



Encouraging accord

The political will shown by G7 to ensure fairness in revenue sharing is a good augury.

Highlights:

1. The Finance Ministers of the G7 nations appear to have heeded the advice to **never let a good crisis go to waste** when they agreed to set a global minimum tax of at least 15%.
2. With the COVID-19 pandemic having caused the world economy to shrink by an estimated 3.5% in 2020 and forced most countries to dip into their coffers to mitigate the fallout, the seven richest nations opted to use the opportune moment to plug a key loophole in the international tax regime.
3. In a communique, the G7 Ministers stressed that as part of efforts to secure a 'Safe and Prosperous Future for All' they would strongly back the broader efforts underway through the G20/OECD to address tax challenges arising from globalisation and digitalisation of the economy.
4. The rapid and relentless march of technological advancement, especially in the domain of global communications and connectivity, has resulted in a world economy where the digital sphere, estimated in 2016 at \$11.5 trillion or over one-sixth of global GDP, is exponentially outpacing overall economic growth.
5. The increasing digitalisation has, however, exacerbated the challenges to taxing multinational corporations, which have sought to minimise their total tax outgo by recognising a bulk of their revenue in low-tax jurisdictions.

OECD Efforts:

1. The OECD, which is with the G20 spearheading the 'Inclusive Framework on Base Erosion and Profit Shifting' initiative aimed at ending tax avoidance, estimates that countries are collectively deprived of as much as \$240 billion in tax revenue annually due to avoidance by MNCs.
2. Such distortions can only be effectively addressed through a multilaterally agreed solution. The G7 also agreed on an equitable allocation of taxing rights, with market countries awarded taxing rights on at least 20% of profit

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exceeding a 10% margin for the largest and most profitable multinational enterprises.

3. For India, estimated to be losing more than \$10 billion in revenue each year to “global tax abuse” by MNCs according to the Tax Justice Network and one of the more than 90 countries that have joined the BEPS framework, a wider agreement at next month’s meeting of G20 Finance Ministers and central bank Governors could have far-reaching implications.
4. India could benefit from the levy of taxes on MNCs including technology and Internet economy giants, which have taken advantage of the loopholes in the global tax system. While there are still wrinkles to be ironed out, including the issue of local levies on digital transactions, the political will to ensure greater fairness and equity in revenue sharing is a positive augury.

The promise and perils of digital justice delivery

Phase 3 of the e-Courts project can harness technology for service delivery without increasing surveillance risks.

Tech in Justice:

1. In popular perception, Indian courts are not associated first with the delivery of justice, but with long delays and difficulties for ordinary litigants.
2. According to data released by the Supreme Court in the June 2020 newsletter of the e-Committee, 3.27 crore cases are pending before Indian courts, of which 85,000 have been pending for over 30 years.
3. Technology can be used to revolutionise India’s courts, but only when it operates within the constitutional framework of the fundamental rights of citizens. If not, technology will only further exclusion, inequity and surveillance.

The e-Courts project

1. The e-Committee of the Supreme Court of India recently released its draft vision document for Phase III of the e-Courts project. Phases I and II had dealt with the digitisation of the judiciary, i.e., e-filing, tracking cases online, uploading judgments online, etc. Even though the job is not complete,



particularly at the lower levels of the judiciary, the project can so far be termed a success.

2. On the surface, the objectives remain noble. There is a commitment to the digitisation of court processes and plans to upgrade the electronic infrastructure of the judiciary and enable access to lawyers and litigants.
3. However, the document goes on to propose an “ecosystem approach” to justice delivery. It suggests a “seamless exchange of information” between various branches of the State, such as between the judiciary, the police and the prison systems through the Interoperable Criminal Justice System (ICJS).
4. It has been pointed out by organisations such as the Criminal Justice and Police Accountability Project that the ICJS will likely exacerbate existing class and caste inequalities that characterise the police and prison system.
5. This is because the exercise of data creation happens at local police stations, which have historically contributed to the criminalisation of entire communities through colonial-era laws such as the Criminal Tribes Act of 1871, by labelling such communities as “habitual offenders”.
6. This is of particular concern since the data collected, shared and collated through the e-Courts project will be housed within the Home Ministry under the ICJS.

