Taxing clunkers

The Centre's proposed policy to raise road tax on vehicles of a certain age from April 1 next year has the potential to

1. renew a big part of India's vehicular fleet,

2. reducing air pollution,

3. raising fuel efficiency,

4. and improving safety standards.

Proposed Policy

1. Under the policy, commercial transport vehicles will have to pay 10%-25% extra on road tax after eight years when renewing the fitness certificate, and, similarly, personal vehicles after 15 years; public transport is given concessions, while hybrids, electrics and farm vehicles are exempt.

2. A higher tax in the most polluted cities, and on diesel engines are also on the cards. States, which enforce motor vehicles law, now have to weigh in on the proposed changes.

Analysis

1. India's scheme relies on penal taxation to persuade owners to scrap their old vehicles, with no cash-for-trade-in arrangement.

2. For this approach to work efficiently, the additional tax proposed should exceed the resale value of the polluting motor, making its disposal more attractive, with enough safeguards to ensure that it is indeed scrapped and recycled under a monitored system.

Scrappage Policy

1. Earlier, the Road Transport Ministry Nitin envisioned a reduction in automobile prices of 20% to 30%, driven by a recovery of scrap steel, aluminium and plastic, all of which would be recycled.

2. Now that it has a better-scoped plan, the focus must be on building capacities in the organised sector to manage the task of efficient materials recovery.

Internal Security	Polity	History	Disaster Management
Science & Technology	Economic	Geography	Ecology & Environment
International Relations	Life Science	Social Issues	Ethics, Integrity & Aptitude

3. The vehicle registration database for all States also requires updating, to reflect true numbers of old vehicles on the road, eliminating those scrapped; a significant number, more than 15 years old, still runs.

4. Such data will help target scrappage policy benefits better. Moreover, many transport vehicles are operated by small entrepreneurs who lack the resources to transition to newer ones and need help as loans and grants.

Conclusion:

India's policy to eliminate polluting fuel guzzlers has had a long gestation, and States should see the value of operationalising it as planned. New vehicles and cleaner fuels should help clear the toxic air in cities and towns and make roads safer.

Many vulnerabilities

The EVM debates

1. The much-discussed and debated Electronic Voting Machine in India has survived intense scrutiny over its use largely because of one strong reason — the fact that this standalone single-chip device is not connected to any network.

2. This is besides several technological and administrative safeguards to ensure that the machine is not tampered with. With the addition of the Voter Verifiable Paper Audit Trail (VVPAT) to the EVM, "audit-ability" was added to the process.

Remote voting

1. The ECI is commencing trials of a "remote voting project" is sure to bring back scrutiny.

2. ECI officials have not elaborated or released any detailed document, but have mentioned that the system, being developed by IIT-Madras, uses the blockchain method for "two-way remote voting" at designated centres.

3. Remote voting, as an option, has gained some priority during the COVID-19 pandemic in order to address social distancing.

4. In the USA, the mail-in ballot system, where registered voters receive ballots and returned it via post or dropped it off at secure "drop boxes" or voting centres, was widely used, but this was entirely paper-based.

5. The blockchain method implements an online public bulletin board that allows for a linear ordering of data to which a user can only further append data.

6. In the case of a blockchain-based voting system, the voting authority will have to authenticate this bulletin board in which users sign in using cryptographic signatures to register their votes in a ledger.

Problems with Blockchain-based remote voting

1. While this system, with its cryptographic features, promises data security and verifiability, the fact that it will depend upon a network and devices could introduce vulnerabilities that are present in any Internet-based system.

2. A draft paper by MIT and Harvard researchers, in November 2020, has raised concerns about the designs of a remote block-chain-based voting system and pointed to serious vulnerabilities in some instances where it was tried out.

3. The paper also points out that beyond the vulnerabilities faced by any Internet-based system, blockchains also introduce issues related to complexity and their management. The ECI would do well to exercise caution before deploying this method in elections, besides subjecting it to a rigorous public appraisal.

