

9pm

Compilation

9th to 15th November, 2020

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General Studies Paper - 1

General Studies - 1

1. A digital sisterhood

Source: The Indian Express

Syllabus: GS-1- Gender issues

Context: Social media helps the independent woman find and forge new solidarities.

The rise of social media is a result of loopholes in the traditional society. Discuss these loopholes.

- **Globalisation:** Globalisation and the resulting rush of ideas across the world meant that we are no longer connected only to our physical tribes.
- This has also meant that we do not feel connected to our families and communities in the way that the previous generations were.
- **Effect on women:** This disconnect is far more distinct in women than in men; because men are more inclined to follow the traditional line of thought, especially since that school of thought heavily privileges them.
- Independent women who have a voice and demand to be heard, who refuse to bow down to the old world order and refuse to fit in with cultural norms of what a woman “ought” to be like.
- **Traditional communities fall short:** People need to be understood. Their worldview is so different from ours that we have spent much of our lives in isolation; an emotional isolation.
- **Distance between generations:** The isolation of the modern world has not been brought on by technology alone, but by the new ideas and by the distance between the ideas of the present generation and the previous one.
- **Lack of support:** Individuals who didn’t conform to normative ideas of social acceptance, traditional communities did not provide much support or emotional nourishment.
- There is no replacement for the feeling of being heard and understood that one gets in the presence of people who can empathise, and offer advice that enables you to live a life that you want.

How should be social media ideally used?

- **Social media is a supplement:** Social media becomes a hindrance and an isolator only when you begin to use it as a replacement for real-life family and friends, ignoring their physical presence when you are glued to your device even in the presence of people around you.
- Social media is not a substitute for physical networks.
- **Seeking genuine and meaningful engagements:** Instead of constantly being in battle mode over politics or religion or the newest debate, we need to attempt to genuinely connect with people at a personal level, at the level of ideas and emotions and empathy.
- Some of those online friendships could translate into offline friendships too.
- **An additional tribe:** There are various support groups popping up on social media now, for this purpose. To help people find their tribes, who would understand them and help them overcome the unending loneliness that is the curse of people whose ideas are vastly different from the physical communities they are a part of.

Way forward

- In a world that is increasingly becoming a mix of cultures, a mix of identities and a mix of selfhoods, we need a mix of multiple tribes to get through life.
- The notion of tribes and communities needs to evolve as well.

General Studies Paper - 2

General Studies - 2

1. How the US economy and its policy choices likely to affect India

Context: How a Biden presidency likely to benefit India's economy

More in News

- "In a democracy, someone who fails to get elected to office can always console himself with the thought that there was something not quite fair about it"- **Thucydides 431 BC.**

What is the Significance of U.S to India's Economy?

Trade:

- India enjoys a trade surplus with the U.S over the past 20 years. The trade surplus has widened from \$5.2 billion in 2001-02 to \$17.3 billion in 2019-20.
- Also, India accounts for nearly 5 per cent of USA's global services import. In 2019, US imports of services from India were around \$29.7 billion.

Investment:

- The US is the fifth-biggest source for Foreign Direct Investment (FDI) into India after Mauritius, Singapore, Netherlands, and Japan.
- The US also accounts for one-third of all Foreign Portfolio Investments (that is, investment in financial assets) into India. US accounted for Rs 11.21 lakh crore of FPI as of September 2020.

How the US economy and its policy choices likely to affect India?

On Trade aspects

- Biden's administration is expected to support a strong **rule-based order** as well as a move away from the **protectionist approach**.
- Biden understands the need to control the Covid pandemic before any sustainable economic recovery. With the control of Covid infections and the economic recovery, the US could provide a growth impulse to the global economy that has benefits to countries like India to boost their exports.
- Under a Biden administration, the view that trade is a zero-sum game is likely to change.
- Also, under Biden there are chances of reconsidering the India's exclusion from the US' Generalized System of Preference.
- All these changes are likely to help India to get a renewed push in trade from the dip since 2017-18.

On H1B Visa

- H1-B visa issue, affects Indian youth far more than the youth of any other country.
- Visa regime was severely curtailed under Trump's administration that favoured "America first policy"
- This could change under Biden, who is unlikely to view immigrants and workers from India with suspicion.

Better resolution on existing issues

- Data localisation, capping prices of medicines and medical devices have remained as a contentious issue between India and US.
- With Biden, moving away from radical approach to Pragmatism all these issues stand a better chance of getting towards a resolution.

Normalisation of US-Iran relationship

- US sanctions on Iran severely limited India's sourcing of cheap crude oil.

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- Normalisation of US-Iran relationship leading to lifting of sanctions would benefit Indian economy which needs a regular supply of cheap oil to grow fast.

Climate change

- The US under Biden is expected to rejoin the Paris Climate Accord. This will help countries like India in dealing with, both technical and financial challenges related to climate change mitigation.

Democracy

- Civil liberties and democratic rights in India will be monitored closely an aspect to which the Trump administration largely ignored.

2. India-Maldives bilateral relations

Source- The Hindu

Syllabus- **GS 2** - India and its neighborhood- relations.

Context- The upcoming visit of Foreign Secretary Harsh Vardhan Shringla to the Maldives and significance of Maldives 'India out' campaign.

What are the significances of India-Maldives bilateral relationships?

- 1. India's Neighborhood First Policy:** India announced a financial assistance package of \$1.4 billion for the Maldives in the form of budgetary support, currency swap agreements and concessional lines of credit to fulfill socio-economic development programmes.
- 2. Connectivity:** The two nations emphasized connectivity through the establishment of enabling infrastructure that would promote the exchange of goods and services, information, ideas, culture and people.
 - **Direct Cargo Ferry Service-** It will be run between India and Maldives.
- 3. Bilateral relations-** Maldivian students attend educational institutions in India and patients come to India for healthcare, aided by a liberal visa-free regime extended by India.
- 4. Air Travel Bubble between India and Maldives-** Tourism is the mainstay of Maldivian economy. The travel bubble will facilitate movement of people for employment, tourism and medical emergencies.
 - Maldives is the first neighboring country of India with which an air bubble is being operationalized.
- 5. Quotas for Supply of Essential Commodities** - Given the geographical limitations imposed on the Maldives, India has exempted the nation from export curbs on essential commodities.
- 6. Financial Aid** - At the peak of the continuing COVID-19 disruption, a financial aid of 250 million USD will be provided to Maldives by India.

