

9pm
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June, 2021 (Fourth Week)

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General Studies Paper - 1

General Studies - 1

1. Need to bring an end to the gender technology gap

Source: [The Hindu](#)

GS 1: Women empowerment, social empowerment

Synopsis: Access to technology is so crucial to ensure public health and safety. In recent years, health care has largely moved online, and it has resulted in the gender gap in accessing it.

Gender gap in access to technology

- According to Global System for Mobile Communications (GSMA) estimates,
 - Around 390 million women in low- and middle-income countries do not have Internet access.
 - In South Asia, only 65% of women own a mobile phone.
 - Whereas, In India, only 14.9% of women were reported to be using the Internet.

How Gender gap in access to technology is impairing women's access to health services?

- Vaccine registration usually requires a smartphone or laptop. Men are thus more likely to get timely information and register than women and girls.
- These gaps prevent women and LGBTQIA+ people from accessing critical services.
- In India, Bangladesh, and Pakistan, for example, fewer women than men received the necessary information to survive COVID-19.

Why Women have limited access to technology?

- Partly, the reasons are due to deeply held cultural beliefs.
 1. One, it is often believed that women's access to technology will motivate them to challenge patriarchal societies.
 2. Two, there is also a belief that women need to be protected, and that online content can be dangerous for women, and it will expose them to risks.
- As a consequence, girls and women who ask for phones face suspicion and opposition.

What are the steps being taken to promote gender equality in access to technology?

- At UN Women, companies are encouraged to sign up and agree to principles that will lead to a more equitable future for all.
- The Generation Equality Forum has agreed upon the goal to double the number of women and girls, working in technology and innovation.
- By 2026, they aim to reduce the gender digital divide and ensure universal digital literacy.
- Further, investments in feminist technology and innovation to support women's leadership are being pushed forward.
- The digital empowerment programmes and partnerships such as EQUALS led by UN Women facilitate more girls to choose STEM (science, technology, engineering, and mathematics) as their academic focus.

Way forward: Neutral world of technology

- Today, most technologies that are available are created by men, for men, and do not necessarily meet everyone's requirements. To establish a Neutral world of technology, Companies should start **investing in Women related technologies**.
 - **For example**, businesses can design apps specifically towards mothers or apps for women to access telemedicine consultation or digital networks to connect women to informal job opportunities, etc.,
 - Other than apps, built-in features on mobile phones, such as an emergency button connecting women to law enforcement, should also be considered.
 - Companies can benefit hugely if they target Women related technologies because Women and girls are the largest consumer groups left out of technology.
 - According to GSMA, closing the gender gap in mobile Internet usage in low- and middle-income countries would increase GDP by U.S.\$700 billion over the next five years.
- In the 1950s, dishwashers and washing machines were promoted as a method of emancipating women. Household goods producers, for example, target most of their advertising to women because they often control the household budget. Digital technology could be approached similarly.

2. The new urban

Source: Indian Express

Syllabus: GS1 – Govt policies and interventions

Tags: AMRUT, TULIP, Smart cities mission, ULBs, Global Housing Technology Challenge, Lighthouse project, Public Financial Management System, PMAY, Cooperative federalism.

Relevance: Distinctive features of government's key schemes related to urban planning and development

Synopsis: Completion of six years of implementation of three major flagship missions of the Ministry of Housing and Urban Affairs — the Pradhan Mantri Awas Yojana (Urban), Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Smart Cities Mission.

Special feature of all these missions

- **Cooperative federalism:** Each of the missions delegated the powers to appraise and approve projects to the states. Earlier, every project was appraised and approved in Delhi, in the ministry. This major step of building trust between the states and the Centre yielded results.
- **Constant monitoring for timely implementation:** Through geo-tagging, the progress of construction of houses is being monitored and tied to the release of funds. For the first time, ISRO is helping government departments in the use of space technology tools.
 - All missions use GIS-based tools extensively.
 - To speed up construction and to bring in the best of new technologies, a **Global Housing Technology Challenge** was launched and based on it, six **Lighthouse Projects** have been identified in six geo-climatic zones of the country.
- Money from the Centre is being released through the **Public Financial Management System**.
 - This electronic mode ensures that central funds seamlessly flow to the state treasury, improving efficiency and preventing fraud. This, along with Direct Benefit

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Transfer (DBT), has ensured that the possibility of any middlemen duping the system and the beneficiary have been eliminated.

PMAY(U)

- The Pradhan Mantri Awas Yojana Urban (PMAY-U) aims to construct 1.2 crore houses and ensure “Housing for All by 2022” by providing financial assistance to the beneficiaries.
- It has four components:
 - In-situ Slum Redevelopment (ISSR),
 - Affordable Housing in Partnership (AHP),
 - Beneficiary-led Individual house construction or Enhancement (BLC),
 - Credit-Linked Subsidy Scheme (CLSS).
- **Women empowerment:** A house built under PMAY(U) is in the name of the woman of the household or joint ownership, and mandatorily has a toilet.
 - This encourages female empowerment and safeguards the dignity of the girl child.
- **Aadhaar** ensures that every beneficiary gets the house for which he/she was registered. Biometrics ensures that. Hence, this helps the poor get their rightful government benefit.

AMRUT (Atal Mission for Rejuvenation and Urban Transformation)

- AMRUT addresses the weak civic infrastructure that plagues our urban local bodies (ULBs) — electricity, water supply, sewerage, etc.
 - States are willing to bear the excess expenditure. It covers 500 cities with a population of over one lakh.
 - The mission spans the entire spectrum of **city governance**, with a focus on the reforms.
- The push for sustainable Urban Local Bodies (ULBs) is yielding results with 10 ULBs having already raised Rs 3,840 crore through municipal bonds. The push to strengthen ULBs is also being spear headed through **The Urban Learning Internship Programme (TULIP)** in partnership with the Ministry of Education.

Smart Cities Mission

- Smart cities are the future.
 - During the Covid-19 pandemic, the Integrated Command and Control Centres, which are already operational in more than 50 of the 100 smart cities, played a pivotal role in providing real-time information to enable health workers and city administrators in tracking the virus spread and in relief and rehabilitation work.

About Pradhan Mantri Awas Yojana Urban (PMAY-U):

- The nodal ministry for the scheme is the **Ministry of Housing and Urban Affairs**

3. New Globalization would yield mixed results for India

Source: [Business standard](#)

Syllabus: GS 3 – Economy

Relevance: India is one of the countries that succeeded significantly after the initiation and implementation of globalisation.

Synopsis:

The old globalization was essentially good for India. The new globalization could be a mix of good and bad news.

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Background:

Some of the traditional forms of globalization (the free movement of goods, money, people, etc) are in partial retreat. Globalization is transforming as new agendas come into focus. These agendas include action on controlling climate change, taxing global companies, tackling terrorism, sharing vaccines, and the like.

Trends in Traditional elements of Globalization:

1. **Global Trade** is growing slower than global GDP. This **significantly reversed a long-term trend**.
 - ✓ **In 2019, global** trade shrank in absolute terms for the first time in a decade, and did so again in 2020 because of the pandemic.
 - ✓ Protectionist walls have been going up in several countries, including India.
2. **Free Movement of People:** Europe and North America account for over half the total of world migrants. Now their numbers are shrinking, though by a small margin.
 - ✓ Brexit and Donald Trump's policies have signaled the reversal of a 70-year trend of immigration regimes getting progressively more liberal. Some West Asian countries too have begun tightening visa policies.
3. **Movement of Capital and Technology:** These elements of globalization continue unabated. They are helping in development of Thomas Friedman's "Flat World" thesis.
 - ✓ It is world having level playing field in terms of commerce, wherein all competitors have an equal opportunity.

