

9pm

Compilation

12th to 18th October, 2020

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1. Madrid principles

Source: The Hindu

Syllabus: Gs2: Effect of Policies and Politics of Developed and Developing Countries on India's interests, Indian Diaspora.

Context: Madrid principle could be applied to end the hostility between Armenia and Azerbaijan

How Madrid principles can be used in the present conflict?

- Armenia and Azerbaijan are located in the main corridor of oil and gas supplies to Europe.
- The two states had a long pending dispute over Nagorno-Karabakh's region.
 - Nagorno-Karabakh's region is located in Azerbaijan but consists of Majority Armenian population.
- In 2007, The Minsk Group came up with the Madrid Principles as the basis for the formulation of a peace treaty between Armenia and Azerbaijan.
- Madrid principles which were drawn from the Helsinki Final Act, provides for the prohibition on the use of force, respect for territorial integrity, and recognition of the equal right to self-determination.
- The recent military confrontation between Armenia and Azerbaijan, reflects the failure of the **Minsk Group of the Organization for Security and Co-operation in Europe (OSCE)**.

What are the key guidelines stated in Madrid principles?

- The Madrid Principles envisaged the **demilitarisation of Nagorno-Karabakh** (the Armenian majority region)
- It calls for the unconditional withdrawal of Armenian occupying forces from Azerbaijan.
- It also warrants the need to deploy international peacekeeping forces to monitor the Armenian redeployment, immediately after the Peace Agreement came into force.
- It assures, "**Right to return**" for internally displaced persons and refugees to their original place of residence.

What's behind the Armenia-Azerbaijan clashes?

- The two states identified more guidelines to work towards peaceful resolutions. Accordingly, the following agreements were made:
 - it was agreed that Nagorno-Karabakh's will be provided with right to self-governance
 - It will also have the right to conduct election of officials with legislative and executive powers during the interim period preceding a plebiscite.
 - It is allowed to establish judicial institutions, conduct external relations in certain areas, have representation on OSCE forums relevant to bilateral matters and, crucially, be accorded representation in international organisations where statehood was not a constraint.
- However, Azerbaijan, seeing itself as the aggrieved party over the years, has resorted to violence and use of force to settle the dispute.
- Recently, The President of Azerbaijan, has asserted the country's long-standing claim over the occupied Nagorno-Karabakh, ruling out any dialogue with Armenia until the government there offered an apology.

What is the role of external players in this dispute?

- Azerbaijan is backed by Turkey, owing to the deep cultural ties between the two countries.
- Turkey was also accused by French government for sending Syrian rebel forces to fight in the Nagorno-Karabakh conflict.
- Russia, despite having a military base and a mutual defence agreement with Armenia has so far remained as a mute spectator.
- Whereas the U.S. has not made themselves involved in this.

Armenia and Azerbaijan need to strike a practical compromise to promote their own mutual interest. For this to happen, principles outlined in the Madrid framework will serve as the starting point to endure peace between the conflicting nations.

2. Police and criminal justice system

Source: The Indian Express

Syllabus: GS-2- Governance

Context: Accountability of police is required for honest implementation of existing laws.

What was observed in the Hathras rape case and what is the reason behind this?

- **The Hathras rape** shows that it has a lot to do with hate and caste-related issues as we get to see **upper-caste mobilisation** in favour of the accused.
- **The National Crime Records Bureau** does not compile crimes within categories of hate crimes, lynching, khap-related issues, etc.
- A report by **Amnesty International** pointed out that: “It is essential for the country’s penal laws to first recognise the bias behind the commission of such crimes and document the occurrence of such incidents; both of which remain clearly absent currently”.

How does the government uses the police?

- **Transferring officials:** It is misleading for the public, and frustrating for the concerned officers because they do not have any effect in ensuring the rule of law.
- **Illogical action through the police:** Invoking the most stringent laws on citizens by the authorities.
 - It has been reported that of the 139 people were booked under national security laws in 2020. Out of them, 76 were for cow slaughter, 13 for anti-CAA protests and only 37 for heinous crimes.
- **Harsh laws are misused** because the state is mixing up “national security” with general issues of “maintenance of public order” through statutory provisions, contrary to constitutional norms.
- **Not obeying Court’s direction:** The government’s control on the police is such that even the Supreme Court’s direction for the registration of FIRs for cognizable offences is not obeyed by the police system.

What are the Supreme Court judgements related to this issue?

- In 2003, **the Justice Malimath Committee recommended** that the registration of FIRs should be the compulsory duty of the police officer. Failure of this duty should become an offence punishable in law to prevent the misuse of power by the officer.
- **Supreme Court judgment stated** that if the information given clearly mentions the commission of a cognizable offence, there is no other option but to register FIR directly.
 - One has to approach the courts of magistrates for non-registration of complaints and the cases remain pending for months.

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- **Action and non-action are more influenced by politics** than the motivation to ensure the rule of law.
 - Reports on police reforms and criminal law reforms, including the 14-year-old Supreme Court judgment in Prakash Singh, have been ignored by the political powers.

What was the idea behind our constitution?

- In 1886, **the US Supreme Court in Yick Wo v Hopkins** stated that “the law itself be fair on its face, and impartial in appearance. Yet, if it is applied and administered by public authority with an evil eye and an unequal hand by making unjust and illegal discriminations between persons in similar circumstances, material to their rights, the denial of equal justice is still within the prohibition of the constitution”.
 - B R Ambedkar spoke on the same lines while framing our Constitution.

Way forward

There is a committee working on reforms in criminal laws and hopefully it also suggests ways to make the police accountable, and free them from the influence of politics. This is necessary to save the system from embarrassments like the Hathras case.

3. Tackling fake news

Source: [The Hindu](#)

Syllabus: GS-2- Governance

Context: Rise in the instances of fake schemes.

How do the fake schemes work? What are its effects?

- **Case of fake employment and loan schemes:** people receive a personal or general message informing them that they have been selected for a government scheme. They are further asked to pay a certain amount as processing charges to avail the benefits.
 - The fraudsters are available for contact till the processing charge is paid, but disappear once they receive the money.
- **Some fake schemes do not leave any digital trace on the Internet** such as the Gram Vikas Rozgar Yojana, a fake employment scheme.
- **Political leaders have had to come on television to clarify** that there are no such schemes, as in the case of the **PM Scooty Yojana**.
- **Fake schemes mostly get shared through fake website** links on social media platforms, WhatsApp messages and YouTube videos.
 - A simple search with the name of these schemes on platforms like YouTube shows us how deep rooted and successful the fake schemes ecosystem is.
- **Money and privacy in danger:** individuals have left their personal details like phone numbers, Aadhaar numbers and bank account details in the comments section on the internet.
- There is also the **danger that they won't apply for genuine schemes** when they constantly come across fake ones.

What are the ways to tackle the problem?

- The need of the hour is an **integrated and rigorous effort** by all stakeholders to tackle the threat of fake schemes.
- **There is need for a centralised government portal** with a toll-free number where people can inquire about the messages and file complaints, like they do in the case of cybercrimes.

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- The portal should direct the complaints of people who get duped to the relevant State Police, who should be equipped to deal with the fraudulent practices in a swift manner.
- **Social media and technology companies should design dedicated policies:** Policies through which they take action against individuals/groups posting such content intended to cheat the public.
- **Websites that have names similar to government schemes need to be monitored,** and necessary active action should be initiated if they resort to malpractices.
 - The same can be done with bank account names that sound similar to real government schemes.
- The government should not only print and broadcast advertisements about genuine schemes, but also **alert people about fake schemes** so that people are able to differentiate between what's genuine and what's fake.
- **One single website** would also help where people can access all the information they need about various government schemes at both the Central and State levels.

Way forward

Tackling fake news requires a determined effort and coordination between multiple stakeholders such as governments, the media, fact-checkers, NGOs and the civil society.

4. Enhancing tax revenues of local government

Source- Live Mint

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 - Tax collection in India at local self-government level is comparatively less than in developing countries.

What is new system implemented by Bengaluru municipal corporation to earn tax revenue?

- Brihat Bengaluru Mahanagara Palike (BBMP) Municipal Corporation had implemented a modern paid parking system.
- The system allows you to discover available parking lots on your smartphone and pay the fees online.
- The BBMP expects this system, implemented as a public-private partnership, to earn an annual income of ₹31.56 crore for the next ten years.

How government can generate revenues from unused or under-used public assets?

1. **Empowering local bodies-** To increase the tax collection at the panchayat and municipal level union government and state government must empower the lower level of governments to collect taxes.
 - When the government fails to extract economic value, other actors must step in.
2. **Efficiency-** The public finances of states and local governments show a shocking level of inefficiency and wastefulness in terms of meeting their revenue potential, this need to be addressed.
 - **For example-** Bengaluru collects only 20 percent of its property tax potential.

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3. **Tax collection-** High-income states such as Haryana, Punjab, Maharashtra and Karnataka have a lot of scope for improvement" in terms of own revenues as a percentage of gross state domestic product.
 - Maharashtra raises 70 percent of its revenue requirement from taxes, five states in India are not able to raise even 30 percent.
4. **More attention-** Governments must pay more attention to non-tax revenues by making better use of public assets. Land is perhaps the most ubiquitous asset in the hands of any government.
5. **Innovative thinking-** Unused land or building could be used as car parking area or office space. It is this kind of thinking that municipalities must adopt: public assets must not be allowed to idle.
 - **For example-** the public transport company in Bengaluru built multistorey office buildings over its bus stands in prime commercial locations in the city, it has been earning a steady rental income from them.
 - Parking fees alone have the potential to be a significant part of the corporation's budget.
6. **Political economy** is one of the chief reasons why state and local governments are unable to put public assets to better use. Lack of expertise and political direction are some others.

Way forward-

The current fiscal crisis presents an opportunity for states, municipalities and panchayats to shake up the status quo and get their public finances in better shape. It will require chief ministers to initiate the process.

5. GST Compensation Issue

Source: Indian Express

Syllabus: Gs2: Issues and Challenges Pertaining to the Federal Structure, Devolution of Powers and Finances up to Local Levels and Challenges Therein.

Context: Issue of compensating states for the loss of their GST revenues

What is the background of the issue?

- Creation of the GST Council in 2017, to levy GST (unified domestic consumption tax) was hailed as a great example of cooperative federalism.
- Concerned with loss of revenue due to the new GST regime, states wanted a firm assurance from the Centre to compensate for their revenue shortfall.
- Accordingly, States were guaranteed compensation for any revenue shortfall below 14% growth (base year 2015-16) for the first five years ending 2022.
- It was agreed that, the GST compensation will be paid out of Compensation Cess for every two months by the Centre to states
- In case the amount in the GST compensation fund falls short of the compensation payable in any bi-monthly period, the GST Council shall decide the mode of raising additional resources including borrowing from the market which could be repaid by collection of cess in the sixth year or further subsequent years.
- Due to the pandemic, the revenue collected through cess by the centre is not sufficient to compensate for states GST losses.
- So, the centre has come up with two options for the states to settle the issue.

What were the options provided for the states?