History-

- **Operation Cactus-** In 1988, in response to a request from the Maldives, India activated Operation Cactus to deploy its military and ensure regime continuity in Male.
- **Disaster management-** The Government of India has provided large-scale assistance to the Maldives in the aftermath of the 2004 Indian Ocean tsunami and during the 2014 Male water crisis.

What is 'India out' campaign?

Main-ruling Maldivian Democratic Party (MDP)'s Parliamentary Group leader the Yameen camp has launched an 'India Out' campaign instigated against India-Maldives relations

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aims to create unrest in the country to divert attention from the many corruption allegations raised against the higher ups of the opposition.

- Maldivian protesters recently converted their demand for early release of Mr. Yameen, sentenced to five years of imprisonment in a money laundering case, pending appeal.

Concern for India-

- India should be concerned about the protests as well as the occasional rumbblings within the ruling Maldivian Democratic Party (MDP), apparently between **President Solih** and **Speaker and former President Nasheed** may pose serious challenge, especially after Mr. Nasheed sought the removal of certain Ministers- accusing them of corruption.
- Mr. Nasheed has also been pushing for a parliamentary system. There is concern within the government that his moves might undermine the President, who is trying to work with the coalition partners.
- The Maldives has maintained a close relationship with China, especially in financial terms, under its previous government.

Way forward-

India's increasing geostrategic concerns in the shared seas, taking forward the multifaceted cooperation to the next stage quickly could also be at the focus of Foreign Secretary Harsh Vardhan Shringla's visit.

3. US Federal Election Commission Vs Indian Election commission

Source: [The Hindu](#)

Gs2: Comparison of the Indian Constitutional Scheme with that of Other Countries.

Context: Comparison between Indian U.S. Federal Election Commission and Indian Election commission

What are the Issues pertaining to the functions of U.S. Federal Election Commission?

Vacancies:

- The Commission has hardly been able to function in the last year because of resignations.
- The Commission haven't passed a single order since August 2019, owing to lack of quorum, for which at least four members are needed.
- As a result, several hundred matters lie pending before the Federal Election Commission.

Lack of consensus:

- The six posts of Commissioner are supposed to be equally shared by Democrats and Republicans.
- This has created a situation where decision making was often divided on partisan lines.

Powerless:

- During the recent Presidential election, when there are allegations over election process the President decided to appeal only to the U.S. Supreme Court without any reference to the Federal Election Commission.

How different is U.S. Federal Election Commission compared to Indian Election commission?

- **Origin:** The Federal Election Commission was established recently in 1975, with the special mandate to regulate campaign finance issues. Whereas Election commission of India came in to force on 25th January 1950.

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- **Members:** The Federal Election Commission is led by six Commissioners. Whereas Indian Election commission consists of one Chief Election Commissioner and two Election Commissioners.
- **Scope:** Federal Election Commission has a much narrower mandate than its Indian equivalent. In India, by virtue of being the custodian of the electoral roll, all matters related to keeping the roll updated, fall under the ECI's domain and ECI enjoys enormous power.
- **Role of Judiciary:** In India the role of the judiciary is limited post the election period. Our constitutional makers were clear that if election-related petitions were entertained during the course of the election process, it would impede the process and delay election results.
- **Scope of Postal ballot:** In the 2016 U.S. election, almost a quarter of the votes counted arose from postal ballots. In India we have confined postal ballots to only a few categories, of largely government staff, the police or armed forces.

Ever since our first election in 1951-2 our political parties, both losers and winners, have invariably accepted the results declared by the Election Commission of India, allowing the transfer of power to be passed on in a smooth manner.

4. Strengthening public health capacities

Source- The Hindu

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

Context- Lessons learnt by India's healthcare sector in the light of the COVID-19 pandemic and possible solution.

What is Disaster management act 2005?

The stated object and purpose of the Disaster Management Act is to manage disasters, including preparation of mitigation strategies, capacity-building and more.

- It came into force in India in January 2006.
- The Act provides for "the effective management of disasters and for matters connected therewith or incidental thereto."
- DM Act in COVID-19 pandemic- measures included from imposing lockdowns to price control of masks and medical services.

What are the issues pertaining to Disaster Management response during COVID?

The COVID-19 pandemic has exposed-

- The approach which continues to be reactive.
- Significant gaps particularly in terms of medical preparedness for disasters.

The lesson learnt –

- Health services and their continuing development cannot be ignorant to the possibility of disaster-imposed pressures.
- The legal framework for disaster management must push a legal mandate for strengthening the public health system.

What are the issues associated with healthcare systems in India?

1. Issues pertaining to health Insurance – The future development of hospital care services is being envisaged chiefly under publicly financed health insurance, which would very likely be private-sector led.

- A large majority of private hospitals in the country are small enterprises which cannot meet the inclusion criteria for insurance

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- Private hospitals under health insurance often prefer high-paying, non-communicable disease-related interventions.
2. Private healthcare interests aren't particularly aligned with managing infectious diseases and emergencies.
- Private health sector services during disasters can hardly be a dependable option as there were many instance of overcharging and weak response to treatment.
- 3. Lack of integration of disaster management with primary health care-**
- The lack of Community engagement and local bodies has been a major criticism of the Disaster Management Act
 - The existing public primary health care model in the country is limited in scope. It is implicit that the primary healthcare sectors network lags training to deal with the emergency situations like COVID-19 pandemic.

What are the possible solutions?

- Making primary health care central to disaster management can be a significant step towards building health system and community resilience to disasters.
- A legal mandate to strengthen public sector capacities via disaster legislation, including relevant facets such as capacity-building of staff.

5. Significance of Biden's wins

Source- The Hindu

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

Context- Impact of Joe Biden's wins on ties with India.

How US-India relations under different administration?

1. Clinton administration-

- The Clinton years witnessed dip in India and the US bilateral relations.
- India was pressurized to "freeze, rollback and eliminate" its nuclear programme and to settle Kashmir dispute with Pakistan.

