9pm Compilation

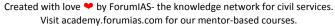
March, 2021 (Third Week)

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General Studies Paper - 2

General Studies - 2

1. Why States are Planning for Reservation to Locals in Private Jobs?

Source: The Hindu

Gs2: Issues and Challenges Pertaining to the Federal Structure

Synopsis: Haryana already passed the proposal providing reservation to locals. Many other states are planning for the same. It is because the States in India are unable to create jobs for their local economy due to various issues.

Background

- Recently, the Haryana government has passed legislation for reservation of jobs to local Haryanvi's first.
- On similar lines, the cabinet of the government of Jharkhand approved legislation to reserve jobs for Jharkhand residents.
- Also, The DMK in Tamil Nadu announced a proposal to reserve jobs for Tamils in its manifesto.
- Many economists have criticised the above policies of the State as it is against the liberal idea of a free economy.

What are the reasons for providing reservation in jobs for locals?

- First, increasing unemployment rate: As per the data from the Centre for Monitoring Indian Economy (CMIE), the unemployment rate in Haryana is very high among all States in India.
- Second, fear of Demographic disaster: More than half of all graduates in Haryana are jobless. Increasing Unemployment of youths will inevitably lead to social revolutions and political disorder.
- Third, Interstate economic inequality is rising: For example, the '3-3-3' effect. The three richest large States (Maharashtra, Tamil Nadu and Karnataka) are three times richer than the three poorest large States (Bihar, Uttar Pradesh and Madhya Pradesh), in per-capita income.
- Also, inequality is only widening due to the agglomeration impact of modern economic development.
- Fourth, States have less autonomy to attract new jobs and investment. The lack of autonomy within states pushes them to resort to measures such as protecting jobs for locals through reservation etc.,

Why the states' ability to attract new industries is limited in India?

Attracting investments and industries is related to many critical factors. States have limited discretion to provide land at affordable prices, provisioning uninterrupted supply of electricity, water etc., But it does not have control over the following aspects that stimulate jobs in states.

- First, Industries are willing to invest only in Economies which is growing steadily and at a faster pace. But the growth of Indian economy cannot be controlled by single states alone.
- Second, the requirement of abundant high quality skilled and unskilled labour.
 However, the availability of skilled local labour is a result of many decades of social
 progress of the State. States that have a very high unemployment rate cannot skill
 their population within a short period of time.
- Third, States have lost their fiscal autonomy after the introduction of the Goods and Services Tax (GST). They have no powers to provide any tax concessions to

businesses. Whereas in America, States compete against each other vigorously using tax concessions.

• Fourth, the agglomeration effect drives new investments and industries in states that already are well established. For example, supply chain, talent, good living conditions etc., This leads to a cycle of the more prosperous States growing much faster at the expense of the lagging States.

The increasing interstate disparity among states will only encourage nativistic subnationalism ideas and policies in the future, which is a threat to national integration. Hence, the centre should work towards bridging the development gap between different states along with greater fiscal freedom.

2. Highlights of the Quad Summit

Source: Click Here

Syllabus: GS 2 – Bilateral, regional and global groupings and agreements involving India Synopsis: The maiden Quadrilateral Security Dialogue (Quad) witnessed declaration of a joint statement by four leaders along with a common article in the Washington post. It is a step which is expected to yield positive outcomes in the Asian Geopolitics and the Indo Pacific region.

Background:

- The Indian Ocean tsunami of 2004 triggered cooperation among the navies and governments of the Quad powers namely India, U.S, Australia and Japan.
- The countries wanted to build a diplomatic alliance in 2006-08 but sidelined the idea as:
 - o China opposed creation of such a group
 - o Chinese Dominance at that time was not strong enough to unite QUAD members in comparison to the current scenario

However China's behaviour has turned hostile since 2017. The nation's constant adventures (including the 2020 Galwan Valley incident) induced QUAD members to concretise the vision of QUAD summit.

Thus the 1st virtual summit took place on 12th March 2021.

Highlights of the Summit:

- A joint statement titled 'The Spirit of the Quad' was released along with a common article in the Washington post. The leaders have visualised Quad as a flexible group of like-minded partners dedicated towards advancement of a common vision which will ensure peace and prosperity.
- The diverging views on the Indo Pacific are over. The aim is to ensure a free, open, inclusive and healthy Indo Pacifc. The region should be anchored by democratic values and unconstrained by coercion.
- The security challenges from China especially in the east and south china seas has been recognised without expressly using the word China. The countries have agreed to adopt a smart blend of competition, cooperation and confrontation for containing Chinese actions.
- The summit has focused on winning people's hearts in the indo pacific region. In this regard a special initiative to ensure equitable access to COVID-19 vaccines from the western Pacific to eastern Africa would be run.
- Three working groups on vaccine partnership; climate change; and critical and emerging technologies (such as telecom and biotechnology) would be established.
- Country leaders and foreign ministers have agreed to do periodic meetings in order to strengthen the habits of the Quad working together for a common vision.

- Complete denuclearization of North Korea as per the United Nations Security Council resolutions will be carried on by members. A statement made in South Korea's interest.
- The Quad members agreed to restore democracy in Myanmar along with strengthening democratic resilience across the region.

Way Ahead:

- The summit should get the four national establishments into serious policy coordination and action mode, creating new capacities.
- The new synergy in vaccine development is a real highlight that should result in the production of one billion vaccine doses in India by 2022.
 - In this regard, the U.S and Japan have volunteered for financial support, Australia performs well in logistics while manufacturing would be taken care of by India.

The call for democracy restoration can help ASEAN in carrying forward its diplomatic initiative to promote reconciliation in Myanmar.

Further Beijing has already shown its discontent against Quad. It has cautioned India from becoming a negative asset in SCO and BRICS groupings.

o Greater clarity is expected to emerge post the scheduled March 18 discussions between the top officials of the U.S. and China.

It is believed that some of Asian Capitals may express a cautious welcome to QUAD as they are suspicious about the vision and objectives of QUAD.

3. Supreme Court's Judgment on State Election Commission

Source- The Hindu

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

Synopsis – The Supreme Court in its recent judgment ruled that government officials cannot be appointed as State Election Commissioner (SEC).

Introduction-

- 25 years have passed since local governance was introduced in India by the 73rd and 74th Constitution Amendments. However, there is very little and actual progress in this direction.
- There is inadequate devolution of powers to the third tier of governance.
- The SEC is responsible for holding unbiased elections for local bodies in the state. But local elections often suffer from abuse, charges of ward fixing, and ward reservation.

What is the case?

- The government notification on municipality elections in Goa was initially challenged in the Bombay HC. Allegedly, the reservation of wards for women, SCs, and STs was not in accordance with the law.
- The Bombay HC struck down the reservation notices of specific wards. It ruled that they caused constitutional infractions.
- Then the Goa government approached the SC, challenging this order.
- However, the SC upheld the Bombay HC's ruling. SC said that the appointment of the law secretary as the poll body head is against the independence of the election.

The Supreme Court ruling

- Entrusting additional charge of State Election Commissioner to a government official is a mockery of the Constitution.
- Under Article 142 the SC directed all SECs who currently hold an additional charge, to step down immediately. It stated that a government employee or bureaucrat cannot be appointed as Election Commissioner.

Way forward-

- The SC ruling will help secure the independence of SECs in the future.
- The independence of the Election Commission cannot be compromised in a democracy.
- Centre should work on the devolution of powers to the local level of governance. It
 ensures that decisions are made closer to the local people, communities, and
 businesses.

4. Why Taxes on Fuel may increase in the future?

Source: Indian Express

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

Synopsis: Due to economic pressure, the centre and states may increase taxation on fuel.

Disparity between the taxation powers of the centre and states

- Taxation is an economic tool used by government to raise revenues. The Supreme Court of India described taxation as a "sovereign" power. Taxation powers of a state cannot be subjected to judicial scrutiny.
- Compared to States, the Centre has a lot of independence with respect to taxation powers. It has a wide scope in this regard. For example, in 2016, the Centre levied the equalisation levy to tax non-resident e-commerce service providers. The levy was neither an income tax nor a service tax. It was levied using provisions of the Income Tax Act and service tax laws.
- Whereas the subject matters over which states can raise revenue are very limited.
- In ITC Ltd. V. State of Karnataka 1985, Justice Sabyasachi Mukharji observed that "States must have the power to raise and mobilise resources in their exclusive fields".

Fiscal Independence of states further reduced after GST

- With the implementation of GST, states have lost their autonomy to raise finances.
- The Constitution's (101 Amendment) Act, 2016 deleted provisions empowering states to independently levy taxes.
- However, states retained their taxation powers in few items such as the sale of petrol, alcoholic liquor for human consumption, and Taxes on entertainments and amusements.

Why fuel tax will be increasing?

- First, the need for economic recovery after the pandemic will incur more public spending. High public spending means government needs more revenues. This is one main reason why the Centre's has kept the excise duties of fuel high.
- Second, the central government's need for fiscal responsibility under the Fiscal Responsibility Budget Management Act has ensured that it maintains high taxes on fuel to raise resources.

- Third, the fiscal deficits of the states are also increasing at an all-time high. Provided with very less options to raise resources after the implementation of GST, even the states will try to tax fuel to raise more revenues.
- Fourth, while many states are in the run-up to election within a month, the tax on fuel would also be required to finance various promises made before the elections.

Impacts of rising in fuel prices:

- Inflation: Rising fuel prices will translate to higher cost of goods. However, RBI has noted that that inflation rates have been revised and risks have been balanced.
- Impact on the demand for fuel: The demand will not decrease. The lack of robust public transport system in India makes the demand for fuel inelastic. (no change in demand even after the price increases).

5. Issue of Consent in POCSO Act

Source: Click Here

Syllabus: GS 2 – mechanisms, laws, institutions and Bodies constituted for the protection and betterment of vulnerable sections

Synopsis: The Madras High Court quashed a case of aggravated sexual assault of a minor under the POCSO (Protection of Children from Sexual Offences) Act. The High Court also mentioned the need to amend the POCSO act.

