

## MEDICAL SAFETY

- E-pharmacies started operating in 2014 but there remains some regulatory uncertainty.
- The draft e-pharmacy rules were released in 2018 but are yet to be implemented.
- The current regulations mean that differences in business models determine the firm's ability to raise capital and the licensing requirements they must meet.
- There is a risk of regulatory capture because there are strong incentives for incumbents to seek the introduction of regulatory barriers to limit competition.
- » Similar to the problems faced by Meru and then Uber - Brick and mortar pharmacies have threatened strikes and written multiple letters to both regulators and parliamentarians asking for a ban
- Well defined, principle based regulations that are cognizant of both risks and the probable future path of the industry would reduce uncertainty, improve consumer protection and encourage innovation.

## FOOD SAFETY

- Aggregators consistently improve their internal hygiene and sanitation practices to remain competitive and ensure survival
  - » Market associations and food aggregators in India have developed their own voluntary tags and certifications on food quality and hygiene
  - » Aggregators also modify FSSAI standards based on changing consumer preferences and to accommodate international best standards
- Aggregators have been able to track and facilitate regulatory compliance more effectively than the food regulator by leveraging technology and using incentives based mechanism
- The display of hygiene ratings on aggregator platforms has increased the popularity of the scheme and its up-take amongst FBOs. Many FBOs are willing to voluntarily comply with hygiene standards and get rated.
- Aggregators and auditors demonstrate an acute understanding of the need for dynamism
  - » They have begun conducting covid compliance audits; currently toying with the idea of virtual audits
  - » They have modified their algorithms, adapted service offerings and have begun communicating COVID compliance to consumers—to facilitate re-opening of the food Industry

## GM SEEDS

- There is a need to clarify the rules around research trials and making the procedure more transparent both for the benefits of the farmers and the companies investing in biotechnology research. The back and forth on rules on NOC and commercial use of GM seeds have created a sense of uncertainty on the stands of the government and GEAC bodies on biotechnology.
- The current regulatory setup governing the Agriculture Biotechnology laws do not promote precedence to scientific trials and research. This prevents modern technologies from entering the market and hinders the growth prospects for the farming sector.
- The farmers under the Shetkari Sanghatana have been protesting against the ban on GM technology for a long time. They also initiated a Kisan Satyagraha in 2019 following the ideals of Mahatma Gandhi. Both anti and pro-GM camps in the country employ strong use of Gandhian lexicon and modes of action in their quest for "truth". The main demands of the pro-GM camp include the freedom to sow the seeds of their choice, allowing the usage of modern technologies and opening up of free markets for agricultural trade. Although selling or sowing unapproved varieties of GM seeds remains illegal and with penalties attached, farmers are still able to access these in the markets. Therefore, while the government needs to carry out a thoughtful cost-benefit analysis, consider the externalities that emerge with the use of GM crops and present ways to compensate for them; it also needs to speed up the process of research and commercialisation, so that modern technologies reach the farmers. This will also help solve second-order problems like black markets and low quality seeds available for the farmers. While India remains stuck in a state of a regulatory paralysis, Bangladesh has approved the Indian developed Bt brinjal variant for commercialisation becoming the first developing country to release a genetically engineered food crop. The cultivation of Bt brinjal in the country increased from a meagre number of 20 farmers in 2014 to over 27,000 farmers as of 2018. The commercialization has not only helped the farmers in increasing the yield of brinjals in the country, it has also contributed to higher incomes for the farmers leading to better standards of living.