- According to the Centre the estimated states' total loss of GST revenue is Rs 3 lakh crore. Out of which, Rs 65,000 crore was expected to accrue from the compensation cess.
- To compensate the remaining Rs 2.35 lakh crore, the centre came up with two options.
 - **Special window to borrow:** First option was to provide states a special window to borrow Rs 1.1 lakh crore from the RBI. Under this option, both the interest payments and the repayments would be made from future collections of the compensation cess.
 - **States to borrow entirely:** As per the second option, the states can borrow the entire shortfall of Rs 2.35 lakh crore from the market. Unlike the first option, the states have to bear the interest costs and the repayments would be adjusted against future collections of the cess.
- While few states are willing to abide by first option, some states have rejected both the options and have stated that it is the Centre's responsibility to compensate the states, and therefore, centre should borrow.

Why it concerns cooperative federalism?

- The two options were presented without any discussion in the council and mandated the states to choose one of the options within a week.
- States are being pressurised to accept any of the two option. For example, Recently, there was a statement that those states which do not exercise their option within a week have to wait until 2022.

What is the way forward?

- It is the Centre's commitment to find the compensation mechanism.
- Given the relative fiscal strength of the Centre and the states and as the interest rate of the Centre's borrowing is lower than that of the states, the Centre should take the responsibility to borrow.
- Further, interest payments and repayment of the principal liability can be met from future collections from the cess.

This is not merely a matter related to compensation for the loss of revenue, but has to do with the credibility of honouring the agreement. Pressuring states will have adverse consequences for the country's federal structure.

6. Federalism

Source: [The Hindu](#)

Gs2: Issues and Challenges Pertaining to the Federal Structure

Context: Cooperative Federalism demands collaborative approach.

What are the structural issues in Federalism?

- The word Federalism is nowhere mentioned in the constitution.
- Without explicit recognition of federalism as a governing principle, the distribution of powers and responsibilities between various tiers of the governmental system were made.

What are the recent Issues affecting Federalism in India?

- **Misuse of Cess:** The Comptroller and Auditor-General of India (CAG) recently revealed that, the cess meant to remedy shortfalls in GST yields, was retained in central government revenues, in violation of all applicable norms.

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- **Shifting the borrowing burden on States:** It is the priority of centre to compensate for the revenue loss of states in GST regime. But, with centre facing shortfall in Cess collection, has asked the states to borrow from the market whereas many states believe that the onus of borrowing should rest with the central government owing to its absolute sovereign nature and enjoys vastly greater taxation rights.
- **Big brother attitude:** To meet the unforeseen expense due to the covid 19 pandemic, States were given unconditional access to borrowings but with two conditions, (1) progress in implementing the “one nation, one ration card” scheme, (2) improvements in the “ease of doing business”.
- **Agrarian Reforms:** Agriculture is a state subject. Recently, three agriculture bills passed by the centre is seen as an encroachment on the functions of the States, and against the spirit of cooperative federalism.

7. QUAD

Source: Indian Express

Gs2: Important International Institutions, agencies and fora - their Structure, Mandate.

Context: QUAD and India's role

What is QUAD?

- **Objective:** To check Beijing's ambition to exercise regional hegemony and to defend and strengthen a liberal international order while focusing on building an Indo-Pacific narrative.
- **QUAD Members:** The quadrilateral security dialogue (Quad) consists of India, US, Japan and Australia.
- **Quad Plus:** Expansion of QUAD that includes South Korea, Vietnam and New Zealand

What are the efforts taken by India to tackle china?

Economic decoupling from China: For example, withdrawal from the Regional Comprehensive Economic Partnership in 2019, its opposition to China's Belt and Road Initiative.

- **Economic measures:** As a response to Ladakh aggression, India has taken up active economic measures against China to limit trade and investment links.
- **Strategic:** Has taken part in the economic initiatives of the Quad and its extended format.

What are the challenges in future vis-a-vis QUAD and global economy?

- **New America first policy under Biden:** Where he has promised not to sign any new free trade agreements without first investing in American workers.
- **Marginalising WTO:** With a vision to rebuild American industry and regain American technological leadership its expected that Biden's industrial policy will run counter to the rules of the World Trading Organisation.

What is the way forward?

- With America's inward-looking policy, India can benefit from “Atmanirbhar America” that will create pro domestic industrial policy in a reformed trading order.
- Quad's diplomatic consultations on reorienting supply chains, gives India an opportunity to be a key player in reforming the global trading rules, to utilise this India must be ready to reform its own economic policies.

Engaging the Quad partners on reforming the China-centred economic globalisation is a rare geo-economic opportunity for India. But it is also a big challenge, as it involves making much internal change to India's economic policy.

8. Efficient implementation of the NEP policy

Source: The Indian Express

Syllabus: GS-2- Education

Context: The successful functioning of NEP 2020 requires a five-point implementation plan to help it in working.

What are the contributors to policy failure and how it can be avoided?

- Bob Hudson, David Hunter and Stephen Peckham had identified **four contributors to policy failure:**
 - Overly optimistic expectations
 - Implementation in dispersed governance
 - Inadequate collaborative policymaking
 - Impulses of the political cycle
- A better understanding of the processes is needed through which policy moves and how, at each of these points, policy can best be supported. Four sequential points can be identified: **Preparation; tracking; support; and review.**

What is the five-point implementation plan to help implement NEP?

- A vision to **build intellectual and social capital for developing collective consciousness** for implementing the NEP.
 - **Interventions:** It includes coordination and cooperation between the Centre and states; legislative interventions, including passing new laws and/or amendments to existing laws.
 - **Finance:** An increase in the budgetary framework and rise of financial resources with involvement of inter-ministerial discussions along with regulatory reforms.
 - **Advisory body:** The PM's Task Force on Higher Education Reforms can be an advisory body including experts from public and private Higher Education Institutions (HEIs) to ensure time-bound implementation with fixed accountability.
- **There is a need to establish a National NEP Implementation Standing Committee** with select vice-chancellors / directors of universities/ institutes.
 - It will create and monitor the NEP Implementation Plan in a time-bound manner; and will have specific powers and functions, including thematic sub-committees and regional committees.
- **The National Education Ministers' Council with Education Ministers of all states and UTs needs to be constituted.**
 - The Council will be an important institutional mechanism to monitor the implementation of NEP in states and UTs, and will also serve as a forum to discuss and address implementation issues.
 - It will navigate through the diverse perspectives of state governments.
- **The idea of Institutions of Eminence (IoE)** spoken by the Prime Minister contains the vision to develop world-class universities in India.
 - In 2016 then Finance Minister promised to provide "an enabling regulatory architecture" so that "10 public and 10 private institutions" would emerge "as world-class teaching and research institutions" which led to the establishment of IoEs.

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- The vision of IoE needs to be integrated with the NEP implementation plan, and IoEs need to be empowered with more freedom, flexibility, autonomy and resources.
- **The National Higher Education Philanthropy Council needs to be constituted** which will be headed by the Education Minister with private sector participation.
 - Nearly 70 per cent of Indian HEIs are private, and more than 70 per cent of Indian students study in private HEIs. Thus, financial resources need to be raised that are critical for the establishment of more private HEIs.
 - This will require new and innovative institutional mechanisms, tax incentives, donation frameworks to incentivise the Indian corporate sector to contribute in the form of individual and corporate philanthropy.
 - The Philanthropy Council could help promote potential donors for establishing three new endowment funds:
 - Higher Education Infrastructure Development Endowment Fund
 - Higher Education Student Scholarship Endowment Fund
 - Higher Education Research Grants Endowment Fund

Way forward

We will need to create stakeholder incentives; formulate instruments in the form of legal, policy, regulatory and institutional mechanisms; build reliable information sources; develop adaptability across HEIs; develop credibility through transparent actions and participation of all stakeholders; and develop s

9. Quadrilateral home truths: On QUAD

Source: [The Hindu](#)

Syllabus: GS-2-Important International Institutions, agencies and fora – their Structure, Mandate.

Context: On October 6th, the foreign ministers of Australia, India, Japan and the U.S. held a standalone meeting in Tokyo.

What is QUAD?

- The grouping of four democracies –India, Australia, US and Japan is known as the quadrilateral security dialogue or QUAD. It was first mooted by Japanese Prime Minister Shinzo Abe in 2007.
- Objective: To check China's ambition to exercise regional hegemony and to defend and strengthen a liberal international order while focusing on building an Indo-Pacific narrative.
- Quad Plus: Expansion of QUAD that includes South Korea, Vietnam and New Zealand.

What is the way forward for QUAD?

For QUAD to be successful as a geopolitical construct, it needs to learn four lessons drawn from the Asia's history and geopolitics. These are:

- **Firstly**, there is no such thing as an 'Indo-Pacific system'. Instead, historically, there were two Asian systems- a) an Indian Ocean system and b) an East Asian system.
- **Secondly**, the Indo-Pacific region do not have any prior experience of long-lasting peace, prosperity and stability.
- **Thirdly**, the sea lines of communication acts like a connective tissue that links the Indian Ocean to the Western Pacific. It is also an important arena of leverage vis-à-

vis Chinese shipping and resource flows. This leverage should be used appropriately on India's terms.

- **Finally**, the Quad has an important role to play to check China's expansion in the Indian Ocean. India should focus on interoperable cooperation with its Quad partners to address the naval challenges posed by China in the Indian Ocean Region.

10. Functioning of the RTI

Source: The Hindu

Syllabus: GS-2- Policy

Context: Government determining the tenure and salaries of all Information Commissioners is an attack on the transparency and a blow to the right to information regime.

What is RTI?

- The right to information was **upheld by the Supreme Court as a fundamental right** under Article 19 of the Constitution, which guarantees every citizen the right to free speech and expression.
- The RTI Act was enacted in 2005 to provide an institutional regime of right to information for citizens to secure access to information under the control of public authorities, in order to promote transparency and accountability in the working of every public authority.
- **The RTI law has been used by people to seek information** to actively participate in decision-making processes and hold governments accountable.

What is the potential of the law?

- RTI is the **most widely used transparency legislation in the world** as nearly six million applications are filed under the act every year.
- A large proportion of these are filed by the poorest and the most marginalised who have understood the **great potential of the law to empower them to access their basic rights**.
- **It gives citizens a power to hold government departments accountable** for delivery of food grains and social security benefits meant for those in distress, including migrant workers.
- The RTI Act has also been put to effective use by citizens to **shed light on corruption and illogical abuse of power by the state**.

Examples: RTI used to promote Transparency

- Information has been accessed about the anonymous electoral bonds through which thousands of crores have been channeled into political parties.
- The law has been **widely used to seek information about availability of medical facilities**, like ventilators and ICU beds during the Covid-19 crisis.
- **The Prime Minister's Office has been queried** about the expenditure of the PM CARES Fund set up to provide relief during disasters like the current pandemic.

How is there an attack on the transparency watchdogs?

- Information Commissions at the Centre and in the States are the final judges empowered to act against violations of the legislation.
 - **Amendments were made to the RTI Act** which removed legal protection of fixed tenure and high status advised on the commissioners in 2019.

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- The government pushed the RTI (Amendment) Act which allows the **Central government to determine the tenure and salaries of all Information Commissioners**. It is an indicator that directions to disclose inconvenient information could invite adverse consequences.
- **Information Commissioners are not appointed in a timely manner** by the government which has severely hindered the functioning of commissions.
 - Since May 2014, not a single commissioner of the Central Information Commission (CIC) has been appointed without citizens having to approach courts.
- **Vacancies in Information Commissions lead to large backlogs** of appeals/complaints and long delays in the disposal of cases.
 - Six out of 11 posts of commissioners are currently vacant in the CIC, including that of the chief despite the orders of Supreme Court to fill all the vacancies.
- **The CIC is headless for the fifth time in the last six years** and eight State Information Commissions are functioning without a chief.