The case and ruling

- Madras HC was hearing a case of aggravated penetrative sexual assault under POCSO act.
- This case was filed against an auto driver, in his early twenties, for marrying a minor girl in 2018.
- Recently the HC Quashed the case. In this case, the Court observed the consensual relationship between the accused and the minor girl.
- The court stated that the POCSO Act is not intended to bring the romantic relationships between adolescents or teenagers within its ambit. Thus, the act requires appropriate amendments.

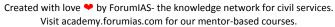
About the POCSO Act:

- 1. POCSO was enacted as per Article 15 of the Constitution and the UN Convention on the Rights of the Child. It aims to protect children from sexual assault, sexual harassment, and pornography.
 - o Article 15 allows the state to make special provisions for women and children. Aggravated penetrative sexual assault under the POCSO Act, 2012 is equal to the provision for aggravated rape.
 - o It means rape occurs within a relationship of trust, leads to pregnancy or any other aggravating circumstance.

Further under POCSO, an individual will be punished if the victim is below 18 years. It does not consider the consent of minors as relevant. Thus, the accused can't plead consent as a defence.

Rationale behind the judgement:

- POCSO has become a tool for the persecution of young people in consenting sexual relationships. The act completely ignores the natural sexual tendencies of adolescents and undermines their right.
- The court also said that this case was purely individual in nature. Thus, releasing the accused in this particular case will not undermine the public interest.



Punishing consenting youngsters results in their persecution throughout life. This is
more evident in cases where the minor victim has willingly eloped or married the
accused or carrying his child.

Concerns associated with judgement:

- It goes against the established Supreme Court precedent of considering rape cases as a matter of public concern.
- The Parliamentary Committee (Rajya Sabha) in 2011 prescribed a uniform age of 18. It would make sure that trials of child rape would focus on the conduct of the accused and the circumstances of the offence. Thus, The Possibility of consent was not meant to be an exception under POCSO.
- The five State studies on the functioning of Special Courts under the POCSO Act shows the complicated nature of consensual cases.
 - o As per the study, adolescents can and do choose to have sex. However, they are still children, and their growing sexual autonomy is prone to abuse. This issue resulted in inconsistent and unprincipled adjudication.

Way Ahead:

- The judgement has highlighted the urgent need of amending the rigid stance in POCSO Act.
- The courts should create a fine balance between sexual rights of adolescents and their gullibility of being exposed.
- Further this balance can be rightly created when the legislature is willing to provide clarity on the core wrongs that POCSO is meant to address.

6. Why India should Invest More in Research and Innovation System?

Source: click here Syllabus: GS-2

Synopsis: India could use its education policy to improve the research and innovation ecosystem in the country.

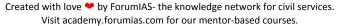
Introduction

The Government of India celebrates National Vaccination Day every year on March 16 to communicate the importance of vaccination to the people. During the COVID-19 pandemic, the significance of this day becomes even more important.

• India's indigenous COVID-19 vaccine will help India in emerging as a global leader in the post-COVID-19 era.

What steps were taken during the pandemic?

- 1. Most developed nations ramped up their efforts to vaccinate their respective population. However, the developing countries were far behind. It could have resulted in another year of humanitarian and economic crisis for them.
- 2. Developed countries engaged in vaccine nationalism during this time. However, India made vaccines widely available for other developing countries. India guaranteed a universal, unbiased, and affordable supply of vaccines for developing countries.
- 3. This firmly established India as the pharmacy of the world and sent out the message that medical products must be dealt with as global public goods.
- 4. The country has supplied vaccines to over 70 countries while ensuring that its domestic demand is met.



Why India should invest more in Research and Innovation?

The IITs came up with significant innovations like low-cost portable ventilators, affordable AI-powered COVID-19 test kits, drones for sanitization, and cheap and effective PPE kits and masks.

These innovations helped in providing healthcare facilities to Indian citizens. Moreover, the products were exported to different countries.

Thus, India should invest more money and energy in research and innovation to make India a long-term global leader.

Steps taken to strengthen research and Innovation

The National Education Policy (NEP) 2020 is a step forward in this direction.

- 1. Firstly, the NEP aims to improve the research and innovation landscape in India. It proposes that Higher Education Institutions (HEIs) should focus on research and innovation. This will be done by establishing start-up incubation centres, technology development centres, and interdisciplinary research.
- 2. Secondly, the NEP also recommends setting up Multidisciplinary Education and Research Universities, which will be on the level of IITs and IIMs to achieve the highest global standards in education.
- 3. Thirdly, the National Research Foundation (NRF) will be established under the Principal Scientific Adviser. Its aim is to transform India's research culture. An outlay of □50,000 crore for the next five years has been allocated for NRF in the Budget.

Conclusion

The world will remember India for initiating the largest education reforms and emerging from the pandemic as a global leader. The Prime Minister has given a solid boost to the vaccination drive and instilled confidence in the nation after taking the vaccine himself.

7. Measures to Strengthen India US economic partnership

Source: The Hindu

Gs2: Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests.

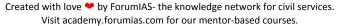
Synopsis: Strengthening India-U. S economic partnership will help India to become a \$5 trillion economy.

Background

- India and the US have committed to the goal of increasing the bilateral trade in goods and services to \$500 billion. Currently, the bilateral trade stands at \$146 billion (2019).
- To achieve this, the Compound annual growth rate (CAGR) needs to be increased to 11.9%. The current CAGR is 7.7% per year.
- A closer economic partnership will benefit both sides in terms of GDP, employment, and productivity.
- Confederation of Indian Industries (CII) identifies the following key areas for collaboration to boost India-U. S bilateral trade.

What are the key areas of collaboration as suggested by CII?

- 1. First, the need to elevate partnership in Healthcare.
 - India has emerged as the hub of global vaccine distribution. This has led to the establishment of a robust health care supply chain with global countries including the US.
 - o Along with this development, India needs to take the following steps:



- o build confidence in the Indian IPR regime,
- o revive the U.S.-India Health Dialogue, and
- o work on mutually recognizing standards and
- o approvals to further co-operation in healthcare.

Second, the need to strengthen existing trade agreements. It can be done by;

- o Reviving the U.S.-India Trade Policy Forum meetings along with a cross-sector track-2 group to look at convergence on issues such as market access.
- o Restoring the Generalised System of Preferences. It will help in increasing Indian exports as a result of lower duties for certain Indian products.
- o Working on Free trade agreement that mutually benefits both.

Third, the need to address concerns related to the mobility of professional labour. It requires the following measures,

- o Strict US immigration rules have impacted labour mobility from India. India needs to push for reforming the US immigration system.
- The MoU on labour cooperation signed in 2011 needs to be updated in line with India's recent labour regulatory changes.
- o Both countries should strive to finalise a totalization agreement on social security.

Fourth, strengthening cooperation in defence.

- o Both countries complement each other in defence. India is dependent on the U.S. for technology whereas US can be benefitted from Indian manufacturing.
- o Initiating a defence dialogue along with the private sectors of both sides will help in co-production and co-development in the defence and aerospace sectors.

Fifth, improving ties between SMEs.

o A U.S.-India SME CEOs Forum to facilitate engagement of small and medium enterprises (SMEs). It will help US SMEs to find new opportunities for investments and sourcing from India.

Sixth, deepening collaboration in clean energy and climate change.

- The U.S.-India Strategic Energy Partnership should be channelized to promote joint investments in clean energy. (industrial decarbonization, carbon dioxide removal and green hydrogen).
- o Further, initiatives such as, Advance Clean Energy Research, Advance Clean Energy Deployment and Promoting Energy Access through Clean Energy needs to be relaunched.

Seventh, Partnership in Digital economy.

- o India needs to take measures to strengthen its IPR regime. It will also enable India to come out of the U.S. Trade Representative IPR priority watchlist.
- o Strengthening IPR will allow India to gain from the US knowledge industry in the fields of robotics, space, AI and electric vehicles etc.

8. Neglect of Public Health in India

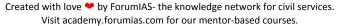
Source: The Hindu

Gs2: Issues Relating to Development and Management of Social Sector/Services relating to Health.

Synopsis: India needs to prioritize public health along with Healthcare. It will be helpful to tackle both communicable and non-communicable diseases effectively.

What is the difference between public health vs Health care?

 Health care deals with individual patients, whereas Public health deals with the community at large.





- The goal of public health is disease prevention and control. Whereas healthcare is focused on treatment and disease cure (Therapy).
- Public health employs a deliberate, intervention-based mechanism to reduce the disease burden in a population.
- Though India ranks among the world's best in health-care capability, India's success in providing public health is very poor.

What are the issues in India's Public health management?

- First, ineffective public health surveillance leading to a lack of reliable data collection on all diseases
 - o Reliable data is required for real-time monitoring of disease burden and to know the trend of declining infection prevalence in a population. This is one of the important tasks of public health which is done through diagnosis.
 - o For example, diagnosis of polio in the under-five population through acute flaccid paralysis (AFP) and laboratory tests were crucial for the elimination of polio in India.
 - o Through diagnosis, we could know about the disease burden of polio. When it reaches zero, we will consider that polio has been eradicated.
 - o Yet, India's public health management does not have an effective plan for collecting data on all diseases and deaths through diagnosis.
 - o Using alternatives such as the COVID-19 epidemic curve or serosurveys on random samples does not provide the real no. of disease burden.
 - o Further, Post-vaccination surveillance is not conducted. It is considered vital for assessing vaccine efficacy and safety. This points towards the lack of an effective public health surveillance system.

Second, lack of authentic public health education

- o Timely public health education (Social Vaccine) is needed to nudge the population's behavior towards tackling any diseases. For example,
- o For preventing the spread of COVID-19, both non-pharmacological preventive interventions such as face masks, hand hygiene, physical distancing, and pharmacological prevention by vaccination were strategized.
- o However, the lack of Social vaccines from Public health management authorities delayed the control of COVID-19. Also, it has given rise to the issue of 'Vaccine Hesitancy'.
- o It has to be noted that, during the HIV/AIDS epidemic, India's AIDS Task Force designed and successfully applied a 'social vaccine' to control the disease spread.

