

**9pm**

# **Compilation**

**1<sup>st</sup> to 6<sup>th</sup> Sptember, 2020**

**General Studies - 1**

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1. Subhash Chandra Bose - A hero or a misplaced tyrant

**General Studies - 2**

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1. Internationalism or Nationalism- India's Present choices in Foreign Policy
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**General Studies - 3**

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# General Studies Paper - 1

## General Studies - 1

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### 1. Subhash Chandra Bose - A hero or a misplaced tyrant

Source- [The Business Line](#)

Syllabus- **GS 1** - Modern Indian history from about the middle of the eighteenth century until the present- significant events, personalities

Context- Legacy of Subhash Chandra Bose

#### Subhash Chandra Bose

- In **1942**, he earned the title '**Netaji**', in Germany by the Indian soldiers of the **Azad Hind Fauj**.
- **Type of Government** - He promoted "government by a strong party held together by military discipline" for independent India.
- Bose is credited with the very famous slogan, "**Give me blood, and I shall give you freedom!**" as well as "**Jai Hind**".
- He is also credited to be the first man to call Mahatma Gandhi "**Father of the Nation**".
- Role model -Kemal Ataturk

#### Time line-

- **1919** - Headed to London to give the **Indian Civil Services (ICS) examination** and he was selected. Bose, however, resigned from Civil Services as he believed he could not side with the British.
- **1923** - He was elected the **President of the All India Youth Congress** and also the Secretary of Bengal State Congress.
- **1930** - Bose travelled in Europe. He researched and wrote the first part of his book, **The Indian Struggle**, which covered the country's independence movement in the years 1920–1934.
- **1939** - He was reelected as Congress President, but soon resigned from the presidency.
- **1943** - He was called as Father of Indian National Army.
- **1944** - He travelled to Japan and took leadership of the Indian Independence Movement in East Asia. With Japanese aid and influence, he took the leadership of a trained army of about 40,000 troops in Japanese-occupied Southeast Asia known as the Indian National Army.

#### The other side Subhash Chandra Bose

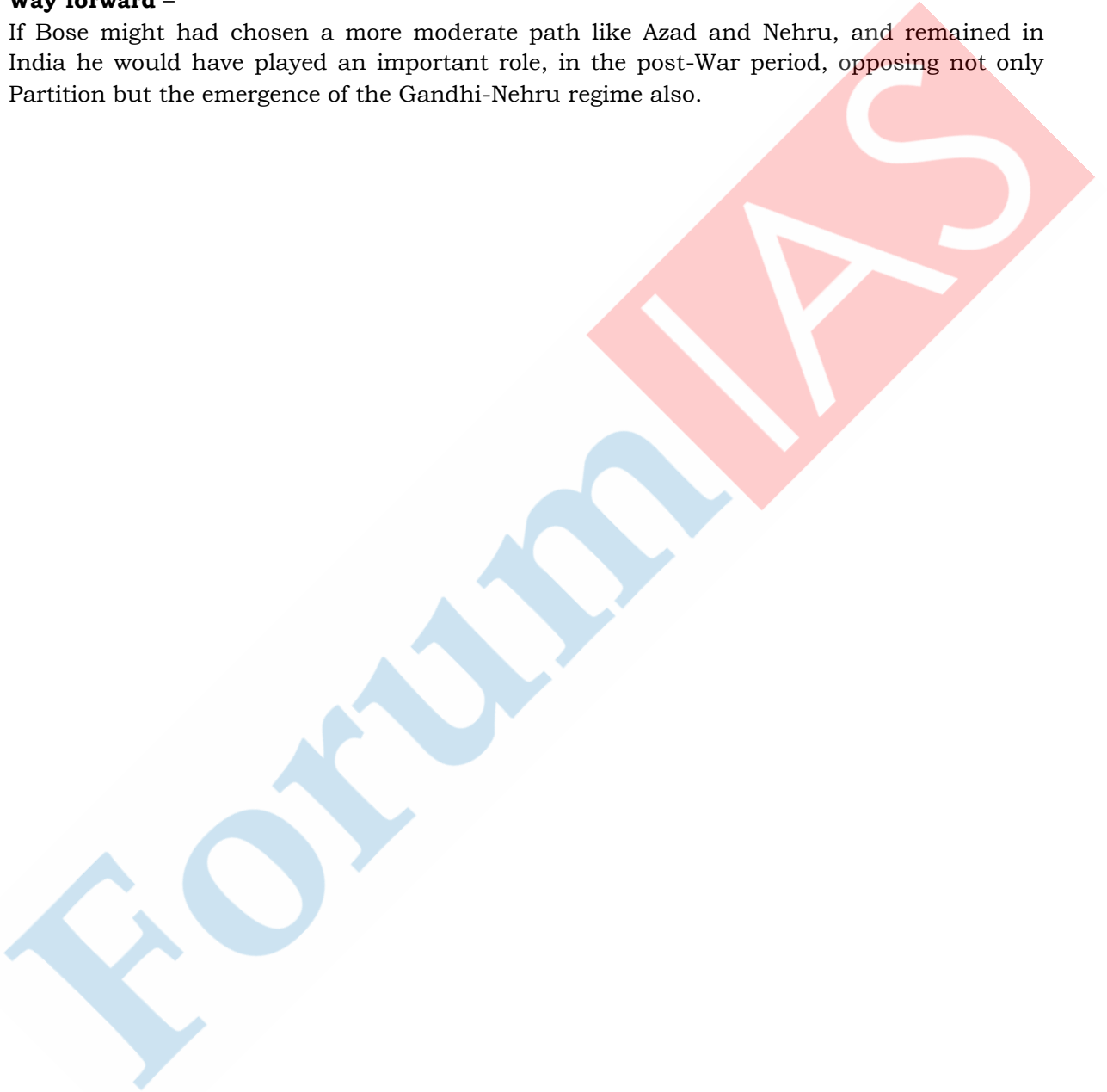
- **1932** - Imprisonment in the Civil Disobedience movement followed by bad health took him to Europe where he observed European politics, particularly Fascism under **Mussolini** and **Communism in the Soviet Union**.
- He was impressed by both and believed that authoritarian rule was essential for achieving radical social goals.
- **1941** - He traveled to Germany to seek help for India's independence from **Adolf Hitler** and with German funds Bose started **Free India Center** and **Free India Radio** where he used broadcast nightly.
- **1943** - In a speech in Singapore, Bose spoke about India needing a ruthless dictator for 20 years after liberation.

**Contribution to modern India**

1. **Women Empowerment** – Raised an all-women unit in Azad fauj which was headed by the late Lakshmi Sehgal.
2. **Principle of secularism** - His greatest contribution to India was his unwavering commitment to secularism, something that later became the cornerstone of the Indian republic.

**Way forward –**

If Bose might had chosen a more moderate path like Azad and Nehru, and remained in India he would have played an important role, in the post-War period, opposing not only Partition but the emergence of the Gandhi-Nehru regime also.



# General Studies Paper - 2

## General Studies - 2

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### 1. Internationalism or Nationalism- India's Present choices in Foreign Policy

Source- [The Indian Express](#)

Syllabus- GS 2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests

Context - The first international conference "Congress of the peoples of the East" held in 1920, offers insights into the tensions between globalism and localism of 2020.

#### Recent instances of conflict between Internationalism and Nationalism

- 1. Impeding Eurasian unity-** India's decision to pull out of this month's military exercise of the Shanghai Cooperation Organisation, which was to announce a new era of Eurasian unity has been impeded by the tensions between India and China.
- 2. Leadership of the Muslim world-** The Turkish President Recep Tayyip Erdogan's claim of leadership of the Muslim world has been resisted by a number of Arab rulers.
- 3. Tension between 'Globalism' and 'America First' foreign policy of U.S.-** Democratic presidential nominee Joe Biden's promise to restore America's "global leadership" is struggling to overcome Donald Trump's "America First" argument that the US must rather take care of itself.