Impact of changing traditional trends on India:

India would be adversely impacted if global trade and movement of people gets reduced. The country is currently the world's No. 1 source of migrants and the No. 1 recipient of remittances.

The sustenance of capital and technology movement is beneficial for growth of India's IT sector. It enables an accountant in Bengaluru to work out tax calculations for someone in Boston.

New Globalization:

- It exists as government agendas on Global issues like terrorism, climate change, global taxation etc.
- Agenda-setting by governments is not great news for India because it is still essentially a rule-taker and not a rule-setter. Any benefit or cost to it therefore tends to be **coincidental**.
 - For instance, the proposed **new international corporate taxation regime** will benefit India but its primary beneficiaries of the new regime would be the wealthy countries.
 - Similarly, in terms of **climate change, India** will get no assistance (financial or technical) to switch to new technologies and give up old ones like coal-based energy.
- At the same time, the countries responsible for much of the historical emission of carbon gases get a free pass under the Paris agreement.
 - Even on the **international supply of vaccines**, the numbers agreed on at the recent meeting of the rich club of G7 countries are unremarkable. Further India's push for a patent waiver on Covid vaccines awaits attention.

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- In the domain of **social media**, the giant tech companies that dominate the field have increasingly come up against sovereign state power, including in India.

Way Ahead:

- Many countries want to reduce their dependence on China, which is the world's largest manufacturing and trading power. India could ride the tide, but other countries have already grabbed the first mover advantage.
- The other traditional elements of globalization should continue for augmenting India's interest.
- Further, the new elements of Globalization warrants setting up of global norms in consonance with the purpose and principles of UN charter.

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General Studies Paper - 2

General Studies - 2

1. Issue of inaccurate Death reporting in India

Source: [The Hindu](#)

Gs2: Important Aspects of Governance, Transparency, and Accountability,

Synopsis: Official death reporting in India is not realistic. Government and experts need to rely on these numbers only for every purpose. If realistic estimates of COVID-19 deaths by city, rural settings, districts, and States are known, India can plan a more targeted response towards the pandemic.

Background

- Registration of Deaths in India is fragmented and inaccurate. For instance, even before the Pandemic, India registered only 85% deaths and only one-fourth of the registered deaths were medically certified for the causes of death.
- Apart from this, there is a wide variation among States and within rural and urban areas. For instance, the lack of access to COVID-19 testing services and treatment facilities in rural areas makes an accounting of Deaths more challenging.
- In the absence of robust data on the realistic number of deaths and the causes of death, India should make efforts to calculate the estimated deaths in India.
- In the short term, the death estimates could be very useful to plan for the next wave of the pandemic and in the long run, it will help to strengthen the Indian health care system

The issue of inaccurate Death reporting

- Public health experts estimated that COVID-19 deaths in India could be in the range of 3 to 14 times the officially reported number of deaths. Whereas, the Union and State governments have continuously denied the estimates.
- However, reconciliation of COVID-19 deaths in Bihar and Maharashtra reveals the state of under-reporting of Deaths in India.
- After reviews and audits, these States show a nearly 75% increase in COVID-19 deaths over the officially reported deaths for the specified periods.
- In some districts, there has been a two to three times increase in the number of reported deaths after revision.
- Apart from this, underreporting of deaths in rural India is also high owing to fewer rural health facilities providing COVID-19 care.

What needs to be done?

In the absence of realistic data on the number of deaths related to Covid-19, India needs to rely on estimates. India can refine estimates by following the four approaches

1. First, every State should conduct **death audits** to classify all the deaths that occurred during the pandemic. The focus should be on health facilities, the public, and private sector, as well as deaths in homes.
2. Second, **Excess deaths** during the Pandemic period need to be analyzed more systematically.
3. Third, need to **conduct death surveys** followed by verbal autopsies in rural areas to collect additional data. Death registers at the village level, Panchayats, the sample registration system team, booth-level officers can be mobilised to collect additional

information on reported deaths. This can help the government in getting more realistic death estimates in the next few months. The Jharkhand government completed one such survey, focused exclusively on rural areas, which found 43% excess deaths than the comparable period before the pandemic.

4. Fourth, need to **initiate the decadal Census** in India. Inter-censal growth will provide an important insight into excess mortality. The U.S. and China have conducted their census in 2020 during the pandemic.

Developing realistic COVID-19 death estimates could be more helpful in policy formulation, planning, resource allocation, and health system strengthening. Therefore, the governments at all levels (Union, States, and districts) should work to come up with the estimated number of COVID-19 deaths.

2. Russia-China Nexus and India

Source: [The Hindu](#)

GS2: Effect of Policies and Politics of Developed and Developing Countries on India's interests

Synopsis: Russia-China nexus is growing. Thus, Russia expects India to give up all efforts to reverse China's encroachment strategies. However, it is based on a flawed assessment of the current situation.

Background:

- Russian President has recently said that both the Indian Prime Minister and the Chinese President are "responsible" enough to solve issues.
- It also emphasized the need to avoid interference of any extra-regional power.
- On the other hand, China is continuing its efforts to undermine India's global position.
- Also, India has said it can no longer be confined between the Malacca Strait and the Gulf of Aden.

Russia supporting China blindly is further distancing India and Russia.

How Russia is undermining India's efforts against China's encroachment strategy?

- **Firstly, Russia's views regarding the Quad** reinforces China's claim that the Quad is aimed at containing China.
 - Recently, Russia even advised India to take a "larger look at Chinese foreign policies".
 - Also, Russia had recently termed the Quad as "Asian NATO".
- Secondly, Russia has **rejected the Indo-Pacific concept** in favor of the Asia-Pacific.
 - Russia believes that Indo-Pacific is designed to contain both China and Russia, and it is reviving the Cold War mentality.
- Thirdly, **Russia's policymakers are obsessive with Russia's rivalry with the U.S.**
 - This attitude of Russia is making it more pro-China, which is resulting in more aggressive blocking of India's policy agendas.
 - For example, increasing proximity between Russia and Pakistan.

Why India Started looking west during geo-political changes in the past?

1. Firstly, due to the **failure of the Strategic triangle** proposed by Russia.
 - o Russia proposed the 'Russia-China-India' triangle to bring together the three major power.
 - o But due to China's dismissive attitude and emerging China-Pakistan nexus, India started investing its diplomatic energies in rapprochement with the United States.
2. Secondly, after the disintegration of the Union of Soviet Socialist Republics (USSR), India realized **Russia is incapable of balancing threats from China.**
 - o For example. India's cooperation with the U.S. has strengthened due to rising terrorism and China's growing assertiveness.
 - o India has also deepened its ties with Japan and Australia for a soft balancing.
 - o Thus, India adopted **external balancing strategies.**
3. Thirdly, India focussed on building an **alternative international economic order.**
 - o Economic liberalization also allowed India to buy defense weapons from a wider global market, such as Israel and France. It boosted India's bargaining capacity with Russia.
4. Fourthly, China's assertiveness forced India to look for other strategic partnerships.
 - o The shared identities and beliefs in the principle of non-alignment, memories of colonial subjugation, and strong beliefs in sovereignty and strategic autonomy have not stopped China from asserting its hegemony over Asia.
 - o Also, **multilateral forums such as the Russia-India-China (RIC)** grouping and BRICS (Brazil, Russia, India, China, and South Africa) have little practical value without China's reciprocity.
5. Lastly, India wanted the **normalization of relations between the USA and Russia.**
 - o It helps in improving ties among the great powers and also diminishes Russia's tendency to closely interfere in South Asian policies along with Beijing.
6. It clearly shows Russia needs to realize that the real 'strategic triangle' in the maritime domain will be that between India-USA-China if it continues to play as junior partner of China.