Third, Public health in India does not address both social and environmental determinants to control the disease. For example,

- o COVID-19 has strong social determinants of infection transmission. Such as overcrowding, urban-rural divide in health awareness and education.
- O Similarly, disease such as Typhoid, cholera, leptospirosis has environmental determinants.
- o Contrary to India, in countries where public health is given equal status, addresses both social and environmental determinants.

Many infectious diseases in India can be controlled if we adequately invest in Public health. Investment in public health will result in health, wealth, and prosperity.

9. Relevance of India-Philippines Brahmos Deal

Source: Click Here

Syllabus: GS 2 - Bilateral, regional and global groupings and agreements involving India

Synopsis: India's Brahmos deal with the Philippines is very important. India's aspiration to become Atma Nirbhar in defense exports and emerge as a key regional security provider in Indo-Pacific will depend on it.

Background

- In March 2021, India and the Philippines signed the "Implementing Arrangement" for procurement of defense material and equipment procurement.
- The agreement lays the groundwork for sales of defence systems including the highly advanced Brahmos missile. The sale will be through a government-togovernment route.

About Brahmos Missile:

- It is a cruise missile manufactured by BrahMos Aerospace limited. It is a joint venture of India's DRDO and Russia's NPO Mashinostroyenia.
- The research for the missile began in the 1990s. It became the first supersonic cruise missile to enter service.
- It has a speed of 2.8 mach (almost 3 times the speed of sound) and a range of 290 km. A new version has a range of 400 km.
 - o The high speed makes its interception very difficult and allows it to easily target fighter jets like the Chinese J-20 fighter aircraft.

The naval and land variants of the BrahMos were inducted into service by the Indian Navy in 2005 and the Indian Army in 2007. Later, the air variant was tested in 2017 thereby giving the missile a dominating presence in all three domains. India is now trying to build a superior version having hypersonic speeds (at or above Mach 5) and a maximum range of 1,500 km.

Relevance of Deal for India

- It would boost the export potential of India.
- It would help in attaining the target of \$5 billion in defense exports by 2025. More orders are expected to come from countries like Vietnam, Indonesia, the United Arab Emirates, Argentina, etc.
- Furthermore, It would elevate India's stature as a responsible regional superpower.
- This would also boost India's economic, soft, and hard power profile in the Indo-Pacific region.

Relevance of Deal for Philippines

- It would be helpful in protecting geopolitical and strategic interests, especially in the South China Sea. The sea has been a zone of frequent conflict between China and the Philippines.
- The deal would make the Philippines the first country to buy BrahMos. Thereby it will strengthen bilateral relations in the defence sphere.

Geopolitical relevance:

- It would act as a deterrent to China's aggressive stance in the Indo-Pacific region.
- Further, other vulnerable countries of the region would come forward and induct Brahmos into their defense arsenal. This would protect their sovereignty and territory in the region.

Challenges in exporting Brahmos:

• It may attract sanctions from the US under the Countering America's Adversaries Through Sanctions Act (CAATSA).

- o The act aims to sanction individuals and entities who engage in a "significant transaction" with a listed entity under CAATSA.
- o Russia's NPO Mashinostroyenia is one of the listed Russian entities. That is why a threat of sanctions looms over the Philippines and other countries. Further, the US has maintained ambiguity over the Brahmos deal.
- o Turkey and China have been penalized under CAATSA for purchasing the S-400 Triumf air defense systems from Russia.

The cost of the Brahmos package comes around 2000 crores. This huge cost has discouraged purchase orders from many willing countries especially post the pandemic era.

o India has offered a \$100 million line of credit to the Philippines that has enabled it to purchase Brahmos with minimum components.

Way Ahead:

- India should engage in proactive talks with the US in order to obtain a waiver for the Brahmos deal. This seems possible as the deal would help contain China in the Indo-Pacific.
- India should offer a rational line of credit to potential buyers to give them flexibility in buying the missile.

10.Use of Non Violence in Myanmar Protests

Source: Click Here

Syllabus: GS 2 – India and its neighbourhood- relations

Synopsis: The February 2021 coup in Myanmar removed the democratically elected government. Since then people have adopted the non-violent approach of Gandhi for pressuring the military junta.

Background:

- The democratically elected leaders in Myanmar were removed by the military on 1st February 2021 on allegations of election fraud.
- Subsequently, the military came to power and main leaders including Aung San Suu
 Kyi got house arrest. This induced the masses to start non-violent protests in
 Myanmar.

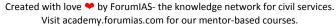
About Non Violence and its usage:

- It means positive action and not a state of passiveness. It involves working towards one's goal using non-violent means.
- Mahatma Gandhi used a spinning wheel as a symbol for his idea of non-violence. The spinning wheel presented two messages:
 - o An instrument to protest against India's growing industrialism.
 - o A symbol to show resistance to the British-made clothes that had replaced Indian handmade clothes.

Martin Luther King turned to the symbol of the "American Dream" to portray his version of non-violence. The objective was to obtain social justice and equity for every member of American society.

Myanmar and tool of Non Violence:

- 1. The method was used in 1990 by Suu Kyi against the atrocities of the military government. Her efforts earned her a Nobel Peace Prize in 1991.
- 2. The Buddhist Spirituality gave her moral strength that automatically took her towards Gandhian Non Violence. Later on the masses were also attracted towards the noble method.



- 3. The masses understood the Buddhist teachings under which each individual has the potential to change his circumstances. This was different from Despotic belief under which an individual is considered as faceless and helpless who can be manipulated at will.
- 4. The same enthusiasm is now being witnessed in the current protests wherein masses are adopting new symbols of non-violence. This includes the 3 finger salute adopted by activists in Thailand against the totalitarian regime.

Significance of Non-Violent Protests:

- 1. It is a laudable method to display the collective strength of the masses i.e. the power of the powerless.
- 2. It displays a belief in the method of non-violence that might not deliver immediate results but is definitely the ethical path.
- 3. Likewise, it is a peaceful way of questioning the legitimacy of military government and demanding democracy.
- 4. It further places a question on the democratic nature of countries that are criticizing the struggle for democracy in Myanmar.

Way Ahead:

- Greater number of people in Myanmar should engage in politics with ethical conduct. This would be in line with the Gandhian philosophy of associating politics with ethics that helps in delivering optimum outcomes.
- The future of Myanmar is not up to the military, it is up to those who follow the example of Gandhi in the streets of Yangon and Mandalay.

11. Ways to Strengthen India's Democracy

Source: The Hindu

Gs2: Powers, Functions, and Responsibilities of various Constitutional Bodies

Synopsis: Increasing attacks on the press and the erosion of judicial autonomy are threatening India's global image as a democracy. The government needs to take steps to strengthen India's democratic values,

Background

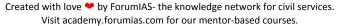
- It has been said that Democracy is on retreat worldwide. Many democracies in the 21st century continue to disregard the principles of democracies.
- Principles such as the freedom of press, independence of the other public institutions of the state are often violated.
 - For instance, many world leaders such as Vladimir Putin (Russia), Recep Tayyip Erdoğan (Turkey), Trump (USA) had initiated a sustained, attack on these very institutions to sustain power.

Recently, the western academic institutions, the Freedom House (US) and the Varieties of Democracy project (Sweden) downgraded India's democratic ratings.

However, India's External Affairs Minister S. Jaishankar dismissed these ratings as irrelevant.

Evolution of Democracy:

- The first-ever institutional check on sovereign power was provided through the Glorious Revolution in England. It led to the establishment of Parliament and England shifted from absolute monarchy to Constitutional monarchy.
- Later, the French Revolution and the American revolution assured inalienable rights to its citizens.



- However, in the era of colonialism, exclusion of women, as well as racial and religious minorities continued till the 1950s.
- After the 1950s, democracy got strengthened due to the following measures.
 - o Institutionalization of universal suffrage elections
 - o Constitutional check on the powers of the government
 - o Independent judiciary empowered with judicial review
 - o Empowered press to scrutinize government actions

Finally, after the end of the Cold War, due to the collapse of the Soviet Union, many authoritarian countries were forced to conduct elections. This led to the establishment of liberal democracy rule in most of the world's countries.

Why India's democratic ratings were downgraded?

- Both Freedom House and V-Dem multi-dimensional framework give considerable weightage to the freedom of the press and the independence of the judiciary.
- Concerns about the undermining of these institutional checks-and-balances led both institutions to reduce India's score on their index.
- Weakening democracy in India can negatively impact India's ambitions to become a full-fledged member of the Quad or the D-10. It will also undermine India's claim to become a Permanent Member of the UN security council.

What needs to be done?

- First, Government should hear criticism rather than rejecting it outrightly. Suggestions on eroding democratic values need a thoughtful, and respectful response.
- Second, the press and the judiciary which are considered as the pillars of democracy, require to be independent of any executive interference.
- Third, strong democracy requires strong opposition. Without an alternative choice, the very objective of election to provide a check on arbitrary power gets defeated.

Democratic Values and Principles are core to India's identity. We need to safeguard our democracy by strengthening its pillars- the Legislature, Executive, Judiciary, and the Media.

12. Issue of High Vacancies in Higher Educational Institutions

Source- The Hindu

Syllabus- GS 2 – Issues relating to the development and management of Social Sector/Services relating to Education.

Synopsis – According to the Education Ministry's committee, there is a high rate of Vacancies for faculty positions in Central institutions for higher education. State-sponsored preparatory programmes are essential to fill vacancies. Introduction-

- The government provides reservation for faculty positions to the weaker sections under the Central Educational Institutions (Reservation in Teachers' Cadre) Act, 2019.
- But, According to the data shared by the Education Ministry, more than half of the faculty vacancies reserved for SCs, STs, and OBCs in Central institutions of higher education are vacant.
- The situation is particularly worse in the elite Indian Institutes of Management (IIMs). Here more than 60% of SC and OBC reserved positions are unfilled, while nearly 80% of ST reserved positions remain unfilled.
- If we include Central Universities, IISERs, IIT (non-faculty), IGNOU, and Sanskrit Central Universities then the vacancies are about 38% to 52%.