#### India's own dilemma

- 1. During cold -war** - India turned its back on Asianism during cold war to claim the leadership of the broader Non-Aligned Movement, that never acquired the needed strategic coherence.
- 2. 1990's** - After the Cold War, India re-embraced Asianism in the 1990s when it unveiled the Look East Policy and joined the Asian regional institutions led by the Association of South East Asian Nations.
- 3. 21<sup>st</sup> century** - Delhi didn't participate in ASEAN- (RCEP) summit that sought Asia-wide economic integration as it believed that it contradicts its domestic commercial interests and China will have more control over bilateral trade. Thus, it went against internationalism or regionalism and promoted nationalism.

#### Issues with India's regionalism approach

- 1. Chinese rise was underestimated** - India's pursuit of economic regionalism in East Asia and a multi-polar world in partnership with China and Russia had severely underestimated the economic and political consequences of China's rapid rise.
- 2. Instances** - India took a benign view of Chinese power and has been shocked to discover otherwise in 1962 and as well as in 2020.

#### Way Forward

India today needs more internationalism, than less, in dealing with the Chinese power. But it must be an internationalism that is rooted in realism and tethered to India's economic and national security priorities.

### 2. India's muddle over GST compensation

Source: [LiveMint](#)

Syllabus: GS2: Powers, Functions and Responsibilities of various Constitutional Bodies.

Context: Recently in GST council meeting the Finance Minister made a statement that the financial crisis facing the States is a result of an "act of God".

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### Background:

- **Compensation issue:** As per the estimates, the States' GST revenue gap in 2020-21 will amount to about ₹3 lakh crore, while cess collections are only projected to reach ₹65,000 crore, leaving a shortfall of ₹2.35 lakh crore.
- As per the GST (Compensation to States) Act, 2017, states are guaranteed compensation for revenue loss on account of implementation of GST for a transition period of five years (2017-2022).

### Issues associated:

- **Centre's responsibility:** States contend that the shortfall in revenue is not just due to GST implementation and pandemic, but it is due to an economic slowdown for which the Centre is responsible.
- **Slowdown of economy:** Economic growth slowed sharply in 2019-20. Nominal gross domestic product (GDP) growth dropped to 7.2% in the year ending 31 March 2020, and real GDP to 4.2%, from 11.0% and 6.1% respectively in 2018-19.
- **Global slowdown:** Brazil and Indonesia have suffered far worse export slowdowns than India in the last few years. Real GDP growth has slowed sharply in all of the emerging economies. So, blaming Union government for slowdown and fall in GST collection is not correct.
- **Stressed finances of states:** Growth slowdown has led to shortfall in the GST collections of states. GST accounts for almost 42% of states' own tax revenues, and tax revenues account for around 60% of states' total revenues.
- **Less taxation power with states:** Using cesses on agriculture such as Krishi Kalyan cess and Swachh Bharat cess, the Union is entering domains that are a part of the state list.
- **Role of agencies in slowdown:** Monetary policy was too tight in 2017 and 2018. However, the GDP estimation methodology showed higher growth than what actually obtained in 2016-17 and 2017-18. This played a role in dulling responses both from the Centre, in terms of structural reforms, and from the central bank by way of monetary policy.
- **Question of Moral obligation to compensate states from the Consolidated Fund of India:** All states agreed that the higher GST revenues would compensate for loss of revenue autonomy. For instance, Tamil Nadu's GST collections rose faster than its pre-GST sales tax revenues did. Therefore, putting the entire moral obligation on the centre is misguided.

### Analysis of the two options presented by Centre for borrowing by States to meet the shortfall:

- **Option 1:** In this case, states will be allowed to borrow for compensation requirement through a deal with the RBI, facilitated by the Centre.
- **Implication:** If states opted for the first option given by the Centre, they would get ₹2.62 trillion, including the compensation cess. That is only 87% of the shortfall.
- **Option 2:** The second option is that the entire gap of ₹2.35 lakh crore can be met by the borrowing by the States by an RBI arrangement

Under both the options, whatever is not borrowed by states will still be paid to them even after 2022, through an extension of the cess. This means that taxpayers will have to bear the cost.

### Way forward:

- Facilitating borrowing by the states without affecting their debt ratios.



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- Rescue the country's long-term fiscal health from political arbitrage.
- Make arrangements to clear any arrear of compensation through future compensation cess collections.

### 3.GST – Grand Bargain 2.0

**Source-** [The Hindu](#)

**Syllabus- GS 2-** Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

**Context-** A Grand Bargain 2.0 between the center and the states is needed in longer run to tackle the issues related to GST compensation to the States.

**Value added tax [VAT]** - An indirect value added tax which was introduced into Indian taxation system on April 1, 2005. VAT was introduced to make India a single integrated market. On June 2, 2014, VAT was implemented in all states and union territories of India, except Andaman and Nicobar Islands and Lakshadweep Islands.

#### Disadvantages of VAT

1. **Cascading effect of taxes** - Cascading effect is when there is tax on tax levied on a product at every step of the sale. The tax is levied on a value which includes tax paid by the previous buyer, thus, making the end consumer pay “tax on already paid tax.”
2. It was not possible to claim Input Tax Credit (ITC) on service under VAT.
3. Different VAT rates and laws in different states.

The need for one country one tax was envisaged by GST which is a single comprehensive destination-based tax.

#### GST [Compensation to States] Act, 2017

- States are guaranteed the compensation for loss of revenue on account of implementation of GST for a transition period of five years (2017-22).
- The compensation is calculated based on the difference between the states' current GST revenue and the protected revenue after estimating an annualized 14% growth rate from the base year of 2015-16.

#### Issues raised by States in current GST model

1. **Limited option for States to raise money** -States does not have recourse to multiple options that the Centre has, such as issue of a sovereign bond in dollars or rupees.
2. **Rate of market borrowing** -Centre can anyway command much lower rates of borrowing from the markets as compared to the States.
3. **Rate of public sector borrowing**-In terms of aggregate public sector borrowing, it does not matter for the debt markets, or the rating agencies, whether it is the States or the Centre that is increasing their indebtedness.
4. **Fiscal Stimulus**- Fighting this recession through increased fiscal stimulus is basically the job of macroeconomic stabilization, which is the Centre's domain thus states can't overcome the impact of fall in revenue which is more or less lockdown induced.
5. **Trust issue** -Breaking this important promise, using the alibi of the COVID-19 pandemic causes a serious dent in the trust built up between the Centre and States.

### Possible solutions

**1. Low GST rate** -A low moderate single rate of 12% encourages better compliance, reduces the need to do arbitrary classification and discretion, reduces litigation and will lead to buoyancy in collection.

**Example- Australia**, for the past two decades their GST rate has been constant at 10%.

**2. Importance of 3<sup>rd</sup> tier government** -Of the 12% GST, 2% must be earmarked exclusively for the urban and rural local bodies, which ensures some basic revenue autonomy to them. The actual distribution across panchayats, districts and cities would be given by respective State Finance Commissions.

**3. Low transaction cost** – The current system is too complex and burdensome. An overhaul of the interstate GST and the administration of the e-way bill to reduce the transaction cost and also need to zero rate exports.