3. Women as temple priests: An idea whose time has come.

Source: [The Indian Express](#)

Syllabus: Role of women and women's organization, Social empowerment

Context: Tamil Nadu Hindu Religious and Charitable Endowments Minister PK Sekar Babu's remark that women could be appointed priests in the 35,000-odd temples in the state is long overdue.

Two major criticisms against the entry of women: a) *The fear of women coming in contact with men*, and b) *notions of purity and pollution*, especially associated with menstruation.

Reasons to open temples to women priests:

- **Raj Kali Kuer vs Ram Rattan Pandey 1955 case:** This judgment notes that many priestly offices in Indian temples were hereditary. The Supreme Court held that **women have the right to succeed to religious office.**
- The authority of men, or of Brahmins, to conduct rituals is not vested in any religious texts including Srimad Bhagvad.

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- **Completing the Bhakti revolution:** The single biggest achievement of the Bhakti movement is elevating the dignity of the emotion among the public and marginalizing the ritual conformism of Brahmanism. So, the Opening up of **inner sanctum ritual to all people** is in line with completing the Bhakti revolution

Conclusion:

Now it is time for not only Hinduism, but also for all other religions to liberate religion from patriarchy.

4. The state of India's poor must be acknowledged.

Syllabus: Issues relating to poverty and hunger

Source: [The Hindu](#)

Context: Trend of rising poverty in India – middle class sliding into poverty amid Covid – 19 pandemic.

Trends signifying India's slide into poverty.

- On ranking of median income, India stood at 99 among 131 countries.
- With a median income of \$616 per annum, it was the lowest among **BRICS** and fell in the lower-middle-income country bracket.
- A decline for the first time since 1972 – 1973 in the monthly per capita consumption expenditure in FY 2017-18.
- India downgraded on the **Global Hunger Index** to 'serious hunger' category.
- India's own health census data or the recently concluded **National Family Health Survey or NFHS-5**, which had worrying markers of increased malnutrition, infant mortality, and maternal health.
- Bangladesh recently achieved a high per capita income (\$280 higher) than India. This must also be a reason for Indians to introspect.
- India has also slid on the **sustainable development goals index** (by at least two ranks last month)
- In 2019, the **global Multidimensional Poverty Index** reported that India lifted 271 million citizens out of poverty between 2006 and 2016. Since then, the **International Monetary Fund, Hunger Watch, SWAN** and several other surveys show a **definite slide**.
- In March, the Pew Research Center with the World Bank data estimated that 'the number of poor in India, on the basis of an income of \$2 per day or less in purchasing power parity, has **more than doubled to 134 million from 60 million in just a year** due to the pandemic-induced recession'.
- In 2020, India contributed **57.3% of the growth of the global poor**. India contributed to 59.3% of the global middle class that slid into poverty.

All of the above indicators show rising poverty in India. However, poverty line debate in India is still an unsettled one.

Why this slide into poverty should be a cause of worry for India?

This is certainly a cause of concern. India since independence for 25 years (1951 – 1974) saw a continuous increase in poverty. The population of the poor increased from 47% to 56%. There has been an uninterrupted battle against poverty since the 1970s. Recent trends show India is again a "country of mass poverty" after 45 years.

Why counting the poor is necessary?

1. **Firstly, to get public opinion:** The first is because knowing the numbers and making them public **makes it possible to get public opinion** to support massive and urgent cash transfers. Spain has accorded security to its gig workers by giving delivery boys the status of workers. In India too, a dramatic reorientation would get support only once numbers are honestly laid out.
2. **Secondly, for honest evaluation of policies:** The second argument for recording the data is so that all policies can be honestly evaluated based on whether they meet the needs of the majority. It is a policy such as bank write-offs of loans amounting to ₹1.53-lakh crore last year, which helped corporates overwhelmingly, beneficial to the vast majority? Or has it been just beneficial to a thin sliver of the super-rich? This would be possible to transparently evaluate only when the numbers of the poor are known and established
3. **Third, for informed public debates and accountability:** if government data were to honestly account for the exact numbers of the poor, it may be more realistic to expect the public debate to be conducted on the concerns of the real majority. It would also create an atmosphere that demands accountability from public representatives.
4. **Fourth, relation between rising corporate wealth and the number of poor:** Fourth, wealth of richest Indian corporates has grown manifold in the past few years, even as millions of Indians have experienced a massive fall into poverty. It is well known that stock market and Indian economy are interrelated. If billionaire lists are evaluated in detail and reported upon, the country cannot shy away from counting its poor.

Conclusion

Urgent solutions are needed within, and the starting point of that would be only when we know how many are poor. If we do not bother to know of the increased numbers sliding into poverty, there would be little possibility of moving toward a solution.

Terms to know:

- [BRICS](#)
- [Global Hunger Index](#)
- [National Family Health Survey](#) (NFHS)
- [Sustainable Development Goals Index](#)
- [Global Multidimensional Poverty Index](#)

5. Families who lost breadwinners in COVID-19 need supportive policies and a safety net Syllabus: Welfare schemes for vulnerable sections of the population by the Centre and States

Why government must provide relief to families lost breadwinners?

Context: Recently a case has been filed in the court demanding compensation for Covid-19 deaths.

Government response in court:

- The government said that such payments are **beyond the Government's fiscal affordability**.

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- Instead of giving one-time compensation payments, the government can **deploy funds in health care, enhance social protection and support economic recovery** of affected communities.

Arguments from petitioners:

- There is a provision in the [Disaster Management Act](#) for providing compensation
- In India, second wave peaked only due to **poor health infrastructure and low public health expenditure**. Even the Economic Survey mentioned the **Failure of Public policy** to increase public spending to 2.5%-3% of GDP on health.
- **Lack of Government's resource is not a justifiable argument**, as the Centre is pursuing expensive redevelopment projects such as the Central Vista.
- **Suggestions:**
- As the center is providing free vaccines to all, now it is time to move forward and provide a **road map for a universal public health system**.
- **Changes in Tax policy** to facilitate the wealthiest to compensate those who have been hit the hardest.
- Families lost breadwinners need help, like the [government help towards Covid orphans](#).

6. Towards a more federal structure

Syllabus: Indian Economy and issues relating to planning, mobilization, of resources

Tags: 15th FC, Devolution of taxes, Cess, Financial Federalism,

Source: [The Hindu](#)

Why India needs better tax sharing mechanism between Center and States?

Context:

The current policy of tax sharing between center and states will increase the regional differences.

Current policy of Tax sharing mechanism in India:

In India, **direct taxes go entirely to the Central government**. State governments get funds from the Central government according to the Finance Commission's recommendations. Though this is based on a formula, often politics intervenes, leading to discrepancy in receivables of different state.

- After the [Fifteenth Finance Commission](#) recommendation, the Central government is supposed to distribute 41% of its gross tax revenues (reduced from 42% after the formation of new Union Territories Jammu and Kashmir) to the State governments.