This data highlights a serious mismatch between the government's reservation goals and actual recruitment outcomes.

What are the recommendations made by an official committee?

- Exemption from a reservation in faculty hiring The official committee suggested exempting IITs, IIMs from the reservation for SC, ST, OBC and Economically Weaker Sections.
- Vacancies to be de-reserve if no suitable candidates are found within a year- If vacancies for appropriate candidates from SC/ST/OBC/EWS applicants are not filled during a year, the vacancies may be de-reserved for the next year.

However, these recommendations are viewed as undermining the government's goal of social equity through the reservation. The government needs to understand the education system's shortcoming.

State-sponsored Preparatory programmes to fulfil various issues:

According to the Education Ministry's committee, the failure for filling the reserved positions is due to a lack of qualified applicants. The issue can be resolved by-

- State-sponsored Preparatory programmes (prepare faculties for their interviews) to meet the IITs and IIMs standards. These preparatory programmes have the following advantages,
 - o The programme will increase the pool of aspiring candidates from the reserved sections.
 - o Further, this will also create research faculties among the reserved sections.
 - o These preparatory programmes could help to overcome the quality deficiencies in faculty preparation.
 - o Make higher education institutions(HEIs) more socially responsive, thus achieving the objective of ending historical caste-based discrimination.

Way forward

Apart from state-sponsored preparatory programmes, the government must increase
the funding for education at all levels. This will support the vulnerable sections on
their way towards equality.

13. Expectations from U.S-China Alaska meet

Source: The Hindu

Syllabus: GS 2 – Effect of policies and politics of developed and developing countries on India's interests

Synopsis: The world leaders are looking at U.S-China Alaska meet as a starting point to restore normalcy between the two countries. Their relationship reached its lowest level since the Nixon era. It is primarily due to rising assertiveness and mistrust between the countries.

Background:

- Recently, the US held meetings with South Korea and Japan, followed by the QUAD summit. The outcomes included a commitment for an American pushback to China and the maintenance of a free Indo-Pacific.
- The country is now focusing on improving its relationship with China by conducting a meeting of foreign ministers in Alaska, U.S.
- The relationship between the two had declined during the Trump era. This decline was the result of trade tariffs, tech espionage, Chinese maritime actions, U.S. sanctions on China, and other issues.

Expectations from Meeting:

- The US will discuss critical issues like:
 - o China's crackdown in Xinjiang and Hong Kong
 - o Chinese aggression against U.S. allies and partners including
 - o Pressure on Australia over trade bans
 - o Aggression against Japan in the Senkaku islands
 - o Chinese intrusion in India along LAC

China would be focusing on reversing trump era policies which include:

- o Removal of US trade sanctions and visa bans
- o Removal of restrictions on American firms manufacturing in China
- o Reopening of its consulate in Houston, U.S.

A future meeting of country heads can also be scheduled.

Significance of meeting:

- The expectation of any major breakthrough from the meeting is very low. However, the occurrence of the meeting itself showcases a will to resolve differences in the future.
- The cooperation could end the Cold War between the two which can help tackle global issues like Climate Change and COVID-19 pandemic.
- The U.S.-China tariff war could cost the world \$600 billion as per World Economic Forum's estimate. The collaboration can ensure a swift global economic recovery.

The meeting could help in resolving the Afghanistan puzzle by encouraging proactive communication among the Troika (U.S, China, Russia) in future.

14. Flaws in design of lateral entry policy

Source: Click Here

Syllabus: GS 2 – Role of civil services in a democracy

Synopsis: The government has approved the policy of Lateral entry in civil services. However, it has some flaws over entry requirements, job assignments, number of personnel, and training. This calls for reforming the policy for lateral entrants.

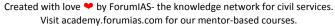
Background:

- The government has often complained about the problems associated with the permanent structure of bureaucracy. Recently the PM talked about the overreach of the elite IAS cadre.
- Realising this, the government has been encouraging lateral entry at middle and senior positions.
 - Eight professionals were recruited for joint secretary-level positions in various ministries.
 - o UPSC has also advertised some other positions at the joint secretary and director-level.

However, the lateral entry policy lacks on multiple fronts that might reduce the efficacy of a lateral entrant.

Issues with Lateral Entry:

- Age Ceiling: The age of the lateral entrant is capped as per the seniority rule. For instance, an IAS officer becomes a joint secretary at 45 years of age, so a lateral entrant below 45 years is not allowed.
 - o This discourages the attraction of the best talent. At this age, a person can reach top positions in the private sector (CEO, CFO, etc.) and would be unwilling to join the government sector.





Portfolio Assignment: There is no provision to restrict lateral entrants to important portfolios. Providing an unimportant portfolio discourages the work potential and urges him/her to resign.

o It is alleged that one lateral entrant amongst the eight appointed joint secretaries had resigned due to this. Control over decision-making: The small number of lateral entrants can't disregard the decision of permanent bureaucracy who easily outnumber them. This hinders their work.

Training: The current policy doesn't provide sufficient training to lateral entrants for understanding and working with the "permanent" establishment. By the time networks are built, it is time to move on.

Way Forward:

- The government should appoint more lateral entrants at all levels in ministries to enhance their decision-making.
- Further sufficient tenure and training must be given to better assimilate with the permanent bureaucracy.
 - o A recent lateral entrant like Parameswaran Iyer succeeded because he was a former IAS officer who understood the system well. The age ceiling for joint secretary-level can be relaxed to 35 years. Similar relaxation should be done at other levels for attracting the best talents.
 - o This was seen in the case of Montek Singh Ahluwalia, Bimal Jalan, and Vijay Kelkar. They were joint secretaries in their mid-30s and secretaries by their late 40s or by 50.

The government can also reform the permanent system in order to reduce unwelcoming behavior of senior bureaucrats towards lateral entrants.

o The first step could be a reconsideration of the seniority principle that allows promotion solely on seniority

15. Flaws in New AICTE rules

Source: Indian Express

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

Synopsis: The new AICTE rules allow non-Physics and Non-Maths students to pursue engineering. It will impact students' prospects in education.

Background

- Recently, All India council for technical education (AICTE) brought changes to the entry-level qualification for undergraduate engineering programmes.
- According to the new changes, students who haven't studied either physics or mathematics (or both) in Classes 11 and 12, will be eligible for admission in undergraduate engineering programs.
- Earlier, an engineering aspirant was required to pass high school with physics and mathematics as compulsory subjects.
- Under the new norms, a candidate is expected to have scored at least 45% in any three subjects out of a list of 14 subjects. It gives choice for students to pursue engineering without opting Physics, mathematics from the listed 14 subjects.

AICTE's rationale behind the move

• AICTE stated that the new changes are in line with the new National Education Policy's multidisciplinary approach.

- Further, they have decided to supplement the student's lack of knowledge in Physics and maths through a bridge course.
- This new decision by AICTE attracted criticism from Niti Aayog member and Scientific Advisor Scientist V K Saraswat.

What are the issues with the new AICTE rules?

- First, according to V K Saraswat, developing strong basics in mathematics and physics is easier during the school period. Most of the Engineering subjects require depth knowledge in physics and maths. It will be difficult for non -background students to develop these logics in a short period.
- Second, offering bridge courses to cope with Maths and physics concepts will reduce the student's ability to excel in graduation. For example, a non-background student needs at least 2 semesters to study physics and maths through a bridge course. It will be difficult for him to cope up with both graduation subject and bridge courses simultaneously.
- Third, worldwide there has been a renewed focus on STEM subjects. Nowadays, every subject even MMBS doctors are using mathematics. In this scenario, neglecting sciences and maths at the school level will limit students' opportunities.

Colleges need to complete bridge courses before starting formal classes so that students will be pre-equipped with knowledge of Science and maths.

16. Public trust is key to successful vaccination programmes Source- The Hindu

Syllabus- GS 2 – Issues relating to development and management of Social Sector/Services relating to Health

Synopsis- Transparency and timely data sharing are needed to build public trust in the COVID-19 vaccination programme.

Introduction-

- Major European countries, including Germany, France, Italy, and Spain, halted the use of AstraZeneca's COVID-19 vaccine. This is followed by the warnings of harmful blood clots in some recipients.
- However, the World Health Organization (WHO) and the European Medicines Agency have ruled out any correlation between AstraZeneca's vaccine and blood clots.

Data on Blood Clot:

According to a study based on the U.S. population, about 1,000 to 2,000 blood clots occurs every single day in the human body.

In the recent AstraZeneca's COVID-19 vaccine case, there are only 40 blood clot cases reported due to that.

But the people are reluctant to get vaccinated due to these type of events. Further, this type of events would have a negative effect on the vaccination push.

What are the reasons behind impediments to vaccination programmes?

- 1. No proper vaccine efficacy data available There are uncertainty and suspicion about the side effects of the Covid-19 vaccine.
 - The risks associated with COVID-19 vaccines has not been fully investigated as these vaccines were issued under Emergency Use Authorizations.
 - o The National Committee on Adverse Events Following Immunization has no proper details about the serious adverse events following immunization.

Transparency and prompt data sharing: The lack of transparency and data sharing in vaccination programmes. This could lead to a lack of trust in the vaccine.

Suggestions to improve vaccination programmes

- Transparency, timely data sharing about the vaccine and open public health communication will win public trust and faith in vaccines.
- Like the U.S. Centers for Disease Control and Prevention, India also has to create data on adverse vaccine effects.
- Vaccine hesitancy is the main obstruction in the smooth vaccination drive, and it has to be resolved.

17. GNCT of Delhi Amendment Bill 2021 and Supreme Court's Verdict

Source: click here **Syllabus:** GS 2

Synopsis: GNCT of Delhi Amendment Bill 2021 appears to go against the idea of

representative government.

