratively deciding on an appropriate format for the bill, including introductory sections and arranging amendments, ensuring clarity and ease of comprehension.
- **Tabular Representation:** Grouping amendments under a common schedule in a tabular format, specifying details such as act titles, numbers, and amendments sought, facilitated understanding and appreciation among stakeholders.

#### **Periodical Revision of Fines and Penalties**

- **Objective Clarity:** The new law aims to replace imprisonment with monetary penalties for minor offenses and rationalize penalties based on offense severity, ensuring fair punishment and reducing court burdens.
- **Inflation Adjustment Mechanism:** Incorporating provisions for periodic fine and penalty adjustments every five years, based on inflation rates, minimizes the need for frequent amendments and maintains punishment proportionality.

#### **Drafting Saving Clause:**

- **Preserving Legal Continuity:** Including a saving clause ensures the new Act's implementation does not invalidate established rights or liabilities under repealed provisions, maintaining legal continuity and stability.
- **Protection of Rights:** The saving clause safeguards actions taken under repealed provisions, preventing disruption and ensuring the validity and effect of existing legal arrangements.

#### **Long and Short Titles:**

- **Long Title Definition:** The long title of a Bill serves as a comprehensive statement outlining the objectives and purposes of the proposed law, providing readers with insight into its essence and intentions.
- **Revision Process:** Despite being initially drafted at the outset of legislative drafting, the long title undergoes multiple revisions throughout the drafting process, reflecting evolving ideas and considerations.
- **Short Title Definition:** The short title represents the formal name by which the new law is recognized and cited, offering a concise reference point compared to the descriptive long title.
- **Reflecting Government Initiative:** The final long title of the Jan Vishwas Bill encapsulates the Government's initiative to promote the Ease of Doing Business and rationalize fines and penalties under various Acts, emphasizing the principles of decriminalization and trust-based governance.

- **Indian Touch:** The short title, aligned with the long title, incorporates an expression with a more "Indian touch" and a Devanagari sound, with the term "Jan Vishwas" reflecting the essence of public trust and confidence.

**Jan Vishwas Law - Permanence and Impact:**

- **Permanent Status:** Despite being an amending legislation, the Jan Vishwas Act holds a permanent place in the statute book, as it fundamentally converts certain imprisonments into monetary penalties, rationalizes penal provisions, and introduces alternative resolution mechanisms for contraventions.
- **Standalone Law:** The Act stands independently even after its amendments are incorporated into parent Acts, ensuring its longevity until the parent Act remains in force.
- **Revision Mechanism:** The Act's provision for periodic revision of penalties and fines every five years ensures its relevance and adaptability over time, underscoring its enduring impact on legal frameworks.
- **Future Prospects:** The Jan Vishwas Act sets a precedent for potential future iterations, hinting at the possibility of additional Jan Vishwas Acts addressing evolving legal and societal needs.

The Jan Vishwas Act embodies a transformative shift towards trust-based governance and legal modernization. By replacing imprisonment with monetary penalties and streamlining penalties based on offense severity, it fosters fairness, efficiency, and citizen trust in the legal system. The drafting experience underscores collaborative leadership, responsive collaboration, and innovative approaches to legislative reform. With a focus on clarity, coordination, and preservation of rights, the Act ensures permanence and adaptability, setting a precedent for future iterations. Ultimately, it reflects a commitment to enhancing the ease of living, doing business, and fostering enduring trust between the government and its citizens.

## **PASSING OF THE LANDMARK LEGISLATION: THE JAN VISHWAS ACT, 2023, AND THE ROAD AHEAD**

In contemporary times, the media and ordinary citizens across India exhibit heightened awareness and engagement regarding the introduction of new laws, especially those geared towards fostering Ease of Doing Business and Ease of Living. Consequently, it is paramount for the Government to prioritize outreach and awareness initiatives to prevent the distortion of the genuine objectives behind such Acts owing to legal intricacies. Equally vital is the dissemination of information about these developments to enable stakeholders to access the benefits and stay informed about positive advancements underway.

### **Media and Public Reaction to the Jan Vishwas Act:**

- **Overwhelmingly Positive Reception:** The media and public responded positively to the enactment of the Jan Vishwas Act, acknowledging its pioneering efforts in decriminalizing minor offenses and replacing them with civil penalties or administrative actions.
- **Objectives of the Act:** The Act primarily aims to alleviate the burden on the justice system by prioritizing adjudication of serious offenses while sparing minor, technical, and procedural defaults from severe criminal consequences.
- **Time and Cost Saving Measures:** Consolidated amendments across various laws streamline processes, saving time and costs for both the executive and legislature, marking the Jan Vishwas Act as a first-of-its-kind consolidated amendment.
- **Economic and Judicial Benefits:** The Act's emphasis on decriminalization is lauded for its potential to boost the economy, particularly benefiting micro, small, and medium-sized enterprises, while simultaneously reducing the judicial burden.
- **Principles Guiding Amendments:** Amendments under the Act are guided by principles such as the absence of criminal intent (*mens rea*) and the lack of adverse impact on the larger public interest.

### **Importance of Proper Outreach and Awareness:**

- **Increased Public Awareness:** In contemporary times, the media and common citizens of India demonstrate heightened awareness and interest in new laws, especially those favoring Ease of Doing Business and Ease of Living.
- **Ensuring Genuine Intent:** Proper outreach and awareness initiatives are imperative to ensure that the true motives behind new Acts remain clear amidst legal complexity, preventing distortion or misinterpretation.
- **Empowering Stakeholders:** Creating awareness of legislative developments enables intended stakeholders to avail themselves of benefits and stay informed about positive advancements, fostering transparency and inclusivity in governance.