2. Bush administration-

- George W Bush ensured the success of the nuclear deal between India and the United States. The agreement mainstreamed India's nuclear programme.
- Bush administration depended on Pakistani cooperation for its war in Afghanistan, and India's importance was mostly as a lever to pressure Pakistan.
- **Progresses in trade** - U.S.-India trade were close to \$40 billion.

3. Singh-Obama administration-

- **Surge in Trade-** Between 2009 and 2014, U.S.-India trade nearly doubled.
- **Supported India-** For permanent membership of the UN Security Council and the Nuclear Suppliers Group, helped it become a member of the East Asia summit.
- **Military ties-** strengthened military to military ties in the Indo-Pacific region.
- Promoted Indian engagement in Afghanistan and opening to Central Asia, encouraged the European Union to engage more closely with India.

4. Trump-Modi administration-

- U.S.-India ties did not strengthen under the Modi-Trump administrations.
- Trade grew at the slowest rate than in the preceding five years. Moreover trump administration terminated India's designation as a preferential trade status under the Generalized System of Preference (GSP) trade programme.

What are the significances of Joe Biden win?

Concerns-

A. On Civil rights and democracy:

- This is a major concern for the Indian government, which has got support from the Trump administration on the issue of Jammu and Kashmir.
- Also, Biden co-associates have been particularly vocal in several issues against Indian administration. For example, Jammu-Kashmir issue, the Citizenship (Amendment) Act, communal and caste-based violence, actions against non-governmental organizations and media freedoms.

B. India not high on Biden-Harris priority list- Biden-Harris list of priorities includes

- Dealing with COVID-19.
- healing domestic divides.
- **Reviving the U.S. economy-** repairing ties with Europe, evolving a calibrated China policy, rejoining multilateral initiatives such as on climate change.
- Reinstating the **Obama-era Iran policy** and furthering peacemaking in Afghanistan.

Significance of Biden win-

- As India slide rapidly into autocracy, people desperately need leaders who will appeal to our better rather than baser instincts.
- Indian judiciary and media should take lessons from the U.S. Example, where so many State-level courts and the national media fought back against Mr. Trump's attempts to cow them. They paved the way for this election result.

6. India's foreign policy concerns

Source: The Hindu

GS2: Effect of Policies and Politics of Developed and Developing Countries on India's interests, Indian Diaspora.

Context: Analysing the possible outcomes of the US foreign policy under new president Biden that will concern India

Background- India-US relation during Trump years

- **Defence cooperation:** India signed all the 'foundational' agreements with America and bought billions of dollars' worth of military hardware from them.
- **Strategic Autonomy:** India resisted converting the Quad into a military or strategic grouping. The External Affairs Minister even once stated that India will not join any military alliance.

Two US Foreign policy issues which are of great concern for India

West Asia policy of US:

- What policy President-elect Joe Biden will adopt on the questions of West Asia peace plans and the nuclear deal with Iran-the Joint Comprehensive Plan of Action (JCPOA) is a huge concern of India.
- India has a huge stake in that region. For example, remittance, energy security, Largest Indian immigrants.
- Sanctions on Iran has also limited our ability to buy Iranian oil, and sell our pharma and other goods.
- If Biden administration choses to reduce tension with Iran it will significantly help India to invest openly in oil and other infra projects in Iran, including the rail project in which Indian Railways Construction Ltd has been interested.

China Policy of US:

- If Biden adopts a more conciliatory approach towards China, India will be left alone in confronting with China.

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- On matter related to QUAD, it is highly likely that India will be forced to agree to some form of military alliance in future given the fact that all the other three countries are already in strategic alliance with one another.
- With India not in a position to deal with China on its own and we need external support to protect our territorial integrity.
- Even Jawaharlal Nehru, the architect of non-alignment, sought the help from America during the war with China in 1962.

7. Credibility of exit/opinion polls

Source: The Hindu

Gs2: Salient Features of the Representation of People's Act.

Context: Prediction of Election outcome through Exit polls and opinion polls have not been accurate.

Some examples where election prediction has miserably failed?

- **The example of the Venezuelan recall referendum of 2004:** The exit poll that predicted Hugo Chávez to be recalled however, Hugo Chávez won in the Venezuela Referendum
- **In recent Bihar elections:** The exit polls, mostly predicted a Rashtriya Janata Dal victory with huge margin however the NDA proved exit polls are wrong.
- **US presidential elections 2016:** Hillary Clinton consistently led Trump in national polls in 2016 however Trump won the election.

What are the reasons for such failures?

- **Principles of statistics ignored:** Pollsters do not follow the statistical principles properly in designing, sampling, and analyzing their data.
- **Lacks holistic coverage:** They do not cover remote corners of the country and cover sensitive booths for their surveys.
- **No scope for Margin of error:** The standard requirements of 3 percentage points as margin of error is not adhered.
- **Selection bias:** The samples selected by them does not maintain the proportions across gender, age, income, religion, caste, and other important factors.
- **Issues in method of sampling:** Non responses are not properly tackled and the aspect of 'random' sampling is not given adequate importance.

8. Media regulation

Source: The Hindu

Syllabus: GS-2- Polity

Context: The government is bringing online news and current affairs portals along with "films and audio-visual programmes made available by online content providers" under the Ministry of Information and Broadcasting.

Analyse the problems with this step.

- **This is an attack on the free press:**
 - It is targeted at a section that has been bold and forthright in speaking truth to power.
 - This move has been criticised as it is set out to make the media institutionally captive.
 - It is clubbing the only sector of the media which has pre-censorship, namely films (through the Central Board of Film Certification).
 - The news media which has so far, not been subject to pre-censorship, although media practitioners know the grave post publication consequences of airing news or views critical or adversarial to the government.

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▪ **Regulation leading to censorship:**

- The reason given by the government for this annexation of the digital media by the Ministry of Information and Broadcasting is that the self-regulation proposals given by the sector were not satisfactory.
- It hijacks another public interest litigation in the Supreme Court relating to content on “Over the Top” (OTT) platforms not being subject to official oversight.

▪ **Arms the executive:** It neatly hijacks matter before the Supreme Court of India relating to freedom of the press and freedom of expression to arm the executive with control over the free press, thereby essentially making it unfree.

- The instant case is that relating to Sudarshan News, in which hate speech is being disingenuously sought to be passed off as freedom of the press.