Introduction

The Centre's Bill is trying to amend the law which relates to the governance of the National Capital Territory of Delhi. The bill claims that its aim is to implement the Supreme Court judgments on Delhi's governance structure. However, the proposed changes are the very opposite of what the Court has said.

What was the Supreme Court's 2018 verdict on the matter?

- The Constitution Bench verdict in 2018 stated that the LG (Lieutenant Governor) has not been trusted with any independent decision-making power.
- The LG either has to act on the aid and advice of council ministers or implement the decision of the President on the matters referred to him.
- The 'aid and advice' clause applies to the matters, on which the Delhi Assembly has powers under the State and Concurrent Lists. This comes with an exception of public order, police, and land.
- Wherever there are differences between the L-G and the elected government, the L-G should refer the question to the President.
- Further different judgments have clarified that the power to refer "any matter" to the President does not mean "every matter".
- This bill completely undermines the Court's efforts. The judgment strengthened the elected government in relation to Lieutenant Governor.

Read more - NCT Amendment Bill

What are the issues with the NCT amendment bill?

The Court wanted to clarify that the power to refer any matter to the President did not mean that every matter should be referred.

- 1. Firstly, the Bill states all references to the government in the bills and orders would mean the LG. It is irrational to declare LG as the government, in the UT with an elected House.
 - As per the guiding principle, an elected government should not be undermined by the unelected administrator.

Secondly, the provision to Article 239AA empowers L-G to refer the matter to the President, in case of difference of opinion. However, this does not mean that the administrator should come up with a different opinion on every government decision.

O However, the bill provides the L-G with an opportunity to refer every matter to the President

Third, instead of Parliament identifying the matters on which the L-G's opinion should be required, the Bill proposes that the L-G himself would specify such matters.

This bill amounts to a rollback of representative government. The Union Territory concept is one of the many ways in which India regulates relations between the Centre and its units. It should not be used to undermine the basis of electoral democracy.

18. Significance of QUAD leaders' summit for India

Source: The Hindu

Gs2: Bilateral, Regional, and Global Groupings and Agreements involving India and/or affecting India's interests.

Synopsis: India's alignment with QUAD should be in line with India's principle of Strategic autonomy. In this article, we will analyse the Significance of QUAD leaders' summit for India.

Background

- Recently, the US and China met at a high-level summit in Alaska.
- This high-level summit was preceded by the first Leaders' Summit of the QUAD that was held on March 12.
- During the QUAD leaders' summit, a number of issues over china were raised by the QUAD members. Such as
 - o China's coercion of Australia.
 - o China's harassment around the Senkaku Islands.
 - o Furthermore, China's aggression on the border with India.

The above concerns were directly passed on to the Chinese diplomats by the U.S. during the Alaska summit. Further, during the QUAD leaders' summit, all countries agreed to establish 3C's" working groups (on COVID-19 vaccines, Climate Change and Critical Technology). The outcomes of the QUAD leaders' summit i.e., the establishment of 3C's" working groups and offensive stand on China, are well in the interest of Japan and Australia. However, the outcomes are not supportive of India's interest.

Why the outcomes of the QUAD leaders' summit are not in India's interest?

- 1. First, the QUAD leaders failed to support India's plea in WTO during the QUAD leaders' summit.
 - o India along with South Africa has made a proposal in WTO to waive certain provisions of the TRIPS agreement.
 - o A waiver will help India to increase its capacity and funding for vaccine production and manage covid crisis effectively.
 - o Further, it will aid global efforts to fight the Covid19 crisis. Because India is the world's largest manufacturer of vaccines.it has already exported 58 million doses to nearly 71 countries worldwide.
 - o However, QUAD member countries didn't show any interest in dropping their opposition to India's WTO proposal.

Second, the commitments made by the U. S to assist India in climate change are not yet implemented. For example,

- o In 2016, the US agreed to fund \$1.4 billion to finance solar technology. Yet, the funds have not reached India.
- o Similarly, the US has not joined the International Solar Alliance, founded by India and France, which they committed to join in 2016.
- o Against this backdrop, the establishment of a working group on climate change will be of the least interest to India.

Third, the working group set up to cooperate on critical technologies will benefit India in 2 cases. If it helps in reducing the dependence on Chinese telecom equipment and in finding new sources of rare-earth minerals.

o But any move by QUAD partners for international rule-making on the digital economy, or data localization will not be accepted by India.

Fourth, QUAD's tough stand on China will have a major impact on India. For example, a year-long stand-off at the Line of Actual Control (LAC). This is because;

- India is the only Quad member not a part of the military alliance.
- o India is the only Quad country with a land boundary with China.
- o China has made deep inroads along the LAC.

Also, the violence at the LAC has also left three long-term impacts on Indian strategic planning.

- Need to increase more resources, troops, infrastructure to the LAC to secure the LAC.
- The possibility of a two-front situation becoming a major territorial threat.
- Need to prioritize territorial security as against the QUAD's perception of strengthening Maritime security.

Way forward

- The posture of viewing QUAD as anti-china has been changed. This is a welcome development from India's side.
- Despite last week's Quad Summit, India's choices for its Quad strategy will be in line with India's principle of Strategic Autonomy. India will maintain cordial relations along with its territorial neighbours and close friendships with other democracies, the U.S., Japan and Australia.

19. Inefficiencies in the Aadhaar project

Source: The Hindu

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

Synopsis: There are many issues regarding the use of Aadhaar for the identification of beneficiaries. So, the central and state governments should allow for an alternative identification mechanism.

Background

- The use of Aadhaar for the identification of beneficiaries for several welfare schemes such as the PDS, the NREGA and LPG subsidy was made mandatory.
- This was challenged in 2018 as it was violating the individual's privacy. But the court upheld the Aadhaar Programme by stating that a reasonable restriction on individual privacy is not unconstitutional. Specifically, if it fulfils welfare requirements and dignity.
- Recently, a review petition regarding the validity of Aadhar for public purposes was again filed in the supreme court. But, a 4-1 majority Bench rejected the review petition in January 2021.
- More recently, a petition was filed in the SC stating that 3 crore ration cards were cancelled for not being linked with the Aadhaar database. And these exclusions were connected to starvation deaths in some States.
- According to recent data, nearly 90% of India's population has been assigned the Aadhaar number

What are the issues in Aadhar based identification system?

1. Individuals to avail benefits under the PDS, the NREGA and LPG subsidy etc., need the aadhaar number. But many inefficiencies in the system have impacted the beneficiaries to access welfare schemes. For example,

- o Inefficiencies in biometric authentication and updating,
- o Inefficiencies in linking Aadhaar with bank accounts and the use of the Aadhaar payment bridge

According to some reports, failures in authentication has led to delays in the disbursal of benefits.

Also, in many cases, the cancellation of legitimate beneficiary names led to the denial of welfare services. For example,

According to reports, from 2017, there have been starvation deaths in Jharkhand because of the denial of benefits and subsidies.

Other challenges in using Aadhar based identification system

- 1. One, success rates of authentication and the generation of "false negatives" has always been an issue. For example, labourers and tribal people engaged in manual and hard labour, are susceptible to fingerprint changes over time.
- 2. Two, there are instances of people losing cards leading to a denial of benefits.
- 3. Three, exemption mechanisms that would help beneficiaries avail subsidies and benefits despite system failures are poorly implemented

Way forward

The elimination of ghost beneficiaries can also be addressed by the use of other verification cards and by decentralised disbursal of services at the panchayat level. So, the central and state governments should allow for an alternative identification mechanism.



General Studies Paper - 3

General Studies - 3

1. Aims and Objectives of "Quad Summit"

Source: Click here Syllabus: GS-3

Synopsis: The Quad Summit held recently. This summit was important for all member

countries due to various reasons.

Introduction

The virtual summit brought leaders of the Quadrilateral Security Dialogue together. The outcomes announced by Quad leaders include a vaccine initiative and joint working groups to cooperate on critical technology and climate change.

- 1. The vaccine initiative has a deadline. One billion vaccines will reach as many Indo-Pacific countries as possible by the end of 2022.
- 2. The vaccines will be made in India with U.S. technology, Japanese funding, and Australian distribution networks.
- 3. The four Quad countries will make sure emissions reduction based on the Paris accord.
- 4. They will cooperate on technology supply chains, 5G networks, and biotechnology.

Why are the QUAD members eager for further engagements?

The summit was hosted by Mr. Biden. The four leaders are committed to an open Indo-Pacific which is free from bullying. The leaders are expected to meet at the G-7 summit later this year.

- 1. Firstly, Biden is eager for the Quad engagement. It is a part of his promise that America will be back to the global leadership, endorsing regional pacts, and taking on the growing challenge from China.
- 2. Secondly, Australia and Japan are keen on taking the Quad partnership to deeper levels of cooperation. It is because of maritime tensions with China and tradetelecommunication issues.
- 3. Thirdly, India will get more strategic support after the new terms of the Quad. It will also boost its pharmaceutical skills, opportunities for technology partnerships.
 - o Regional cooperation on development projects and financing infrastructure will also get a boost. In this domain, China leads usually.

Will Quad be a challenge for china?

However, this does not mean that the whole point of the Quad summit is to challenge china.

- Firstly, the new U.S. government is still exploring its own relationship with China. They will have an engagement with Beijing's top diplomats is in Alaska.
- Secondly, China is the biggest trading partner for Japan and Australia. This relationship will only grow once the 15-nation RCEP gets into action.
- Thirdly, India has its own ties with China. It is having disengagement talks with china over LAC. India also has other multilateral commitments at the BRICS and SCO groupings. Hence, India kept the conversation at the summit focused on making the Quad a "force for global good" instead of pushing plans for a militaristic union
 - o The Quad's new "summit avatar" has given India yet another string to its bow, broadening India's interests on its geopolitical horizons even further.