### **Addressing Concerns in the Decriminalization Process in the Jan Vishwas Act:**

- **Deliberative Process:** The decriminalization process in the Jan Vishwas Act involved extensive rounds of discussions and deliberations before shaping into a Bill. Respective Union Ministries identified redundant and burdensome minor criminal offenses for potential decriminalization.
- **Stakeholder Consultations:** Identified provisions underwent multiple rounds of stakeholder consultations to gather diverse perspectives and insights, ensuring comprehensive engagement with industry associations and relevant stakeholders.
- **Joint Parliamentary Committee Review:** The Jan Vishwas Bill underwent scrutiny by the Joint Parliamentary Committee, which conducted a thorough clause-



by-clause examination over nine sittings. Provisions with potential negative impacts on public health and safety were scrutinized and retained as necessary.

- **Maintaining Public Health and Safety:** The intent behind the Bill prioritized maintaining public health and safety without compromising its objectives. The penal consequences were tailored to match the seriousness of the offense, ensuring a balance between offense severity and prescribed punishment.
- **Exclusion of Serious Offenses:** Offenses with serious implications for health and safety remained outside the purview of the Act, safeguarding against compromises in public well-being.
- **Increased Fines for Compliance:** A significant increase in fines for violations and non-compliance under the Act ensures compliance from key stakeholders, maintaining the deterrent effect and upholding adherence to the law.

#### **Continued Efforts in Rationalizing Criminal Provisions:**

- **Jan Vishwas 2.0 Initiative:** The DPIIT is actively engaged in identifying minor criminal provisions for inclusion in a subsequent amendment bill, Jan Vishwas 2.0. The Hon'ble Minister of Commerce and Industry emphasized the continuity of efforts towards Ease of Doing Business, highlighting decriminalization as a pivotal aspect.
- **Recommendations for Future Action:** The Joint Parliamentary Committee recommended ongoing efforts to review other Acts and introduce similar legislation for rationalizing criminal provisions.
- **Learning from Jan Vishwas Act, 2023:** Jan Vishwas 2.0 will expand on the successes of its predecessor, incorporating insights and experiences gained from the initial exercise.
- **Sources of Identification:**
  - **Targeted Approach:** Priority will be given to selected Central Ministries directly influencing the ease of doing business.
  - **Working Group Input:** A dedicated Working Group is assessing specific provisions for decriminalization based on regular meetings and discussions.
  - **Addressing State Legislation:** Central Acts with significant impacts on burdensome State legislation will be addressed to streamline compliance efforts.
- **Continuous Decriminalization Efforts:** Given the extensive array of outdated legislation, ongoing decriminalization remains imperative to modernize regulatory frameworks. Minister Piyush Goyal acknowledged the need for future iterations like Jan Vishwas 3.0, emphasizing the long-term nature of the decriminalization endeavor.

#### **Ensuring Sectoral Expertise in Decriminalization Assessment:**

- **Stakeholder Consultations:** DPIIT initiated consultations in 2021 to identify and decriminalize minor offences, involving industry associations like CII, WEMA, and MAIT, along with inputs from reports like 'Jailed for Doing Business' by TeamLease.
- **Formation of Working Groups:** The Joint Parliamentary Committee recommended the establishment of Sectoral Sub-Working Groups comprising ministries, industry associations, and experts to review laws for decriminalization. Six Regulator-wise/Sectoral Sub-Working Groups have been created to examine laws, facilitating debates and inputs from stakeholders.

#### **Extending Decriminalization Drive to States and UTs:**

- **Encouraging State Participation:** The parliamentary panel suggested States and UTs undertake decriminalization akin to the Jan Vishwas Act. DPIIT facilitated meetings with selected States, inviting submissions for contingent Central Acts under Jan Vishwas 2.0.
- **State-Led Initiatives:** States and UTs have identified over 3000 provisions for decriminalization through the Reducing Compliance Portal (RC Portal), highlighting the need for intensified efforts given the extensive legislation.

**Learnings for Overall Regulatory Development:**

- **Inter-Ministerial Coordination:** Lessons from the Jan Vishwas Act underscore the importance of clear communication channels and coordination among ministries for major regulatory initiatives.
- **Rationalizing Compliance:** Decriminalization aligns with broader efforts to rationalize compliance, essential for fostering economic growth and supporting MSMEs and startups.
- **Facilitating Regulatory Impact Assessment (RIA):** Decriminalization contributes to creating a framework for voluntary compliance and enables the implementation of Regulatory Impact Assessment (RIA), fostering data-intelligent policymaking and flexible regulation.
- **Promoting Outcome-Oriented Regulation:** Implementing RIA facilitates cost-benefit analysis, promoting outcome-oriented regulation and justifiable policy implementation for the benefit of citizens and businesses alike.

In conclusion, the Jan Vishwas Act symbolizes a pivotal shift towards trust-based governance and streamlined regulatory frameworks in India. Its overwhelmingly positive reception underscores the importance of public awareness and stakeholder engagement in legislative processes. The ongoing efforts, such as Jan Vishwas 2.0, reflect a commitment to continuous improvement and modernization of regulatory landscapes. By ensuring sectoral expertise, extending decriminalization efforts to states, and promoting outcome-oriented regulation, India is poised to foster an environment conducive to economic growth, transparency, and citizen empowerment through informed governance.

## GOVERNMENT E-MARKETPLACE: LEADING THE DIGITAL WAVE

In India, public procurement constitutes a substantial portion, nearly 20-25%, of the GDP. This allocation of taxpayers' money underscores the critical role of efficient public procurement in the functioning of government programs and services. Recognizing the significance of transparent, corruption-free procurement processes aligned with Prime Minister Narendra Modi's vision of inclusive development and ease of doing business, the Government e-Marketplace (GeM) was conceptualized. Established as a Special Purpose Vehicle under Section 8 of the Companies Act, GeM operates within the purview of the Department of Commerce. Since its inception, GeM has revolutionized public procurement, facilitating savings exceeding INR 60,000 crore. Its remarkable achievements position GeM as a global leader in public procurement platforms, outpacing even established counterparts like South Korea's KONEPS and Singapore's GeBIZ within a remarkably short timeframe.