### Way forward

GST is a crucial and long-term structural reform which can address the fiscal needs of the future, strike the right and desired balance to achieve co-operative federalism and also lead to enhanced economic growth. The current design and implementation has failed to deliver on that promise. A new grand bargain is needed.

### 4. Digital education challenges

**Source:** [The Indian Express](#)

**Syllabus:** GS-2- Education

**Context:** Shift from teacher-class based teaching to digital-education will need multi-dimensional efforts over time as “digital” India is not prepared for digital education yet.

### Education in India

- **Tackle poverty:** Education would facilitate in tackling poverty by providing new opportunities.
- **National Knowledge Commission (NKC) (2004-2009):** it has an emphasis on expansion, excellence, and equity and brings the idea of educational transformation for 21st-century needs into the mainstream thinking of the government.
- **Impact of the recommendations of the Commission:** it led to opening of almost 900 universities, many new IITs and IIMs, increased funding for education in the 11th Five-Year Plan and the Right to Education Bill.
- **The New Education Policy 2020:** It puts education at the forefront of the national agenda and is positive as a statement of intent.

### Challenges

- **GDP on education:** In 2020-2021, the government spent only 3.2 per cent of GDP on education which is less from 4.14 per cent in 2014-2015, whereas allocating 6 per cent of GDP on education is proposed in NEP 2020.
- **Education crisis:** schools and colleges campuses will be closed through 2020 due to an increasing number of COVID cases and this could extend to 2021. Proper planning is required as merely hoping for best won't help.

### Issues with online education

There are serious issues related to access, devices, content, curation, teachers, training, testing, exams, grades, funding, facilities, salaries, parents and fees.

- **Lack of access to internet:** It is estimated that only about 25 per cent of Indian households have an internet facility whereas the number is 15% in rural households. The marginalised, rural and poor populations would be worst affected.

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- **Lack of resources:** appropriate platforms, technology, tools, interactivity, curation, content and a lot more is required for digital education, government schools and colleges are underprepared.
- **Lack of a proper policy on digital education:** parents are being asked to pay full fees to be able to pay their staff and maintain facilities and financial model is falling apart in the country because of lack of a proper infrastructure and multiple languages.

### Steps taken

Two bold initiatives were taken to help digital education in the future in the past:

- **NOFN — National Optical Fibre Network** (Now called Bharat Network) to connect all 2,50,000 panchayats at the cost of over Rs 40,000 crores and the Universal Service Obligation (USO) fund was used to build NOFN.
  - NOFN was planned as a part of the **National Information Infrastructure** (NII) to enable the free flow of information to all. However, is still not completely operational, after almost eight years as many rural area's telecom operators did not want to serve due to **lack of profitability**.
  - **The National Knowledge Network (NKN):** It was established as a high bandwidth, low latency network to connect all knowledge-creating organisations comprising IITs, IIMs, universities, research labs and other e-governance institutions up to the district level.
  - **It was aimed at encouraging collaborative development and building a repository of knowledge in all fields.**
  - Only a few institutions take full advantage of it because of a **lack of understanding, local facilities, funding and technical expertise**.
  - The government's entire e-Gov programme works on the backbone of NKN.
- **IT-based teaching system:** Free 100 Mbps to 1Gbps bandwidth was planned at each panchayat under NOFN and NKN to build an IT-based teaching system, which could address the shortage of teachers.
- The present teacher-centric education and IT-based teaching were not in sync because of the old mind set and vested interests.

### Way forward

- A long time and substantial resources are required and parents should pay only when services are delivered to their satisfaction.
- NOFN and NKN should be used to connect all our schools and improve the digital education ecosystem.

### 5. Destroying the unity of purpose- Parliamentary Committee

Source- [The Indian Express](#)

**Syllabus- GS 2-** Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional Bodies

**Context-** The open confrontation between the chairman of the IT Committee, Shashi Tharoor, and a senior member of the Committee has the potential to destroy the healthy convention and practices followed by parliamentary committees.

#### Parliamentary committees

1. They are established to study and deal with various matters that cannot be directly handled by the legislature due to their volume.
2. Indian Constitution mentions two kinds of parliamentary committees under Article 118 (1) of the constitution-

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- Standing Committees
- Ad Hoc Committees

Their appointment, terms of office, functions and procedure of conducting business are regulated as per rules made by the two houses under Article 118 (1) of the constitution.

### Role of Parliamentary Committees

#### 1. Function-

- They are created to scrutinise governmental activities. After finding out the facts about a particular matter, they make recommendations to the government. Although their recommendations are directory and not mandatory.
- They also monitor the functioning of the executive branch.

#### 2. Strength of the committees-

- They function in a non-party basis which makes them a unique experiment by the parliamentarians who are otherwise divided on party lines.
- They try to find the truth and expose the shortcomings of the governments before the House and public, so that government would work more responsibly towards the public cause.

#### 3. Rules and practices-

- They do not permit a minister to be a member of the committee. So, members do not have to take a political stand on issues before the committee as they do in the house.
- Ministers are not allowed to appear as witnesses to give evidence before the committees.
- They do not allow the presence of the media in the meetings of the committees.
- The proceedings are confidential and no one is permitted to make it public.

### Present controversy in IT Committee

- **Witness** - It centres on the right of the chairman to call an official from Facebook as a witness.
- **Rights of chairman** - There is no specific rule which defines the rights of the chairman. Rather it functions as per established conventions.
- If such practice is adopted then only those witnesses who are suggested by the majority can be called for examination and it may be deprived of the benefit of neutral witnesses.

**Rules of the House-** The speaker decision is final when it comes to relevance of the evidence submitted by the person. This makes two things clear-

- a. The question of whether a witness is relevant or not will be decided by the Speaker and not through a vote in the committee.
- b. The decision of the Speaker is confined to the question of relevance only. In other words, the selection of a witness can be challenged only on the ground of relevance to the subject.

Therefore, this being the position as per the House rules, the present controversy could have been avoided.

### Way Forward

Parliamentary committees need to follow sensible and healthy traditions and conventions, which is essential for the effective functioning of the parliamentary committees. It also strengthens the institution of Parliament as well as the democratic values.

## 6. Draft report on Non personal Data: Gopalakrishnan committee

Source: [The Hindu](#)

**Syllabus: Gs2:** Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

**Context:** Recently, **the Gopalakrishnan Committee** on developing a governance framework for non-personal data has put out its draft report.

### Few recommendations:

- The non-personal data generated in the country **can be allowed to be harnessed by various domestic companies and entities.**
- Set up a new authority which would be empowered to monitor the use and mining of such non-personal data.
- **Categories:** The committee has classified non-personal data into three main categories:
  - **Public Non-Personal Data:** All the data collected by government and its agencies such as census, data collected by municipal corporations on the total tax receipts in a particular period or any information collected during execution of all publicly funded works
  - **Community Non-Personal Data:** Any data about a set of people who have either the same geographic location, religion, job or other common social interests. For example, the data collected by ride-hailing apps, electricity distribution companies among others.
  - **Private non-personal data:** It can be defined as those which are produced by individuals which can be derived from application of proprietary software or knowledge.

### Significance of the recommendations:

- **New technologies:** For example, aggregate data from land registries can tell us a lot about land use patterns. Data related to traffic flows can be used to guide traffic management.
- **Reducing digital dependence:** Data collected from various communities are considered to be 'owned' by the relevant community.
  - Such 'community ownership' means that the data should be shared back with all those who need it in society, whether to develop domestic digital businesses or for producing important digital public goods.