Way forward

As the RTI law completes 15 years, it is again time for those whom it empowers; the citizens to state themselves and protect their fundamental right to information, which they achieved after a long struggle.

11. Declining Role of Parliament

Source- The Indian Express

Syllabus - GS 2- Indian Constitution—historical underpinnings, evolution, features, amendments, significant provisions and basic structure.

Context- The role of Parliament as a platform for ensuring accountability of the executive and use of its instruments for ensuring criticism, deliberation and even consensus-making has declined in the past few years.

What are the current issues and relevance in Indian democracy?

- 1. Role of parliamentary committees** - To strengthen the lawmaking process, it is important that all Bills are examined by Standing Committees before passage. This ensures thorough scrutiny of the law. The government has shown extreme reluctance to refer Bills to Select Committees of the Houses or Joint Parliamentary Committees.
 - The number of bills referred to parliamentary committees has declined drastically, from 71 percent in 15th Lok Sabha to 25 percent in the 16th Lok Sabha, including zero bill referred in 2020.
 - The last Bill referred to a Joint Parliamentary Committee was The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (Second Amendment) Bill, in 2015.
 - Some of the most momentous Acts of Parliament in recent years such as the radical overhaul of Article 370 were not processed by any House committee.
- 2. Centre's willfulness-** The government used its majority in both the Houses of Parliament and steamrolled the Bills (with hardly any discussion), amid the predictable din and noise that a fragmented Opposition could mount.
 - **Ordinance route-** Despite having majority in the Lok Sabha, average number of ordinances jumped from six a year under Manmohan Singh to 11 a year under Modi.

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- **Cancel Question Hour** - The Opposition isn't given a chance to hold the government accountable. Slash Zero Hour time by half, from 60 minutes to 30 minutes, to deprive the Opposition of raising issues of importance. Misuse a constitutional tool such as an ordinance to mock Parliament, in a way it hasn't been done in 70 years.
 - **Money bill scam**- several key pieces of legislation that did not properly fit in the category, were passed as Money Bills. The Aadhar Bill is a case in point. The Speaker of the Lok Sabha certified that it was a Money Bill and all the amendments proposed by the Rajya Sabha were rejected.
- 3. Mode of Public address by the PM** - Prime Minister Modi who prefers to communicate directly with the people, either on the radio or via social media, which obviate the risk of contradiction, and questioning by the receiver, due to one-way communication.
- PM Modi on an average has spoken 3.6 times a year in Parliament i.e. 22 times in times in six years. In contrast, Atal ji spoke 77 times in six year and Manmohan Singh spoke 48 times in parliament during his 10 years in office.
- 4. Speaker's traditional non-partisan role**- Very few Speakers, with exceptions such as G.V. Mavalankar, P.A. Sangma and Somnath Chatterjee, have gone against their party leaders to uphold the autonomy of the House.

Way forward-

- The need of the hour is for greater and effective utilization of Parliamentary Committees to strengthen Parliament as a deliberative body which can ensure effective oversight. The government must make amends and restore the democratic majesty of Parliament.
- The recent survey showed that, more than half of the respondents wants to get rid of election and parliaments and have expert make decision on behalf of them.

12. NGO's Improving education system

Source - The Hindu

Syllabus – GS 2- Development processes and the development industry —the role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders.

Context – A strong programme for capacity building of NGO workers engaged in educational improvement becomes an urgent need.

What is the role of NGO's in elementary education in India?

- NGO'S are intensively engaged in the task of improving elementary education.
- There are more than 12 lakh NGO workers engaged in direct teaching in classrooms, demonstrating various activities and methods to teachers, conducting teacher workshops and so on.
- NGO workers are supposed to be more effective than regular employees in the government system.

Therefore, these workers must have some idea of what education quality happen to be and are required to adequately prepare for this difficult task.

What are the provisions in the India Constitution related to education?

The four documents providing during a framework of principles, guidelines and legal stipulation to deal with such question are-

1. National Curriculum Framework 2005.
2. The Right of Children to Free and Compulsory Education Act 2009.

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3. National Curriculum Framework for Teacher Education 2009.
4. National Education Policy 2020.

Provisions in the India Constitution related to improving education system are-

- **Regarding Pedagogy-** the RTE, in Section 29(e), recommends that learning through activities, discovery and exploration in a child friendly and child-centered manner.
- **Regarding Curriculum-** NEP 2020, paragraph 4.23 says that certain subjects, skills, and capacities should be learned by all students to become good, successful, innovative, adaptable, and productive human beings in today's rapidly changing world.
- The NCFTE (page 23), says that the need teachers who promote values of peace, democratic way of life, equality, justice, liberty, fraternity, secularism and zeal for social reconstruction.

What are the concerns in current education system?

1. **Quality of education-** The quality of education or school in today's society is based on a high score in the board examinations rather than actual meaningful learning.
2. **Carelessness-** NGOs do not seem to be paying adequate attention to the programme such as capacity building of their workers nor do universities and teacher education colleges seem to be offering any short term and/or distance learning courses for this sector.
3. These NGO workers have a significant part in the CPDT, for example, in annual in-service training and pedagogy improvement workshops. People should be asking themselves whether these workers are adequately prepared for this difficult task or not.

Way forward-

- If government wants to implement NEP 2020 and really want to see improvement in the quality of education available to the children then it required to pay very close attention to capacity building of this vast workforce engaged in the field.
- Without adequate preparation, the assumption that the mere appointment of a person in an NGO and being placed in the field will automatically develop the capabilities of these workers is incorrect.

13. Civil society gears up for big funds squeeze

Source: [Live Mint](#)

Syllabus: GS2: Development Processes and the Development Industry — the Role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders.

Context: New norms on foreign donations and covid-19 could end up shrinking the money pool for philanthropy and CSR.

Foreign Contribution Regulation Act (FCRA): Background

- The Foreign Contribution Regulation Act (FCRA) Act was first brought in by the Indira Gandhi government during the Emergency in 1976.
- Its aim was to protect the 'sovereignty' of India from 'foreign hands' at a time when global powers were engaged in a cold war.
- The law prohibited political parties, electoral candidates and even cartoonists from accepting foreign contributions.
- Through FCRA 2010, government made the renewal of registrations mandatory every five years and placed a 50% limit on administrative expenses.

What the Key changes introduced to FCRA, 2010?

- **Prohibition to accept foreign contribution:** These include: election candidates, editor or publisher of a newspaper, judges, government servants, members of any legislature, and political parties.
- **Transfer of foreign contribution:**
 - Under the Act, foreign contribution cannot be transferred to any other person unless such person is also registered to accept foreign contribution.
 - FCRA registered organisations are barred from transferring foreign donations to smaller non-profits (a practice known as sub-granting) who often find it difficult to access donors on their own.
- **Aadhaar for registration:** The Act states that a person may accept foreign contribution if they have obtained a certificate of registration from central government or obtained prior permission from the government to accept foreign contribution. The bill makes Aadhaar mandatory for registration.
- **Reduction in use of foreign contribution for administrative purposes:** The bill decreases administrative expenses through foreign funds by an organisation to 20% from 50% earlier.
- **More power to government:** FCRA registration can be suspended now after a summary enquiry and the period of suspension can extend up to a year (from 180 days earlier).

What are the various concerns associated with the amendments?

- **Reduce availability of funds:** The crunch is also because a chunk of the corporate social responsibility (CSR) funds which NGOs depend on went to the PM-Cares fund.
- **Reduce a number of philanthropic initiatives:** Civil society organisations will be overburdened as they are already affected by COVID-19. For Example, cancellation of FCRA registration (in 2015) forced the environmental rights watchdog Greenpeace to halt its India operations
- **Affect COVID-19 relief activities:** the FCRA amendments could squeeze the once-vibrant not-for-profit sector of funds.
- **Reduce accountability:** the changes will push NGOs to become mere government contractors rather than raise questions on policy matters or defend the rights of tribal communities
- **Reduce political empowerment of people:** The FCRA amendments will halt the emergence of local leadership from marginalised communities. For example, crowdfunding platforms like **Our Democracy** have raised funds for committed individuals helping them contest elections.

India's vast civil society network could still perhaps maintain its vibrancy but only if Indian donors are willing to step up.

14. Issues of education system in India

Source: The Indian Express

Syllabus: GS-2- Education

Context: Delhi University's high cut-offs in admissions is not a reflection of standards as there is no connection between one's intellectual ability and performance in examinations.

Comment on the current education system.

- **Rote learning and exaggerated marks** point out the lack of pedagogic imagination and shows a highly mechanised process of entering the higher education.
- **This trend for marks converts a learner into a smart consumer** and the only skill she/he acquires is the ability to memorise associated bullet points as emphasised by exam-oriented teachers and coaching centre gurus.

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- **The path of success is causing the stigma of failure** as the “fact-centric”/ “objective”/short questions become the new normal, it becomes very difficult not to get at least 80 per cent in the board examination.
- **Social Darwinism is normalised** and hyper-competitiveness becomes the philosophy of the age as schools become highly-oppressive institutions.

Do the students find enough guidance?

Young students hardly find any guidance as they choose their subjects and enter colleges.

- Academic disciplines are ranked through the market rationality and **young students are regularly pressured by the anxiety-ridden parents.**
- **They are driven by the peer culture** as a result they tend to prefer “prestigious” subjects like Physics, Economics, Commerce, English literature and Psychology, even if they are not naturally inclined to these subjects.
- “Ranking” colleges and universities are hierarchized. The students select the college keeping in mind the **“brand consciousness” instead of the subject of their liking**

Way forward

We should acquire the courage to accept that one’s curiosity, aptitude and awakened intelligence cannot be measured through a pattern of examination that compels one to be a robotic performer rather than a creative wanderer.

Present hierarchised system of higher education in India is creating robotic performers rather than a creative wanderer. Comment.

15. Multilateralism in present world

Source- The Hindu

Syllabus- GS 2- Important International institutions, agencies and fora- their structure, mandate.

Context - Global integration with solidarity among nations is necessary to tackle global challenges.

Why multilateralism is necessary?

- Multilateralism enables governance in areas which require coordination among nation states either under UN system or through intergovernmental organizations like G20.
- Multilateralism set norms to regulate the behavior of states so as to avoid conflict and to ensure both equitable burdens sharing and, equally, a fair distribution of benefits.
- This network continues to function and deliver benefits to participating states despite the less than propitious international environment.

Are multilateral institutions on decline?

1. The powerful member countries are posing major challenge to multilateralism in following ways:
 - They have deprived the UN of resources.
 - They have resisted efforts to institute long overdue reforms in UN.Yet, such institutions are working to tackle global challenges.

Example

- a. World Food Programme (WFP), combats hunger and preventing the use of hunger as a weapon of war and conflict.
- b. Multilateral negotiations on climate change to mitigate and adapt to global challenges induced by global warming.