### Government e-Marketplace (GeM) Overview:

- **Establishment and Purpose:** GeM, launched in August 2016, serves as a sophisticated digital platform facilitating end-to-end procurement processes for various Central and State Government departments, organizations, and public sector undertakings (PSUs).
- **Digital Infrastructure:** GeM offers a seamless, paperless, cashless, and contactless environment for government buyers to procure goods and services directly from sellers and service providers nationwide through a unified online interface.
- **Comprehensive Procurement Coverage:** The portal encompasses the entire procurement lifecycle, including vendor registration, item selection, goods receipt, and timely payment facilitation, streamlining operations for all stakeholders.

### Challenges in Traditional Procurement:

- **Legacy Issues:** Traditional government procurement methods were marred by opacity, inefficiency, and susceptibility to corruption and collusion, with buyers often compelled to procure substandard goods at inflated prices from unscrupulous vendors.
- **Barriers to Entry:** Sellers faced bureaucratic hurdles and delays in empanelment and payment processing, hindering their ability to participate in government tenders and receive fair compensation for their products and services.

### Genesis of GeM:

- **Visionary Transformation:** GeM emerged from the need to revolutionize India's public procurement landscape, transitioning from archaic manual processes to a technologically advanced, digital-centric platform.
- **Digitalization Benefits:** GeM's digitalization efforts have enhanced process efficiencies, transparency, and trust among stakeholders, fostering increased competition, cost savings, and improved procurement outcomes.

### Impact and Innovations:

- **Enhanced Efficiency:** GeM's innovations have reduced waiting times and prices for buyers, while ensuring timely payments for sellers, contributing to improved market dynamics and operational effectiveness.
- **Competitive Marketplace:** GeM's open and diverse marketplace levels the playing field for various stakeholders, promoting fair competition and enabling easier access to government procurement opportunities.

- **Ease of Doing Business:** GeM's user-friendly interface and transparent processes contribute to the Ease of Doing Business with the government, aligning with broader national development objectives.

#### **Growth Trajectory of GeM:**

- **Historic Digital Transformation:** GeM represents one of the most extensive digital transformation endeavors globally, involving the realignment of procurement processes across Central and State Government departments and PSUs.
- **Remarkable Growth:** Despite challenges, GeM has experienced substantial year-on-year growth, evident in the increasing numbers of registered sellers, total procurement, and cumulative order value transacted through the platform.
- **Financial Milestones:** GeM's Gross Merchandise Value (GMV) surged from approximately INR 420 crore in its inaugural year to INR 2 lakh crore in FY 22-23. The platform aspires to achieve a GMV of 3 lakh crore in the current fiscal year.
- **Expansion into Services:** GeM swiftly expanded its portfolio beyond products to encompass a wide array of services. Services witnessed exceptional growth, with a 168% increase in order value from FY 21-22 to FY 22-23, totaling over INR 2 lakh crore in cumulative value since inception.

#### **Features and Functions of GeM:**

- **Category-Driven Marketplace:** GeM hosts over 11,600 product categories and 300+ service categories, catering to the procurement needs of government bodies and departments at all levels.

#### **Promotion of Ease of Doing Business:**

- **Unified Platform:** GeM acts as a single platform connecting buyers, sellers, and service providers, streamlining procurement processes.
- **Cost Reduction and Efficiency:** The platform reduces costs, enhances efficiency, and fosters transparency in public procurement.
- **Empowerment of Sellers:** GeM empowers sellers from diverse backgrounds, enabling seamless engagement in digital transactions.
- **Seamless Registration:** GeM's registration process prioritizes ease and minimal data entry, validated through online integration with the Aadhaar database.
- **Dynamic Platform:** GeM continuously updates its offerings based on stakeholder feedback, ensuring relevance and usability.
- **Diverse Procurement Modes:** GeM facilitates procurement through various modes, including auctions and direct purchases, providing flexibility to buyers.
- **Contract Management:** The platform auto-generates contracts between buyers and sellers based on specified parameters, ensuring speed and efficiency.
- **Cashless Payments:** GeM supports 100% online payments, offering multiple payment options and enforcing timely transactions.
- **Visibility and Trust:** GeM provides visibility to MSEs, local sellers, and startups, facilitating informed decision-making through a trust-based rating system.
- **Demand Forecasting:** GeM displays historical procurement data to assist sellers in planning and ensuring the availability of goods and services at competitive rates.
- **Price Reasonability:** GeM offers tools for buyers to ascertain price reasonability through price comparisons and historical transaction data.
- **Certifications and Training Modules:** GeM offers e-procurement certifications and training modules to certify professionals specialized in procurement through the platform.

- **Communication and Support:** GeM ensures standardized communication with stakeholders, keeping them updated on relevant changes and notices. An escalation matrix with well-defined SLAs ensures users receive expert assistance.
- **Responsive Contact Centre:** GeM's contact center, available in multiple languages, addresses user queries across various channels. The integrated chatbot, Ask GeMmy, directs user concerns to the appropriate team.
- **Dispute Resolution Features:** GeM introduces the Vivad se Vishwas-II functionality for resolving disputes between buyers and sellers.
- **AI/ML-Based Decision Support:** GeM implements AI/ML-based advanced analytics to reduce anomalies and frauds, providing real-time feedback on transactions and assisting buyers in making informed decisions.
- **GeM Sahay:** GeM launches GeM Sahay, a mobile app facilitating frictionless financing for MSEs and startups, allowing them to obtain loans at the point of order acceptance on the platform.
- **Next-Gen GeM Platform Development:** GeM collaborates with Tata Consultancy Services to develop the Next-Gen GeM platform, leveraging cutting-edge technologies for enhanced efficiency and transparency.