2. KALIA scheme of Odisha and its lesson for India

Source: The Indian Express

Syllabus- GS3: Issues related to direct and indirect farm subsidies and minimum support

prices

Synopsis: The Odisha government's KALIA scheme aims to provide Direct Income Support(DIS) to farmers. The design and implementation of the scheme offer some important lessons to the DIS schemes everywhere.

Introduction:

In India, the Agricultural reforms generally aim to find new solutions to the structural challenges facing farmers. The shift to direct income support (DIS) from the traditional non-targeted agriculture subsidies is the most important one among them.

Few important schemes in this regard are,

- Odisha's KALIA scheme Under the KALIA scheme, Each farmer's family gets Rs.
 5,000 separately in the Kharif and rabi seasons. It is irrespective of the amount of land.
- Telangana's Rythu Bandhu In this scheme, the government provides Rs.4000 per acre per farmer per season to cover the input costs
- The Centre's PM-KISAN scheme Under this scheme, an amount of Rs.6000/- per year is transferred in three instalments of Rs.2000/- directly to the bank accounts of the landholding farmers' families.

But the Odisha government's KALIA scheme offers some important lessons for DIS schemes everywhere.

Some unique steps under KALIA Scheme:

Odisha used a three-step framework for KALIA Scheme. This is called the "Unification-Verification-Exclusion" framework. This framework is used to identify the beneficiaries of the scheme. The important point of the framework are,

- 1. Unification: This is the first step. It involves creating a unified database with "green forms". These green forms are essential for farmers who wanted to avail benefits under the KALIA Scheme. This has led to the creation of 1.2 crore applicants.
- 2. Verification: In this step, the unified data get verified. The databases like the Socio-Economic Caste Census, National Food Security Act and other databases are used in the verification process. Similarly, Aadhaar and bank account also got verified to avoid duplication.
- 3. Exclusion: In this step, the focus is on the exclusion of ineligible applicants. This includes applicants like government employees, taxpayers, large farmers, and those who voluntarily opted out.

Advantages of the KALIA Scheme's three-step framework:

- 1. Towards inclusive agricultural policy-making: The use of technology and non-farm databases under the KALIA scheme helped to include sharecroppers, tenant and landless farmers as beneficiaries. This facilitates inclusiveness in agricultural policy.
- 2. World Bank evaluation of the KALIA Scheme suggests that the beneficiaries are less likely to take out crop loans. Further, Those who take crop loans also take only a smaller amount of loans compared to non-beneficiaries.

Lessons from the KALIA scheme:

1. Better leverage of data: Any government targeted scheme can use the reliable data collected under the KALIA scheme for service delivery. So the other DIS schemes should aim towards forming such reliable data.

- 2. Proof of Data Security: Odisha government obtained the consent for use of citizen data under the KALIA scheme. The data was also kept under a secure firewall. Further, access to data was only available to relevant officials on a need-to-know basis. Other GovTech platforms must use these "privacy by design" principles in data handling.
- 3. Effective grievance redressal: The KALIA scheme established an online grievance redressal mechanism (GRM). This online platform is accessible to farmers "offline" at the Common Service Centres closest to them. Using this, nearly 10 lakh grievances were received and resolved. The GovTech platforms should establish such an effective redressal mechanism.

The KALIA scheme has more lessons for the governments on the way of constructing a social welfare system for farmers.

3. Increasing cyber threat and need for Cyber strategy

Sources: The Hindu

Gs3: Internal Security Challenges, Basics of Cyber Security

Synopsis: As per the reports, China is increasing cyber-attacks. India needs to prepare a cyber strategy to tackle cyber warfare effectively.

Background

- Recently, the Recorded Future (a U.S.-based cybersecurity firm) revealed an increase in suspected targeted intrusions against India from Chinese state-sponsored groups.
- Also, according to State authorities in Maharashtra, the October 2020 blackout in Mumbai was directly linked to Chinese cyber-attack.
- Indian cyber agencies such as the National Critical Information Infrastructure Protection Centre (NCIIPC) and the Indian Computer Emergency Response Team (CERT-In) may have information on China's aggressive cyber campaign.
- Thus, India needs to adopt comprehensive measures to guard its critical infrastructure from the cyber threat posed by China.

What are the revelations made by the Recorded Future?

- One, at least 10 Indian power sector organisations have been targeted, in addition to two Indian ports.
- Two, they have also identified the network infrastructure viz., AXIOMATICASYMPTOTE used for this purpose. Servers of AXIOMATICASYMPTOTE are known to be used by Re Echo. It is a China-linked activity group, that targets India's power sector, and facilitates the employment of a malware known as Shadowpad.
 - o ShadowPad is a network intrusion malware that creates a secret path from a targeted system to a command-and-control server to extract information.
 - o ShadowPad is affiliated with both the Chinese Ministry of State Security and the People's Liberation Army

What are the recent infamous cyber espionages at the global level? China:

- Chinese hackers are suspected for the development of a global 'spearphishing campaign'. It targeted organizations responsible for vaccine storage and transportation. Its objectives are to;
 - o target vaccine research
 - o gain future access to corporate networks
 - o collect sensitive information relating to COVID-19 vaccine distribution.

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Also, recently in 2021, several thousands of U.S. organizations were hacked in by Chinese espionage campaign. The Chinese group, Hafnium, was identified as responsible for this breach. They exploited a series of flaws in the Microsoft software, that enabled them to gain total remote control over affected systems.

Russia:

- Russia has been accused of cyber interference in the U.S. presidential elections in 2016.
- Also, Russia is currently the prime suspect in one of the greatest data breaches concerning the U.S. Federal government.
- Headlined SolarWinds, cyber-attack in 2020 is a prime example of the damage that can be caused by a cyber-attack.

How other countries are preparing to deter cyber warfare?

- First, the US, to improve its readiness and resilience in cyberspace, made a budgetary allocation of over \$10 billion for cybersecurity in his COVID-19 Relief Bill.
- Second, China's 2021 Defence Budget (\$209 billion) gives special weightage to the Strategic Support Force (SSF), which embraces cyber warfare.

The Ukraine example (cyber-attack on the Power grid in 2016) should be a wake-up call for India and the world. It reminds us of the availability of advanced malware to carry out sophisticated cyber-attacks. Hence, preparing a comprehensive cyber strategy, that fully acknowledges the extent of the cyber threat from China and other countries, should be recognised as an immediate necessity.

4. Why India Needs a Future force?

Source: The Hindu

Syllabus: GS-3: Various Security forces and agencies and their mandate

Synopsis: Like the US, India also needs to build a future force for future wars.

Introduction

War, at its core, is organized violence, waged for political purposes. The real purpose is domination. But the definition of wars changed rapidly. To tackle it, countries need to build a future force. India also needs to build such a future force.

Definition of War in older and modern times

Earlier wars were easy to define. One could know whether a country is at war or at peace. Further, people and security forces knew with whom they are fighting and at which front. However, war today is practically impossible to define, due to its unpredictability and contactless nature. Military theorist Carl von Clausewitz stated that war is practically limitless in variety(Military, cyber, etc).

So, making the armed forces of a state future-ready is important.

What is future force?

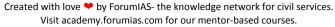
It is a branch force equipped with new manned and unmanned vehicles. This force is linked by a fast and flexible battlefield network for yielding better results in warfare.

Future Forces will radically use technologies such as nanotechnology powered armours etc.

Future force at US

In 2014, the US announced a Third Offset Strategy. This strategy consists of a certain important vision towards the future force. This includes steps such as,

1. Developing cutting-edge technology in defence such as robotics, big data analytics etc. These technologies are aimed towards providing autonomous learning systems,



collaborative decision-making between humans and machines, network-enabled autonomous weapons etc.

- 2. Exploration of new concepts for utilizing such technology.
- 3. Retaining the best human resources to achieve peace globally.

Why India need a Future force?

India at present recognize the war of older times and neglect the modern war. There are many anonymous threats bypassing Indian frontiers without challenging national sovereignty. For that India needs to build a future force.

Suggestions to build Future force in India:

India also has to build a future force. To achieve that India needs to take important steps. Such as,

1. Master force-on-force concept: In India, the Chief of the Defence Staff is preparing the future force. He admits that 'force on force' concepts are difficult, but it is prerequisite for the future force.

What is the force-on-force concept?

Force-on-force refers to the scenario-based training in which the participants work against live role-playing opponents. For example, If a battalion is going for force-on-force training, then the battalion is divided into 2 teams. One will operate as a protecting team. The other will operate as a terrorist team. This training is most realistic to the actual scenario.

- 2. India needs to master the 'hybridised effect' of warfare. It means the influence of mixing up security forces for getting better results in warfare. At present India is adopting the hybridised effect. This is evident by the establishment of the Chief of the Defence Staff.
- 3. India needs a confluence of all the technology and the government needs to drive new strategies and tactics.
- 4. India needs to break the civilian-military silos. This means building a more positive relationship between civilians and the military.

By fulfilling these steps, India can build a better future force.

5. Government should initiate steps to make Agriculture remunerative

Source: Indian Express

Gs3: Transport and Marketing of Agricultural Produce and Issues and Related Constraints; **Synopsis:** Government should avoid handing over India's agriculture to agribusiness companies. Instead, it should take steps to make agriculture remunerative.

Development of Agriculture during the green revolution period

- During the mid-1960s, the green revolution resulted in increased productivity in India and, especially, Punjab.
- Further, the growth in agriculture was aided by public investment in irrigation and market infrastructure. Also, the guaranteed minimum support price incentivized the cultivation of wheat and rice.
- Consequently, the area under paddy cultivation in Punjab jumped from 4.8 per cent of the total cropped area in 1960-61 to 39.19 per cent in 2018-19. Similarly, the wheat area shares too increased from 27 percent to 45 percent.

What are the reasons for India's deep agrarian crisis?