A cause for concern

1. Several individuals and organisations have warned against the zeal of the data collection exercises contemplated by the draft proposal. The “seamless exchange of information” relies on large-scale gathering and sharing of data.
2. Data collection is by itself not an evil process. In fact, data can be a useful tool for solving complex problems. For example, to address the problem of cases pending simply for service of summons, Phase II of the e-Courts project saw the development of the National Service and Tracking of Electronic Processes, a software that enabled e-service of summons.
3. It is only when data collection is combined with extensive data sharing and data storage that it becomes a cause for concern. The Supreme Court must take care not to violate the privacy standards that it set in Puttaswamy v. Union of India (2017), especially since India does not yet have a data protection regime.



4. Data can be useful when it provides anonymous, aggregated, and statistical information about issues without identifying the individuals. This could be made possible in Phase III by encouraging uniformity and standardisation of entry fields.
5. Unfortunately, there has been a dangerous trend towards creating a 360-degree profile of each person by integrating all of their interactions with government agencies into a unified database. This approach has been perfected by social media platforms and technology companies, and the government is now trying to do the same.
6. The difference is that when technology companies do this, we get targeted advertising, but if the government does it, we get targeted surveillance.
7. This 360-degree approach is the main objective of Phase III. Once any government department moves online, their pen-and-paper registers will become excel sheets, shareable with a single click. Localised data will become centralised.
8. Holdovers from the analogue age ought not to have an issue with this process, since it can lead to great advancements in problem-solving. However, it is the next stage that is a cause for concern even for the most vocal proponents of the digital age, which is integration with other agencies.

Ecosystem Approach:

1. When integrating data from all the lower courts, the intersection lies at the higher judiciary, because those are the appellate authorities connecting all the lower courts. When integrating data of the courts and police stations, the intersection lies with the individual citizen, since it is the citizen's interaction with these branches of the state that is being monitored.
2. While it is understandable why the courts could reasonably benefit from access to police and prison records, courts deal with a variety of matters, some of which may be purely civil, commercial or personal in nature.
3. No clear explanation has been offered for why the Home Ministry needs access to court data that may have absolutely no relation to criminal law. This process serves no purpose other than profiling and surveillance.



4. Since the Phase III vision document is a draft, there is still an opportunity to abandon the ecosystem approach. The objectives were to streamline judicial processes, reduce pendency, and help the litigants.
5. To continue to do that within the framework of our fundamental rights, the e-Courts must move towards localisation of data, instead of centralisation. The e-Committee must prevent the “seamless exchange” of data between the branches of the state that ought to remain separate. Technology plays an important role in the project, but it cannot be an end in itself.

South Asia's healthcare burden

Despite the debilitating pandemic, state investment in the health sector remains deeply inadequate.

Highlights:

1. As India combats the pandemic, its neighbours are experiencing spillover from the menacing second wave.
2. As bodies piled up at overcrowded crematoriums in India in the last few months, several things were to blame — “super spreader” events, a fragile health infrastructure neglected for decades, citizens not following health protocols, and logistical mismanagement.
3. What has exacerbated the situation is a subpar public healthcare system running on a meagre contribution of a little over 1% of India's Gross Domestic Product (GDP).
4. While the private medical sector is booming, the public healthcare sector has been operating at a pitiful 0.08 doctors per 1,000 people, falling miserably below the World Health Organization's (WHO) prescribed standard of 1:1000.
5. India has only half a bed available for every 1,000 people, which is a deficient figure even for normal days.
6. While ideally, out-of-pocket expenditure should not surpass 15% to 20% of the total health expenditure, for India, Bangladesh and Pakistan, this figure stands at an appalling 62.67%, 73.87% and 56.24%, respectively.



South Asian Plight:

1. While India has the world's third-largest military expenditure, its health budget is the fourth-lowest.
2. Major public sector investments by the 'big three' of South Asia, i.e., India, Pakistan, and Bangladesh, are towards infrastructure and defence, with health taking a backseat.
3. A quick look at pre-pandemic sectoral allocations explains the chronically low status of human development indicators in the three countries.

Learning from Southeast Asia

1. South Asia can take lessons in pragmatic healthcare policy from Southeast Asia, which has prioritised investments in healthcare systems while broadening equitable access through universal health coverage schemes.
2. From Vietnam's preventive measures focused on investments in disease surveillance and emergency response mechanisms, to even countries like Laos and Cambodia making a constant effort towards improving the healthcare ecosystem, all have done much better than their South Asian peers.

Learning from the devastation unleashed by the pandemic, South Asian countries must step up investment in their public healthcare sectors to make them sustainable, up to date and pro-poor; most importantly, the system should not turn its back on citizens. Given the high chances of another wave or even the impending crisis of climate change, stopgap measures ought to be replaced by a well-thought-out vision and political commitment for long-term healing.