#### **Roadmap for the Future:**

- **Expanding Reach:** GeM aims to integrate government buyers across all tiers into its e-procurement infrastructure to maximize its regional footprint.
- **Technological Advancements:** The platform partners with a leading IT firm to revamp and build a new modern solution, leveraging AI/ML technologies for fraud detection and improved data analytics. Augmented and virtual reality will enhance the procurement experience for buyers.
- **Commitment to Sustainability:** GeM expands its catalog of 'Green' products and services to support the country's net-zero carbon emissions commitment.
- **Enhanced User Experience:** GeM prioritizes listing environmentally sustainable products and services while aiming to enhance user experience and transparency in public procurement.
- **Achievements and Infrastructure:** GeM's buyer-seller ecosystem and operations surpass those of Amazon India and Flipkart combined, capturing data and facilitating end-to-end procurement processes.
- **Transformation with New Technologies:** GeM commits to adapting new-age technologies to enhance user experience, improve transparency, and promote inclusivity in public procurement processes.

In conclusion, the Government e-marketplace (GeM) stands as a beacon of transformative change in India's public procurement landscape. With its seamless digital infrastructure, inclusive marketplace, and commitment to transparency and efficiency, GeM has revolutionized procurement processes, saving taxpayers' money and fostering fair competition. Its remarkable growth trajectory, technological innovations, and sustainability initiatives underscore its pivotal role in advancing Prime Minister Narendra Modi's vision of inclusive development and ease of doing business. As GeM continues to evolve and expand its reach, it remains poised to shape the future of public procurement, driving efficiency, transparency, and inclusivity across India.



## **GST AND EASE OF DOING BUSINESS**

*We mark 5 years of GST, a major tax reform that furthered 'Ease of Doing Business' and fulfilled the vision One Nation, One Tax."*

**- Hon'ble Prime Minister of India on the eve of the 5th Anniversary of GST**

The Goods and Services Tax (GST) stands as monumental indirect tax reform in India since independence, aimed at realizing the vision of 'One Nation, One Tax, One Market'. By consolidating numerous Central and State levies such as Central Excise duty, Service tax, VAT, and others, GST has dismantled economic barriers and fostered a more integrated national economy. This reform has notably reduced the cascading effect of taxes, enhancing the overall business environment and market competitiveness, thus facilitating ease of doing business. Over the past six and a half years, GST has nearly doubled its tax base and achieved record revenue collections, showcasing its transformative impact. Through the Goods and Service Tax Network (GSTN), GST streamlines compliance facilitates the free flow of goods across states, and standardizes procedures, rates, and definitions, ultimately driving efficiencies and synergies. Automation and standardization have been key drivers of GST's success, ensuring online processes for registration, return filing, refund applications, and appeals, thereby minimizing physical interactions with tax authorities and fostering a business-friendly environment conducive to growth and development.

### **Registration Process:**

- GST registration operates on a PAN-based and state-specific system. Businesses exceeding the threshold of Rs 40 lakh (Rs 20 lakh for specified States) for goods and Rs 20 lakh (Rs 10 lakh for specified States) for services annually must register.
- The tax administration is required to issue a GST registration certificate within seven days of application, subject to risk-based conditions. Additional time may be required for Aadhaar-based authentication or physical verification.
- Special provisions exist for registration for casual taxable persons, non-resident taxable persons, and foreign diplomatic missions not liable to taxes in India.
- Automatic revocation of suspension of registration is available upon filing of all pending returns in case of continuous non-filing, saving time and effort for taxpayers.

### **Return Filing Process:**

- Taxpayers are obligated to file various returns monthly, including GSTR-1 for outward supply, GSTR-2A/2B for inward supply (auto-populated), GSTR-3B for tax payment, and GSTR-9 for the annual return.
- The interlinking of returns streamlines the process, where data from GSTR-1 auto-populates certain fields in GSTR-3B. Similarly, GSTR-2A is auto-populated from suppliers' GSTR-1.
- System-generated late fee and interest calculations for delayed return filings reduce manual intervention.
- System-based intimation notifies taxpayers of differences in tax liability between GSTR-1 and GSTR-3B above a certain threshold, facilitating prompt corrective action.
- Taxpayers receive a system-based intimation regarding excess input tax credit (ITC) in GSTR-3B compared to GSTR-2B above a threshold, enabling swift remedial action.
- The requirement to furnish an annual return in 'FORM GSTR-9' is waived for taxpayers with an annual turnover up to Rs 2 crore and the reconciliation statement

requirement in 'FORM GSTR-9C' is waived for taxpayers with an annual turnover up to Rs 5 crore, promoting ease of doing business.

**E-Way Bill:**

- **Document Requirement:** The E-Way Bill contains essential details such as the consignor's name, consignee's name, transporter's details, origin, and destination of goods. It standardizes compliance procedures nationwide.
- **Digital Interface:** Generated through the GST portal, the E-Way Bill is mandatory for the movement of goods, except for specified items. It enhances the speed of goods movement and reduces truck turnaround time and overall transportation costs.
- **Elimination of Check Posts:** E-Way Bill implementation eliminated state boundary check posts, streamlining interstate movement and reducing delays in the supply chain.

**E-Invoicing:**

- **Automated Reporting:** E-invoicing is mandatory for registered entities meeting certain turnover thresholds. It facilitates the auto-reporting of invoices into GSTR-1 and the auto-generation of E-Way bills if required, reducing manual intervention.
- **Standardization and Interoperability:** E-invoicing promotes standardization and interoperability, minimizing disputes between transacting parties, accelerating payment cycles, and lowering processing costs.
- **Environmental Impact:** By reducing paper usage, e-invoicing contributes to decreasing the carbon footprint of businesses, aligning with sustainability goals.

**Refund Process:**

- **Streamlined Refund Mechanism:** The GST refund process is standardized, simplified, and time-bound, reducing the administrative burden on taxpayers and tax authorities.
- **Automated IGST Refunds:** Refunds of Integrated Goods and Services Tax (IGST) paid for export of goods are automated based on the exporter's shipping bill filed with customs and GST returns filed on the portal.
- **Provisional Refunds:** Exporters receive a provisional refund of 90% of their claims within seven days of application, providing timely access to working capital for business expansion and modernization.