Challenges with the present tax sharing mechanism:

- Usually, the **Central government does not meet the 41% target**. Various States governments either file petitions or come into conflict with the Central government on this issue.
- **The issue of Cess:** Central government has levied cess on multiple items which adds up to over ₹3.5 lakh crore. This is not shared with the State governments.
- **More economic power to the Central government:** At an all-India level, the States get 26% of their total revenue from the Central government. Some of the so-called poorer

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States get up to 50% of their total revenue from the Central government. This allows ruling parties at the Centre to use these funds to their advantage.

- **Regional disparity:** Maharashtra, Delhi and Karnataka, Tamil Nadu and Gujarat contribute 72% of the tax revenue. But they receive only miniscule share. On the other hand, Uttar Pradesh, which has the largest population in India, contributes only 3.12% but gets over 17% of the revenue distributed by the Central government.
- **Revenue distribution formula:** The formula gives more weightage to population and poverty levels. The population growth rates in the southern states have come down to near zero. On the other hand, population in central and north India continues to grow. This makes ever **growing of cross subsidy** from the south to the north.

Suggestions:

- **Provide greater economic power to states:** This will make states to directly collect more taxes and be less dependent on the Central government. This is **in line with the international practices**. In the U.S., both the federal and State governments collect direct taxes from individuals and corporations. This is true in Switzerland and some other countries as well.

A transition to a more federal structure will allow the Centre to focus on external threats instead of internal dissensions.

7. A case to decriminalize suicide

Syllabus: Welfare schemes for vulnerable sections of the population by the Centre and States

Tags: Suicide, Section 309 IPC, Mental Health,

Source: [The Hindu](#)

Context: Should we stop penalizing suicides and seek for a more permanent solution like repeal of section 309 Indian Penal Code (IPC)?

High suicide rate in India

India has the highest suicide rate in the Southeast Asian region, according to the World Health Organization.

- A total of 1,34,516 cases of suicide were reported in 2018 in India, according to the National Crime Records Bureau. While the rate of suicide was 9.9 in 2017, it increased to 10.2 in 2018.

Reasons for suicide

Depression, chronic ill health, guilt, trauma, substance abuse, failure in exams, and loss of loved ones are some of the reasons which influence a person's decision to take his or her life.

What is section 309 IPC?

Section 309 of the Indian Penal Code provides for the penal provision for attempting suicide.

- If a person is suffering from any mental trauma or illness, he or she should be given **reformatory treatment** rather than a **deterrent punishment** which is "simple imprisonment for a term which may extend to one year [or with fine, or with both]".

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- British Parliament decriminalized attempts to suicide in 1961 through the Suicide Act. In India, a Bill to repeal Section 309 was first introduced in the Rajya Sabha in 1972 but it failed to pass in the Lok Sabha because the House was dissolved.
- **Judgements favoring decriminalization of suicide.**
- Those who favor the penal provision quote the following judgments.
- **Gian Kaur V. State of Punjab (1996):** In this judgment court held that the “right to life is a natural right embodied in Article 21” of the Constitution but “suicide is an unnatural termination or extinction of life and, therefore, incompatible and inconsistent with the concept of right to life”.
- **Aruna Ramchandra Shanbaug v. Union of India (2011):** In this case, the Supreme Court endorsed the Gian Kaur judgment.

Judgments against decriminalization of suicide

Those who argue that the act of attempting suicide should not be criminalized quote following judgments:

- **Maruti Shripati Dubal v. State of Maharashtra (1986):** In this judgment, the Bombay High Court declared **Section 309 unconstitutional**. It said: *“For example, the freedom of speech and expression includes freedom not to speak and to remain silent. The freedom of association and movement likewise includes the freedom not to join any association or to move anywhere... If this is so, logically it must follow that right to live... will include also a right not to live or not to be forced to live.”*
- **Chenna Jagadeeswar v. State of Andhra Pradesh and P. Rathinam v. Union of India (1994):** In these judgments court held that Section 309 of the Indian Penal Code is a **violation of Articles 14 and 21** and is void and unconstitutional.
- **Does mental healthcare act offer a solution?**

To some degree but not fully.

- In 2017, Parliament passed the Mental Healthcare Act. Section 115 (1) of the Act provides, that any person who attempts to commit suicide shall be presumed, unless proved otherwise, to have severe stress and shall not be tried and punished under the said Code.
- However, this law **applies only to those suffering from mental illness**. There is presumption of severe stress in case of an attempt to die by suicide.
- But what if severe stress is not proved?

Way forward

We must shift from penalizing attempts to suicide or making such cases medico-legal ones. Instead, we should provide **psychological or mental treatment** and **support** to the persons affected. As the issue demands a reformative stance, we need a permanent solution like repealing Section 309 of the Indian Penal Code or striking it down.

Terms to know

- Mental healthcare Act

8. UAPA being misused to silence voices against injustice

Syllabus: Security challenges and their management

Tags: UAPA, Anti-Terror Act, Habeas Corpus, NIA, National Security, Preventive Detention

Source: [The Hindu](#), [The Indian Express](#)

What are the issues with UAPA?

Context: In last week alone three important judgements were delivered on the [Unlawful Activities \(Prevention\) Act \(UAPA\), 1967](#). These are,

1. The grant of regular bail to three student activists in the Delhi riots case of 2020. The Delhi High Court held that the police had failed to show its accusations were prima facie true.
2. Acquittal of two persons in a nine-year-old UAPA case in Nanded, Maharashtra, by a special NIA (National Investigation Agency) court, for lack of evidence.
3. The grant of default bail by the Karnataka High Court to 115 Muslim men among 350 who were arrested in the aftermath of rioting and police firing in 2020.

About UAPA:

Originally enacted in 1967, the UAPA was amended to be modelled as an anti-terror law in 2004 and 2008. The significant provisions of amendments are,

- The period of detention is increased, enlarging the period of custody prior to which default bail cannot be granted
- Regular bail is subject to the satisfaction of the judge that no prima facie case exists. This makes bail a near impossibility.
- Lengthy periods of pre-trial incarceration for the accused who are presumed guilty of heinous terror crimes.

Issues with UAPA:

- UAPA is being misused to put people like independent journalists, students and activists who are fighting for justice.
- **The condition of UAPA prisoners:** The persons arrested with UAPA were not entitled to the provisions of jail manual citing safety and security concerns. Further, there is a continuous violation of human rights inside prison.
- **High pendency rate:** The National Crime Records Bureau (NCRB) published the status of UAPA between 2016 and 2019.
 - A total of **4,231 FIRs were filed** under various sections of the UAPA, of which 112 cases have resulted in convictions. While the number of acquittals is low, at 187.
 - The rate of pendency at the level of trial is at an average of 95.5 per cent. This signifies the reasons for **long years of undertrial imprisonment**.

Judicial interventions:

- **In Union of India v K A Najeer case, 2020:** The Court held that despite restrictions on bail under the UAPA, constitutional courts can still grant bail on the grounds that the fundamental rights of the accused have been violated.

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- **In Gautam Navlakha v NIA. case:** The Supreme Court held that house arrest fell within the ambit of judicial custody but refused to count the days spent in house arrest as custody for the purpose of granting him default bail.

Suggestions:

- UAPA should not be misused and should be used for the purpose it was made for — to put terrorists behind bars.