▪ **Divide and rule strategy:** It seeks to divide and rule the press by creating an artificial distinction between the new-age digital media which is the media of the future, the media of the millennial generation and the older print and TV news media.

- There is no comparison between the Press Council of India and the NBA as professional bodies on the one hand and the Ministry of Information and Broadcasting on the other.

▪ **Fate of digital media:** The fate of the digital media under the control of the Ministry of Information and Broadcasting leaves little scope for hope for both the media practitioner and the media entrepreneur and for the start-ups that have been the new vibrant face of contemporary journalism.

Way forward

- This move must be seen for what it is politically and morally decrepit and must be legally challenged as unconstitutional and autocratic.

9. Right to work

Source: [The Hindu](#)

Gs2: Fundamental Rights

Context: Need for Right to work in India.

What is the legal status of the right to work internationally and in India?

- **International:** The Universal Declaration of Human Rights includes the right to work in the International Covenant on Economic, Social and Cultural Rights.
- **In India:** Though Right to work is not a constitutional right but it was accorded statutory rights through MGNREGA act. Under MGNREGA, a person can hold the state accountable for not fulfilling the right by demanding an unemployment allowance.

Need for Right to work?

- **Failure of market:** The right to work is not only about lack of adequate work but also the profound lack of public goods and assets. It is the state's responsibility to provide these public goods when the market fails provide welfare.
- **Destruction due to Development:** The path of development has not only created adequate employment opportunities but it has also resulted in displacement of people from their means of livelihood.
- **Jobless growth:** Along with this, the failure to create new jobs by the government and advent of automation leading to jobless growth there is a need to think on the right to work and make it legally enforceable.

- **Statutory backing can be repealed any time:** Also, the statutory backing given to right to work in India through MGNREGA can be withdrawn through legislative actions.

How can we make ‘the right to work’ in India a reality?

- One approach is through Decentralised Urban Employment and Training, or DUET.
- For DUET, urban local bodies can issue job vouchers to certified public institutions such as schools and universities for pre-approved tasks. These institutions can only use the vouchers to hire labour for pre-defined tasks e.g. painting school buildings.
- Along with MGNREGA, an Urban Employment Guarantee can be enacted. In the wake of COVID-19, three States Odisha, Jharkhand and Himachal Pradesh have launched measures along these lines.
- States need to expand spending on providing basic services such as health, education and housing, and in providing them, employment can be generated.
- For example, Thailand, which has a universal basic healthcare system that is labour-intensive. It solves two problems, builds social infrastructure and simultaneously it creates jobs.

Does the 4 labour codes dilutes the worker rights?

- India is a labour surplus economy, so in the capital-labour bargaining process, labour is structurally weak in India.
- To balance this government needs to legislate protective labour laws however the four labour codes tries to achieve the opposite.
- An effective employment guarantee programme can be an excellent solution to the structural weakness of labour. it automatically creates the conditions for better treatment of workers.

‘Right to work’ is not only about employment opportunities but also the right to earn one’s own livelihood without any obstruction and in a dignified way. Dignity of living should be assured through fair work conditions, such as being paid a fair wage, regulated work hours.

General Studies Paper - 3

General Studies - 3

1. COVID-19, climate and carbon neutrality

Source: The Hindu

Syllabus: GS-3- Environment

Context: Environmental problems have profound public health consequences both in terms of morbidity and mortality and hence demand urgent actions in the post covid-19 world.

How are environment and public health inter-related?

- **Human intrusions:** Evidence has gathered that loss of biodiversity and ever-increasing human intrusions into the natural world have contributed heavily to the outbreak and spread of epidemic diseases.
- **The three Es: evolution, ecology and the environment** will be key to identifying potential pandemics.
 - COVID-19 also reinforces the need to pay far greater attention to the biosciences that underpin agriculture, health and the environment that are going to be deeply impacted by the current pandemic.
- **Environmental problems** such as air pollution, water pollution, chemical contamination, deforestation, waste generation and accumulation, land degradation and excessive use of pesticides all have deep public health consequences.
- **The traditional 'grow now, pay later' model** is not only unsustainable in the medium- to long-term but also dangerous to public health in the short term.
- **A report of the Ministry of Earth Sciences** called 'Assessment of climate change over the Indian region' points to the need for making our future science and technology strategy in different areas with an understanding of the impacts of climate change caused by continued emissions of greenhouse gases.
- **The depletion of the ozone layer** has been fixed more or less, but HFCs are a potent threat from a climate change perspective since their global warming potential is a thousand times that of carbon dioxide.

What is carbon neutrality?

- Carbon neutrality refers to that situation when carbon emissions are equal to absorptions in carbon sinks, of which forests are one.
- Carbon neutrality, is a far bolder and worthwhile goal, the attainment of which has to be consciously engineered.
- It will involve massive scientific invention and technological innovation especially when it comes to removing greenhouse gases from the atmosphere.

Way forward

- India can and should show to the world how the measurement of economic growth can take place while taking into account both ecological pluses and minuses.

2. Foreign Investment in India

Source- The Hindu

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

Context- Prime Minister has chaired the Virtual Global Investor Roundtable (VGIR), with an aim to attract investment.

What Virtual Global Investor Roundtable (VGIR) 2020 conference?

It is an exclusive dialogue between leading global institutional investors, Indian business leaders and the highest decision-makers from the Government of India and Financial Market Regulators.

- **Organized by-** Ministry of Finance and the National Investment and Infrastructure Fund (NIIF).
- **Focus for 2020-** Discussions around India's economic and investment outlook, structural reforms and the government's vision for the path to a USD 5 trillion economy by 2024-25.

Key highlights of the conference-

- **National Infrastructure Pipeline-** Under it, India has an ambitious plan to invest USD 1.5 trillion in various social and economic infrastructure projects, aimed for faster economic growth and alleviation of poverty in the country.
- **India as safest investment hub-** Prime minister in this conference pitched India as the ideal destination and the country offered returns with reliability, demand with democracy, stability with sustainability and growth with a green approach.

What are the challenges for revival of investment?