**Trade-Friendly Initiatives:**

- **Compliance Simplification:** Initiatives such as filing of Nil returns via SMS and the Quarterly Returns and Monthly Payment (QRMP) scheme for taxpayers with annual turnover below Rs 5 crore reduce the compliance burden.
- **Composition Scheme:** Small businessmen supplying goods or services under a specified annual turnover can opt for a composition scheme with reduced tax rates, further easing compliance and administrative processes.

**Interest-related Measure:**

- **Amendment to Section 50 of CGST Act:** Interest is now payable on wrongly availed Input Tax Credit (ITC) only when it has been utilized. The interest rate on wrongly availed and utilized ITC has been reduced from 24% to 18% with a retrospective effect from July 2017.

**Refund-related Measure:**

- **Amendment to Rule 89(5) of CGST Rules:** Formula for calculating refunds for unutilized ITC due to an inverted rated structure has been revised, resulting in higher refund amounts.

- **Facilitation for Unregistered Persons:** Unregistered individuals can obtain temporary registration and apply for refunds.

### **Measures for Small Taxpayers Supplying through Electronic Commerce**

#### **Operators (ECOs):**

- **Waiver of Mandatory Registration:** Small taxpayers making supplies through ECOs are exempt from mandatory registration up to the threshold turnover, effective from October 1, 2023.
- **Intra-State Supply:** Composition taxpayers can make intra-state supplies through ECOs under specific conditions, expanding their market reach without requiring GST registration.

#### **Enhanced Cash Flow Provision:**

- **Transfer of Unutilized Balances:** Unutilized balances from the electronic cash ledger of a registered person can be transferred to the electronic cash ledger of CGST and IGST of a distinct person with the same PAN, enhancing liquidity and cash flows.
- **Facilitation to Exporters:** Exemption from ITC Reversal: Exporters are exempt from reversing ITC for exempt supply of duty credit scrip. Refunds of unutilized ITC due to the export of electricity have been facilitated.

#### **Digital Payment Facilitation:**

- **Additional Payment Modes:** UPI and IMPS have been included as additional modes for GST payments, promoting digital transactions and providing flexibility to taxpayers.

#### **Streamlined Dispute Resolution:**

- **Sunset Clause for Tax Disputes:** A sunset clause requires adjudication orders for tax disputes to be issued within specified timeframes, enhancing efficiency in dispute resolution.

#### **Measures for Ease of Doing Business:**

- **Various Initiatives:** Measures include withdrawal of appeal applications at specified stages, automatic restoration of provisionally attached property, and decriminalization of certain sections of GST for ease of doing business.

#### **Taxpayer Grievance Redressal:**

- **Multiple Forums:** Multiple grievance redressal forums are available for taxpayers in every state and union territory, consisting of members from both central and state governments.

#### **Impact of GST:**

- **Positive Response:** Deloitte's survey indicates a positive response from 70% of business leaders to GST, with MSMEs being the biggest beneficiaries, citing reduced costs and improved uniformity in the GST regime.

#### **Overall Assessment:**

- **Success of GST:** Despite initial challenges, GST is considered a paradigm shift and enabler for ease of doing business and improved supply-chain efficiency. The GST Council's efforts to address shortcomings have contributed to its success.

In conclusion, the Goods and Services Tax (GST) has been a monumental reform in India's tax landscape, embodying the vision of 'One Nation, One Tax, One Market.' Through streamlined processes, enhanced compliance mechanisms, and facilitation for businesses, GST has significantly bolstered the ease of doing business while fostering economic integration and competitiveness. Despite challenges, its transformative impact and continuous improvements underscore GST's pivotal role in shaping India's economic future.

## **DECRIMINALISATION INDIA'S CONTINUED MARCH TOWARDS EASE OF DOING BUSINESS**

---

The Jan Vishwas (Amendment of Provisions) Act, 2023, heralds a significant shift in the legal landscape, aiming to recalibrate the balance between regulatory compliance and punitive measures. By addressing the discrepancy between the severity of certain violations and the corresponding punishments, the Act decriminalizes numerous minor, technical, or procedural offenses. This legislative initiative marks a pivotal moment for industries, signaling the beginning of a broader reform agenda aimed at providing greater reassurance and flexibility to businesses.

- The Jan Vishwas (Amendment of Provisions) Act, 2023, led by DPIIT and guided by Shri Piyush Goyal, Union Minister of Commerce and Industry, aims to rationalize criminal penalties for 183 minor offenses across 42 Central Acts under 19 ministries.
- Its primary objective is to decriminalize and rationalize offenses to foster trust-based governance for ease of doing business and living, alleviating the burden on the Indian judicial system.
- Notable Acts affected include the Pharmacy Act of 1948, the Copyright Act of 1957, the Patents Act of 1970, and others, which are pivotal for improving the business environment.
- The JV Act aims to strike a balance between violation severity and punishment gravity, particularly for minor, technical, or procedural offenses.
- It shifts from imprisonment and/or fine to minor penalties for many offenses, streamlining legal processes and reducing the need for criminal trials.
- Decriminalization targets offenses like non-production of documents, where regulatory authorities have alternative mechanisms for compliance.
- Confederation of Indian Industry (CII) advocated for self-governance, supporting penalties over imprisonment or fines for minor violations, a perspective well-received in the JV Act.
- The Act signifies the beginning of broader reform, with the potential to expand to other statutes under Central and state governments, further enhancing the ease of doing business.
- Government initiatives, in consultation with stakeholders like CII, are underway to identify areas for rationalization and decriminalization in various business and commercial laws.
- The effort to free up judicial time and resources not only aims to reduce burdens on businesses and the judiciary but also enhances government efficiency and policymaking focus.
- The decriminalization journey, starting with amendments to the Companies Act, 2013, has gained momentum with the JV Act, emphasizing the need to sustain this momentum.
- Principles from the JV Act can guide the rationalization of offenses in other statutes awaiting decriminalization, promoting entrepreneurship, and discouraging deterrents in laws.
- Criminal provisions in business laws for non-serious offenses raise concerns among directors, young entrepreneurs, and investors, affecting business sentiments and ease of doing business.