2. Multilateral institutions have become platforms for contestations among their member states. For example, USA stalled election of jurists in trade appellate body of WTO.
3. In the contemporary world, the line separating the domestic from the external has become increasingly blurred. In tackling domestic challenges deeper, external engagement is often indispensable which is facilitated by multilateral institutions.
4. Globalization in the age of digital economy is giving thrust to multilateralism, which is further boosted by pandemic induced after-effects.

Way forward-

India firmly believes that the path to achieve sustainable peace and prosperity is through multilateralism. As children of Planet Earth we must join hands to address our common challenges and achieve our common goals.

16. Food security to nutritional security: issues and solutions

Source: The Hindu

Syllabus: GS-2- Policy

Context: Strong food systems will have to be built back as the world is not on track to achieve global targets by 2030.

What is a food system?

- **It is a framework that includes every aspect of feeding** and nourishing people: from growing, harvesting and processing to packaging, transporting, marketing and consuming food.
- **A food system must provide enough nutritious food** for all without compromising feeding future generations and would be called sustainable food system.

How has the food system of the country performed during pandemic?

- **Central and State governments were able to distribute around 23 million tonnes** from India's large domestic food grain reserves in three months through **the Public Distribution System**. It helped in providing much-needed emergency assistance to families around the country.
- **The government successfully mobilised food rations for 820 million people from April to November 2020**, including finding alternate solutions to provide food rations to 90 million school children.
- **Agriculture grew at 3.4% during the first quarter this financial year** and the area cultivated this *kharif* exceeded 110 million hectares.

What are the issues faced by India?

- **The Comprehensive National Nutrition Survey 2016-18** revealed that over 40 million children are chronically malnourished, and more than half of Indian women aged 15-49 years are anaemic.
- **Climate change continues to be a real and potent threat** to agro-biodiversity like pest and locust attacks, as well as floods and cyclone, which will impact everything from productivity to livelihoods across food and farm systems.
- **Intensified food production systems with excessive use of chemicals** and unsustainable farming practices cause soil degradation, fast depletion of groundwater table and rapid loss of agro-biodiversity.
- **In India, more than 86% farmers have less than two hectares of land** contributing around 60% of the total food grain production and over half the country's fruits and vegetables.

What are the steps taken to counter the challenges?

- **The FAO, IFAD and the WFP worked in close coordination to support the Government of India's Empowered Group 5** to facilitate supply chain and logistics management, so necessary items such as food and medicines were available.
- The agencies provided daily updates on the real-time situation on the ground, checking challenges/red flags, dynamic subjective data and good practices from their sources in the field.
- **The Integrated Child Development Services** which provides cooked meals and take-home rations to 100 million children under the age of six, as well as to pregnant and lactating mothers.
 - **The mid-day meal programme**, are however some examples of how the government is working to fix these challenges.
- **India is dealing innovatively with climate change.** For example, through the development of drought and flood tolerant seed varieties, weather-based agricultural advisories, promotion of millets, and small-scale irrigation.
- **The way we produce food must change through agro-ecology** and sustainable production practices in agriculture and allied sectors.
- **Stop the waste as one-third of the food we produce is wasted.** That is why the UN, and our three agencies ; the FAO (The Food and Agriculture Organisation), IFAD (International Fund for Agricultural Development) and WFP (The World Food Programme) are committed to working with government, civil society, farmers' organisations and the private sector to build sustainable food systems.

Way forward

Everybody has a role to play in transforming our food systems so they can withstand increasing volatility and climate shocks, deliver affordable and sustainable healthy diets for all, and provide decent livelihoods for food chain workers.

17. An opportunity for India

Source- The Hindu

Syllabus- GS 2- Important International institutions, agencies and fora- their structure, mandate.

Context- It's an opportune time for India to push for institutional changes and reformed multilateralism in the global system.

How India can revive Multilateralism?

1. **Leadership opportunity** - Since US and West have adopted nationalistic leaning, India should step into the leadership role by advocating the multilateral approach of tackling the pandemic, climate change and terrorism.
 - In 2021, India will join the UN Security Council (non-permanent seat) and chair the BRICS Summit, and in 2022 will host the G-20 summit, which is a great opportunity for agenda-setting.
2. **Increase India's share in UN Budget-** India also needs to invest in the UN with increased financial contribution in line with its share of the world economy and by placing its people in key multilateral positions.
 - India's share in the UN budget stands at 0.7 per cent. The shares of China, Japan and the US are at 8, 10 and 22 per cent respectively. Raising India's contribution to at least one per cent might convince its partners that India is serious about pursuing a more vigorous multilateralism.
3. **Window opens for India-** Three defeats in election to key UN bodies and the negative reaction to its threat of veto to forestall a discussion on the pandemic in

the UNSC clearly point to a disenchantment with China in the globe and is a thumbs down for them.

- a. India beat China to win a four-year term on UN's Commission on the status of Women [CWS].
 - b. India also won a seat each, through endorsements, to two other ECOSOC bodies-
 - The Committee for Programme and Coordination [CPC].
 - The Commission on Population and Development [CPD].
4. **Shift from Non Alignment to Multi Alignment**- Multi-alignment is the very essence of India's foreign policy and the economic policy of India today. This presents an opportunity for India to become a global mediator and help in developing a framework on global Issues.

Way forward-

- India needs to support reform not only to expand the permanent members' category of the Security Council but also to revitalize the role of the General Assembly.
- India, Germany, Japan and Brazil [G-4] have sought to refocus the UN on UNSC reform, they must remain focused and determines even if these changes do not happen easily.

18. Sex ratio and demographic attributes

Source: The Indian Express

Syllabus: GS-2- Policy

Context: Sample Registration System (SRS) Statistical Report (2018) and global population projections made by the Institute of Health Metrics and Evaluation (IHME), US show that fertility has been declining in India for some time now.

What were the findings of the report?

- **SRS report estimated the Total Fertility Rate (TFR)** as 2.2 in the year 2018, which is the number of children a mother would have at the current pattern of fertility during her lifetime.
- It is estimated that **replacement TFR of 2.1 and fertility is likely to continue to decline.**
- This report estimated the **natural annual population growth rate to be 1.38 per cent in 2018** because along with fertility rate, the population growth rate also declines.
- A comparison of 2011 and 2018 SRS statistical reports shows that **TFR declined from 2.4 to 2.2** during this period and annual natural **population growth rate also declined from 1.47 to 1.38** per cent during this period.
- **Population would not stabilise or begin to reduce** in a few years once replacement fertility is reached because of the population momentum effect.
 - For instance, the replacement fertility level was reached in Kerala around 1990, but its annual population growth rate was 0.7 per cent in 2018, nearly 30 years later.
- **The UN Population Division** has estimated that India's population would possibly peak at 161 crore around 2061 at the medium-fertility variant, and will be lower by about 10 per cent at the low fertility variant. It will peak at 160 crore in 2048 according to IHME.
- **The six states with higher than national fertility rate** (and their TFR) in 2018 are Bihar (3.2), Uttar Pradesh (2.9) Madhya Pradesh (2.7), Rajasthan (2.5), Jharkhand (2.5) and Chhattisgarh (2.4).

What does the fertility rate depends on?

- **Fertility largely depends upon social setting and female education** is a key indicator for social setting. So, higher the female education level, lower the fertility.
 - For instance, illiterate women in the reproductive age group of 15-49 years have higher fertility than literate women in almost all states.
 - The percentage of illiterate women in this age group was higher than 15 per cent in all the high-fertility states, which include nearly 40 per cent of India's population.
- **Programme strength is indicated by the unmet need for contraception**, which has several components.
 - The proportion of married women who are neither pregnant nor amenorrhoeic and do not desire a child in the next two years or ever but are not practising contraception.
- **The National Family Health Survey (2015-16)** provides estimates for the unmet need at 12.9 per cent and contraceptive prevalence of 53.5 per cent for India. This makes the total demand for contraception at 66.4 per cent.
- **Programme's ability to reach younger people** and provide them with good quality reproductive health education and services needs to be urgently strengthened in states like UP and Bihar.
 - Bihar has the highest fertility rate along with the highest unmet need at 21.1 per cent and the lowest contraceptive prevalence rate of 24.1 per cent among all the major states.

What is the state of sex ratio? What can be done to reduce the difference?

- **Sex ratio at birth:** Biologically normal sex ratio at birth is 1,050 males to 1,000 females or 950 females to 1,000 males but the SRS reports shows that the number of females per 1,000 males, declined marginally from 906 in 2011 to 899 in 2018.
- **This adverse ratio results in a gross imbalance** in the number of men and women and its inevitable impact on marriage systems as well as other harms to women.
- **Increasing female education** and economic prosperity help to improve the ratio.
- **Government actions need to be supplemented** by improving women's status in the society.

Way forward

There is an urgent need to reach young people both for reproductive health education and services as well as to cultivate gender equity norms. This could reduce the effect of population momentum and accelerate progress towards reaching a more normal sex-ratio at birth.

19. GST Compensation Issue

Source: [Indian Express](#)

Syllabus: Gs2: Issues and Challenges Pertaining to the Federal Structure

Context: Recently, the Centre has acceded to the states' request, that it will borrow Rs 1.1 lakh crore to compensate them for the shortfall in their GST revenues.

What is the Background?

- For bringing the states in to GST ambit, The Centre assured the states of a 14 per cent growth in their GST revenues.
- It also agreed to compensate states for shortfall in GST revenue collection for 5 years.

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- GST compensation was decided to pay out of Compensation Cess every two months by the Centre.
- Now, the pandemic impact has resulted in low Cess collection that has constrained Compensation to states.
- With expected revenue shortfall of Rs 3 lakh crore, the collections through the compensation cess stand at Rs 65,000 crore.
- Now, out of the shortfall of Rs 2.35 lakh crore the state governments are being compensated only for losses arising on account of implementation issues that is Rs 1.1 lakh crore.
- The states were asked to forgo the remaining loss in GST revenues (1.34 lakh crore) as it has arisen out of an “act of god”.

Why Centre has to borrow not the states?

- The Centre’s borrowing attracts a lower interest rate as compared to that of states.
- Also, the loans to the states will be at a uniform rate that will help them to avoid interest rate differentials across states.
- This mechanism is more preferable and convenient rather than all the states rushing to the bond market.

What are the unresolved issues?

- **Increased debt:** The mode of the transaction has not yet clearly defined. Irrespective of the mode of transaction, centres borrowing will lead to a rise in general government debt.
- **Centres reluctance to borrow entire amount:** The repayment of the loan is not an obligation of the Centre, and will be met from proceeds from future compensation cess collections still centre is reluctant to borrow the entire expected shortfall of Rs 2.35 lakh crore

The Centre’s decision to borrow Rs 1.1 lakh crore is in the spirit of cooperative federalism. Given the huge distress in the economy even the states should show some flexibility, in the spirit of cooperation. The GST Council should approach the issue of compensating states for their remaining losses in a conciliatory manner.

20. NEP and analysis

Source: [The Indian Express](#)

Syllabus: GS-2- Education

Context: NEP focuses on equity and critical learning as it also addresses present and future challenges.

Explain the changes introduced by the NEP in an elaborate manner?

- **NEP is only the third education policy propagated by the Centre;** the other two being the policies vocalized by Prime Ministers Indira Gandhi in 1968 and Rajiv Gandhi in 1986.
- **The NEP is important for several quantitative and qualitative changes** across the development band. These range from pre-school to higher education :
 - Emphasis on practicality and skill development.
 - Breaking the stereotypical divide of arts, commerce and science streams in high school.
 - Reorganising schooling years.
 - Making the education system more inclusive.
 - Permission to foreign universities to establish branches in India.
 - Thrust on Indian and ancient languages.