1. **Low FDI inflow in India** –Contraction in investment since July-September quarter in 2019 and then the Pandemic has caused a further shock.
 - **Fixed investment** has continues to face an uncertain outlook given the weak consumption because of the Demand shock caused by pandemic.
 - **Lack of funds-** the government's ability to apportion more funds for growth-spurring capital projects is hamstrung by a widening fiscal deficit amid border stand-off, the health crisis and revenue shortfall.
2. The three-fourths of FDI equity inflows in 2019-20 fiscal-year being accounted by single large telecom company, a bulk of this investment is unlikely to manifest as new job-creating factories or businesses.
3. **Lack of policy stability** - Bureaucratic procedures and corruption continue to make India less attractive to foreign investors.
4. **Infrastructure** is also one of the issues that need to be addressed.

Possible solutions

- **Assurance of stability-** India needs to ensure that assurance of stability is buttressed by actions that dispel investors' concerns over unstable policy.

3. Unemployment

Source: The Hindu

Syllabus: GS-3- Economics

Context: It is for the first time that unemployment has become a big issue in Bihar assembly elections.

What are the issues?

- **Impact of lockdown:** The economy contracted severely, Bihar saw millions of poor migrant labours returning home as U.P. and Bihar have a disproportionately high number of out-migrants.
- **Joblessness an issue this election:** An opposition leader promised 10 lakh government jobs in his first Cabinet meeting, if made Chief Minister; the Janata Dal (United)/BJP countered him by promising to create 19 lakh new jobs.

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- **Labour force:** For nearly 10 years after 2003, GDP growth averaged more than 7% per annum. Non-agricultural jobs in India were generated at a rate of 7.5 million per annum. But only 2 million of the youth were joining the labour force (as enrolment in schools/ colleges was increasing).
- New non-agricultural jobs pulled over 5 million per annum out of agriculture and into construction and other work, where Bihari and U.P. labour got absorbed in large numbers.
- **Demonetisation** and the reluctance to competently handle the non-performing assets crisis sent the economy into a downward spiral.
- **Unemployment rise:** The number of unemployed educated youth and a disheartened labour force (youth who completed education and training but were still neither in jobs nor searching for jobs actively) increased to unprecedented levels by 2018.
- **Self-employment decline:** It is clear that despite the government's measures (example, MUDRA) to promote self-employment, the number of youths engaged as self-employed declined from 81 million to 63 million between 2005 and 2012 and further to 49 million between 2012 and 2018.
- This is despite 95% of MUDRA loans being in the smallest Shishu category. The Ministry of Labour's MUDRA study in 2018 had already demonstrated this fact.
- **Actual government jobs:** Only about 7% of the total employment is created in the government, including the public sector undertakings (NSS, 2017-18).
- Of the total 465 million jobs in India, about 260 million are created in non-farm (in the industry and services) sectors, of which only 34 million are created in the government sector.
- The Central government tried to create a myth that the self-employed can create enough jobs.

What are the steps to be taken?

- **Private sector employment** through appropriate government policy is crucial.
- **Measures are needed to fill the vacant government posts.** There has been a massive decline of government sector job growth from 1.3 million per annum from 2005 to 2012 to only 0.4 million per annum from 2012 to 2018.
- **The National Education Policy 2020 is likely to increase the supply** of vocationally trained youth due to the expansion of vocational training curricula at the school level, it will have no impact on the labour demand conditions of the industries.
- **Supplementary measures** including development of infrastructure and local industrialisation are necessary.
- **The focus will have to be on two kinds of jobs.** First, the health and education sectors and the police and the judiciary have too few government staff. These are sectors where the new government can expand government jobs.

Way forward

- In all governments, State and Central, the share of Groups C and D jobs is an overwhelming 89%, leaving 11% of jobs for Groups A and B. With such few managerial or professional staff, it is impossible to run any government. Post-pandemic, most States will need to increase spending on public health.

4. Cold chain infra for covid vaccine

Source: The Hindu

Syllabus: GS-3- Economics

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Context: India must improve its cold chain infrastructure to avail benefits of new vaccines

Elaborate about the potential covid-19 vaccine by Pfizer?

- **Potential covid vaccine:** Multinational drug company Pfizer has announced promising results from its ongoing phase-3 trial of a potential COVID-19 vaccine.
- **Effectiveness in trials:** Pfizer, which is using a vaccine candidate by German firm BioNTech, had disclosed in September that for a vaccine to be judged 60% effective, 164 volunteers would have to contract COVID-19.
- **Sample size:** The claim of 90% is based on a sample of 94 volunteers but it is not known how many belonged to either group. It is also unclear if those who were eventually infected, manifested mild or moderate severity of disease.
- **Awaited result:** There is still time to be reliably sure that the results actually hold up in a wider population.
- **There are no large phase-3 trials** of the 'Covishield' by the Serum Institute or 'Covaxin' by Bharat Biotech Ltd vaccine in India.
- **India's access to vaccine:** While there were early discussions with Pfizer, there is as yet no confirmation on whether India can be assured of early access to even a fraction of the vaccine output in the event it is readied.
- **m-RNA technology:** The vaccine candidate is based on an m-RNA technology, which avoids the use of an infectious particle, such as a portion of the virus, and uses a piece of RNA that is then made into an antigen by the body's own machinery.
- **Faster production:** It also does not need to be cultured in chicken eggs or other mammalian cells, allowing it be made faster and more inexpensively.
- **Optimum temperature required:** They also reportedly need to be refrigerated to nearly minus 70°C and India, with its limited cold chain infrastructure, lacks efficient vaccine storage capacity.
- **Basic strategy:** It shows that scientists' basic strategy of developing a vaccine to target the spike protein of the virus is correct and given that this is an approach most vaccine developers are following, the chances of several encouraging results are high.
- **Moderna, also employs an m-RNA based approach,** it is likely that the new vaccine platform may prove to be a breakthrough approach in developing future vaccines.

Way forward

- India must keep a close watch on such platform-technology and develop expertise. It must also not lose an opportunity to improve its cold chain infrastructure which currently is developed only for rudimentary vaccines.

5. 15th Finance commission report

Source- The Hindu

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

Context - The Fifteenth Finance Commission led by Chairman N K Singh, submitted its Report to the President of India.

What are the key highlights of the latest report?