## LABOUR

- States have done the heavy-lifting on labour reforms. Numerous Amendment Bills have been tabled by the Union to improve flexibility, however, those reforms have been stalled by parties with vested interest, at times, leading to more restrictive provisions. On the other hand, State governments have independently amended labour law provisions to improve flexibility. They have allowed fixed-term contracts, permitted women to work in factories during night-time, increased thresholds for the applicability of different Acts etc.
- During COVID-19, the response of the 12 State governments analysed can be categorised in 3 parts:
  - » Bihar and Karnataka have pursued reforms with a clear intent of easing regulatory burden on their MSMEs like allowing fixed-term contracts and extended the working hours.
  - » States that have given mixed-signals: Madhya Pradesh has played it safe by exempting its factories from IDA, except for part VB which is the most restrictive section of the Act. Gujarat has taken this opportunity to restrict women from working at night in factories.
  - » West Bengal and Tamil Nadu have not introduced any changes across the variables that we have considered, during COVID-19.
- There is competitive pressure on states, however, this pressure is only to play catch-up. As the MSMEs face unprecedented challenges posed by the pandemic, the governments are still initiating reforms that were already introduced by other states in 2014. Also, States continue to remain prisoners of the Centre's first draft. Reform measures at the state level are not accompanied by any justification or cost-benefit analyses, and their reforms are guided by the provisions and changes of Central Labour Laws.
- The Centre and the State continue to retain anachronistic provisions. The provisions related to retrenchment and priority rules have not been amended, which force the MSMEs to retain unproductive workers. Many states like West Bengal, Rajasthan, Punjab continue to restrict women from working in factories during night.
- The Union Government has collapsed 44 Central Laws into 4 labour codes which have been introduced in the Parliament. While they are introduced to facilitate ease of doing business, they still continue to retain some of the old provisions like the threshold for defining a factory under the Occupational Safety, Health and Working Conditions Code is 10(factory with power) and 20(factory without power) workers only. The Code still mandates that the overtime premium will be twice the normal rate of wages, despite ILO recommending a rate of 1.25 times the normal wage rate. Even though the Code on Industrial Relations raises the threshold for layoffs and retrenchment to 300 workers, the retrenchment and priority rules have been retained. Since the Centre looms large, and its provisions work as a reference for States, the Centre should be more ambitious while leading the way.

## PHILANTHROPY

NPOs take more time (6-8 weeks) to prepare the document for income tax reporting than to prepare the documents for the FCRA intimation (1 to 3 weeks). But since an NPO is required to file 4 quarterly reports and an annual report, an NPO spends more time on FCRA intimation over the course of a year.

The Ministry of Home Affairs (MHA) may take 4 to 6 months from the date of application to decide FCRA renewal application.

- The FCRA 2010 uses many vague terms like "reasonable" and "engaged or likely to engage in propagation of sedition or advocate violent methods to achieve its ends" that allow for misuse of discretion. The IT Act 1961 uses the term 'genuine' to determine - a condition that is essentially a determination of facts.
- It is unclear how the MHA decides on the quantum of punishment. A minor violation such as failure to file a 'nil' report may result in cancellation.
- Due to the COVID-19 pandemic, all compliances that are dependent on financial statements are pending as the physical files were locked in the office.

## EXIT-CERTIFICATION

- Non-traditional learners have limited options for exit-certification in school education
  - » Only the National Institute of Open Schooling (NIOS) and its state counterparts offer certification without any restrictions
  - » Premier Boards such as CBSE and CICSE do not allow non-traditional learners to appear for exit-examinations as private candidates
- Non-traditional learners mostly prefer NIOS for ease of certification. Some choose NIOS for flexibility in choosing subjects and taking examinations
- NIOS certification costs significantly less compared to other premier Boards such as CAIE (ranges between Rs 2-3 lakhs), but fails to deliver on quality of curriculum.
  - » NIOS books are "irrelevant and boring" with low-value content; assignments do not facilitate any "real learning" and are simply an exercise of "copying and pasting" answers
- Non-traditional learners also struggle to reach out to NIOS authorities for academic and administrative support.
  - » Support platforms are ineffective Either all contact numbers provided on the NIOS website are non-operational, or calls and emails regarding queries remain unanswered

## PROFESSIONAL CERTIFICATION

- Recruiters indicated that the degree and the exams focus on theoretical knowledge instead of job-relevant skills.
- But, in reality, employers place more importance on a candidate's performance during the interview than their performance on paper (college marks, attendance, rank of college).
- Degree requirements take away the option of hiring exceptional candidates who may have relevant skills but not the degree— thus limiting entry into the profession.
- Employers also think that most practical skills can be picked up on the job as long as candidates have the right attitude.