## *Dhyeya IAS's Yojana Gist*

- Striking a balance between ease of doing business and deterrence for serious contraventions is crucial, advocating responsible decriminalization rather than blanket overhauls.
- Extending the benefits of the JV Act to existing offenses could mitigate the rigor of the law, as endorsed by the Hon'ble Supreme Court and recommended by the Joint Committee on the JV Bill.
- Providing accused individuals with the option to choose between current proceedings and the benefits of decriminalized provisions could facilitate responsible decriminalization.
- CII is committed to supporting the government in bringing about JV 2.0 for sustained and accelerated improvements in the ease of doing business environment in the country.

In conclusion, the Jan Vishwas Act, of 2023, signifies a landmark shift in legal dynamics, streamlining punitive measures and fostering trust-based governance. Its inception marks the dawn of a comprehensive reform agenda aimed at bolstering business confidence and judicial efficiency. With collaborative efforts between stakeholders like CII and government initiatives, the path is paved for sustained progress and enhanced ease of doing business. Embracing responsible decriminalization, India embarks on a journey towards a more conducive business environment and regulatory framework.



**DHYEYA IAS<sup>®</sup>**  
*most trusted since 2003*



## **DELICATE BALANCE OF REGULATORY ENFORCEMENT & FAVOURABLE BUSINESS ENVIRONMENT**

The Act introduces a significant departure from traditional enforcement methods by overhauling penalties, marking a notable aspect of its implementation. Departing from imprisonment, the Act opts for higher fines and penalties, aiming to fortify deterrence while minimizing disruptions to businesses. This strategic shift underscores an emphasis on robust enforcement mechanisms, promising a more effective regulatory framework.

Decriminalization Drive: The Jan Vishwas Act, 2023

### **Overview**

- The Jan Vishwas (Amendment of Provisions) Act, 2023, is a landmark development in India's regulatory landscape.
- It decriminalizes 183 provisions across 42 Acts administered by 19 ministries/departments.
- The aim is to strike a balance between regulatory enforcement and fostering a favorable business environment.

### **Industry Demand**

- Indian industries have long advocated for decriminalizing various laws, citing their negative impact on the investment climate.
- Minor workplace-related offenses often resulted in criminal cases against company directors, including independent directors, creating an adverse business atmosphere.

### **Government Initiative**

- The recent decriminalization initiative by the Indian government addresses minor procedural lapses and aims to streamline regulatory compliance.
- It aligns with the Prime Minister's vision of trusting the citizens of India, emphasizing trust-based regulations with severe penalties for breaches.

### **Simplifying Regulatory Frameworks**

- The Act simplifies regulatory frameworks, reducing the compliance burden on businesses.
- Micro, Small, and Medium Enterprises (MSMEs) stand to benefit significantly, as they often face operational constraints.

### **Beneficiaries**

- MSMEs, in particular, will experience a more level playing field compared to their global counterparts.
- The Act is poised to reshape India's Ease of Doing Business index, promoting a more conducive environment for investment and growth.

### **Key Modifications in Penalties under the Jan Vishwas Act, 2023**

#### **Shift from Imprisonment to Higher Fines**

- The Act introduces significant changes by replacing imprisonment with higher fines/penalties for various offenses.
- This departure from conventional approaches aims to enhance deterrence against violations while minimizing disruptions to businesses.

#### **Emphasis on Financial Consequences**

- By prioritizing financial penalties over custodial sentences, the Act aligns with global trends in regulatory frameworks.

- It underscores the economic impact of non-compliance and promotes a more effective enforcement mechanism.

#### **Global Alignment and Integration**

- The Act's emphasis on global trends is crucial for India's integration into the international business landscape.
- It reflects the nation's commitment to international standards and facilitates smoother trade relations.

#### **Retention of Fines vs. Penalties**

- While imprisonment has been removed in many cases, fines have been retained, leading to concerns about compliance burdens and increased litigation.
- It is suggested that wherever possible, the removal of imprisonment should be accompanied by the imposition of penalties instead of fines to mitigate litigation risks.

#### **Recommendations by FICCI**

- FICCI welcomes the replacement of fines with penalties in many instances, as recommended by the Joint Parliamentary Committee.
- FICCI has proposed general principles for decriminalization, including exemptions for directors (especially independent directors) from operational non-compliance, no criminal liability for technical errors, and the establishment of a graded penalty system.

#### **Basic Principles of Decriminalization by FICCI**

- Directors, particularly independent directors, should not be held liable for operational non-compliance.
- No criminal liability should be imposed for technical errors, with only financial penalties applicable.
- First-time offenses under most laws should not incur criminal liability.
- Implementing a graded penalty system can serve as a deterrent for subsequent non-compliance.
- Mens rea (intent) should be established for offenses committed, ensuring fairness in enforcement.

#### **Expansion of Decriminalization Efforts: Jan Vishwas 2.0**

##### **DPIIT's Initiative**

- DPIIT is actively identifying and evaluating minor criminal provisions for decriminalization under the next phase, Jan Vishwas 2.0.
- This exercise aims to enhance and expand upon the Jan Vishwas Act, of 2023, incorporating insights from its initial implementation.

##### **FICCI's Recommendations**

- FICCI proposes suggestions for Jan Vishwas 2.0 to address ongoing challenges related to directorial responsibilities and procedural lapses under various laws, such as the Factories Act.

##### **Addressing Technical Lapses**

- FICCI suggests imposing monetary penalties for technical errors like record maintenance and filing returns, with provisions for graded penalties for subsequent lapses.
- First-time offenses should incur monetary penalties, progressively increased to deter future violations.