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- **There is an uplifting move from periodic “inspections” to self-assessment** and voluntary declaration with transparency, quality standards and positive public perception being the keywords.
- **A single, lean structure with four verticals for standards-setting**, funding, accreditation and regulation will provide “light but tight” oversight.
- **Other transformative changes include:**
 - Education in the local language or mother tongue at least up to the fifth grade
 - Universal access and early childhood education
 - Curriculum change leading to learning outcomes (LOs) and skills.
 - Stress on equity, gender, special needs and promotion of multilingualism.
- **There is a focus on early child development**, the effort to reduce the dropout rate, putting in place different forms of valuation, the emphasis on essential learning and critical thinking and the centrality of the teacher and teacher education.
- **The policy aims at a 100 per cent Gross Enrolment Ratio (GER)** in school education by 2030 and 50 GER in higher education by 2025.
- **NEP suggests some elements of the main universal Access to Early Childhood Care and Education (ECCE)** framework relate to the NCERT’s National Curricular and Pedagogical Framework for Early Childhood Education (NCPFCE).
- **The integration of vocational education with basic education** in all institutions by identifying focus areas based on skills gap analysis and mapping of local opportunities will develop entrepreneurial abilities.
- **Innovations in the higher education ecosystem** include:
 - Extension of the graduate course from three to four years
 - Multiple entry and exit points
 - College teachers’ education
 - Replacement of the UGC, AICTE and NAAC
 - Providing the MPhil programme and the proposed National Research Foundation.
- **NEP attempts to bridge the digital divide** by upgrading the digital infrastructure, emphasising on learning at your own pace and underlining the importance of online courses.
- **There is a provision to teach coding at the middle-school level** and an emphasis on mainstreaming Sanskrit to increase “knowledge of ancient India and its contributions to modern India”.

What are the steps required to be taken?

- The shift from printed content-oriented teaching to experimental learning and concept-oriented teaching **requires the implementation of NITI Aayog’s School Education Quality Index (SEQI’s) vision for teacher adequacy.**
- **It also requires transparent systems for merit-based selection** and deployment of teachers and online systems for teacher transfers.
- **The philosophy of access, equity, infrastructure, governance and learning** has ultimately to be grounded in action to drive India’s growth, modernisation and structural transformation.

Way forward

The policy’s success will also depend on its integration with the government’s other policies such as the New Industrial Policy, Digital India, Skill India, Atmanirbhar Bharat and the “vocal for local” programme. Addressing the necessities of the present and expectations of the future will depend on the policy’s success.

General Studies Paper - 3

General Studies - 3

1. MPC - Improving rate transmission.

Source- The Indian Express

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

Context- The newly constituted MPC has focused on improving rate transmission.

What is the highlight of MPC meeting?

- Repo rate were kept unchanged at 4%, with a continuation of an accommodative stance.
- It chose to ignore elevated levels of CPI inflation as transitory and has maintained focus on supporting growth.
- It appears that the MPC would maintain a status quo on rates through this fiscal year.

What are the current challenges of RBI?

Balance-of-payments (BoP) surplus- India's foreign currency reserves have been growing at an unprecedented rapid pace.

Factors-

a. India is getting far more dollars than it needs –

- Weak domestic economy kept imports weak, even as large fiscal stimuli in the developed world and a rapid output revival in China led to a faster normalization of exports.
- Low energy prices, policies supporting Atmanirbhar Bharat naturally mean lower imports, and the push towards making India a participant in global value chains mean higher exports.

b. Structural reforms- There have also been structural shifts in India's economic policy which point to a persistent BoP surplus.

However, RBI can direct this surplus into government bonds, it can maintain its independence and credibility, and at the same time achieve its target of rate transmission.

What are the announcements made by the RBI to ensuring the rate transmission?

- With unchanged repo rates, the focus of the liquidity measures announced by the RBI is to further improve transmission of previous rate cuts across a spectrum of market rates and other instruments.
- The RBI Governor assured market participants that the large supply of government bonds in the second half along with a likely pick-up in credit demand, would be accommodated through open market purchases of government bonds.

Other measures-

1. **Extending HTM maturity limits-** The extension of enhanced Held to Maturity (HTM) limit of banks on their government bonds portfolio to March 2022, will also help improve demand for bonds.
2. **Credit growth-** A new on-tap targeted LTRO window was announced, for banks to borrow up to ₹1,000 billion from the RBI at a floating rate linked to the repo rate, and invest in corporate paper issued by specific sectors and to provide loans to them.
3. **Containing Inflation-** Higher fuel taxes and import duties are expected to provide an upward push though. Effective supply management will therefore be crucial in

controlling food inflation and ensuring that it does not turn persistent and feeds into non-food inflation.

- 4. Risk weightages-** The central bank also announced a rationalization of risk weightages assigned by banks for all new home loans sanctioned up to March 31, 2022 to spur job-intensive real estate sector.

Way forward-

Economic challenges may persist for the foreseeable future. The financial system still needs a major overhaul, and the only permanent solution to the large BoP surplus is stronger domestic demand, and is best achieved through a well-designed fiscal stimulus.

2. New market led system V/s MSP

Source- The Indian Express

Syllabus- GS 3- Issues related to direct and indirect farm subsidies and minimum support prices; Public Distribution System- objectives, functioning, limitations, revamping; issues of buffer stocks and food security; Technology missions; economics of animal-rearing

Context- The new farm bills offer greater choice to farmers through open market, without demolishing the existing MSP system.

What is MSP system and how the new system can improve the agriculture sector?

Minimum Support Price (MSP) is a form of market intervention by the Government of India to insure agricultural producers against any sharp fall in farm prices.

- However, MSP is not a law but administrative decision of the government. The very existence of APMC does not guarantee MSP.
- In a surplus economy, unless we allow a greater role for markets and make agriculture demand-driven, the MSP route can spell financial disaster.
- The MSP system is much more costly and inefficient.

Advantages of new market led system-

- The new laws are trying to increase the relative role of markets without dismantling the MSP system.
- The reforms remove all the commodities from the APMC Act and enable the farmers to sell their produce to any private entity, individual buyer, any other state or even the mandis (arhartyas) as per the earlier model.

What are the issues related to MSP and food subsidies?

- 1. Excess storage-** This kind of procurement without sufficient storage has resulted in hue piling of stocks in the warehouse. The stock has now become double the requirement under the schemes of PDS, Buffer stock etc.
- 2. WTO issues** - India's MSP scheme for many crops has been challenged by many countries in the WTO. For example- Australia has complained of the MSP on wheat.
 - Grain stocks with the FCI cannot be exported without a subsidy, which invites WTO's objections.
 - They have been claimed to be highly trade-distorting by its method of calculation. If the current process continues, India will face international criticism for breaching the percent norm for subsidy on farm production set by the WTO.
- 3. Market distortion-** It distorts the free market and favours some particular crops over other crops.
- 4. Killing of competition-** Any interference by the government kills the competition. This affects the agents who procure the crops at lower prices and sell them at higher prices and earn profit.

What is the success formula of milk commodity?

India is the largest producer of milk with 187 million tonnes annually way ahead of the second-ranked US which produces around 100 million tonnes every year. And, the milk sector has been growing at a rate two to three times higher than rice, wheat and sugarcane

- **No government interference-** In the case of milk co-operatives, pricing is done by the company in consultation with milk federations, not by the government.
- **It is more in the nature of a contract price** - Milk and poultry don't have MSP and farmers do not have to go through the mandi system paying high commissions, market fees and cess.

Way forward-

- The pricing system has its limits in raising farmers' incomes. More sustainable solutions lie in augmenting productivity, diversifying to high-value crops, and shifting people out of agriculture to high productivity jobs elsewhere.
- The new Farmers bill will be a boon for the economy and any loopholes will be addressed by the experts and the policymakers.

3. Reviving consumption and investment

Source- The Hindu, The Indian Express and The Indian Express

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

Context- The government has announced a twin set of measures to boost consumption demand and capital expenditure in the wake of the coronavirus pandemic.

What are the new proposals announced by Union Finance Minister?

1. Consumer spending proposals- Putting money in the hand of government employees so as to incentivize spending. The consumer spending proposals includes-

a) LTC cash vouchers scheme- Giving out cash vouchers to central government employees this year in lieu of leave travel concession (LTC) fare which could be spent only on buying non-food GST-rated items.

- Since travel is difficult to undertake during the pandemic, the government will pay the entitled fare as cash vouchers which have to be spent by March 31, 2021.
- Government says that LTC voucher scheme will boost the generated demand worth ₹28,000 crore.
- The tax concessions are available for the State governments and the private sector companies.
- **Specific Conditions-**
 - This must be spent on items that have 12% GST or more.
 - Can only spend them in digital mode only, no cash payments.
 - And, have to buy only from GST-registered sellers so a GST invoice would be required on the basis of which they will be reimbursed. This spending has to be completed by March 31, 2021.
 - Three times the amount equivalent to the return air/rail fare would have to be spent to qualify for this.

b) Special festival advance scheme- Central government employees and officers will get an interest free festival advance of Rs.10000. The repayment of this advance will have to be made in 10 installments by the employee.

- This ₹10,000 advance will come as a pre-paid RuPay card, which can be availed and spent by March 31, 2021.

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- The government expects to disburse ₹4000 crore under this advance scheme. If given by state governments, another ₹8000 crore is likely to be disbursed.
 - Additional consumer demand generated will be ₹8000 crore.
- 2. Capital expenditure-** The second set of announcements that aim to spur capital spending include a 50-year interest free loan of Rs 12,000 crore to states, and the enhancement of central government capital expenditure by Rs 25,000 crore.
- **For the 50-year interest-free loans to boost Capex, states have been categorized into three groups:**
 - a. **Group 1** -Which includes the Northeastern states (Rs 1,600 crore) and Uttarakhand and Himachal Pradesh (Rs 900 crore).
 - b. **Group 2** -This has other states which will get Rs 7,500 crore in proportion to their share as per the Finance Commission devolution.
 - c. **Group 3** - Having states which will get a total Rs 2,000 crore if they meet three out of four reforms, including One Nation One Ration, outlined in the government's Atma-Nirbhar package.
 - This can be used for new or ongoing projects and even to pay existing dues.
 - Increasing capital expenditure by both Central and state government.

What are the critic's views on this stimulus package?

1. **Denting travel industries-** Most employees have not been able to travel after the start of pandemic, the shifting of the LTC benefit is expected to generate demand elsewhere, although it may negatively impact the travel and tourism industry.
2. **Lesser impact-** the amount of demand stimulus is underwhelming, and the impact on both fiscal and growth going to be quite limited.

Way forward-

- These announcements should be the first steps of a broader, more ambitious fiscal package, which addresses the needs of stressed segments of the economy.
- The timing of these announcements is just right, as we are entering the festival season, and this should help improve consumer sentiment and demand in the economy.

4. Gene Editing

Source: [The Hindu](#)

Syllabus: GS-3- Science & Technology

Context: India requires guidelines for gene-editing research as the development of a method for genome editing CRISPR-Cas9 came into the limelight.