### Issues existing:

- **Governance framework:** The Gopalakrishnan Committee report does **not adequately address governance frameworks** around government data sets.
- **State surveillance:** Report did not raise concerns about **state interference** in the private data ecosystem. The report largely focuses on the dangers posed by data collection by private sector entities.
  - **State's interventionist approach:** Even the Justice B.N. Srikrishna Committee report of 2018 highlighted the need to restrict the growing power of the state to carry out surveillance.
- **Inability to enforce guidelines:** It means that data sets released by governments are often lack quality, thereby reducing re-usability.
- **Cybersecurity:** Issue of inadequate India's cybersecurity framework was also not addressed in report.

### Why the Data should be open to citizens?

- **Data are funded by public:** Most of non-personal data sets held by the government result from taxpayer funding.
- **To ensure accountability:** Right to Information (RTI) Act, 2005, mandates the disclosure of government data on a suo moto basis.
- **Transparency:** The state should be transparent about information that it has.
- **Avoid Duplication:** By permitting the reuse of government data sets, we **avoid the need for duplication.**
- **Ensure Free flow of information:** One of the nine pillars of the Digital India Policy is “information for all”.
- **In accordance with Government policies:** The **National Data Sharing and Accessibility Policy (NDSAP), 2012** requires all non-sensitive information held by public authorities to be made publicly accessible in machine readable formats.
- The government has also set up an **Open Government Data Platform** to provide open access to data sets held by ministries and other agencies of the government.

### Way forward:

- Evaluate what is going wrong with existing policies and practice pertaining to government data, and deliberated on how these can be addressed.
- Reforming how the government itself deals with citizens' data.
- Develop state capacity to govern the data ecosystem.

### 7.COVID-19's impact on education

Source- [The Hindu](#)

Syllabus- **GS 2** - Issues relating to the development and management of Social Sector/Services relating to Health, Education, Human Resources

Context-Impact of COVID-19 on the education system.

#### Impact of COVID-19 on private education system

1. **No e-learning access-** Low-income private and the government educational institutes have completely shut down due to no access to e-learning solutions.
2. **Endowment resources** –Survival of Private academic institutions for the most part is on the annual income that comes from tuition and the assortment of other fees collected, none of the institutions in this country possesses or gets big corpuses from alumni or industry.  
**Example- Harvard University**, to have an endowment of \$40 billion, which can be used as fiving out fellowship to subsidizing tuition fees.
3. **Burden on management-** Loss of jobs in departments, student's inability to pay the requisite fee and in many instances, the hostel fee, this entire chain place additional burden on the management.

#### Challenges arising in dual mode of leaning

The scaling of operations that would include the dual modes of online and offline is going to be expensive due to a dual mode of educational delivery.

1. **Increase in efforts and financing of projects** - The new social distancing norms would lead to the enforcement of smaller class sizes, thereby increasing the effective teaching load and multiplicity of efforts.

**For instance** - Online teaching means new hiring in the IT sector and increased costs due to engagements with Massive Open Online Courses, or MOOCs, and other online platforms

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- 2. High cost of digital infrastructure** - The online teaching mode brings with it increased **costs of IT infrastructure** such as network bandwidth, servers, cloud resources and software licensing fees.

### Possible key reforms-

- 1. Soft loans**- Centre and State governments can provide soft loans to students to stay with the educational course, especially to vulnerable sections.
- 2. New Corporate educational model**- Educational institutions could come to be treated like any other corporate body, with an allowable small margin of profit.

### Way forward-

The corporate model addresses not just financial sustainability but also a professional governance structure that would entail better accountability and holistic education. Academomics of the future will not only decide the fate of the academic sector in India but also its quality, ranking, research, innovation potential and its collective impact on our country's economy.

## 8. Non-Personal Data committee

Source-[The Hindu](#)

**Syllabus- GS 2** - Government policies and interventions for development in various sectors and issues arising out of their design and implementation

**Context** - The government committee headed by Infosys co-founder Kris Gopalakrishnan has suggested that non-personal data generated in India need to be allowed to be harnessed by various domestic companies and entities.

### Gopalakrishnan Committee -

1. The Committee was constituted by the Ministry of Electronics and Information Technology (MEITY) on 13th September, 2019
- 2. Purpose**- Developing a governance framework for non-personal data and ensure wide sharing and availability of data in society.

**Non personal data** - Set of data which does not contain personally identifiable information. This means that no individual or living person can be identified by looking at such data. The committee has classified non-personal data in to three main categories-

- 1. Public non- professional data** - It involves all the data collected by the government and its agencies during execution of all publicly funded works.
- 2. Community non-personal data**- It involves any data identifiers about a set of people who have either the same geographic location, religion, job, or other common social interests.
- 3. Private non-personal data**- It can be defined as those which are produced by individuals which can be derived from application of proprietary software or knowledge.

### Issues involved-

- 1. Favoring big tech companies**- Only big tech companies possess the capital and infrastructure to create such large volumes of data.
- 2. Data monopoly**- Some companies with the largest data pools have 'outsized, unbeatable techno-economic advantages' owing to first mover's advantage, network effects and enormous data volumes which have been collected over years. These act as entry barriers for startups and new companies.

### Gopalakrishnan Committee key recommendations-

1. **Data availability**- Treat data as infrastructure, or 'commons', so that data are widely available for all businesses.
2. **Community Ownership**- Sharing of non-personal data, as it may be useful for Indian entrepreneurs to develop new and innovative services or products to benefit citizens.
3. **Reducing dependency**- With a robust domestic data/AI industry, dependence on U.S. and Chinese companies will reduce.
4. **Addressing monopoly**- Separating the infrastructural elements of digital service provision from the business of digital service delivery.
5. **Separate national legislation** and a **separate authority** to oversee non-personal data.

### Different roles in the NPD ecosystem-

1. **Data Principal**- This is essentially the entity/individual to whom the collected data pertains.
2. **Data custodian**-The entity that undertakes collection, storage and processing of data, keeping in mind best interest of the data principal.
3. **Data trustee**- Data trusts are data infrastructures that will enable data sharing, sector-wise, or across sectors, and which can be run by various kinds of third-party bodies.

### Way forward-

India is the first country to come up with a comprehensive framework in this area. It will set the stage for building a strong, and competitively diverse, domestic data/AI industry in India.

### 9.Pandemic and food security

**Source:** [The Indian Express](#)

**Syllabus:** GS-2- Health

**Context:** New ideas by working together, learning and contributing together are required to fight

Covid-19 and transform the agri-food system.

#### Food insecurity in Asia

- The on-going pandemic has led to a slowdown of regional economic growth and threatened Asia's food security.
- The number of **chronically-underfed people projected to rise by almost a third to 330 million by 2030 in southern Asia.**
- It is the only sub-region in the world where **more than half the children from the poorest fifth of society are underdeveloped** which affects their future.

#### Challenges faced by the continent

- East Asia has the **world's highest absolute costs for a healthy diet** that offers balanced nutrition.
- Asia and the Pacific are regions **where obesity and being overweight, among children and adults, is growing faster than anywhere else.**
- Thus, the two challenges being faced right now: **COVID-19 and hunger**, a thorn in our side the international community had pledged to eradicate by the end of this decade as per the Sustainable Development Goal (SDG) 2.



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### Ways to increase resilience across our food systems

- **New channels:** There is a need to identify new marketing channels (like e-commerce) and increase efficiency to reduce losses.
- **Improving quality:** Improving the quality of products available and storage facilities, which are critical to flows of healthy foods and income to those who produce them.
- **Access to finance and innovations:** Inclusive access to finance to strengthen and expand rural supply chains is also crucial. Small land holders need access to financial resources, technology and innovation in order to ensure that the produced food reaches from farm to fork.
- **FAO's initiative:** The Food and Agriculture Organisation of the United Nations has recently launched a new comprehensive COVID-19 Response and Recovery Programme to provide an active and coordinated global response.
- It is aimed at ensuring access to nutritious food for everyone by mobilising all forms of resources and partnerships at the country, regional and global level.