##### **Facilitating Compliance**

- Provisions for compounding offenses could be introduced to encourage compliance with the law.
- Criminal prosecution for minor offenses often disrupts business operations, and the option to plead guilty under Section 252 of the Code of Criminal Procedure could be revisited.

#### **Concerns with Criminal Prosecution**

- Criminal prosecution for minor offenses, as outlined in Section 92 of the Factories Act, 1948, creates hurdles for the Ease of Doing Business.
- Decriminalization and rationalization of minor offenses are necessary to align with the objectives of the Jan Vishwas Act and promote a conducive business environment.

#### **Decriminalization Efforts and Recommendations**

##### **Occupational Safety, Health, and Working Conditions Code**

- Sections 94, 96, and 97 have been completely decriminalized under the code, with increased monetary penalties.
- However, Section 36 of the Legal Metrology Act, 2009, about penalties for selling nonstandard packages, still requires decriminalization to replace imprisonment with graded fines.

##### **Labour Codes**

- Certain provisions of the Occupational Health, Safety, and Working Conditions Code 2019 and the Code on Wages 2019 involve imprisonment and fines.
- Suggestions include exempting independent directors from liability, increasing monetary fines, and considering additional penalties for subsequent offenses without causing harm to employees.

##### **Section 182 of the Companies Act, 2013**

- Prohibitions regarding political contributions entail criminal provisions, which may not be justified for procedural lapses.
- Recommendations propose replacing imprisonment with fines, ensuring fairness and proportionality in penalties.

##### **Water (Prevention and Control of Pollution) Act, 1974**

- Section 41 with Section 20(2)/(3) entails imprisonment and fines for failure to comply with state board orders.
- Suggestions advocate heavier fines instead of imprisonment, focusing on compliance rather than punitive measures.

##### **Electricity Act 2003 - Section 146**

- Penalties include imprisonment, fines, and additional fines for non-compliance.
- Decriminalization is proposed, suggesting civil penalties or fines for non-malicious violations to foster cooperation and a conducive business environment.

#### **Way Forward**

The Jan Vishwas Act, 2023, marks a significant stride towards a business-friendly environment. Decriminalization efforts need to extend to the state level due to overriding central legislation. Targeted examination of central acts with subsequent decriminalization of subordinate state legislations is essential. Initiatives by states like Haryana to decriminalize laws aim to improve the Ease of Doing Business and the Ease of Living, setting a precedent for other states to follow suit.

## INDO-AFRICAN RELATIONSHIP AMIDST SOUTH-SOUTH COOPERATION

The Global South has emerged as a significant voice in international multilateralism, representing the self-identification of developing nations seeking recognition of their unique concerns and aspirations for power status. These countries grapple with issues such as adverse terms of trade, limited investment opportunities, sovereign debt risks, political instability, and the exploitation of natural resources, which stem from historical exploitative structures.

In recent times, challenges like Climate change, the COVID-19 pandemic, Conflict, and rising costs of living have exacerbated existing pressures on the political economies of these nations. India, a founding member of the Non-Aligned Movement (NAM) and actively engaged in G77 deliberations, has positioned itself as a legitimate voice of the Global South. Leveraging its growing reputation, India has secured significant victories in global rule-making processes over the decades.

### Historical and Ideological Ties between India and Africa

#### Ancient Trade and Cultural Exchanges

- Trade relations between the Indus Valley and African civilizations date back to ancient times.
- Greek accounts mention maritime interactions between ancient Egypt and Indian rulers via the Indian Ocean, fostering economic and cultural exchanges.

#### Development of 'Monsoon Culture' and Multiracial Ties

- The Indian Ocean served as a significant route for trade and cultural interaction, leading to the creation of a 'monsoon culture'.
- Multiracial ties through the Indian Ocean facilitated exchanges of commodities like ivory and gold.

#### Medieval Interactions

- During the medieval period, Africans, including Abyssinians, served in various Indian kingdoms, fostering cultural exchanges.

#### Colonial Era and Gandhiji's Influence

- Gandhiji's experiences in South Africa shaped his moral and political ideologies.
- African leaders like Kwame Nkrumah, Nelson Mandela, and Kenneth Kaunda acknowledged their debt to Gandhian ethics, particularly civil disobedience.

#### India's Engagement in Africa Post-Colonialism

- India has actively opposed neo-colonialism and supported newly independent African states.
- India's involvement in UN peacekeeping missions in Africa underscores its commitment to stability and well-being in the region.

#### Bandung Conference and South-South Cooperation

- The Bandung Conference was pivotal in forming South-South Cooperation (SSC), challenging Northern-dominated systems.
- SSC aims to address political and economic disparities, reflecting a geopolitical and geoeconomic shift to the Global South.

#### 21st Century Dynamics

- Reorientation of global governance norms has led to institutional and developmental responses like AFGC, B3W, and ADB.

- Indo-African cooperation has intensified, focusing on UNSC reforms, global health equity, climate justice, and energy security.

### **Engagement in Regional Organizations**

- India's engagement extends to regional organizations like ECOWAS, the African Continental Free Trade Agreement, BRICS, and OIC.
- Initiatives like the International Solar Alliance (ISA) and Coalition for Disaster Resilient Infrastructure (CDRI) strengthen bilateral ties and influence international agendas.

### **Tele-Law as a Progressive Engagement**

- Tele-Law exemplifies India's progressive engagement and cooperative climate towards strengthening bilateral ties with African nations.
- Collaboration through organizations presents opportunities for India to wield soft power and influence global and national agendas.

### **Synergies and Developmental Initiatives in India-Africa Relations**

#### **● Areas of Collaboration**

- Issues such as curbing piracy, ensuring maritime security, humanitarian and disaster relief (HADR), and multilateral development aid have seen collaborative efforts.
- Investments in the social sector and growing people-to-people ties through initiatives like ICCR have strengthened relations.