9. Delimitation in UT of Jammu & Kashmir

Syllabus: Election and related issues.

Tags: Delimitation of constituencies, delimitation, Jammu & Kashmir

Source: [Indian Express](#)

Context: Assembly elections in Union Territory of J&K

News: The Union government's invitation to 14 key political leaders from Jammu and Kashmir for a meeting with the Prime Minister in the national capital. this week has led to speculation about possible scheduling of the Assembly elections

What is delimitation and why is it needed?

Delimitation is the act of redrawing boundaries of an Assembly or Lok Sabha seat to represent changes in population over time.

- **Done by:** Delimitation Commission, whose orders have the force of law and cannot be questioned before any court.
- **Objective:** The objective is to redraw boundaries *(based on the data of the last Census)* in a way so that the population of all seats, as far as practicable, be the same throughout the State. Aside from changing the limits of a constituency, the process may result in change in the number of seats in a state.

How often has delimitation been carried out in J&K?

- **Basis of delimitation in J&K:** Delimitation of **Lok Sabha seats** in J&K, before its special status was scrapped, was governed by the **Constitution of India**, but the delimitation of the **state's Assembly seats** was governed by the **Jammu and Kashmir Constitution and Jammu and Kashmir Representation of the People Act, 1957**.
- **Previous delimitations of assembly seats:** Assembly seats in J&K were delimited in 1963, 1973 and 1995.
 - The last exercise was conducted by the Justice (retired) **K K Gupta Commission** when the state was under President's Rule and was based on the 1981 census, which formed the basis of the state elections in 1996.
- **No delimitation after 2001 census:** There was no census in the state in 1991. Also, no Delimitation Commission was set up by the state government after the 2001 census because the J&K Assembly passed a law putting a freeze on the fresh delimitation of seats until 2026.
 - This freeze was upheld by the Supreme Court.
 - The J&K Assembly, at that time, had 87 seats — 46 in Kashmir, 37 in Jammu and 4 in Ladakh. **Twenty-four more seats are reserved for Pakistan-occupied Kashmir.**

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- The freeze, some political parties argue, has created inequity for Jammu region.
- **How J&K's delimitation will be done now?**
- After the abrogation of J&K's special status in 2019, delimitation of Lok Sabha and Assembly seats in the newly-created Union Territory would be **as per the provisions of the Indian Constitution**.
- In March 2020, the government set up the Delimitation Commission, headed by retired Supreme Court judge Ranjana Prakash Desai, which was tasked with completing delimitation in J&K in a year.
- The commission has been granted a year's extension in light of the pandemic.

Terms to know

- Delimitation
- Delimitation Commission and relevant Constitutional provisions

10. Understanding Pakistan's Kashmir conundrum

Syllabus: India and its neighbourhood- relations.

Tags: India Pakistan relations, Kashmir Issue

Source: [The Indian Express](#)

How India-Pakistan relations impact development in Kashmir?

Context: As the central government initiates political engagement with the leaders of Jammu and Kashmir this week, for the first time since the state was reorganized in August 2019. This is closely watched by Pakistan.

The play of Pakistan:

Even before the central government announcement, Pakistan went into a diplomatic overdrive to draw the world's attention to the Kashmir. As Pakistan accuses India's "new plans" as to move to further divide Jammu and Kashmir.

How India-Pakistan relations evolved so far?

1. **Endless cycle of talks-terror-talks** was India's earlier engagement with Pakistan.
2. The present government initiated complex diplomatic/political/military dynamic relations with Pakistan. For example,
 - Inviting then Pakistan Prime Minister Nawaz Sharif to swearing-in ceremony in 2014.
 - Indian Prime Minister's landing at Pakistan at the end of 2015 on a few hours' notice at Nawaz Sharif's family home outside Lahore.
 - When terror attack happened, India broke custom by inviting Pakistan to join the investigations. But Pakistan's intelligence establishment was in no mood to cooperate.
3. After a major terror attack on Uri in September 2016, Indian government changed its approach and ordered the Indian Army to carry out **"surgical strikes" across the Line of Control**.
4. In the aftermath of Pulwama terror attack in February 2019, India ordered the Air Force to carry out a raid on a terror camp at Balakot in Pakistan. Pakistan's response the next day led to the **first aerial combat between the two air forces since 1971**.

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5. In 2019, India **changed the constitutional status of Jammu and Kashmir**, separating Ladakh from it, and declaring the two entities as union territories.
6. This along with Surgical strike and other prompt response by India **forced Pakistan towards diplomacy rather than force.**

How the Kashmir issue in diplomacy dealt with?

- While China, Pakistan's ally and a party to the Kashmir question, sought UNSC intervention, India blocked the move with support from France, Russia and the US.
- Pakistan also accused India at the Organisation of Islamic Cooperation.

What are the recent positive developments in India-Pakistan relations?

- The security establishments in India and Pakistan embarked on backchannel diplomacy that produced quick results.
- India and Pakistan announced a ceasefire on the Line of Control in February. The two sides agreed to "address each other's core issues and concerns" that tend to "disturb peace".
- Pakistan's army chief called for a reorientation of Pakistan's national strategy away from "geopolitics" to "geoeconomics". He also underlined the **importance of good neighbourly relations with Afghanistan and India.**

Pakistan's present dilemma on Kashmir:

- Even though, Kashmir is now on the bilateral agenda, Pakistan needs to prioritize on what should it focus. Either on Article 370 that defines the region's special status in the Indian Union or Article 35A that protects the region's demographic profile.
- Realists in Pakistan perhaps know that India will not restore the pre-August 2019 legal status in Kashmir

Conclusion:

Irrespective of the Pakistan's debate, The central government in India owes itself a new and mutually acceptable compact with Kashmir's political class. India's success on that front will inevitably and irrevocably alter the terms of India's engagement with Pakistan on Kashmir.

11. Justice delivery system is headed towards a disaster. Judges must take responsibility. Here's what they must do

Syllabus: Structure, organization and functioning of the Executive and the Judiciary

Tags: Justice delivery system, Judiciary, Pendency of cases

Source: [Times of India](#)

How to address the pendency of cases in Judiciary?

Context: Currently, the number of pending cases in our courts is 446 lakhs and by 2022 it will cross 500 lakhs. The justice delivery system is hurtling towards a disaster.

What possible solutions can avert the pendency?

1. **Filling sanctioned judicial positions:** A detailed analysis shows that between 2006 and 2017, the average increase in pendency was about 2.5% per year whereas the

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average vacancy in the sanctioned judicial positions was about 21%. If the sanctioned positions had been filled the pendency would have gone down each year.