The Fifteenth Finance Commission led by Chairman N. K. Singh submitted its report for the period 2021-2026 to President of India. As per the Terms of Reference (ToR), the Commission was mandated to give its recommendations for five years, i.e., 2021-2026.

- Title of the report - '**Finance Commission in COVID Times**' and the scales are used to represent the balance between the States and the Union.

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- The report is divided into four volumes.
- The Report is devoted to the Union Government and contains key departments in greater depth, with the medium-term challenges and the roadmap ahead.
- After the report is tabled in the Parliament, it will be available in the public domain.

Which issues are addressed in the report?

1. The Commission submitted its report on vertical and horizontal tax devolution, local government grants, disaster management grant, incentives for States in many areas such as power sector, adoption of DBT, solid waste management etc.
2. The Commission also submitted its report on whether a separate mechanism for funding of defence and internal security ought to be set up and if so how such a mechanism could be operationalized.

What are the key points in the report that can impact states revenue share?

1. The Commission has addressed all its unique terms of reference such as considering a new non-lapsable fund for financing national security and defence spending, and offering performance incentives for States that deliver on reforms.
2. The Fifteenth Finance Commission has considered the 2011 population along with forest cover, tax effort, area of the state, and “demographic performance” to arrive at the states' share in the divisible pool of taxes.

States issues-

- **Cutbacks in devolution** - Centre has systematically cut the share of States in taxes raised by the Union government.
- **Shrinking of divisible pool**- Centre has reduced the pool of funds to be shared with the States by shifting from taxes to cesses and surcharges.

Way forward-

The Centre can reduce States' fears further by tabling the report soon so that any anxieties can be debated and laid to rest, and States can also plan upcoming Budgets with less uncertainty.

6. Lessons from Vietnam and Bangladesh

Source: [The Hindu](#)

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

Context: Learning through the success stories of Vietnam and Bangladesh

More in News

- Bangladesh has become the second largest apparel exporter after China.
- Vietnam's exports in apparel sector has grown by about 240% in the past eight years.

Vietnam's success stories

- **Duty free exports:** Signing of Free Trade Agreements (FTAs) with important trading partners like the U.S., the EU, China, Japan, South Korea and India makes their product competitive.
- **Incentives to foreign firms:** Mending domestic laws to allow Foreign firms to compete for local businesses. For example, EU firms can open shops, enter the retail trade, and bid for both government and private sector tenders. They can take part in electricity, real estate, hospital, defence, and railways projects etc.

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- **Cheap labour:** over the year's large brands such as Samsung, Canon, Foxconn, H&M, Nike, Adidas, and IKEA have shifted to Vietnam to manufacture their products owing to reduced costs.

Bangladesh Success story

- **Duty free exports:** Large export of apparels to the EU and the U.S. make the most of the country's export. The EU allows the duty-free import of apparel and other products from least developed countries (LDCs) like Bangladesh.
- **Supporting large firms:** Because large firms are better positioned to invest in brand building, meeting quality requirements, and marketing. Whereas Small firms begin as suppliers to large firms and eventually grow.

What are the challenges for Vietnam and Bangladesh?

- **Lacks diversification:** For example, Most of Vietnam's exports happen in five sectors.
- **Limited Investment sourcing:** Due to Lack of developed domestic and capital market.
- **Duty free markets:** Bangladesh may lose its LDC status in four to seven years as its per capita income rises.
- **Small gains:** For example, most of Vietnam's electronics exports are just the final assembly of goods produced elsewhere. In such cases, national exports look large, but the net dollar gain is small.
- **Vulnerability:** high dependence on exports brings dollars but also makes a country vulnerable to global economic uncertainty.

What are the lessons for India?

- Promote manufacturing and investment by setting up sectoral industrial zones with pre-approved factory spaces.
- Following an open trade policy, signing balanced FTAs, restricting unfair imports, and supporting a healthy mix of domestic champions and MNCs.
- While export remains a priority the focus is should be on organic economic growth through innovation and competitiveness.
- Reforms to promote innovation and lowering the cost of doing business.

7. Firecrackers ban ahead of festival season.

Source- The Hindu

Syllabus- GS- 3 – Conservation, environmental pollution and degradation, environmental impact assessment.

Context- National Green Tribunal bans firecrackers in place where air quality is poor.

What are the guidelines of National Green Tribunal for firecrackers?

- **The National Green Tribunal (NGT) directed** that there would be a total ban on sale or use of all kinds of firecrackers between November 10 and 30 in places where air quality is 'poor' and above category.
- **About Green crackers-** NGT also directed that in places where the ambient air quality fell under the 'moderate' or below category, only green crackers would be permitted to be sold and timings restricted to two hours for bursting.
- The panel specified that data from November 2019 would be calculated to ascertain the average ambient air quality for both the instances.
- The Tribunal in its order noted that Odisha, Rajasthan, Sikkim, Delhi and Chandigarh among others had prohibited the sale and use of firecrackers to protect vulnerable groups.

What is the impact of air pollution on COVID-19?

1. **COVID-19** –The potential modes of transmission of COVID-19 is through ambient air by droplets which carry the viruses. Changes in the environment will affect the transmission of the infection. Air pollution is one of the elements that can change the environment. So air pollution can indirectly influence the transmission.

- 40% of all pollution-linked deaths attributed to bad air quality in leading emerging economies and some evidence from the U.S. on higher COVID-19 mortality in highly polluted areas.

What are the concerns of the fireworks industry?

- The ban on firecrackers by some state governments has come as a double blow for the fireworks industry in Tamil Nadu, which cater to 90 per cent of the demand in the country, as they have already been hit hard by the COVID-19 pandemic.
- **Disbursement of salaries** to employees and uncertainty whether the units would receive payment for stocks already sent to states like Rajasthan and Haryana before the ban was announced.

Way forward-

- A compensation scheme for workers and suitable relief for firecracker producers may be necessary.
- Longer-term solution might lie in broad basing economic activity by reducing reliance on firecrackers.
- All State pollution control boards and committees must take special initiative to contain air pollution by regulating all other sources of pollution.

8. The cost of clearing the air

Source: The Hindu

Syllabus: GS-3- Environment

Context: In February, Finance Minister Nirmala Sitharaman announced a ₹4,400 crore package for 2020-21 to tackle air pollution in 102 of India's most polluted cities.