### Benefits from new technology and science

- **Inclusive:** Innovators from countries like Australia, New Zealand and the Pacific to China, India, Japan, South Korea, Singapore etc are proving that everyone can benefit from new technologies and science.
- Some ideas and innovations are as follows:
- Deploying of **drones to monitor flood and pest risks.**
- **Smartphone apps** that can identify plant diseases.
- **Advanced genetics** that build on crop and livestock breeding.
- **Precision agriculture and aquaculture systems** that conserve natural resources such as water.
- **Indoor farming and consumer tools** for nutrition monitoring and smart purchasing.

### Way forward

- Governments, academia, the private sector, UN agencies, civil society organisations, international financial institutions need to come together and work in unison to provide food to every mouth.
- The FAO Regional Conference for Asia and the Pacific, which will be virtually hosted by Bhutan, is the perfect opportunity for the 46 members and other partners to forge ways to accelerate action and influence resources.
- By working together, learning and contributing together, we can overcome both pandemics and transform the agri-food system.

### 10.Gaps in the healthcare

**Source:** [The Hindu](#)

**Syllabus:** GS-2- Health

**Context:** The prime minister announced the launching of **National Digital Health Mission (NDHM)** amid the ongoing pandemic on the Independence Day 2020.

### Advancement on digital health

- **Digitising data:** capturing data relating to patients and its digitising could help patients, the doctors who attend to them and the health-care facilities where they seek treatment.
- **IT network and public health centres:** many States have already achieved some advances in these areas with **the National Rural Health Mission (NRHM)** and

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afterwards, National Health Mission. For instance, IT network in most public health centres including tribal areas.

- **Format of data:** Personal health data are generated by name up to primary health centre level. The patients get hard copies of the reports or soft copies on their smartphones.

### The outlines of the mission

- An IT consulting firm has been engaged to build a National Health Stack and a **registry of over eight lakh doctors, 10 lakh pharmacists and over 60,000 hospitals** is under preparation.
- The Strategy Document has stated that the data would be safe, confidential and stored locally.
- Consent would be required every time before sharing the personal identifiable information.
- It would help patients to avail Telemedicine support from renowned specialists if required.
- It will be easier to get hospital bills settled with insurance cover under government schemes.
- The scheme also aims to replace existing data generation systems with a new homogenised software for all machines in the health sector in the country with a central processor that will extract the relevant data from individual records.

### Widespread costs and catches

- **Existing practices:** In the government sector there are many existing practices and systems for compilation of data as in the Integrated Disease Surveillance Programme and the Health Management Information System (IDSP-HMIS). The staffs are also well versed in using those systems.
- **Already existing software systems:** Some larger hospitals have already gone for vigorous and refined software systems such as enterprise resource planning and would be in a dilemma as to whether they need to scrap them or run parallel software provided by the NDHM.
- **Costly affair:** Public health professionals estimate the high costs for all government and private HIPs to upgrade their hardware and connectivity systems, training of present staff, the entry of data afresh.
- **Rural areas:** In rural areas it is not a feasible option to enter data in computers on their own or engage data entry operators merely to comply with the digitisation protocols.
- **Poor defence against data leakage:** Lack of adequate cyber security architecture may expose the personal data of patients at risk.

### Way forward

- Along with digitising health care data, the government should also focus on unreliable health-care facilities in both the government and private sectors, difficulties in getting timely care, availability of beds and hygienically maintained hospital premises, availability of doctors physically and community health initiatives.

### 11. Internationalisation of higher education

**Source:** [Indian Express](#)

**Syllabus: GS2:** Issues Relating to Development and Management of Social Sector/Services relating to Education, Human Resources.

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**Context:** NEP's vision for drawing foreign universities to India requires fine-tuning.

### Idea of internationalisation of higher education

- It is based on the mobility of students, faculty members, programmes, and institutions across countries.
- Before the NEP, two types of mobility took place: that of faculty members and students. This movement of students and faculty has informed the NEP's section on internationalisation.
- **Need:**
  - India has entered into the **stage of massification of higher education** with a gross enrolment ratio of 26.3 per cent, which is fast increasing.
  - **Increase in the gross enrolment ratio:** It calls for more such institutions.
  - With more than 1.5 million schools, over 40,000 colleges and close to 720 universities, India has the **second-largest education system** in the world after China.
  - The foreign universities would bring in programme and institution mobility.

### Earlier efforts to internationalise:

- **Global Initiative of Academic Network (GIAN):** to enable the country's higher education institutions to invite world-class scholars, scientists and researchers.
- **Scheme for Promotion of Academic and Research Collaboration:** It was launched to promote joint research and collaboration with top 500 QS (Quadrelli Symonds) ranking institutions.
- **Study in India programme:** It identified 30 Asian and African countries (now 42) from where meritorious students would be drawn to study in top 100 NIRF ranked institutions.

National Education Policy vision to internationalise	
The NEP aims to attract top 100 QS World Ranking universities to open offshore campuses in India.	
For	Against
<ul style="list-style-type: none"><li>• Reduce the migration of Indian students and give those who cannot afford to go abroad an opportunity to study in foreign universities at home.</li><li>• Bring <b>knowledge, technology and innovative</b> pedagogy to the country.</li><li>• Enhance <b>India's exposure to global intellectual resources.</b></li><li>• Ensure the entry of quality institutions</li></ul>	<ul style="list-style-type: none"><li>• Increase the cost of education and widen the already <b>existing disparities</b> in matters of accessing quality and affordable higher education.</li><li>• <b>Accentuate the existing hierarchies</b> in the country, and have a bearing on the diversity on campuses. There could be a scramble for meritorious students with the lion's share going to foreign campuses.</li></ul>

### Challenges associated with internationalisation:

- **Widening the scope of internationalisation:** Several world-class institutions such as the Max Planck Institute could fall through the policy's cracks because they do not participate in any world rankings, let alone the QS World Ranking.
- Growing body of literature critiquing the world rankings.
- **STEM and professional courses have greater market value** compared to social sciences and humanities. There is thus a possibility of foreign campuses turning their back on disciplines in these streams.

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- **Vocational and skill education** cannot be internationalised in the same manner as academic education.
- No clarity on whether the foreign varsities actually agree with the overall vision of NEP.

Since India is an open economy, a policy to attract foreign universities in the country is now inevitable.

### 12. 'The deletion of Question Hour'- Politics of avoidance

**Source-** [The Hindu](#)

**Syllabus- GS 2-** Parliament and State legislatures—structure, functioning, conduct of business, powers & privileges and issues arising out of these.

**Context-** The deletion of 'Question Hour' from the announced agenda of the day.

#### Question Hour

- It is the **first hour of a sitting session** of India's Lok Sabha.
- Members of Parliament raise questions to the concerned minister about matters of public interest and administrative activity whether domestic or foreign.
- The concerned Minister is **obliged to answer** to the Parliament, either orally or in writing.
- It is one of the ways Parliament can hold the Executive accountable.
- Copies of answers given are available to members at the Notice office before the start of the day's proceedings and on the websites.
- There are four types of question-
- **Starred Questions-**
- It requires an oral answer. (Supplementary questions can follow by the permission of speaker)
- These questions are printed in green colour and are marked with asterisk sign '\*', in order to distinguish from other questions.
- **Non- starred-**
- It requires a written reply. (No supplementary questions allowed)
- These questions are printed in white colour and not more than 230 questions can be listed for a day in Lok Sabha.
- **Short notice questions**
- Those which are asked on matters of urgent public importance and thus, can be asked on a shorter notice i.e. less than 10 days.
- These questions can be answered orally and supplementary questions can be asked.
- These questions are printed in yellow-pink colour.
- **Questions to private members-** Those which are asked to members who are not ministers. These questions are related to private member bill, parliamentary committees and private member resolutions.
- **Supplementary questions-** If a Member seeks to ask a question urgently and cannot wait for the duration of the notice period, then the member can do so provided it is accepted by the Speaker.