1. **In subordinate Courts:** The subordinate judiciary is selected by a competitive examination. But they are not hiring adequate numbers. For example, Haryana Judicial Services Examination called only 9 candidates for interviews against 107 posts advertised.
 - o **Suggestions:** The IT industry often hires 1,00,000 employees in a single year and they take the best on offer. The IITs admit about 11,000 students each year with the same approach and do not have more than 1% vacancies. Selection of judges should follow the same approach to fill the sanctioned positions.
2. **For high courts:** 33% positions are filled by promotion from the subordinate judiciary and the rest are recruited by direct offers to the advocates who have successful practice. A simple and sensible option would be to promote 80% from the subordinate judiciary.
3. The **responsibility to ensure near zero vacancies should be placed on the chief justices of the high courts and CJI** and they should be held accountable. Currently, nobody believes they are accountable, and filling judicial vacancies is not considered a matter of priority.
2. **Improve working by using technology:** Many government services have shown significant delivery improvement post technology adoption. Such as, public health, education, income tax returns, postal services, passport services, rail reservations etc. But still, the judicial delivery system not adopted it. The **e-Committee of the Supreme Court** has been in existence since 2005. It has **made four outstanding recommendations** which are not being followed. These recommendations include,
 1. **Computer algorithm to decide on case listing**, case allocation and adjournments with only a 5% over-ride given to judges.
 2. **E-filing in all courts:** The committee put together detailed SOPs (Standard Operating Procedures) on how petitions, affidavits, payment of fees can all be done electronically without lawyers or litigants having to travel to courts. This should be implemented in all seriousness. By eliminating paper, it would also save 3 lakh trees annually.
 3. **Virtual Hearings:** Covid prompted the courts to adopt virtual hearings. However, virtual hearings were held only in some cases. Unless virtual hearings are adopted, the backlog of cases will cross 5 crores by 2022.
 4. **Virtual Always:** Even the first and second standard students are learning in a virtual mode, then All courts must switch to virtual mode immediately and start disposing cases at their normal speed to begin with. This would make access to justice easier for lawyers and litigants

Conclusion:

The CJI must treats these suggestions as an urgent Suo Motu PIL (Personal Interest Litigations) and converts the Covid calamity into an opportunity.

12. China Surpasses India in Vaccine Delivery

Syllabus: India and its neighbourhood- relations and Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

Tags: Vaccine Diplomacy, Covid Vaccine, Vaccine Maitree

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Source: – [Livemint](#)

Synopsis: China has surpassed India in vaccine delivery to other countries. India had an opportunity to make diplomatic gains, however, it lost that to fulfil its domestic needs.

Introduction

China has surpassed India in delivering more covid-19 shots worldwide. It is despite the fact that India is the world's top vaccine producer.

As per UNICEF, China has donated a total of 22.37 million doses across the world in the past six months. It delivered vaccines to a total of 84 countries, mostly in Africa, Latin America and Eastern Europe.

In Africa, nearly 37% of the vaccines supplied are through bilateral deals by Chinese companies.

Whereas Pune-based SII donated 8.8 million doses to 48 countries in the past six months.

How China surpassed India?

- **Firstly, Export ban:** After 2nd wave, India stopped exports of vaccines so that it is available in abundance for domestic use. India banned exports of the Oxford University-AstraZeneca developed and Serum Institute of India (SII)-manufactured Covishield vaccine. This prompted several countries to turn to China.
- **Secondly Awaited emergency approval:** Bharat Biotech, the other vaccine manufacturer from India, is still awaiting emergency approval from the World Health Organization, hindering its ability to scale up exports.
- SII was committed to delivering up to 50 million doses to 64 countries under COVAX by April. However, after India's decision to open vaccination for all those above the age of 18, GAVI notified the potential delays.

13. CDS to chair meet on theatre commands

Syllabus: Various Security forces and agencies and their mandate.

Tags: CDS, Theatre Command, integrated tri-service command, GS paper 3, Internal Security

Source: [The Hindu](#)

Context: Chief of Defence Staff (CDS) Gen. Bipin Rawat is scheduled to chair a meeting with the Vice-Chiefs of the three services, the Chief of Integrated Defence Staff, and the representatives from the Ministries of Defence, Home and Finance. This meeting is part of a broad plan to create four integrated tri-service (theatre) commands.

What is a theatre command?

A theatre command is a military structure wherein all the assets of the army, air force and navy in a particular theatre of war are under the operational control of a three-star general.

- Currently, existing commands are of the army, navy and air force.

What are the four integrated tri-service commands that are being planned?

- Air Defence theatre command
- Maritime theatre command
- Integrated eastern theatre command
- Integrated western theatre command

How was the broad plan arrived at?

- After studying Indian and western models of war fighting for over two years, table top exercises and war games were conducted.
- Operational discussions were held to come up with the best model suited for India. The commands will have Indian characteristics, ethos and way of fighting.
- Detailed discussions were also held with the veteran community and think-tanks to brainstorm on the far-reaching decisions

What is the Indian Air Force's opposition to the plan?

IAF fears that it will lose control over its assets and operations

Is this fear justified?

Current IAF stance of retaining most assets and operational control under the Air headquarters and the Air Chief goes against the very essence of integration and jointmanship.

- It is also unjustified because nothing is being changed from the ground till the level of Army commanders and equivalent. All air bases, squadrons and air assets will continue to function under IAF officials.

Terms to know

- Chief of Defence Staff

14. Share info with Govt, ban on 'specific' flash sales: Move to tighten e-commerce norms

Syllabus: Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Tags: E Commerce rules 2020, consumer protection rules, E Commerce rules, GS Paper

Source 1: [Indian Express](#)

Source 2: [Business Standard](#)

Source 3: [Livemint](#)

Context: Tightening of norms for e-commerce companies

News: The Ministry of Consumer Affairs, Food and Public Distribution is planning major changes to the Consumer Protection (E-Commerce) Rules, 2020. A range of amendments has been proposed. Comments sought from relevant stakeholders by July 6.

Background

- In December 2018, the Industry Department had published changes to its foreign direct investment (FDI) policy for e-commerce. These changes were introduced to tighten loopholes exploited by online marketplaces in previous policies announced by the Centre.
 - Changes included **curbing marketplaces from exercising control over inventory** and **restricting the relationship between the marketplace and sellers** on its platform.
- In the proposed amendments to e-commerce norms, the **Government is looking at strengthening these aspects.**
- The proposed rules have been released at a time when DPIIT is also trying to roll out a **comprehensive e-commerce policy** aimed at addressing the regulatory challenges sector

What are the Consumer Protection (E-commerce) Rules?

The Government had notified the Consumer Protection (E-commerce) Rules in July 2020, for **online retailers registered in India or abroad** but **offering goods and services to Indian consumers**.

While the original rules focused on aspects such as transparency about product information to help consumers make informed decisions, the amendments aim to curb the circumventing of other laws.

Any violation of these rules attracts penal action under the Consumer Protection Act, 2019.

What is the rationale behind notifying such rules and subsequent amendments?

Government received several representations from aggrieved consumers, traders and associations complaining against **widespread cheating** and **unfair trade practices** being observed in the e-commerce ecosystem.

- The rapid growth of e-commerce platforms has also brought into the purview the **unfair trade practices of the marketplace e-commerce entities**. They frequently engage in manipulating search results to promote certain sellers, preferential treatment to some sellers, indirectly operating the sellers on their platform, **affecting the free choice of consumers**, selling goods close to expiration etc.
- **For e.g.:** Flipkart and Amazon India are being investigated by the Competition Commission of India (CCI) for alleged abuse of market dominance and giving preferential treatment to sellers in which they hold indirect stakes. The CCI probe also focuses on deep-discounting practices undertaken by e-commerce marketplaces, which has led to complaints from offline retailers.

What are the key changes that have been proposed?

