

GS Mains Daily Answer Writing

Week 8 - Day 5

Model Structures

Case study 1

You are a professor as well as a social activist. There is an educated and well employed couple in your vicinity who often fight on their personal issues. One day they started fighting as usual, starting from arguments, turning loud, slamming doors and finally the male partner resorting to physical violence, the cry of wife and children started coming out. People come out, but do not dare to go to them citing that it is their personal matter, so any interference would be unethical and uncalled for. Answer the following questions based on the above case:

- (a) *Would you agree to be a bystander on the advice of the people that it is a personal matter of the couple? Give reasons.*
- (b) Suppose you go to the flat of the couple and enquire what is wrong but the male member insists that they be left on their own as it is their personal matter and you should mind your own business. What would be your reaction?
- (c) *Can police help in curbing this social malady by using legal authority and provisions?*
- (d) *What is your moral and ethical locus standi on intervention of neighbours to stop the domestic violence?*

Model Structure

(a) *Would you agree to be a bystander on the advice of the people that it is a personal matter of the couple? Give reasons.*

- No, the crowd is falling into an argument, which is convenient but unethical. Small brawls between male and female counterparts in a family are indispensable and even add sweetness in relationships as made out in many popular fictions. But when things go out of proportion leading to violence and various abuses, the couples cross their limits to privacy, disturb and destabilise their neighbors and also cross the limits

defining humane and civilised norms. The issue becomes social and ethical. And I would intervene to stop it from becoming uglier.

(b) Suppose you go to the flat of the couple and enquire what is wrong but the male member insists that they be left on their own as it is their personal matter and you should mind your own business. What would be your reaction?

- Knowing that such a bizarre argument would anger me and create a personal outrage, I would deliberately keep cool and calm because the purpose is not "winning the argument" but "winning the case."
- Secondly, I would try to cool down the person involved in the case and help them out with at least a temporary reconciliation through various possible means- love and assurances, promises and offering help which they need.
- But if soft methods would not work, I would try to use "law and order machinery" (police) or even "social control" to stop violence and abuse, but not to harm the couple (as happens in "crowd justice" or vigilantism").

(c) Can police help in curbing this social malady by using legal authority and provisions?

- There is always a limit to the effectiveness of "law and order" or "policing" in such cases.
- Such cases need proper ameliorative steps from elders in the family, civil society and counseling and psychiatric treatment. Also education and awareness about various "pressing situations" in family life and "how to tackle them" would go a long way. It is important to know that "first best option" may not be always available in life and so we must reconcile with the "second best options", based on reconciliation and adjustment. That is what pragmatic or relative ethics suggest.

(d) What is your moral and ethical locus standi on intervention of neighbours to stop the domestic violence?

- Normally, domestic issues are best left with the couples if it is not violent and abusive. The private space of couples is sacrosanct. But the sanctity of private space is violated if things turn loud, violent and abusive. This becomes a "social issue" or "human issue".

- Even if the couple is not ready to accept social intervention - consciously or unconsciously unaware or indifferent- the neighbourhood should come forward to stop domestic violence by legitimate and human means.
 - Vigilantism should be avoided at any cost and in "out of control" situations, help from police and law and order should be sought out immediately. However, in the long run family elders, civil society and counseling would be more effective.
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Case Study 2

Recently in India, a business firm with undischarged debt of Rs. 4623 crores has been asked to pay just Rs. 323 crores by the banks. The settlement occurred since these debts have become NPAs long back. From the financial year 2003-04 India continued to grow at a rapid pace which was the cumulative effect of liberalisation of economy and giving freedom to market. The LPG reforms were made with a rationale that State control of the economy leads to obstructing the market forces leading to inefficiency and lack of innovation. A free-market economy is driven by the urge for profit. The participants take risk to earn profit and the process in total generates huge wealth which is called national income or GDP. Such GDP growth is aspired by poverty-ridden nations like India so that her poorest sections can secure a livelihood and meet subsistence needs. It is this worldview that lied under the drastic rise in loans given to industrialists who wanted to take risk during the boom period. For various reasons, including causes that are attributable to the government like land acquisition challenges, environmental clearance, skill shortage, corruption, etc. The projects failed and the loans turned into NPAs (Non-Performing Assets).

While NPAs are undesirable and we should strive to prevent them, they are part and parcel of the market-led economy model which we deliberately chose. And we chose this model in the belief that the risk-taking behaviour of industrialists will boost the nation's wealth and further human development in India. But there is a consensus amongst people that NPAs are the result of an industrialist's mistake. The increasing blame, deprecation, bullying, censoring and condemning overall lead to stigmatising businessmen. Experts term this as 'stigmatised capitalism'. This

trend is expected to discourage desirable market behaviour from the private sector and has consequences for growth, employment and development.

Answer the following:

- a. Is it right to blame industrialists when we chose a free-market model aiming to uplift the downtrodden?
- b. Should the government waive NPAs and encourage risk-taking behaviour of capitalists which is fruitful for the common good? (250 words) 20

Model Structure

Introduction

- The economic policies of nations always have ethical implications to it if they are unfair. We have seen philosophers like Karl Marx not only raising voices against an unjust economic system but also educating masses to question them.

Main Body

- The dependency on banks for everyone's livelihood has increased disproportionately from the 20th century. The ethics of banking is judged based on how they treat different classes of its customers, especially rich and poor. The Non-Performing Asset problem exists in both farming and capital-intensive sectors led by the majorly poor and rich respectively.
- a. In India, the NPA of industrialists is a cumulative effect of pan-national level mismanagement involving all the stakeholders. Industrialists are blamed for defaulting loans. Whether they can be blamed or not is based on their responsibility in this whole problem. Industrialists do have a responsibility because:
 - The industrialists however are aware of the bottlenecks in the Indian economy.
 - The banks did not give an option that if they enterprise fails, they will not be held liable
 - The industrialists voluntarily took risk for profit. They were not doing any philanthropy,
 - There are successful companies which have utilised the money during this period properly. This means partly the lack of innovation, marketing, commitment and professionalism also caused NPAs.

- Thinkers like John Locke and Adam Smith who are fathers of capitalism propounded without being industrious and creative one should not crave for wealth and luxury.
 - Hence, the industrialists failed to maintain excellence which is the mother of all ethics in professional ethics. Industrialists are responsible and they are part of the NPA crisis. But they are not the only class who are responsible,
 - Government has failed to ensure ease of doing business
 - Banks have failed to assess risk before dispensing loans
 - External factors like the 2008 crisis also caused NPAs.
 - So, it is right to blame industrialists amongst others as they can be duly held responsible for the NPA crisis. They could have strived to prevent it as Abraham Lincoln said “You cannot escape the responsibility of tomorrow by evading it today”.
 - b. The argument that the loans taken by industrialists should be waived off is to promote economic activity. It is not attesting to any perception that industrialists are completely innocent or non-guilt.
 - If their debts are not waived, their companies cannot reinvigorate and it will lead to market inactivity and stagnation. Every section including the poor will suffer unemployment and under-development henceforth.
 - Waiving their loans does not mean they are not liable. They are liable for NPAs, because free market economy “only permits risk but not insured risk”. But all loans cannot be waived and all defaulters cannot be absolved of their liability.
 - Economists like Raghuram Rajan have said “we need to differentiate between defaulters, wilful defaulters and fraudsters”.
 - The latter two have deliberately violated professional ethics which says legality of enterprise is necessary in the interests of both profession and society. They need to be penalised and brought to justice. Laws like Fugitive Economic Offenders Act, 2018 does the same and differentiates ethical and unethical businessmen.
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