What is the controversy surrounding the Nobel Prize to CRISPR-Cas 9 technology?

- **The two scientists, who were awarded the Nobel Prize founded the use of CRISPR** (Clustered Regularly Interspaced Short Palindromic Repeats) – Cas9 (CRISPR-associated protein 9) system as a gene editing tool.
- 8 years since its discovery, the method has already made a **significant impact in biology, medicine, and agriculture.**
- **The exclusion of Siksny from this year's Nobel** is in the limelight especially when the Nobel Prize can be given to three individuals.
 - Discovery on the use of CRISPR as a gene-editing tool was by a Lithuanian biochemist, Virginijus Šikšnys, in 2012 and he showed that Cas9 could cut purified DNA in a test tube.
- **The Nobel committee recognised Charpentier and Doudna** as the sole discoverers for proving the ability of CRISPR-Cas9 to function as a gene-editing tool.

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- Siksny along with Charpentier and Doudna shared another coveted award, the Kavli Prize for Nanoscience, in 2018.
- Other notable early contributors to the field that many believe deserve mention are **Feng Zhang of Broad Institute of MIT-Harvard and George Church of Harvard**.
- **Dana Carroll, who developed the system of Zinc-finger nucleases** in which CRISPR can slice DNA at specific sites, is another notable exclusion from this year's chemistry prize

What are some of the other developments with regard to gene editing?

- In India, there is a long way to go before **realising the utility of gene editing for therapeutic applications**. However, we cannot be satisfied and wait for a rogue individual or unit to try it out on humans.
- He Jiankui edited genes in human embryos using the CRISPR-Cas9 system that were subsequently implanted and resulted in **the birth of twin girls which left the world alarmed in 2018**.
 - Chinese scientists claimed this was **apparently to prevent them from contracting HIV**, and the incident was known as the case of the first gene-edited babies of the world.
- **The World Health Organization** formed a panel of gene-editing experts which said "a central registry of all human genome editing research was needed in order to create an open and transparent database of ongoing work".

What are the laws available in India?

- **"Rules for the Manufacture, Use, Import, Export and Storage of Hazardous Microorganisms/Genetically Engineered Organisms or Cells, 1989"** notified under the Environment Protection Act, 1986, regulate genetically modified organisms.
- **Environment protection act and the National Ethical Guidelines for Biomedical and Health Research** involving human participants, 2017, by the Indian Council of Medical Research (ICMR), along with Biomedical and Health Research Regulation Bill involves regulation of the gene-editing process.

Way forward

- The recognition that Charpentier and Doudna's work has received will encourage women to take up science as a career, in spite of the hard struggle to balance family life and a difficult life in a scientific career.
- It is time that India came up with a specific law to ban germline editing and put out guidelines for conducting gene-editing research giving rise to modified organisms.

5. Air pollution and Delhi

Source: [The Hindu](#)

Syllabus: GS-3- Environment

Context: The capital launched an anti-pollution campaign in an attempt to curb air pollution levels ahead of winters by controlling emissions, reducing private vehicles and increasing electric vehicles.

What is anti-pollution campaign? How are the pollution levels of Delhi?

- **The anti-pollution campaign** is focused on cutting the deadly smoke from thermal plants and brick kilns in the National Capital Region as well as on chemical treatment of stubble burning from nearby States.
- **Pollutant concentration:** Particulate matter, PM2.5 and PM10, exceed national standards and the more strict World Health Organization limits. Delhi's toxic air

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also contains high doses of sulphur dioxide and nitrogen oxide along with the lack of wind.

- **Delhi needs a 65% reduction** to meet the national standards for PM2.5. Vehicles, including trucks and two-wheelers, contribute 20%-40% of the PM2.5 concentrations.

What are the steps needed to be taken to control emissions?

- **Enforcement of emission controls:** There should be a willingness to impose tougher penalties as emission testing of vehicles under Delhi's Pollution under Control Policy was only 25%.
 - Two-wheelers and three-wheelers were as important as cars and lorries in Beijing's experience.
 - Bangkok ramped up inspection and maintenance to cut emissions.
 - The first order of business is to implement the national standards.
- **Strengthening public transport:** The Supreme Court's ruling to increase Delhi's bus fleet and align it with the Metro network must be carried out as reducing private vehicles on the road would help.
 - The system should reduce exemptions, allow a longer implementation period, and complement it with other measures such as 'odd-even' number plate policy.
- **Electric vehicles (EVs):** Subsidies and investment will be needed to ensure that EVs are used to a meaningful scale, without fossil fuels for charging them.
 - The Delhi government's three-year policy aims to make EVs account for a quarter of the new vehicles registered in the capital by 2024.
 - EVs will gain from purchase incentives, scrappage benefits on older vehicles, loans at favourable interest and a contract of road taxes.
- **Citizen participation and the media** are vital for sharing the message on pollution and health, using data such as those from the Central Pollution Control Board.
 - Delhi's own actions will not work if the pollution from neighbouring States is not addressed, and so the issue of stubble burning and industrial pollution also needs to be dealt with.

Way forward

Technical solutions need to be underpinned by coordination and transparency across Central, State, and local governments. It is a matter of prioritising people's health and a brighter future. Once the pandemic is over, Delhi must not stumble into yet another public health emergency and so prior action is required.

6. Issues plaguing the banking sector

Source- The Indian Express

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

Context - There is complacency in policy circles surrounding the political and economic prospects of India when it comes to the public sector banking system in India.

What is the current condition of financial infrastructure of India?

Two recently published books reveal the sustained hollowing out of the financial architecture in India-

- **Quest for Restoring Financial Stability in India**- by former deputy governor of the RBI, Viral Acharya.
- **Overdraft: Saving the Indian Saver**- by former governor of the RBI, Urjit Patel.

There are some problems with the existing architecture.

- 1. The state ownership of banks-** The government is the dominant owner of public sector banks in India, which account for 63 per cent of deposits of the banking system.
 - a. Prudential regulatory norms required for financial stability, if applied as they ought to be, will lead to a huge need for the government to recapitalize the banks; this would put a stress on the fiscal deficit. Hence, there is **pressure from the government for regulatory forbearance**, as the prudential norms are ownership neutral.
 - b. **Problem of moral hazard:** Governments have used them as tools for macroeconomic management. This kind of state interface with the business of financial intermediation naturally induces extreme levels of moral hazard in the behavior of both debtors and creditors.
 - c. PSBs are not incentivized to exercise due diligence since they expect regulatory forbearance and recapitalization in the event of rising NPAs on their books.
- 2. Fiscal dominance in India-** Fiscal dominance provides the basis for a “theory of everything” that impacts financial stability in the domain of the central bank. This includes banking regulation, debt management and timely disclosures of defaults, market regulation, capital flow measures and RBI profit transfer.
- 3. Dependent Bureaucrats-** The widespread perception that market regulators work under close government direction. The career progress of these individuals is typically based on their ability to implement political instructions. Hence, their very appointment destroys perceptions of competence and independence of the regulator.
- 4. The chronically high fiscal deficits run by the consolidated public sector.**

What are the possible solutions?

Dealing with this will require, at a minimum, three reforms.

- 1. There has to be a wholehearted attempt at privatization of PSBs-** In the last decade, the share of PSBs in overall lending has dropped sharply from 75.1% to 57.5% at present. As PSBs keep losing share, they will cause fewer headaches for the government and the central bank in the decades to come.
- 2. The RBI needs to be relieved of its public debt management role.**
- 3. The RBI has to be empowered to act independently of the government-** It is untenable for government-owned banks to be regulated by an agency that is itself reporting to the government.

Way forward-

- Government needs to stop the practice of appointing favoured bureaucrats as heads of regulatory institutions.
- There is a need to pay attention to the package of measures recommended to deal with the NPA problem while dealing with the Covid-induced scenario.

7. Small stimulus package

Source- The Hindu

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

Context- Union Finance Minister recently announced two sets of measures to generate consumption demand and boost capital spending in the economy.

What are the new measures announced to step up Capex by the Centre and the States?

- 1. Leave Travel Concession (LTC) Cash Voucher Scheme:** The Government has decided to give cash payment to employees in lieu of one LTC during 2018-21. Full payment on Leave encashment and tax-free payment of LTC fare depending on class of entitlement will be given.
- 2. Special Festival Advance Scheme:** All central govt. employees can now get interest-free advance of Rs. 10,000, in the form of a prepaid RuPay Card, to be spent by March 31, 2021. It was meant for non-gazetted government employees. It is being revived as a one-time measure for gazetted employees too.
- 3. Capital Expenditure Boost for States:** A special interest-free 50-year loan to states is being issued. For ₹ 12,000 crore capital expenditure which is to be spent by March 31, 2021: (1) ₹ 200 crore each for 8 North East states; (2) ₹ 450 crore each for Uttarakhand, Himachal Pradesh; (3) ₹ 7,500 crore for remaining states, as per share of Finance Commission's devolution.
- 4. Other measure-** An additional budget of Rs 25,000 crore for Capex on roads, defence infrastructure, water supply, urban development, and domestically produced capital equipment. This is expected to come through re-allocation of resources

What are the concerns related to these new measures?

- 1. Too many restriction-** Provisions like buying goods and services worth three times the fare, only in goods attracting GST of 12% or more through digital mode before 31st March etc. end the freedom of the consumer in decision making.
 - Eligible employees may find the scheme complex and too expensive to avail.
- 2. Smaller size-** Capex amounts are too small to have any meaningful impact on economic growth.
 - With the previous rounds of budgetary fiscal support of around 1% of GDP, current measures take total fiscal support to about 1.7% of GDP, which is small compared with the size of the growth hit and reflects India's weak fiscal starting position.
 - ₹2,000 crore has been set aside for States that manage to complete three of four reforms mandated in the earlier Atmanirbhar Bharat package, in order to get additional borrowing leeway. Only some States may qualify for this.
- 3. Limited Impact:** As the measures are aimed at encouraging spending for government employees rather than private/vulnerable section (where job losses/income losses have been significant), the overall impact will be limited.
- 4. COVID-19 impact-** The pandemic restrictions have affected the ability to get new projects, just about ₹1.34-lakh crore of the budgeted Capex had been spent. The same problem will impact the new capital expenditure scheme.
- 5. Negative impact on Tourism industry-** LTC Voucher Scheme may impact the travel and tourism industry negatively if consumers choose to spend through the scheme. Demand in travel and tourism has already fallen significantly after the Covid-19 induced lockdowns and closed borders.

Way Forward-

- The focus of these packages should not just be on conjuring a trickle-down stimulus from those with their jobs and savings intact but also on relief measures for those without.
- These announcements should be the first steps of a broader, more ambitious fiscal package, which addresses the needs of stressed segments of the economy.

8. The Domestic Market Economy Mirage

Source: Indian Express

Syllabus: Gs3: Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Context: The debate in India has focused on domestic-demand led growth but the rapid and sustained economic growth requires export dynamism.

What is India's Past experience with growth models?

- Pre-1991, a 3.5 per cent growth rate was associated with export growth of about 4.5 per cent.
- India's GDP growth of over 6 per cent after 1991 was associated with real export growth of about 11 per cent.
- There is no known model of domestic demand/consumption-led growth that has delivered quick, sustained, and high (say 6 plus) rates of economic growth for developing countries.

What is needed to rely on domestic demand led growth?