#### **● Developmental Approach**

- The EXIM Bank's Focus Africa Programme and India-Africa Partnership Project have driven a consistent developmental approach.
- Seventeen India-Africa conclaves till 2022, India-Africa Forums, and partnerships with organizations like the Confederation of Indian Industry have fostered economic cooperation.

#### **● Bilateral Trade and Investment**

- Bilateral trade volume has surged, with African exports to India growing annually at 23% between 2001 and 2013.
- India has become one of the top 5 investors in Africa, engaging in government-to-government (G2G) interactions, extending Lines of Credit (LOCs), and offering duty-free tariff preferences for Least Developed Countries (LDCs).
- Indian public sector undertakings (PSUs) like ONGC have invested in North and Western Africa, while private entities like Reliance Ltd. have procured oil exploration blocks in Nigeria and Madagascar.

#### **● Sectoral Mix of Investments**

- Indian companies have made substantial investments in various sectors including agribusiness, pharmaceuticals, IT, and energy across countries like South Africa, Egypt, Sudan, Mozambique, Ghana, and Nigeria.

#### **● Trade Volume and Investment Flows**

- Overall trade between India and Africa reached \$100 billion in 2022-23, with Indian foreign direct investment (FDI) outward flow towards Africa estimated at 22.5%.
- The current stock of Indian investments in Africa stands at \$32 billion, with reciprocal investments by countries like Mauritius, South Africa, and Morocco.

#### **● Mutual Benefits and Areas of Cooperation**





- Both partners have secured their interests while benefiting each other.
- Initiatives like the India-Africa Hydrocarbons Conference in 2009 focused on securing energy security, investing in upstream opportunities, and leveraging India's skills and technology in various sectors.

### **Transitioning from Washington Consensus to Southern Consensus**

- **Redefined Economic Geographies**

- The distinction between North and South is now based on economic factors and quality of life, not geographical location.
- The Global South has emerged as a rule-maker rather than a rule-follower, advocating for equal partnership in agenda setting.

- **Frameworks for Cooperation**

- Triangular Cooperation, involving two Southern actors and one Northern actor, promotes technical and financial assistance, fostering capacity-building and shared goals.
- Initiatives like G7+ facilitate peer learning and cooperation among countries facing similar challenges.

- **Historical Milestones**

- The Buenos Aires Plan of Action in 1978 aimed to institutionalize cooperation among Least Developed Countries (LDCs).
- The BAPA+40 defines South-South cooperation as solidarity contributing to national well-being and Sustainable Development Goals.

- **High-Level Forums and Events**

- Events like the Bogota High-Level Event on South-South Cooperation and the Busan High-Level Forum on Aid Effectiveness highlight the importance of Southern-led development partnerships.
- The Doha Programme of Action and LDC5 initiative mobilize resources for equitable development partnerships, especially post-pandemic recovery.

- **Initiatives and Funds**

- The India-UN Development Partnership Fund and the India, Brazil, and South Africa Facility for Poverty and Hunger Alleviation (IBSA Fund) support projects in LDCs and Small Island Developing States (SIDS).
- The Doha Programme of Action focuses on addressing structural challenges faced by Least Developed Countries (LDCs) to achieve development goals.

- **Transition to Realistic Collaboration**

- Global South cooperation has shifted from ideological posturing to demanding a seat at the negotiating table.
- Principles like national sovereignty, ownership, independence, and equality, first articulated in the NAM, remain central to South-South cooperation efforts.

- **Future Directions**

- Future initiatives should focus on result-driven and proactive approaches aligned with national systems.
- Deep collaboration networks are essential for achieving global targets such as the Sustainable Development Goals (SDGs) and Millennium Development Goals (MDGs).

## **Prescriptions for Enhancing South-South Cooperation**

- **Building Productive Capacities**
  - LDCs should focus on agriculture, food security, and rural development to build resilience.
  - Economic integration and diversification of exports are crucial to reduce vulnerability to economic crises.
- **Improving Governance Standards**
  - Strengthening governance standards and enhancing human and social development through aid and investments are essential.
  - Initiatives like debt-for-nature swap agreements can alleviate debt burdens and promote environmental conservation.
- **Addressing Trade Disparities**
  - Efforts are needed to diversify Africa's exports to India beyond crude oil and primary commodities.
  - India should enter Comprehensive Economic Partnership Agreements with African nations to boost trade diversification.
- **Promoting Industrial Collaboration and Knowledge Sharing**
  - Initiatives such as industrial collaborations and knowledge-sharing programs can strengthen economic ties.
  - Investments in sectors like tourism and healthcare can enhance bilateral relations.
- **Emulating Latin America's "Active Non-Alignment"**
  - Governments should build strong regional mechanisms to coordinate regional, foreign, and economic governance.
  - Learning from the experiences of the European Union and ASEAN can guide the establishment of effective cooperation frameworks.
- **Focusing on Multi-Stakeholder Approaches**
  - Collaboration should go beyond financing and include human resources, knowledge, technology, and sustainability.
  - Initiatives should prioritize capacity development and co-creation to ensure holistic growth.
- **Result-Driven Future Initiatives**
  - Future initiatives should prioritize alignment with national systems and focus on achieving global targets like the Sustainable Development Goals (SDGs) and Millennium Development Goals (MDGs).
  - Emphasis should be placed on capacity building, knowledge sharing, and avoiding fragmentation in cooperation projects.

In conclusion, the Indo-African relationship amidst South-South Cooperation reflects a dynamic partnership rooted in historical, cultural, and ideological ties. Both regions have evolved mechanisms to address common challenges and foster mutual development. Through collaborative efforts, they have navigated complexities in trade, governance, and strategic partnerships. As they transition from ideological posturing to pragmatic collaboration, future initiatives must prioritize result-driven approaches aligned with national systems to achieve sustainable growth and equitable development.