According to the new provisions,

- **Registration mandatory:** E-commerce companies would need to register with the Department of Promotion for Industry and Internal Trade (DPIIT).
- **Sharing of information:** E-commerce companies would also have to share information with the *“Government agency, which is lawfully authorized for investigative or protective or cyber security activities, for the purposes of verification of identity, or for the prevention, detection, investigation, or prosecution, of offences under any law for the time being in force, or for cyber security incidents”*. The information sought by the Government agency will have to be produced by the e-commerce company *“within 72 hours of the receipt of an order from the said authority”*.
- **Appointment of officers for coordination with law enforcement agencies:** On the lines of IT intermediary rules, e-commerce companies will need to appoint a grievance officer, a chief compliance officer, and a nodal contact person *“for 24×7 coordination with law enforcement agencies”*.
 - **Resident grievance officer** must be a company employee and a citizen of India and serve as the nodal point of contact for law enforcement agencies.
- **Disallowing specific flash sales:** The Government has called for disallowing *“specific flash sales”* on e-commerce platforms.

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- **What is a flash sale?** – A “flash sale” is defined as a sale organized by an e-commerce entity at significantly reduced prices, high discounts or any other such promotions or attractive offers for a predetermined period of time
- **Why this norm?** – This has been proposed to make the existing e-commerce norms more stringent, by ensuring that these firms do not use data collected through their business for “unfair advantage” and prevent any possible links they may have with traders selling goods and services on their platforms.
- **Note: Conventional e-commerce flash sales are not banned.** Only specific flash sales or back-to-back sales which limit customer choice, increase prices, and prevents a level playing field are not allowed.
- **Push for domestic goods:** E-commerce firms should mention the name and details of any importer from whom it has purchased such goods or services.
 - These firms will also have to provide **alternative suggestions to customers** before they make a purchase “to ensure fair opportunity for domestic goods”.
 - They will not only have to rank goods, but also have to come up with a framework such that the ranking does not discriminate against domestic goods and sellers.
- **Data not to be misused:** E-tailers cannot mislead consumers by manipulating search results on their platforms.
 - They will have to ensure that marketplaces do not use any information collected through its platform for unfair advantage of its associated enterprises.
- **Selling goods & services to sellers not allowed:** No marketplace e-commerce entity shall sell goods or services to any person who is registered as a seller on its platform.
- **Cross-selling details to be revealed:** E-tailers engaged in cross-selling of goods or services will have to disclose to its users, by providing the name of the entity providing data for cross-selling, as well as the data used for cross-selling on the platform.
 - Cross-selling is a marketing practice of selling complementary products to customers, thereby getting them to purchase more.
 - Selling products to a consumer by “deliberate misrepresentation” of information about the goods is also not allowed.
- **No differentiated treatment by logistics providers:** No logistics service provider of a marketplace e-commerce entity shall provide differentiated treatment between sellers of the same category.
 - Amazon India, for example, has its own logistics arm, and the provision seems to be aimed at ensuring such logistics providers are not given preference over others.
- **Final liability on the marketplace:** In the event a seller fails to deliver a good or service, the final liability will fall on the e-commerce marketplace.

DOS AND DON'TS

EVERY E-COM COMPANY WILL HAVE TO:

- Register itself with DPIIT if it plans to operate in India
- Suggest Indian alternatives for foreign-made goods at pre-purchase stage
- Ensure that sponsored listings are clearly identifiable
- Ensure no logistics service provider offers differentiated treatment between sellers of the same category
- Provide adequate disclosure if engaged in cross-selling

E-COM COMPANIES CAN'T DO:

- Misleading consumers by manipulating search results
- Advertise a body of sellers for subsidising a sale on its platform
- Cannot share consumer information without the consent

What is the applicability of the rules?

- The rules will be applicable for all goods and services bought or sold over digital or electronic networks, including digital products.
- They are valid for all models of e-commerce, including marketplace and inventory models, including multi-channel single brand retailers and single brand retailers.

What are some concerns being expressed?

The fact that online marketplaces will now have to offer alternatives to imported goods goes against the basic rules of 'free market' and 'non-discrimination' of sellers, which are expected to be followed by e-commerce firms. Product suggestions depend on the consumer's preference and the goods they have frequently bought in the past.

15. What the law says on compensation for Covid deaths

Source: [Indian Express](#)

Syllabus: Welfare schemes for vulnerable sections of the population by the Centre and States

Tags: Covid deaths, GS Paper 2, Social issues, Disaster Management Act

What is the News?

The Supreme Court has reserved its verdict on a petition by two advocates seeking compensation of Rs 4 lakh to the families of those who have died of Covid-19 or related complications.

Provisions for Compensation for Death:

- The Centre has declared **Covid-19 as a notified disaster under the Disaster Management Act.**
- **Section 12(iii) of the Act says the** National Authority shall recommend guidelines for the minimum standards of relief to be provided to persons affected by disaster.
- **The relief shall include** ex gratia assistance on account of loss of life as also assistance on account of damage to houses and for restoration of means of livelihood.
- **The Centre revises** the relief amount from time to time. In 2015, the Disaster Management Division of the Home Ministry has notified relief as Rs 4 lakh per deceased person.

16. What can we do to avoid the third wave of Covid?

Source: [Click here](#)

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health

Synopsis: India needs to urgently adopt a targeted vaccination strategy, prioritizing high risk groups and potential super spreaders.

Introduction

A targeted vaccination strategy is critical to avoid a possible third wave of Covid-19 infections. Due to limited resources, optimal utilisation of the scarce resource must be a key strategy.

What are the policy gaps in the current vaccination strategy?

The current policy of vaccination **benefits digitally aware citizens and creates inequality in the administration of vaccine.** Drive-through vaccination centers in some cities increase the inequality. **This is not a desirable policy objective.**

- Currently, the focus of vaccination is on the number and percentage of people vaccinated. However, the major focus should be on who is vaccinated. At present, the 45-plus age group has been the main target group as there is higher mortality in this group. **But a major policy gap is observed in vaccinating the 18-45 age group.** certain high-risk groups under the **18-45 age group should be targetted.**
- **The Government has advised that infected persons should avoid being vaccinated** for three months after recovery. Implementation of this policy on the ground may not be happening.
- There is the issue of a large number of people who have been infected by the virus but are not aware of it. Thus, a large percentage of jabs may be going to people who already have antibodies.

How do we need to devise targeted groups? How will this help?

The Union Health Ministry has authorised state governments to plan state-level prioritization policies within the 18-45 age group. It is vital for state governments to use this option. A policy that targets certain high-risk groups within the 18-45 age group is required.

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- **Firstly, the population in the 18-45 age group can be divided into three categories.**
- **Category A** comprises people who have already caught Covid-19 and have developed antibodies.
- **Category B** includes those who have not yet been infected.
- **Category C** includes a small subset of high-risk groups and potential super-spreaders. For example, street vendors, auto-rickshaw drivers, milk and vegetable vendors, newspaper vendors, journalists etc. They should be given priority.
- **Secondly, this method will help in reducing the number of deaths.** It would be appropriate that the central government issues a detailed advisory on this.
- **Thirdly, it makes sense to target high-risk groups and potential super-spreaders for vaccination.** This should not be delayed. **Targeted vaccinations will also enable a faster continuation of economic activities** and will reduce the stress on economically vulnerable groups.

The conclusion

- To tackle 3rd wave, Targeted vaccination with limited supply is important. The central government has already permitted on-the-spot registrations.
- Further, state governments need to take the initiative and plan for targeted and prioritised vaccinations.

17. Countering a political act that has a legal garb

Source: [The Hindu](#)

Gs2: Important aspects of governance, transparency and accountability

Tags: Sedition, Sedition Law, Lakshadweep issue,

Synopsis: Sedition cases should be charged only when any act either spoken or written creates incitement into violence or social disturbance.