- Policies needed to increase more public spending.
- Tax cuts to boost private consumption and private investment.
- Reforms in financial sector to boost private investment.

What are the challenges with domestic demand led growth?

- **Limited fiscal space:** The fiscal space for spending will be severely limited both because of high levels of deficits and indebtedness.
- **Slow growth:** Only growth can rehabilitate balance sheets but stressing balance sheets further cannot realistically revive growth.
- **Fall in consumption:** Consumption growth will be limited by the fact that household debt has grown rapidly in the last few years. Consumption now can grow only if incomes grow.
- **Rise in debt:** Post-COVID, India's debt is expected to rise from about 70 per cent of GDP to about 85-90 per cent and deficits are likely to be in the double-digit range.
- **Persistent inflation:** India's interest rates are not at zero and are unlikely to be so because of persistent inflation.
- **high cost of borrowing:** India's borrowing is still considered risky and the favourable interest rate-growth differential that supports expansionary policy in the advanced countries is absent in India.
- **Poor condition of financial sector:** Given the limited progress in fixing the financial system, prospects for investment remain weak.
- **Small market:** India's market is too small to sustain any kind of serious import substitution strategy.

What is the Way forward?

- **Take advantage of unskilled labours:** In China's wages are rising as it has become richer, it has vacated about \$140 billion in exports in unskilled-labour intensive sectors, including apparel, clothing, leather and footwear.
- **Attract investments:** investors moving away from China as they seek to hedge against supply chain disruptions because of trade actions against China.
- **Openness: China and Vietnam** at the time of their export boom in textiles and clothing suggests that exports were highly dependent on imports (between 40 and 45 per cent). In contrast, India's import share is about 16 per cent. Achieving

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Chinese and Vietnamese levels of success will therefore require greater imports and openness.

- **Eliminate unnecessary tariffs:** for instance, long-standing tariff on man-made yarn because man-made fibre-based exports (not cotton-based apparel) are the most dynamic segment of world exports.
- **Enhance competitiveness globally:** If domestic producers are competitive internationally, they will be competitive domestically and domestic consumers and firms will also benefit.

9. PLI - analysis and global value chain

Source: The Hindu

Syllabus: GS-3- Economy

Context: The Ministry of Electronics and Information Technology (MeitY) said it had approved 16 firms in the mobile manufacturing sector for the Production Linked Incentive (PLI) scheme to transform India into a major mobile manufacturing hub.

What is PMP?

- **The PMP (phased manufacturing programme)** was implemented with an aim to improve value addition in the country and PLI comes on the back of it.
- **The PMP incentivised the manufacture of low value accessories** initially, and then moved on to the manufacture of higher value components.

What is the status of imports in India?

- **Analysis of factory-level production data from the Annual Survey of Industries (ASI)** shows that value addition for surveyed firms ranged from 1.6% to 17.4%, with most of the firms being below 10%. More than 85% of the inputs were imported for the majority of the surveyed firms in 2017-18.
- **UN data for India, China, Vietnam, Korea and Singapore** (2017-2019), show that except for India, all countries exported more mobile phone parts than imports.
- India's imports of mobile phone parts were 25 times the exports in 2019.
- **The PMP policy increased the value of domestic production** while improvement in local value addition remains a work-in-progress.

Why should we focus on value of production?

- The new PLI policy offers an incentive subject to brinks of incremental investment and sales of manufactured goods; these **thresholds vary for foreign and domestic mobile firms**.
- **Focus remains on increasing value of domestic production, and not local value addition.** If implemented, an additional capacity of 60 crore mobile phones per year may be onstream at the end of the PLI.

Why the shift from China is unlikely?

- India produced around 29 crore units of mobile phones for the year 2018-19; **94% of these were sold in the domestic market and the rest was exported.** This means that much of the production and sales under the PLI policy will have to be for the export market.
- **A study by Ernst & Young for the India Cellular & Electronics Association** showed that if the cost of production of a mobile phone is say 100 then the effective cost of manufacturing mobile phone in China is 79.55, Vietnam is 89.05, and India is(including PLI), 92.51.

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- It may be **early to expect a major chunk of mobile manufacturing to shift from China to India** as incentives under the PLI policy may not turn out to be a game-changing move.
- **The PLI policy does not strengthen our current export competitiveness** in mobile phones; and markets with higher average selling price have lower volumes.

Why is it difficult for domestic firms?

- **Domestic firms have been nearly wiped out from the Indian market** and thus their ability to take advantage of the PLI policy and grab a large domestic market share seems difficult.
- Domestic firms **may have the route of exporting cheaper mobile phones to other low-income countries** but their performance has not been promising.
- For example, among the chosen domestic firms, Lava International reported exports of ₹324 crore in 2018, while Optiemus Electronics exported ₹83 crore in 2018 and ₹4 lakh in 2019.

Why is supply chain colocation important?

- The six component firms that have been given approval under the **'specified electronic components segment'** do not complete the mobile manufacturing ecosystem.
- For example, literature shows that when Samsung set up shop in Vietnam, it relied heavily on its Korean suppliers which co-located with it to produce in-between inputs, so much so that 63 among Samsung's 67 suppliers then were foreign.
- Even though Samsung is invested hugely in India, it has not co-located its supply chain in the country.

Way forward

- Foreign firms chosen under the PLI policy should be encouraged to co-locate their supply ecosystems in the country as the assemblers and component manufacturers move together.

10. Domestic Innovation and Manufacturing of vaccines

Source: The Indian Express

Syllabus: GS -3- Science & Technology/ Innovation

Context: Long-term partnerships and increased R&D investments are required as they determine scientific tools which will help during health emergencies.

How will we overcome the pandemic or any other health emergency?

- **Collaboration at a global level** is going to be the foundation of a strategy that can potentially end this pandemic. Scientists, experts and countries must work together to come up with unique and innovative solutions to help end this crisis.
- Scientists worldwide are now **working together to develop a potential vaccine against COVID-19** and globally; 42 vaccines are in various phases of clinical trials already.
- **In India, there are over three vaccine candidates** at advanced stages of development:
 - The Oxford-AstraZeneca vaccine or ChAdOx1 is in Phase 3 human trial which is supported by the Serum Institute of India.
 - Indigenous vaccines like COVAXIN (developed by Bharat Biotech and ICMR) and ZyCoV-D (developed by Zydus Cadila) are in Phase 2/3 trials.

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- **India is one of the largest manufacturers of vaccines in the world** in terms of volume. Also, vaccines developed in India are much more affordable than the other vaccines in the market.
 - For instance, the indigenous rotavirus vaccines developed by India cost less than a dollar.
- **Affordable prices** ensure that more people around the globe have access to these life-saving tools. Approximately 70 per cent of vaccines for low and middle income countries are manufactured in India and delivered through partnerships with UNICEF and Gavi.
- **Partnerships;** such as the Grand Challenges India are also playing a crucial role in quickening research, developing new tools, and driving continued progress in tackling the COVID-19 pandemic.
 - **Partnerships earlier have led to innovations like the Electronic Vaccine Intelligence Network (eVIN)**, which is an indigenously developed technology and was developed in partnership with UNDP. It has revolutionised vaccine distribution and supply.

Way forward

- It took several failures and multiple near-perfect solutions to finally build these innovations and practices that could ease the whole country's vaccine distribution process. The same principle can be applied to vaccines.
- Long-term partnerships and increased R&D investments are required as they determine scientific tools which will help during health emergencies.

11. Bangladesh's per capita income greater than India's

Source: [Indian Express](#)

Syllabus: Gs3: Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Context: For the year 2020, the per capita income of an average Bangladeshi citizen would be more than the per capita income of an average Indian citizen. The same phenomenon happened in 1991 as well, when growth rate of India was lower than Bangladesh for some time.

Why India's per capita income has fallen below Bangladesh this year?

- **Contracted Growth:** India's economy is over 10 times the size of Bangladesh and India's growth surpassed Bangladesh during 2004 to 2016. However, since 2017 India's growth rate has decelerated while Bangladesh's growth rate increased.
- **Increase in population growth:** Per capita income is calculated by dividing the total GDP by the total population. Compared to Bangladesh, between 2004-2019 India's population growth was high. As mentioned above India GDP growth has been low compared to Bangladesh since 2017.
- **Covid 19 impact:** With India's GDP set to reduce by 10%, India is one of the worst affected economies whereas Bangladesh GDP expected to grow by 4%.

How has Bangladesh managed to grow so fast?

- Moving away from Pakistan gave the country a chance to plan its own economic and political identity.
- Flexible Labour laws and higher female participation in the labour force leading to stellar export performance in garments and apparel industry.
- Structure of Bangladesh's economy is led by the industrial sector, followed by the services sector. With manufacturing sector being more labour intensive creates opportunities for more jobs and are more remunerative than agriculture.

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- Whereas India, on the other hand, has struggled to boost its industrial sector and has many people still dependent on agriculture.
- Improvement on social and political metrics such as health, sanitation, financial inclusion, and women's political representation.
- In the latest gender parity rankings, Bangladesh is in the top 50 Out of 154 countries, while India is at 112.
- The gender parity rankings measures differences in the political and economic opportunities as well as the educational attainment and health of men and women.
- Bangladesh has also performed better in Global Hunger Index. GHI focuses on four factors: Undernourishment, Child Wasting, Child Stunting and Child Mortality.

However, level of poverty and illiteracy is still high in Bangladesh, compared to India, resulting into low HDI rank for it. Corruption, Political conflicts and radicalisation are also threatening stability in the Bangladesh.

To boost growth, India should reverse its protectionism measures — lower tariffs, embrace free trade agreements, and seek greater integration with global supply chains.

12. MSME Udyam Process

Source: [Indian Express](#)

Syllabus: GS-3: Inclusive Growth and issues arising from it.

Context: Udyam initiative is promising in terms of capturing reliable and verified information about MSMEs but it can impact some MSME's from accessing formal finance

Why the information available on MSME's are not adequate?

- Reliable and updated information regarding small businesses in India is absent.
- Also, a dedicated census for MSME sector was not conducted in last 13 years.
- Now, basic information available on MSME units is scattered across various databases such as the UAM, MSME Databank, and GSTN.
- UAM, MSME Databank contain self-certified, voluntary information provided by a fraction of MSMEs
- Whereas the GSTN has information's of businesses with a turnover of more than Rs 40 lakh, need be registered on it

What is Udyog Aadhaar Memorandum?

- An online filing system for MSMEs notified by the government in 2015.
- The registration process is free, paperless and awarded instant registration.
- It was based on the self-declaration and self-certification of basic information regarding the enterprise's existence and functioning.
- In 2016, the government notified rules under which MSMEs had to furnish information relating to their enterprises, online, in an MSME databank.

Why Udyam registration process?

- Compared to UAM, the Udyam registration stress on importance of generating a verified database of MSME units.
- Under the Udyam registration process, Aadhaar is made mandatory for proprietors
- Irrespective of the number of manufacturing and service activities provided, every enterprise can have only one Udyam Registration Number,
- The Income Tax department database and the GSTN is used to verify the self-declared information regarding investment and turnover.

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- The government has integrated the Udyam system with the Trade Receivables Electronic Discounting System (TReDS) and the Government e-Marketplace (GeM), In an attempt to nudge more enterprises.
- This will significantly benefit MSMEs by offering a free and automatic route to onboard bill discounting mechanisms and the government's online procurement system.