More on news:

- The funds would be used to reduce particulate matter by 20%-30% from 2017 levels by 2024 under the National Clean Air Programme (NCAP).
- It was the largest yearly allocation by a government to specifically tackle air pollution.

What is the scale of the problem?

- **Unclear scale:** It is unclear if this amount is adequate to handle the task of improving air quality. Delhi, after being the epitome of pollution, has only in the last two years managed to firmly install an extensive network of continuous ambient air quality monitors.
 - About 37 and the highest in the country managed by several government or allied bodies.
 - It has also managed to conduct source apportionment studies to determine the degree of pollution that is contributed by its own activities (construction, road dust, vehicle movement) and that brought on from external sources such as stubble burning. Though the data is not enough.
- **Insufficient allocations:** The taxpayer money that has actually gone into it far exceeds allocations that find mention in the Centre and State government's budgeting books.

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- **Funds expenditure:** Several of the States with the most polluted cities that have been allotted NCAP funds are expected to spend a substantial fraction in the act of measurement. Maharashtra and U.P., by virtue of their size, got the maximum funds: close to ₹400 crore.
- **An analysis by research agencies :** Carbon Copy and Respirer Living Sciences recently found that only 59 out of 122 cities had PM 2.5 data available.
- **Use of manual machine:** Cities have used manual machines to measure specified pollutants and their use has been inadequate. Only three States, had all their installed monitors providing readings from 2016 to 2018.
 - Prior to 2016, data aren't publicly available making comparisons of reduction strictly incomparable.
- **Manual machine replacement:** Now manual machines are being replaced by automatic ones and India is still largely reliant on imported machines though efforts are underway at institutions such as the Indian Institute of Technology, Kanpur to make and install low-cost ones.

Do these budgetary allocations help?

- **Budgetary allocations alone don't reflect the true cost :**
 - A Right to Information disclosure sourced by the research agencies revealed that for four cities in Maharashtra ₹40 crore had been assigned.
 - Pollution clean-up activities have been assigned 50% of this budget and another ₹11 crore are allotted for mechanical street sweepers.
 - Depending on the specific conditions in every city, these proportions are likely to change.
- **In the case of the National Capital Region:** at least ₹600 crore was spent by the Ministry of Agriculture over two years to provide subsidised equipment to farmers in Punjab and Haryana and dissuade them from burning paddy straw.
 - Yet this year, there have been more farm fires than the previous year and their contribution to Delhi's winter air remain unchanged.

Way forward

- While funds are critical, proper enforcement, adequate staff and stemming the sources of pollution on the ground are vital to the NCAP meeting its target.

9. Covid19 Vaccine

Source: [The Hindu](#)

Gs3: Science and Technology- Developments and their Applications and Effects in Everyday Life.

Context: The US-based pharma company Pfizer Inc and German biotech company BioNTech today announced their mRNA-based covid vaccine candidate, BNT162b2, against coronavirus has demonstrated evidence of efficacy against COVID-19.

Background

- Earlier in August, the results of the Pfizer vaccines Phase-1 trial were announced. It showed that the vaccine was capable of inducing neutralising antibodies and specific T cell responses in younger and older adults.
- In the Phase-3 trial, ninety-four confirmed cases of COVID-19 in trial participants were evaluated and the results seems to be encouraging.
- The endpoint to evaluate vaccine efficacy is when 164 trial participants get infected, irrespective of whether they received the vaccine or a placebo.

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- The company expects that endpoint to be reached by the end of this month.
- Also note that apart from Pfizer Inc Moderna and NIAID are also at advanced Phase-3 trial, and uses the same mRNA platform. It is likely that these vaccines too may show similar outcomes.
- The Oxford University vaccine too produced immune responses similar to Pfizer's in early stage trials and is expected to show positive results in Phase-3 trial.

What are the findings from the Phase-3 trial?

- Over 90% effectiveness is reported against symptomatic infection.
- It is also observed that the protection is achieved 28 days after administration of the first dose of vaccines.

Why caution is needed?

- The nature of infection that the vaccine can protect is not clearly demonstrated i.e. mild, moderate or severe.
- Also, the interim results do not reveal how effective the vaccine is in older adults, who are more likely to progress to severe disease and even die.
- The duration of the protection after getting vaccinated is also not known.
- It is likely that the effectiveness might change as more cases get reported. However, 90% effectiveness demonstrated is way high than the Food and Drug Administration (FDA) cut off of 50% required to prevent disease or decrease disease severity.
- The inability of the vaccine to prevent asymptomatic infection will reduce the ability to prevent transmission of disease.

10. Future of the federal framework

Source- The Indian Express

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

Context- The role of the Finance Commission as a neutral arbiter in the Centre-state relation in achieving the delicate balance.

What are the key highlights of the latest report?

The Fifteenth Finance Commission led by Chairman N. K. Singh submitted its report for the period 2021-2026 to President of India.

Title of the report – 'Finance Commission in COVID Time's and the scales are used to represent the balance between the States and the Union.

Significance of report-

- a) The report will determine how India's fiscal architecture is reshaped.
- b) And how Centre-state relations are reset as the country attempts to recover from the COVID-19 shock

What are the key points in the report that can impact states revenue share?

1. The 15th Finance Commission, in its interim report had said, 'There is merit in ensuring **funds for defence and internal security** and this will receive appropriate consideration in our final report.'
- This had led to speculation that states will have to contribute to such a fund, in turn leading to a drop in their share of central government's taxes.
2. **Southern Indian states complaining** their efforts to control population would go against them. This is because the terms of reference of the 15th Finance Commission included using the 2011 census to suggest devolution of taxes to states.

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- The 15th FC has considered the 2011 population along with forest cover, tax effort, area of the state, and “demographic performance” to arrive at the states’ share in the divisible pool.

What are the States issues?

Recommendation of 14th Finance commission- The commission had recommended for an increase in the share of the States in total tax revenues from 32% to 42%. However, states’ share never touched 42 per cent of tax collections due to-

- **Dominance of Centre-** The Centre is trying to claw back the fiscal space ceded to the states and assert its dominance over the country’s fiscal architecture. Central government spending has risen on items that lie in the state and concurrent lists.
- **Shrinking of divisible pool-** Centre has reduced the pool of funds to be shared with the States by shifting from taxes to cesses and surcharges, revenue from which is not shared with the states.