- 1. First, the adverse consequence of the Green revolution.
 - o Monocropping: Though the production of wheat and rice increased, the cultivation of other crops started to decline. For example, Punjab had a total of 21 crops in 1960-61, which fell to nine in 1991.
 - o Long-term economic and ecological effects: Wheat-rice cropping monoculture led to the depletion of groundwater levels. Excessive use of chemical pesticides reduced land productivity. For example, currently, the growth rate of yield has reduced to 2 percent per year due to water scarcity.

Second, the absence of land reforms has increased inequalities among farmer communities. For example, According to the 10th agriculture census of 2015-16,

- o Small and marginal farmers (< 2 hectares of land): account for 86.2 per cent of all farmers in India. But own just 47.3 per cent of the crop area.
- o Whereas, semi-medium and medium land holding farmers (2-10 hectares of land): account for 13.2 per cent of all farmers, but own 43.6 per cent of crop area.

Third, widening rural-urban divide also contributed to the rural distress.

For example, according to the NSO household consumer expenditure survey for 2017-2018, Consumer expenditure by rural residents in 2017-18 decreased by 8.8 percent compared to 2012 statistics. Whereas, urban consumer expenditure for the same period increased by 2 percent.

Will the new farm laws address these problems?

The three contentious farm bills seek to deregulate and dismantle the APMC network. However, dismantling APMCs will not address the above-said issues. The Bihar experiment of scrapping APMC markets in 2006 can illustrate it better,

- The scrapping of APMC markets in Bihar (2006) did not improve its agricultural performance. According to the study by National Council of Applied Economic Research (NCAER),
- Even after the scrapping of APMC markets, farm growth in the state averaged 2.04 percent, lower than the all-India average of 3.12 percent.
- Also, the scrapping of APMC markets has not led to any private investment in new marketplaces according to the study by National Institute of Agriculture Marketing (CCSNIAM).

What needs to be done?

- 1. First, since market accessibility is a major issue, the state should help the smallholder farmers to have access to the market.
 - The role of the private sector will be limited as evident from the Bihar example. Hence, Public investment in infrastructure and MSPs needs to increase.
 - Worryingly, the Public sector investment in agriculture is inadequate. As per the RBI, India has spent only 0.4 percent of the GDP between 2011-12 and 2017-18.

Second, shifting towards agroecological farming that includes crop diversification, will ensure sustainability for Indian agriculture.

- o Agroecology emphasizes using locally available resources thereby minimizing external and artificial inputs.
- o Recently, in 2018, the Andhra Pradesh government announced to bring all 80 lakh hectares of its cultivable land under agroecological farming by 2024.

 A study by Azim Premji University has shown that following sustainable agroecological principles has resulted in increased yields. For example, 79 percent increase in brinjal.

6. Significance and Challenges of Artificial Intelligence(AI)

Source: The Hindu

Syllabus: GS-3: Awareness in the fields of IT, Space, Computers, robotics, nanotechnology, biotechnology, and issues

Synopsis: Artificial Intelligence(AI) has the potential to widen the social and economic divisions in society. That will lead to discriminatory outcomes at a global level.

Introduction

In the last ten years alone, AI has seen exponential growth. AI-based systems are now defeating human champions in games and decoding complex proteins in labs. But the exponential growth of AI has to pursue with caution.

What is Artificial Intelligence?

Artificial intelligence is intelligence demonstrated by machines. Unlike the natural intelligence present in living things, the AI will develop its intelligence based on the data. In simple terms, the more we use AI, the more data we generate, the smarter AI gets.

AI is everywhere in today's world. For example, using shopping sites, Using GPS mapping technology, predicting texts in messages and emails, etc.

AI is predicted to leapfrog human intervention in eradicating hunger, poverty, and disease. Further, AI is will help in climate change mitigation, education, and scientific discovery in the future.

Benefits of AI:

AI has helped mankind in many ways. For example,

- 1. In the field of Agriculture, AI has helped in increasing crop yields by analyzing farm data, tackling labour challenge, etc.
- 2. Similarly, the AI will act as an enabler in the economy. For instance, AI has raised business productivity, improved access to credit, etc.
- 3. In the field of Medicine, AI made cancer detection faster and more precise by spotting even a subtle challenge in the gene.
- 4. Robotics and AI companies are building intelligent machines. These AI-based robots perform tasks typically carried out by low-income workers like self-service kiosks (replace cashiers), fruit-picking robots (replaced field workers), etc.

Global studies on AI:

- A global study has predicted that AI can contribute more than \$15 trillion to the world economy by 2030. This is an addition of 14% to global GDP.
- A study published in *Nature* reviewed the impact of AI in achieving the Sustainable Development Goals (SDGs). The study found that the AI can act as an enabler on 134 SDGs. That is 79% of all the SDGs.
- Further, Google has identified over 2,600 use cases of "AI for good" worldwide.

The challenges with AI:

Despite having many advantages, AI also has an equal amount of challenges. For example, In 2016, it took less than a day for Microsoft's Twitter chatbot, "Tay" to start spreading racist content based on Twitter messages.

1. A proper AI-based system requires a massive computational capacity, which means more data centres have to be created.

- 2. AI will increase digital exclusion in all spheres including the exclusion of societies, nations. Further, global Investment also likely to shift to countries where AI-related work is already established.
- 3. Apart from that, the AI will reduce desk jobs, such as accountants, financial traders, and middle managers.
- 4. The most important concern with AI is the concern of data privacy. The AI algorithm will improve only with access to more data. It will lead to the constant utilization of our digital footprints with or without our knowledge. In time a situation might arise where the algorithms know us better than we know ourselves. Scandals like Cambridge Analytica are an example of such a violation of privacy.

Suggestions to improve AI:

The fact is, just like AI has the potential to improve billions of lives, AI can also enlarge the existing problems and create new ones.

- 1. Countries have to develop broad-based ethical principles, cultures, and codes of conduct in utilizing AI-based systems. The principles not only include the "whole of society" approach but also include the "whole of world" approach. For example,
 - a. The UN Secretary-General's Roadmap on Digital Cooperation. This focus on multi-stakeholder efforts on global cooperation.
 - b. Similarly, UNESCO also developed a global, comprehensive standardsetting draft Recommendation on the Ethics of Artificial Intelligence to the Member States.
- 2. In India, NITI Aayog's Responsible AI for All strategy aims to strike the right balance between AI promotion and AI governance. The Indian government has to adopt the strategy.

Agreeing to the common principles globally is the first step towards regulating AI. The next step would be implementing the principles in reality. Only then AI will provide full benefits to humanity.

7. "Nominated members" and "Anti-defection Law" in India

Source: The Indian Express

Synopsis: The important reason behind the inclusion of nominated members to RajyaSabha and the provisions of Anti-defection Law.

Introduction:

Recently a nominated MP of Rajya Sabha has resigned due to the allegations under antidefection law. The allegation raised after a political party nominated him as their election candidate.

Constituent Assembly debate on Nominated members:

During the making of the Constitution, the Constituent Assembly felt that Rajya Sabha should have nominated members. They want to bring in the persons who might not win elections but willing to bring knowledge and expertise to discussions in the Upper House. N Gopalswami Ayyangar said that nominating members to Rajya Sabha gives "an opportunity to the Upper House to bring outside talent in discussions and debate. Further, the nominated members will bring in the persons who do not ordinarily associate with the House of the People.

Nominated Members to the Rajya Sabha:

Due to the fore mentioned reasons, Rajya Sabha includes 12 nominated members from different walks of life. The criteria includes distinguished fields like literature, science, art, and social service, etc.

The President nominates such individuals as recommended by the Council of Ministers. Except the voting in the election of the President, Nominated members will have the same rights and privileges as elected members. (Nominated members cannot vote in the election of the President).

What is the Anti-Defection Law?

After Independence, there were many times the state governments were toppled due to MLAs changed their political loyalties. This occurred to the Centre also in 1967. So, to reduce that, in 1985 the government amended the Constitution to include the Tenth Schedule. It is popularly known as the anti-defection law.

Salient features of Anti-defection Law:

The aim of the Anti-defection Law was to bring stability to governments by deterring MPs and MLAs from changing their political loyalties.

Even though the Upper House has no role in deciding the present government's dissolution. Anti-defection law applies equally to both Lok Sabha and Rajya Sabha MPs. Similarly, the Anti-defection law applies to the State Legislative Assemblies.

The Anti-defection Law deprives the parliamentary/state legislative membership for the violations of the provisions. As per the Anti-defection Law, three scenarios are prescribed as a violation.

Three scenarios mentioned in the Anti-defection Law:

- 1. When an elected member "voluntarily gives up" the political party in which he/she got elected. Or when he/she votes in the House contrary to the wishes of the party.
- 2. When an independent MP/MLA joins a political party after the election.
- 3. When a nominated MP/MLA joins a political party after six month time.

Note: Nominated Members can join any party of their wish during their first six months.

Judicial intervention on Anti-defection Law:

The courts have interpreted the joining of the party many times. The courts held joining or changing a party not only include the formal ones but also include informal ones also.

The court in past mentioned such informal actions as defection. This includes campaigning for another political party, appearing in political rallies or fighting an election on the symbol of a political party, etc

8. Relevance of Inflation Targeting in India

Source: The Hindu

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

Synopsis: Inflation control will always be relevant. But there is no conclusive evidence that the policy of inflation targeting has worked in India.

Background

- The RBI was tasked with a mandate of the inflation target of 4 percent with a 2% deviation either way in June 2016. This agreement between the centre and the RBI is set to end by march-31-2020.
- It has been acknowledged that in these 5 years period (2016-2021) after inflation targeting was introduced,
 - o Inflation rate has remained within the prescribed band of 2% to 6%.
 - o Also, the RBI has been successful in anchoring inflationary expectations.

Against this backdrop, this article evaluates the success of inflation targeting as an effective monetary policy in India.

What is inflationary targeting?

- Inflation targeting prescribes the use of the interest rate to target inflation. Whereas other methods to control inflation targets money-supply (monetarist approach). For example, Open Market operations.
- Some suggest inflationary targeting is more effective than the monetarist approach, as the policy interest rate, is under the direct control of the central bank.