How Udyam process can affect MSME's Financial inclusion?

- RBI has clarified that all lenders may now obtain the Udyam Registration Certificate from entrepreneurs.
- It is clear that, in future financial institutions can make the Udyam registration mandatory for lending purposes.
- Whereas most of the MSME has characteristic features of household enterprises and operate with less than five workers.
- Most of these firms are not formally registered as being invisible benefits these firms from paying income tax or getting registered under the GST, Also the cost of formalisation and compliance are high.
- With Udyam registration being the only valid proof for an entity to be recognised as an MSME as per the revised definition invisible MSME's will lack legal backing to source finance from the financial institutions

What is the way forward?

- In 2018, the International Finance Corporation estimated that the finance from formal sources met only one-third of the credit demand of the MSME sector.
- Due to their inability to meet documentation protocols, inadequate collateral, disorganised book-keeping etc. these businesses prefer relying on informal sources for financing.
- So, the government and RBI should consider to exempt registration of units with investment and turnover in the lower end. Such that institutional lending initiatives continue to remain accessible for all businesses, formal and informal.

13. Hyderabad urban flooding

Source- The Hindu

Syllabus- GS 3- Disaster and disaster management.

Context- Ineffective and unplanned hydro-geology of cities and town of India are more responsible for floods than monsoon.

What is urban flooding?

- Urban flooding is the inundation of land or property in a built environment, particularly in more densely populated areas, caused by rainfall overwhelming the capacity of drainage systems, such as storm sewers.
- Urban flooding is significantly different from rural flooding- urbanization increases flood risk by up to 3 times, increased peak flow results in flooding very quickly. Further, it affects large number of people due to high population density in urban areas.

Mention the causes of recent floods in Hyderabad?

1. **Unplanned development-** Unplanned development, encroachments in riparian zones, failure of flood control structures, unplanned reservoir operations, poor drainage infrastructure, deforestation, land use change and sedimentation in river beds are exacerbating floods.

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- **Urban flooding-** Wetlands and watersheds play a vital role in absorbing excess rainfall, but regrettably, rapid urbanization in the twin cities has resulted in the loss of a large portion of the wetlands.
 - Indiscriminate encroachment of waterways and wetlands, inadequate capacity of drains and lack of maintenance of the drainage infrastructure.
 - An analysis by the Centre for Science and Environment in 2016 revealed that 3,245 hectares of water bodies were lost in Hyderabad between 1989 and 2001.
- 2. Neglect pre disaster planning-** The extent of the damage and the turmoil show a lack of preparation and disaster mitigation, a problem that plagues most urban centers in the country.
- **Over flowing of lakes-** The Hussain Sagar Lake in the middle of the city and the breaching of storm water drains.
 - **Waste management-** Every water body has a holding capacity. But, with all the industrial waste and sewage being dumping into the lakes, the waste accumulated and has now affected the holding capacity of the lakes.
 - All the nalas, storm drains, culverts are gone, either land-filled and build over or simply filled with garbage, detritus and forgotten.

What are the measures needed to mitigate this?

1. Hyderabad urgently needs to expand and remodel its drainage system.
2. **Focusing on urban flood management-** Risk mapping of the areas of the city should be done to assess the vulnerability, related to urban floods by using GIS technology.
3. **Minimize the surface runoff-** Limit, reduce or mitigate for impervious surface throughout the watershed by use of new engineering techniques like pervious pathways, parking lots should be considered and implements wherever possible to minimize the surface runoff.
4. **Prioritizing Buffers, Flexibility and Adaptability** - This includes reviewing safety criteria of dams and canals, re-building these with higher safety factors, creating new intermediate storages, and introducing dynamic reservoir management.

Way forward-

The effects of flooding due to deluges can only be mitigated if urban planners take into account the hydro-geology of cities and ensure that construction, development and land occupation do not take place in a way that reduces the area of wetlands.

14. Governance of Public sector units

Source- The Hindu Business Line

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

Context- To decentralize decision-making and facilitate more informed investment decisions, the Centre has restructured the board of Steel Authority of India (SAIL).

How Privatization of SAIL can boost their business?

The Appointments Committee of the Cabinet (ACC) has approved the restructuring of the Board of Steel Authority of India Limited (SAIL).

1. **Decentralization-** This move will facilitate greater decentralization and nimble decision making with the directors-in-charge of plants as direct ACC appointees with their views having weight in the central corporate governance structure.
 - This will also facilitate speedy modernization and expansion programme of SAIL.

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- This decentralization will also ensure there is greater transparency.
- 2. Attract investment-** The government's exit will attract private investment and contribute to the exchequer, enabling higher public investment.

What is CPSEs?

Central public sector enterprises (CPSEs) are those companies in which the direct holding of the Central Government or other CPSEs is 51% or more.

Role- CPSEs have always played a crucial role in executing the socio-economic development agenda of the government as an extension of the government apparatus.

- During recent lockdown period, CPSEs ensured that essential services such as power, fuel and food-grain supply remain uninterrupted.
- They are carrying out capital expenditure works/infrastructure development activities of approximately ₹2 lakh crore in the sectors of petroleum, power, defence, mining, logistics, etc.
- CPSEs not only act as a catalyst for other economic activities but would also provide informal employment during the construction phase.

What are the arguments in favour of privatization?

- 1. Efficiency-** One of the strongest arguments in favour of privatization aired by its supporters is the dismal performance of the PSEs and, thus, its inefficiency can be removed if these enterprises are privatized.
 - Governments jobs are often taken for granted and have no difference between a performer and a non-performer when considering productivity.
 - Privatization will usher in an improvement in efficiency and as improved performance is concerned with 'profit-oriented' decision-making strategy.
- 2. Lack of political interference-** Indian PSEs are subject to too much governmental and political interference thereby making them operationally inefficient. Private sector is free from such unavoidable interference. They are motivated by political pressures rather than sound economic and business sense.
 - A most important component in enhancing the performance of a PSU is reduced intervention by political powers and preventing misuse of infrastructure by all.

Way forward-

- Privatization has become a popular measure for solving the organizational problems of governments by reducing the role of the state and encouraging the growth of the private sector enterprises.
- Privatization should be in a unique form in accordance with the priorities of our mixed economy and as well as by considering operational aspects of the PSUs.

15. Hyderabad Floods

Source: [The Hindu](#)

Syllabus: Gs3: Disaster and Disaster Management.

Context: Recent Floods in Hyderabad has resulted in the death of over 20 people and a property loss estimated more than ₹6,000 crore.

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Devastating Floods in the past:

- **In India:** Chennai (December 2015), Kochi (August 2018), Mumbai July 2005
- **Around the world:** Sydney (December 2018), New York (October 2019), Hurricane Katrina in New Orleans (October 2005)

What are the reasons for flood disaster in India?

- **Climate change:** According to climate experts extreme weather events have become the norm. For example, recently floods in Hyderabad is due to record precipitation for most rain in a century. It is not possible for any city or region to absorb this order of precipitation in such a short period.
- **Inadequate Mitigation measure:** Indian cities such as Chennai, Mumbai, Kolkata, lacks such contingency plans to deal with sudden bursts of rain while cities in the developed world, such as New York, Paris and Copenhagen have contingency plans such as constructing sponges or sinks.
- **Policy failure:** While the Smart City project and the National Infrastructure Pipeline focus on making roads, affordable houses and revamping drainage systems for cities they fail to recognise these as inter-connected objectives.
- **Encroachment of Wetlands:** Floods in Mumbai and Chennai were a result of Construction along river beds, wetlands and drainage pathways. In case of Hyderabad, Musi riverbed was occupied by city bus station whereas in Bengaluru case hundreds of lake beds were converted into high rises. All of these activities impact the ability of natural wetlands to absorb water.
- **Inefficient River flow:** Along with this, the drains and rivers are not cleaned or adequately de-silted before the monsoon.
- **Inefficient urban planning:** Most of the city's urban planning policy, do not cater to the need for underground drainage. For example, Hyderabad's Hi-Tec city

How India should adapt to it?

- Need to prioritise waste recycling.
- Municipal and urban infrastructure bodies should cooperate with each other rather than working as two separate entities.
- Above all, the nexus between the politicians, bureaucracy and real estate interests, which leads to violation of zoning laws, needs to be checked.
- Need to hold local bodies accountable for losses arising out of inappropriate location of properties. This can be done by Re-examining the Real Estate (Development and Regulation) Act.
- Greater civic participation as envisaged under the 74th Constitutional Amendment, is a must to improve urban governance

India's cities must have a contingency plan that goes beyond using weather warning technologies to reviewing urban planning and administration.

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1. Roadmap on vaccine procurement and distribution

Source- The Indian Express

Syllabus- GS 4- Ethics and Human Interface: Essence, determinants and consequences of Ethics in-human actions; dimensions of ethics; ethics – in private and public relationships. Human Values – lessons from the lives and teachings of great leaders, reformers and administrators; role of family society and educational institutions in inculcating values.

Context- Union health minister has announced that by early July 2021 India would receive and utilize 400-500 million doses of COVID vaccine for 20 to 25 crore people.

What are the challenges across distribution of COVID-19 vaccine?

1. **Priority-** Within the country, it is certainly not clear who should be treated first or it should be determined by need, affordability, vulnerability or some other criterion or a combination of all.
2. **Guideline** – The need of a policy regarding how much of the vaccine produced should go to other countries and at what cost. It must ensure whether agencies funding the research or the researchers or government authorities or citizens decide on a global policy of distribution.
3. **Distributive hierarchy** –The cost of the vaccine and its possible loss will have to be borne by the last receiver which likely to be more needy people of the society.
4. **Cost-** If open market forces determine the cost of the vaccine and affordability then, the section of society most vulnerable to the disease would get left out.

What are the minutes of discussions held by Union health minister?

1. **Doses count-** The Centre is working on plans for building capacities in human resources, training, and supervision on a massive scale and roughly estimates to receive and utilize 400-500 million doses covering approximately 20-25 crore people by July.
2. **Risk group identification-** The Centre has asked states to send list of priority population who will be receiving the vaccine shots first. This includes all doctors, nurses, health care staff, ASHA workers etc.
 - Prioritization of groups for the COVID-19 vaccine shall be based on two considerations-
 - Occupational hazards
 - The risk of developing severe disease and increased mortality.
3. **Directions-**
 - States have been asked not to sign any deal with manufacturers as Centre is monitoring the entire process.
 - States were also asked to submit details of cold chain facilities and related infrastructure required down to the block level.
 - Centre may also allow corporates to get vaccines directly from manufacturers.
4. **Vaccine tracking and black market-** The government also keeping an eye on immunity data with regard to COVID-19 disease while finalizing plans on vaccine distribution. Vaccine procurement was being done centrally and each consignment would be tracked real time until delivery to ensure it reached those who needed it most.
 - Vaccines will be distributed as per pre-decided priority and in a programmed manner. To ensure transparency and accountability.

Way forward-

1. Immunizing a billion people will be a staggering operational challenge for the country. It is important, that the government opens the conversation to a variety of specialists like epidemiologists, ethicists, economists, patient groups, social scientists.
2. If planning for vaccine delivery starts now, India will have a well-thought-through playbook to execute from when a vaccine is ready.

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