#### Effect of COVID- 19 on Parliamentary Sessions

- **Working of legislature-** Legislative bodies have continued to function with new sets of 'dos and don'ts'.

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- **Question Hour-** Due to the situation created by the COVID- 19 pandemic, there will be no 'Question Hour' in the forthcoming session of Parliament.
- **Starred Questions-** They will be the only questions to delete.
- **Unstarred Questions-** They will continue to be received and answered.
- **Supplementary questions-** They will be required to be answered orally.

### Way Forward

The test of a functioning democracy is its ability to face crises — social, economic, political — and seek correctives premised on institutions of democracy. A resort to what has been called 'the politics of avoidance' does not help the process. Executive accountability upfront cannot be allowed to become a thing of the past.

### 13.India and QUAD

**Source:** [The Hindu](#)

**Syllabus: GS2:** Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests.

**Context:** Recently, Chief of Defence Staff (CDS) stated that India believes the Quad would be a "good mechanism" to "ensure Freedom of Navigation Operations" (FONOPs) in the Indian Ocean and surrounding oceans including the Indo-Pacific.

#### Significance of Quad in present scenario:

- **Upholds that high seas are Common heritage:** It prevent any other nation singularly trying to dominate the oceans.
- **The Quadrilateral Security Dialogue is an informal strategic forum** between the United States, Japan, Australia and India that is maintained by semi-regular summits, information exchanges and military drills between member countries.
- The idea of Quad was first mooted by **Japanese Prime Minister Shinzo Abe in 2007**. However, the idea couldn't move ahead with Australia pulling out of it, apparently due to Chinese pressure.
- **To counter aggression of China:** LAC tensions and PLA's refusal to implement border agreements, have convinced India that new strategies will be required to deal with Beijing.

#### Changing scenario:

- The tensions between India and China are strengthening India's ties with global powers such as the U.S., as well as formations like the Quad.
- Chinese aggressiveness is further strengthening the motivation for Australia, India, Japan, and the United States to keep the Quad together.
- India is now prepared to join Quad military patrols, which marks a departure from its earlier restraint in joining Quad.
- Government is planning to host a ministerial-level meeting of the Quad, possibly when the India-US "2+2" meet of Foreign and Defence Ministers is held.
- The Indian navy very recently it held its first joint patrol outside the Indian ocean with France.

#### India's earlier position on "Militarisation of the Quad"

- India sees the Indo-Pacific as a "**geographical concept**", not a "strategy or a club of limited members".

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- India is the only Quad member which is not tied in a treaty alliance with the other Quad members.
- India is the **only country in the Quad that shares a land boundary** with China, and it is not clear how the militarisation of the Quad in Indo-Pacific would alleviate the territorial threat it faces.

India needs to clarify whether it has changed its stance on militarisation of QUAD and also try to engage diplomatically with other nations to prevent any kind of aggression in Indo-Pacific.

### 14. Censorship and freedom of speech

**Source:** [The Indian Express](#)

**Syllabus:** GS-2- Polity

**Context:** Censorship, whether public or private, always invites charges of one-sidedness and creates a problem for freedom and civility.

#### The role of facebook

- According to the story covered by the wall street journal, the complaints against Facebook are:
- **Political bias** and not being attentive enough to **hate speech and fake news.**
- **Impervious algorithms** that direct users to particular kinds of content and **insufficient privacy controls.**
- Excessive and unaccountable **power to shape public dialogue.**
- **Going through a revolution:** similar transformation happened in previous centuries, such as:
- **Empowered masses of people**, enabled new forms of knowledge and transformed the Self.
- They allowed the creation of new **community identities like nationalism** but they also enabled new forms of hate to emerge and combine as political forces.
- Facebook is considered to be in trouble is because the political views of its key officials were clearly obvious. It had further **taken the role of a free speech regulator, a role which should ideally be carried out by the government.**

#### Issues with social media

- **Fusion of social media with private and public roles:** Many serving IAS officers now don't just propagate government schemes, but openly violate norms of civil service neutrality, without consequences.
- **Censorship:** Freedom of expression is easy to institutionalise when speech is safe. However, where it leads to incitement and violence people's convictions about defending free speech fade.
- Social media makes distinction between speech and action difficult to maintain.
- **De-contextualises and re-contextualises speech:** Content that seems within the bounds of safety in a particular context, can have hateful effects in another. Such speech going viral can have unpredictable effects.
- **Hate pays:** The business models are driven by the logic of 'hate pays', i.e., Companies are trying to cash in on the hate and polarisation in public discourse.

#### Way forward

1. Resisting Facebook's power will require a more fundamental pulling out from a logic of profit that blurs the boundary between public and private, without which no freedom and civility is possible.

### 15. The working of Parliament during COVID- 19

Source- [The Hindu](#)

**Syllabus- GS 2-** Parliament and State legislatures—structure, functioning, conduct of business, powers & privileges and issues arising out of these

**Context-** The upcoming monsoon session of Parliament, is symbolic of the issues faced by legislatures during the novel coronavirus pandemic.

#### Sessions of Parliament

- **Definition** - The period during which the House meets to conduct its business.
- **Power of President** - The Constitution empowers the President to summon each House at such intervals that there should not be more than a six-month gap between the two sessions.
- Hence, the Parliament must meet at least twice a year.
- In India, the Parliament conducts three sessions each year-
- **Budget session:** January/ February to May
- **Monsoon session:** July to August/ September
- **Winter session:** November to December

#### Steps that legislature has taken to combat COVID in sessions

- **Parliament-**
  1. It will maintain physical distancing.
  2. It has reduced the Zero Hour.
  3. It has cancelled Question Hour.
- **State legislature-** Some states just met for a day in which they ratified a number of ordinances.

#### Contrast between the actions taken during COVID - British Parliament and Indian Parliament

##### The case of contact tracing:

- **British Parliament-**
  - Committee on Human Rights and the Government's Response to Covid-19 Digital Contact Tracing, laid down following recommendations:
  - An app could be used only if there was a specific primary legislation to enable it.
  - Such legislation should ensure that data is collected only for the limited purpose of preventing the spread of COVID-19.
  - Prohibit sharing the data with third-parties, upload the data to a central database only if the person is tested or suspected to be positive.
  - Limit the time for which any data was stored.
  - The Minister would have to report every 21 days on the efficacy of contact tracing as well as data security and privacy.
- **Indian Parliament-**
  - **Use of executive's power** - It rolled out Aarogya Setu through executive decision.
  - **Non-availability of information** - It has created a grey zone on whether Aarogya Setu is mandatory.

For example- while flying or on metro rail when operations resume next week.

- All this has been done without a specific legislation or any parliamentary oversight.