What are the issues in Inflation targeting?

First, inflation targeting is not statistically validated for Indian data.

- o The model of Inflation targeting is based on the assumption that inflation means overheating the economy. i.e., increased output greater than natural level output.
- o So, the Central bank will recommend raising the rate of interest (repo rate). This will eventually reduce the money supply in the economy and normalize economic activity, thereby achieving a reduction in inflation levels.
- o However, it is impossible to observe the level of output in an economy. Hence, setting policy rates based on the assumption that the economy has overheated is unscientific.

Second, the belief that RBI can successfully control inflation using Inflation targeting is not completely true. Consider the following examples,

- o First, RBI data on household expectations showed that inflation will remain well above 6% up to 2020.
- o However, inflation had fallen steadily since 2011-12, halving by 2015-16. During this period inflation targeting was not introduced. So, this explains that there are other factors that control inflation.
- o Second, during lockdown food inflation peaked even when the inflationary targeting mechanism was in force. It was mainly due to supply chain disruption during the lockdown.
- o Also, the lockdown period witnessed a contraction in growth but coincided with inflation. This is against the core principle of inflation targeting that inflation denotes overheating economy.

Third, if the inflation in India has been controlled via inflation targeting in the past five years, it would have benefitted growth, exports, non-performing assets (NPAs) of commercial banks, and employment.

- o However, the result has not been on the expected lines. Only, private investment has declined as higher interest rates contributed to a declining private investment rate.
- o Other factors employment and exports are declining steadily.
- Also, NPA's are increasing since 2016. The cases of IL&FS, PMC Bank, PNB and YES Bank suggest that poor management and maladministration in the financial sector can escape RBI scrutiny as they tend to focus more on inflation targeting.

9. Single Use Plastic Pollution in India - A hidden pandemic

Source: The Indian Express

Syllabus: GS 3: Conservation, environmental pollution, and degradation

Synopsis: COVID-19 pandemic paused and reversed India's progress against single-use plastic pollution. Few necessary steps are essential to continue the progress.

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Background

Single-use plastics were in use in great quantities during the COVID-19 pandemic to produce gloves, sanitary equipment etc. However, no attention has been paid to where the increased plastic waste will end up. India was progressing against plastic pollution before the pandemic began.

- Prime Minister Narendra Modi wanted to completely remove single-use plastics by 2022. The strategy calls for better arrangements to collect, store, and recycle singleuse plastic.
- The UN Environment Programme along with the support of Norway and Japan took a multi-year assessment. They found out how plastic finds its way into riverways, and ultimately to the ocean. They achieved this through projects like CounterMEASURE.
- National Geographic's Sea to Source Ganges study tracked plastic sources in the Ganges river basin. This brought India and Bangladesh together to study plastic pollution.

Growth of Plastic pollution in pandemic times:

- The pandemic reversed many of the aforementioned progress. Single-use plastics became more abundant. Plastic was used for masks, sanitiser bottles, personal protective equipment, food packaging, and water bottles.
- This plastic will eventually disintegrate into tiny particles called microplastics. Only 9 percent of all plastic ever produced has been recycled. 79 per cent of all plastic produced is present in the world's landfills and in our air, water, soil, and other natural systems.

Suggestions to reduce Plastic Pollution

Plastic is important because of its central role in durable goods, medicine and food safety. There are quite a few steps we can take right now during the COVID-19:

- 1. The waste collection should operate at the same speed as the waste generation. Litter (paper, cans, and bottles lying in an open or public place) is a large part of plastic pollution. This generally ends up in Indian rivers. Improved planning and frequency of waste disposal operations can collect litter.
- 2. The wastes should be separated and used plastics have to be found early in the waste-to-value cycle. So that the plastic remains suitable for treatment and recycling. It will make recycling much easier and more economically feasible.
- 3. We need to encourage environmentally-friendly substitutes against single-use plastics. The government has to encourage business models that avoid plastic waste through alternative product delivery systems.
- 4. Plastic pollution should be considered as a truly society-wide problem. It is important for government, businesses, and civil society to coordinate to find solutions.
 - For example, UNEP and its partners are working with the Indian government towards these goals. They are working with researchers, enterprises, and community groups to address plastic pollution.
 - The data created in this process will be helpful in policy framing and decision-making processes at the national, regional and local level.

Way forward

• The government has to strengthen the existing plastic waste management framework in India. Further, India has to develop a National Action Plan for Marine Litter and Plastic Pollution in Rivers.

 Apart from that, India also requires an approach to reduce the manufacture of new fossil fuel-based plastics and developing and using alternatives.

10. Why Nationalisation of Banks was a Right Step?

Source: click here Syllabus: GS 3

Synopsis: Privatisation of PSBs will not be a solution for India's banking sector distresses. The nationalization of Banks proved to be fruitful at the time of need, it requires reforms, not privatization.

Introduction

The Union government announced that they want to privatize Public Sector Banks (PSBs) in the recent budget. The government believes that this move will improve efficiency. However, it is not clear whether privatization brings efficiency or reduces associated risks.

The notion that only private banks are efficient is not correct. Many private banks failed around the world. Private corporate entities also have such large volumes of NPAs. Moreover, Bank nationalization helped in a revolution of India's banking sector.

How the nationalisation of banks helped in a revolution for india's banking sector?

The nationalization of 14 private banks in 1969, followed by six more in 1980, transformed the banking sector. It created jobs, extended credit to the agriculture sector, and benefitted the poor.

- 1. Firstly, nationalization of banks helped in promoting more equitable regional growth, which is quite evident from RBI data. In 1969, rural areas had only 1,833 bank branches. It increased to 33,004 by 1995 and continued to grow further in the next decades.
- 2. Secondly, this resulted in reduced dependence on moneylenders in rural regions. Nationalized banking also improved the working conditions of employees in the banking sector. This happened because the state ensured higher wages, the security of services, and other fringe benefits.
- 3. Thirdly, the Public Sector Banks played a huge role in making the country self-sufficient by supporting the green, blue, and dairy revolutions. They have also contributed considerably to infrastructural development.
- 4. Fourthly, public sector banks in India are presently earning significant operating profits. The profits were $\Box 1,74,390$ crore in 2019-20 and $\Box 1,49,603$ crore in 2018-19.

What should be done instead of privatising the public sector banks?

PSBs handled by the private sector could result in denial of convenient and economical banking services to the common man. The risks of monopoly will only complicate the issue.

- 1. Firstly, giving such a huge network of assets to private enterprises or corporates may turn out to be an irrational move. The government should strengthen the PSBs instead.
- 2. Secondly, it would be unfair to blame Public Sector Banks alone for the alarming rise of NPAs. Strict actions are required to recover large corporate stressed assets, which is a key concern for the entire banking sector.
- 3. Thirdly, the actions must include strong recovery laws and taking criminal action against wilful defaulters. The government has not shown a firm willingness to implement these measures till now.
- 4. Fourthly, there is an urgent and vital need to bring in a suitable statutory framework to consider wilful defaults on bank loans a criminal offense.

5. Lastly, a system to examine top executives of Public Sector Banks across the country will also help in improving accountability. But privatization of PSBs is not the ultimate remedy for the problems of the banking sector in India.

The conclusion

Defaults by large corporate borrowers, imposed through the impractical Insolvency and Bankruptcy Code, have resulted in a pile of write-offs, putting a big dent on the balance sheets of PSBs. This has not only affected the profitability of the banks but has also become an excuse to declare inefficiency.

11. Impact of inflation targeting in India

Source: Indian Express

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

Synopsis: According to the Executive Director IMF, Surjit S Bhalla, Inflation targeting has been ineffective to control inflation. Moreover, it has also contributed to a decline in GDP growth because of high repo rates.

About inflation targeting

- The concept of 'Inflation targeting' was got acceptance in New Zealand first. Later it was adopted by 33 countries.
- In India, it was formally adopted in 2016, at the first meeting of the RBI Monetary Policy Committee (MPC).
- The MPC considered a real repo rate of 1.25 percent as the neutral real policy rate for the Indian economy.
 - o A neutral policy rate means the policy rate will be consistent with the growth potential of India.

The primary goal of inflation targeting is to contain inflation at around 4 percent, within the allowable range of 2 to 6 percent.

What are the impacts of inflation targeting in India?

The author, in his research paper, has evaluated the inflation target in a global context. It made the following conclusion based on the last 40 years for both the inflation targeting economies and the non-targeting economies.

AVERAGE MEDIAN INFLATION

	India (average)	Emerging Markets		Advanced Economies	
		Inflation targeting	Not Inflation Targeting		Not Inflation Targeting
1990-99	9.5	7.3	9.2	2.5	2.7
2000-04	3.9	4.0	3.8	2.3	2.3
2005-09	7.1	4.3	6.0	2.5	1.9
2010-14	9.5	3.5	4.1	2.1	1.7
2015-19	5.2	3.4	2.4	1.5	0.9

Source: IMF WEO data

- First, countries that did not adopt inflation targeting were able to control inflation better than the countries that used inflation targeting. For example, India's inflation was around 5.2% (2015-19) for the same period it was 2.4% for economies that did not adopt inflation targeting.
- Second, inflation depends on global variables, and it is not dependent upon one single factor. So, using an inflation targeting mechanism will not effectively control inflation. For example, 2000-04, has been the golden period of inflation all over the world even in India. During this time, inflation targeting was not in place in India, yet inflation was very low.
- Third, the belief that a high Fiscal deficit will contribute to high inflation is not true. For example, FRMB act was in place after 2003. However, Inflation in India increased from 3.9% (2000-04) to 7.1% (2005-09) despite the fiscal deficit were limited as per the FRBM act.
- Fourth, inflation targeting has negatively impacted GDP growth. High policy rates (repo) maintained to control inflation affected the cost of domestic capital. It led to a decline in investment rate thereby resulted in less GDP. For example, since 2016, (after inflation targeting was institutionalised), there has been a steady increase in reporates, and a steady decline in GDP growth