We're not all in the same boat

Oxfam International's annual report on inequality for 2021, aptly titled 'The Inequality Virus', puts the uncomfortable but imperative spotlight on the obscene inequality.

The COVID X-ray

COVID-19 has been likened to an x-ray, revealing fractures in the fragile skeleton of the societies we have built. It is exposing fallacies and falsehoods everywhere: The lie that free markets can deliver healthcare for all; the fiction that unpaid care work is not work; the delusion that we live in a post-racist world; the myth that we are all in the same boat.

Internal Security	Polity	History	Disaster Management
Science & Technology	Economic	Geography	Ecology & Environment
International Relations	Life Science	Social Issues	Ethics, Integrity & Aptitude

COVID: India Impact

1. Over the decades, India has faced mammoth challenges including wars and hunger. But the COVID-19 pandemic, which resulted in a migrant crisis, lockdowns, and serious contraction of the economy, and highlighted a crumbling health system, is an unprecedented test of the republic.

2. This is the moment to use the 'COVID x-ray' to recognise the deep fissures caused by the growing inequality in the country; and for post-pandemic recovery, resolve to plan a fundamentally different economic model for ensuring an equal, just and sustainable future for all.

Uncomfortable truths

1. The Oxfam report highlights deeply uncomfortable truths of how the virus has exposed and increased existing inequalities of wealth, gender and race. This shock is set to reverse the decline in global poverty we have witnessed over the past two decades.

2. Over two million people have died, and hundreds of millions of people are being forced into poverty while many of the richest, both individuals and corporations, are thriving.

3. The pandemic, which is the greatest economic shock since the Great Depression, saw hundreds of millions of people lose their jobs and face destitution and hunger.

4. Globally, women are over-represented in the sectors of the economy that are hardest hit by the pandemic. The unequal impact of the pandemic, in addition to this gender dimension, also has a race dimension.

5. The virus has also led to an explosion in the amount of underpaid and unpaid care work, done predominantly by women, and in particular women from groups facing racial and ethnic marginalisation.

The rich and poor in India

1. The country introduced one of the earliest and most stringent lockdowns in the face of the pandemic, whose enforcement brought its economy to a standstill triggering unemployment, hunger, distress migration and untold hardship.

2. The rich have been able to escape the pandemic's worst impact. White-collar workers have easily isolated themselves and have been working from home.

3. The increase in the wealth of the top 11 billionaires during the pandemic can easily sustain the Mahatma Gandhi National Rural Employment Guarantee Scheme or the Health Ministry for the next 10 years.

4. According to the International Labour Organization, with almost 90% working in the informal economy in India, about 40 crore workers in the informal economy are at risk of falling deeper into poverty.

Way Forward: Fighting inequality

The government must set concrete, time-bound targets to reduce inequality. Fighting inequality must be at the heart of economic rescue and recovery efforts. This must include gender and caste equality. Countries like South Korea, Sierra Leone and New Zealand have committed to reducing inequality as a national priority, showing what can be done. Four things could be done on priority.

1. One, invest in free universal healthcare, education, and other public services. Universal public services are the foundation of free and fair societies and have unparalleled power to reduce inequality, including gender and caste inequality. An immediate step could be delivering a free 'people's vaccine' to all citizens to tackle the pandemic.

2. Two, the virus has shown us that guaranteed income security is essential. For this to happen we need not just living wages but also far greater job security, with labour rights, sick pay, paid parental leave and unemployment benefits if people lose their jobs.

3. Three, reintroduce wealth taxes and ensure financial transaction taxes while putting an end to tax dodging. Progressive taxation is the cornerstone of any equitable recovery, as it will enable investment in a green, equitable future. Argentina showed the way by adopting a temporary solidarity wealth tax on the extremely wealthy that could generate over $3 billion.

4. Four, we need to invest in a green economy that prevents further degradation of our planet and preserves it for our children. The fight against inequality and the fight for climate justice is the same fight.

Internal Security	Polity	History	Disaster Management
Science & Technology	Economic	Geography	Ecology & Environment
International Relations	Life Science	Social Issues	Ethics, Integrity & Aptitude