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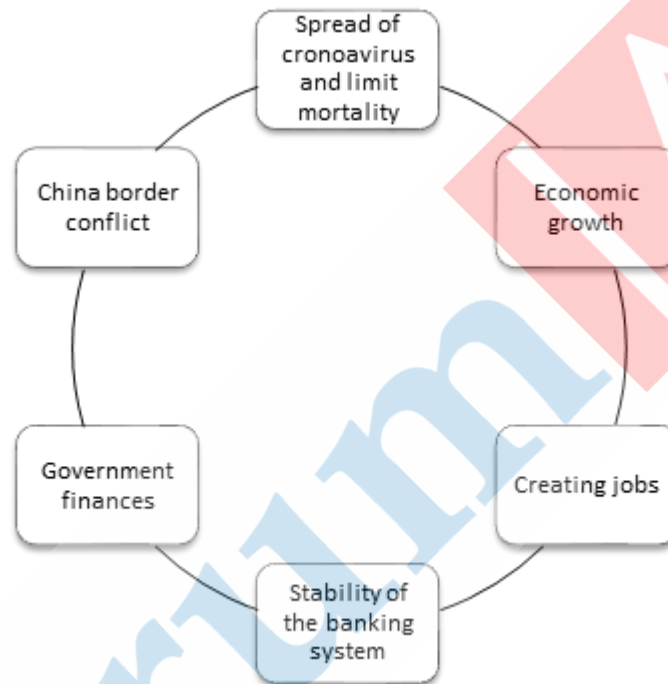
- Thus it shows that there has been no check or guidance on government action in contrast with a well-functioning committee system as the British.

**Judicial Intervention-** Due to lack of parliamentary oversight, judiciary has to intervene in many policy issues. For example:

- Hardships caused to migrants due to lockdown.
- Issues of the telecom companies in which they have to pay their dues to the government.

Those issues are best judged by the government with oversight by parliament and if there is any illegality then the matter should be judged by court.

### Issues to be tackled by the government



### Way Forward

Members of Parliament must use other available interventions to ensure that new laws and expenditure proposals are passed only after detailed discussion. Parliamentarians have a duty towards Indian citizens to fulfil their role in scrutinising the work of the government and guiding policy. Despite the curtailed session and the constraints due to the coronavirus, they should make the best of the limited time to do so. They need to wrest back their rightful role in our democracy.



# General Studies Paper - 3

## General Studies - 3

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### 1.Environmental challenge

**Source:** [The Hindu](#)

**Syllabus:** GS-3- Environment

**Context:** Environment protection should be considered a national issue and not be viewed through an ideological or political lens.

#### India's environmental ranking

- In the **environmental performance index** ranking shows **India at 118 in 2006, 123 in 2010, 155 in 2014 and 177 in 2018**. Thus, the index shows a consistent drop for several years.
- The Environmental Performance Index has been developed by two U.S. universities (Yale and Columbia) in collaboration with the World Economic Forum and European Commission.

#### Political record

- The **link between the great winter smog and pollution in North India**, and the present EIA draft is not reasonable, since winter pollution in North India did not begin in 2014.
- The winter smog and pollution in North India demonstrate **the irregularities of federalism, where the rules of the Centre and States differ**.
- There are problems of **environmental laws which are effective in principle against point sources like industries but not against agriculture related pollution** such as stubble burning or public usage pollution relating to vehicular and household sources (which are predominantly non-point in nature).
- The UPA governments were unable to frame subordinate **legislation and implement the Forest Rights Act effectively for eight long years**.
- **'Forests' was a State subject until transferred to the Concurrent list by the 42nd Amendment Act**. However, the powers of the State governments continue, which is why, regardless of political affiliation, State governments hesitate to fully implement the Forest Rights Act.

#### Focus on deforestation

- **Deforestation** has to be a primary concern for any government. Forest clearances for mining and industries are a major cause, but not the only causes of deforestation. Other causes include the following:
  - **the slash-and-burn (or jhoom cycle) due to population pressure;**
  - conversion of forest to cultivated land;
  - **increasing use of timber for household and industry purposes.**
- While diversion of forests for mining and industry is regulated by law and challenged in courts, the other major drivers are not even discussed.

#### Crucial dimensions

- The vital dimensions of environment preservation are as follows:
- The **balance of requirements between the environment and poverty eradication**.
- The critical need to harmonise the working of the central, State, and local governments as also intelligence, **monitoring and compliance with law**.

### Way forward

- The environment is a national issue which requires the unwavering participation of all governments, and all citizens, regardless of political affiliation and it should not be looked from an ideological or political viewpoint.

### 2.COVID 19 – Policy window for overdue reforms

Source- [Indian Express](#)

**Syllabus- GS 3-** Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment

**Context-** Post pandemic, the government needs to undertake key reforms to utilize the global demand.

#### Effects of COVID-19

1. **GST shortfall-** The GST compensation requirement is estimated to be around Rs 3 lakh crore this year, while the cess collection is expected to be around Rs 65,000 crore – an estimated compensation shortfall of Rs 2.35 lakh crore.
2. **GDP contraction-** India's economy shrank nearly 25 percent in the last quarter, the most drastic fall in past decades.
3. **Unemployment-** India's overall unemployment rate for the month of July stood at 7.43 percent, down from nearly 28 percent during the month of April.

#### Factors in India's favour

1. **Unsustainable Chinese GDP-** The trade issues with US has affected many Chinese companies and its global trade. Moreover, its domestic consumption is not sufficient to substitute for global trade loss.
2. **China's border conflicts-** China's military overreach is unifying the region and creating coalitions and alliances which may favor India.
3. **Low oil price-** Muted global growth means oil prices will remain low; which can prove advantageous to India.
4. **Global demand of software talent** - The global digitization super cycle creates demand for software talent which India's youth can provide with their skills.
5. **Developed countries ageing problem-** Most rich countries with their ageing populations, creaking health systems, and huge public debt will struggle to grow. Whereas India is yet to reap its demographic dividend.

#### Government needs to bring reforms in following for being more productive



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### Way forward

Government needs to create an environment for entrepreneurs, firms, and citizens with key reforms that will give them economic 'Poorna Swaraj' and take per capita income of \$2,500 to \$10,000 in next five years. Risk adverse bureaucracy need an attitude change for better governance of all.

### 3.GST compensation Standoff

Source- [The Hindu](#)

#### Syllabus- GS 3- Government Budgeting

**Context-** Differences of opinion have emerged between Centre and states at the 41<sup>st</sup> Goods and Service Tax [GST] Council meeting over compensation deficit.

- **GST-** Goods and Services Tax, is an indirect tax which has replaced many indirect taxes in India such as the excise duty, VAT, services tax, etc. GST is a single domestic indirect tax law for the entire country.

#### GST [Compensation to States] Act, 2017

- States are guaranteed compensation for loss of revenue on account of implementation of GST for a transition period of five years (2017-22).
- The compensation assures an annualized 14% growth rate from the base year of 2015-16.
- States no longer possess taxation rights after most taxes, barring those on petroleum, alcohol, and stamp duty, were subsumed under GST.

#### Distinction in shortfall

1. **Pending payment-** GST compensation payments to states have been pending since April, with the pending amount for April-July estimated at Rs 1.5 lakh crore.
2. **GST revenue gap** - The GST compensation requirement is estimated to be around Rs 3 lakh crore this year, while the cess collection is expected to be around Rs 65,000 crore – an estimated compensation shortfall of Rs 2.35 lakh crore.

#### Options made by the Centre

##### Option 1 –

- **Special borrowing window** - To provide a special borrowing window to states, in consultation with the RBI, which has to be repaid by the states after 5 years.
- A 0.5 percent relaxation in the borrowing limit under the Fiscal Responsibility and Budget Management [FRBM] Act would be provided.

##### Option 2-

- Meeting the GST compensation gap of this year.
- No Fiscal Responsibility and Budget Management Act relaxation has been mentioned for this option.