Way forward-

- Finance Commission has to play an important role in achieving the delicate balance in the conflicting domain of finance by addressing the concerns of both the players.
- The Centre can reduce States’ fears by tabling the report without delay, and address any apprehensions it may give rise to.

11. Atmanirbhar Bharat

Source: [Indian Express](#)

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

Context: Making India self-reliant India or Atmanirbhar Bharat

What are the current economic challenges faced by India?

- The supply chain disruption due to national and localised lockdowns has led to supply side and demand side contraction.
- Slowdown of aggregate demand due to low, private final consumption expenditure (PFCE), investment and exports.
- Even, the consumption demand of the rest of the demography from agriculture, small-scale manufacturing and self-employed is stagnant due to low income growth.
- The investment slowdown is affecting industries like steel, cement and power and income, employment and demand.
- Along with these constraints, India has huge developmental implications on poverty, inequality and standard of living.

What are advantages for India in present labour market?

- **All other manufacturing giants are ageing:** For example, Japan, EU, the US, South Korea and China. Ageing population has forced them to move out of low-end labor-intensive manufacturing.
- **China’s lost advantage:** Due to a rise in wages, strict environmental regulations and an increase in the cost of production along with the uncertainties due to China’s friction with the US and other countries.

How to ensure Atmanirbhar Bharat?

- **Incentivising the farming community:** Need to shift from grain-based farming to cash crops, horticulture and livestock products. For example, the Chinese experience in the late 1970s has shown that reforms in agriculture increased rural income, leading to demand for labor-intensive industrial goods.

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- **Exploiting the demographic dividend:** India has around 900 million people in the working-age population with an average age of 27.
- **Shift the labour force from agriculture to manufacturing:** For this, labour-intensive manufacturing should be promoted that can generate employment opportunities for labour force with low or little skills, along with income and demand.
- **Create a competitive manufacturing sector:** Need to aggressively reduce both tariffs and non-tariff barriers on imports of inputs and intermediate products that will create a competitive manufacturing sector for Make in India, and “Assembly in India”.
- **Ensure free flow of Investments:** Attracting multinational enterprises and foreign investors in labour-intensive manufacturing will facilitate R&D, branding, exports, etc.
- **Market reforms:** By rationalizing punitive land acquisition clauses and rationalizing labour laws, both at the Centre and state level.
- **Human capital development:** Need for a large-scale vocational training from the secondary-school level, like China and other east and south-east Asian countries.

The COVID-triggered economic crisis can be an opportunity for India if we create a development model that brings opportunities for the people at the bottom of the pyramid. A competitive and open economy can ensure Atmanirbhar Bharat

12. 3RD Stimulus package

Source- The Indian Express

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

Context- Finance Minister Nirmala Sitharaman announced the next set of stimulus package to boost the coronavirus-hit economy.

What are the key highlights of 3rd stimulus package?

Union Finance Minister on recently announced a third stimulus package to help pull the Covid-19-battered economy. The FM announced 12 measures under Atmanirbhar Bharat3.0 which includes-

1. Atmanirbhar Bharat Rozgar Yojana.
2. Emergency Credit Line Guarantee Scheme (ECLGS) 2.0.
3. Atmanirbhar Manufacturing Production-Linked Incentives for 10 champion sectors.
4. To boost demand in Real Estate sector, relief for home buyers and sellers.
5. Support for construction and Infrastructure- Relaxation of EMDs and Performance Security on government tenders.
6. Income tax relief for homebuyers and developers.
7. Infrastructure Debt Financing.
8. Support for Agriculture.
9. Boost for rural employment.
10. Boost for Project Exports.
11. Capital and Industrial Stimulus.
12. Research and Development grant for Covid-19 vaccine.

Previously announced package-

1. **Pradhan Mantri Garib Kalyan Yojana (PMGKY)** - The government had announced Rs 1.70 lakh crore during March to protect the poor and vulnerable sections from the impact of COVID-19 crisis.

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2. **The Aatmanirbhar Bharat Abhiyan package**- The stimulus of Rs 20.97 lakh crore in May, largely focused on supply-side measures and long-term reforms.

What are the key areas of focus of this fiscal package?

1. Incentivizing job creation-

- **Boost formal sector employment**-Providing incentives to EPFO-registered firms to hire more employees could lead to job creation. Formalization of the existing informal work force in urban areas.
- **MGNREGA boost**- Further additional outlay of Rs 10,000 crores will be provided for PM Garib Kalyan Rozgar Yojana in the current financial year.

2. To boost demand in Real estate sector –

- Rs 18,000 crores additional outlay for PM Awas Yojana (Urban) over the Budget Estimates for 2020-21. This is over and above Rs 8,000 core already this year.
- This will help 12 lakh houses to be grounded and 18 lakhs to be complemented.
- The scheme will also guarantee additional jobs to 78 lakhs.

3. To boost manufacturing production-

- Production Linked Incentives with proposed expenditure of ₹1.46 lakh crore over five years will be offered to ten stressed sectors to boost domestic manufacturing.
- And create an efficient domestic manufacturing ecosystem.

4. To Research and Development grant for Covid-19 vaccine-

- Rs 900 crores provided for Covid-19 Suraksha Mission for the development of the Indian vaccine to the Department of Biotechnology.

5. Emergency Credit Line Guarantee Scheme (ECLGS) 2.0-

- EECLG 2.0 for MSMEs, businesses, MUDRA borrowers and individuals (loans for business purposes), has been extended till March 31, 2021.
- Under this credit scheme, banks will be able to lend to stressed sectors from 26 sectors identified by the K.V. Kamath committee earlier this year.
- The new scheme will have a 1-year moratorium and 5 years of repayment.

What are the challenges to India's economic recovery according to RBI?

- The foremost risk stems from the global economy now at risk from the second wave of COVID-19.
- The Second major risk is the stress that has been intensifying among households and corporations

Way forward-

- Ensuring credit off-take of previously announced schemes amongst the poorest sections must be a priority.
- Forcing banks to lend to companies where assessing risk has become a challenge due to the pandemic puts banks at a bigger risk.