#### Challenges for central government

1. **Options rejected-** Several States have rejected both options. Some states like Tamil Nadu, have urged the Centre to rethink in view of their essential and urgent spending needs to curb the pandemic and spur growth.
2. **Compensation cess levied** on demerit goods will stay on beyond 2022. This may hurt few sectors such as auto sector.

### Way forward

Centre need to resolve this impasse in a way that future GST reforms do not fall victim to the trust deficit engendered by this standoff, the pandemic response is strengthened and all-round government capital spending to bolster sagging demand not derailed.

#### 4.To Rebuild and Recover

Source: [Indian Express](#)

Syllabus: GS3: Mobilization of Resources, Growth, Development and Employment.

Context: India needs to focus on rebuild and recover to achieve economic growth of 7-8 per cent.

#### Need to address some traditional sore points:

- **Pandemic impact:** Indian economy is suffering due to the pandemic with declining growth and limited scope for a fiscal stimulus.
- **Demand-supply issue:** India's slowdown is largely a structural demand problem that cannot be addressed through piecemeal aid and transfers.
- **Contrast in GDP growth:**
  - First phase- when growth was driven by domestic investment and global growth.
  - Second phase- the post-global financial crisis stimulus phase.
  - Third phase- the leveraged consumption phase. The economy is estimated to have lost around Rs 20-28 trillion due to a lockdown, with FY2021 growth likely to be around (-) 11.5 per cent.
- **Focus on demand side:** Consumption led growth provides limited scope for a sharp recovery over the medium term without exogenous (and often unsustainable) triggers.
- **To prioritise long term growth:** broaden the consumer base by empowering the low and middle-income consumers rather than pushing consumption itself.
- **To protect India's labour market:** If the pandemic results in a prolonged retrenchment of the workforce, it will deepen faultiness in labour market.
- **Uncertainty and savings:** temporary incomes coupled with income uncertainty will induce precautionary savings without any impact on growth.
- **Poor social security:** The PLFS 2018-19 report places around 24 per cent of the workforce in the regular wage/salary category. However, around 40 per cent do not have a written contract, paid leaves, or security while 70 per cent do not have any written contract. Since most of the workers are informal employee, consumption-led growth in the aftermath of a crisis become a substantial risk.

#### Steps that should be taken to reform, recovery and rebuild:

- **Increase public borrowing:** since revenues have cratered, funding of additional expenditure should be done through higher borrowing. public spending should be directed towards sectors such as roads, railways, infrastructure, healthcare and educational facilities to help rebuild the economy
- Set up a Development Financing Institution, and an asset monetisation programme.
- **Increase sustainable investment:** debt should be seen in the context of future investments being hampered due to current consumption.
- **Streamline processes** for quick approvals and ensure timely payments to private operators.
- **Fiscal prudence:** India's public debt/GDP will likely reach around 85 per cent and the consolidated gross fiscal deficit to GDP ratio could be around 12.5 per cent this year. These metrics will take quite a few years to revert to pre-COVID levels and rapid consolidation will adversely impact growth.
- Any kind of "stimulus" should be well-targeted and have a **large multiplier effect**.
- **Creating steady and well-paid employment for the bottom and middle segments:** to broaden its consumer base beyond the top 10-20 per cent of the population to improve long-term growth prospects.
- **Inclusive growth:** focus on infrastructure and manufacturing as the PLFS 2018-19 report indicates that around 50 per cent of the rural non-agriculture workforce and

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35 per cent of the urban workforce is engaged in the construction and manufacturing sectors.

- **Make manufacturing easier:** the focus should be on labour reforms, fewer/quicker approvals, reducing the compliance burden, and promoting export-oriented sectors.

India needs to address traditional sore points such as the large infrastructure deficit, the weak financial sector, archaic land and labour laws, and the administrative and judicial hurdles to protect a decade of favourable demographics.

### 5.COVID - 19 and India's road to economic revival

**Source** – [The Indian Express](#)

**Syllabus** – **GS 3** - Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

**Context** - 'Unlocking' and 'Revival package from the government' are the two basic factors that will determine the course of India's economy for the rest of the year.

#### Impact of COVID-19 on GDP

**GDP contraction-** India's economy shrank nearly 25 percent in last quarter, the most drastic fall in decades. The following sectors reflects how deep the problem is-

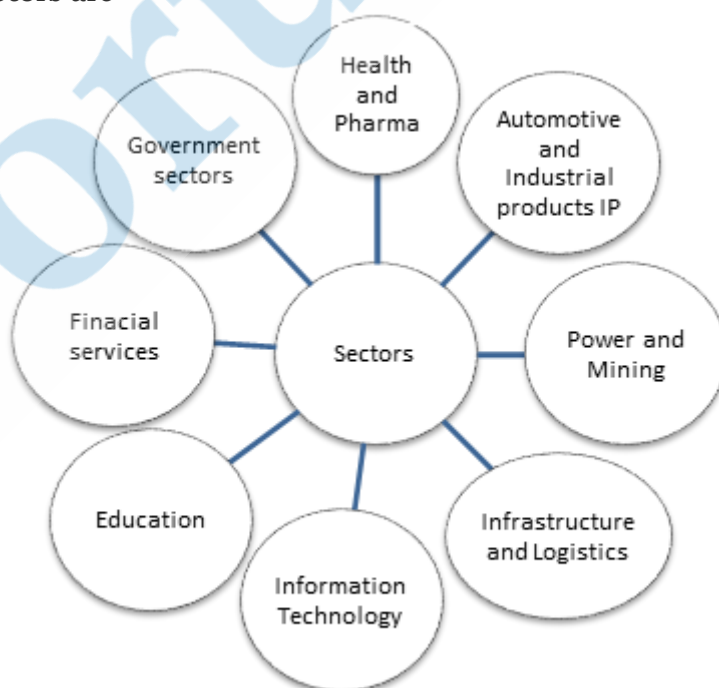
- **Public administration-** Higher government spending was in the form of transfer payments rather than spending on goods and services, which resulted in a negative growth number.
- **Manufacturing and Services-** The sector has been in the negative zone across the board due to the national lockdown since end of March.

#### Factors that influence the growth prospects for the coming quarters

##### 1<sup>st</sup> Factor - Unlocking economy activity-

- **Unlocking frictions** in nine core sectors and the MSME segment, which make up 75 per cent of the pre-pandemic GDP, can significantly uplift the economy.

The following sectors are-



### Challenges

- **Industries in which it is harder —**

1. **Travel or Entertainment**— It will still be in a gradual normalization process, and probably won't rebound completely until a vaccine is available.
  2. **Real estate**- The present stress on home loans can hinder a revival in the residential real estate.
- **Unchanged scenarios**- Based on the first quarter performance, 25 per cent of the economy, which would be in the services category, would probably still be struggling in the fourth quarter.

### 2<sup>nd</sup> Factor - Revival package from the government

1. **Additional capital expenditure**- By increasing capital expenditure [capex], the government can begin a virtuous cycle of creating assets as well as providing employment. This will create a dual impact on the economy.
2. **Transfer of Cash benefits**- Money in the hands of people can provide an immediate sense of security and confidence, which is the cornerstone to restoring economic normalcy. This will raise the consumption and demand of the economy and can bring back the virtuous cycle in play.
3. **Banking system**- COVID-19 assistance measures undertaken by the Reserve Bank of India (RBI) and the government such as interest rate reductions, credit guarantee and liquidity enhancement schemes are welcome steps.

### Way forward

Government can certainly make a difference by altering its stance on fiscal policy, going in for some pump-priming. It is important to address and resolve ground level issues sector-wise and industry-wise in order to formulate the new policies.