Background

- Recently, Aisha Sultana, a filmmaker from Lakshadweep, booked for the alleged offenses of sedition and statements prejudicial to national integrity.
- She was alleged to have used the word 'bioweapon' in a television discussion while criticising the Lakshadweep Administrator's actions
- However, MS. Sultana's case is only one among the numerous sedition cases recently registered in the country.
- Earlier, In Lakshadweep, people were booked for sedition cases even for putting up placards or posters against the Prime Minister.

Sedition during British India

- The offense of sedition was introduced in 1870 under Section **124A of the Indian Penal Code (IPC)**.
- In 1922, Mahatma Gandhi was charged with sedition. He described the provision as "perhaps the prince among the political sections of the IPC designed to suppress the liberty of the citizen."
- Gandhiji, who himself was a lawyer, made two points in his statement during the trial.
- One, he admitted the charge of preaching disaffection towards the then existing regime.

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- Two, he justified his act and said that it was his duty to do so as it is “a sin to have affection for the system under the British Raj.
- Further, explained that Affection cannot be manufactured or regulated by law.
- If one has no affection for a person or system, one should be free to give the fullest expression to his disaffection so long as he does not incite violence.
- After this, the British Raj used the draconian provision only when they alleged that a speech or writing resulted in violence or social disturbance. For example,
- Bal Gangadhar Tilak was tried in 1897 on an accusation that the articles in Kesari (Marathi paper owned by him) incited violence that led to the killing of two British officers. Tilak was convicted and sentenced to undergo rigorous imprisonment for 18 months.

Sedition in Free India: Kedar Nath Singh case

- **Kedar Nath Singh case** (1962), the assertion made by Gandhiji in the court was indirectly laid down as the law by the Constitution Bench of the Supreme Court.
- In Kedar Nath Singh, the accusation was that Kedar Nath, a Forward Communist Party leader, had asserted his belief in a revolution.
- He said that the revolution “in the flames of which the capitalists, zamindars, and the Congress leaders of India.... will be reduced to ashes....”
- The Court said that “comments, however strongly worded, expressing dislike of actions of the Government, without exciting violence, would not be penal.”
- Similarly, in **Balwant Singh case** (1995), slogans for an independent Sikh nation were found to be not seditious as it did not lead to incitement of violence.
- This proposition was followed consistently, till **Vinod Dua (2021) case**, where the Court said that a journalist cannot be booked for sedition for expressing dissent.

What is the current situation?

- Even today, the draconian law of sedition is being used against political opponents essentially as a political act.
- Sedition charges are frequently and intentionally being registered solely based on words spoken, written, or tweeted. For example, Aisha Sultana case.
- According to the report by the **National Crime Records Bureau (NCRB)**, between 2016 and 2019 there was a 160% increase in the registration of sedition cases. However, the conviction rate during this period fell from 33.3% to 3.3%.
- This can have a chilling effect on people’s movements.

Way forward

- The Supreme Court of India and the High Courts should take Suo Motu cognizance of the incidents, where the state purposefully uses draconian laws to suppress criticism and protest.
- Such Suo Motu proceedings would reflect the kind of judicial activism that our time demands.

18. Why does China consistently beat India on soft power

Source: [Indian Express](#)

Syllabus: India and its Neighborhood- Relations.

Tags, SOFT power, India China relations, Foreign Policy of India,

Synopsis: China's has advantage over India in terms of hard power (economic power + military power) as well as soft power

What is soft power?

Soft power, a tool of foreign policy, is a mix of cultural, policy and political influences based on power of attraction. It is the ability to persuade others in a peaceful means.

- Foreign policy influence comes from the legitimacy and morality of one's dealings with other countries.
- Cultural influence is based on others' respect for one's culture.
- Political influence is how much others are inspired by one's political values.
- It is difficult to measure soft power.

How is China's soft power more attractive than India's Soft power?

India might think it is more attractive than China. However, the numbers based on the Lowy Institute survey show otherwise.

- **In diplomatic influence**, overall, India ranks sixth and China ranks first among 25 Asian powers,
- **On diplomatic networks**, India nearly matches China in the number of regional embassies it has but is behind in the number of embassies worldwide (176 to 126).
- **In terms of multilateral power**, India matches China in terms of regional memberships, but its contributions to the UN capital budget are less compared to Chinese contributions (11.7 per cent to 0.8 per cent of the total).
- In surveys of foreign policy leadership, ambition, and effectiveness, China ranks first or fourth on four measures while India ranks between fourth and sixth in Asia.
- **In terms of cultural influence**, India ranks in fourth place and China in second place in Asia.
- In terms of cultural projection,
- India scores better on Google searches abroad of its newspapers and its television/radio broadcasts. It also exports more of its "cultural services."
- Whereas China does better on several other indicators. For instance, India has only nine brands in the list of the top 500 global brands whereas China lists 73.
- On the number of UNESCO World Heritage sites, India has 37 while China has 53.
- India also lags in the Passport freedom Index. Chinese citizens can travel visa-free to 74 countries while Indians can travel only to 60 countries.
- In terms of information flows, in 2016-17, India hosted a mere 24,000 Asian students in tertiary education institutions whereas China hosted 2,25,000.
- In terms of tourist arrivals, in 2017 India received 5 million tourists from Asia whereas China received 41 million and ranked first among 25 Asian countries.
- in terms of political influence, India ranked 12th and China ranked 10th.
- In terms of political stability and absence of violence/terrorism", India ranked 21st, and China ranked 15th.

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- Further, confidence on India's regional ambitions, economic, military, and diplomatic capabilities, with Southeast Asia is very low according to the State of Southeast Asia Survey Reports

19. Need to rethink discriminatory policy

Source: [Indian Express](#)

Syllabus: Population and Associated Issues

Tags: GS Paper 2, Government policies, two-child policy, population-related issues

Synopsis: Recent Assam government proposed to bar people with more than two children from welfare schemes.

Background:

Similar norms related to contesting local body elections are present in Gujarat, Rajasthan, Madhya Pradesh, Himachal Pradesh, Uttarakhand, Maharashtra, Andhra Pradesh, Telangana, Karnataka, Odisha and Haryana.

How is the policy flawed and discriminatory?

- Firstly, measures such as the two-child policy **discriminate** against the poor and the socially marginalized.
 - These policies also **provoke people**, and it increases **communalization** of the society.
 - It increases **vote bank politics** as these policies are misused by politician to gain support from particular community.
- Secondly, **China** used such penal measures to control population but in long term it failed.
 - In case of India judicious mix of policies that focusses on improving social indices such as literacy and healthcare, especially of women and children, and family planning measures, including promotion of modern contraceptives made the demographic **transition sustainable**.
- Thirdly, In India the focus is slowly shifting from **childbearing to child rearing**.
 - As per **National Family Health Survey (NFHS) and Census data** population growth in India is not a matter for concern.
 - India's population is expected to peak by 2050 and then decline sharply with the total fertility rate projected to reach 1.3 by 2100.
- Fourth, In Assam **TFR is declining sharply** among all communities.
 - According to the fifth NFHS (2019-20), the TFR for Muslims in Assam is 2.4 from 3.6 in 2005-06.
- Lastly, **total fertility rate (TFR) for depends on many socio-economic factors** including:
 - Higher levels of poverty
 - lower levels of education and
 - population concentrated in less developed rural areas.
- That is why coercive measures need to avoided and policies should be based on fairness, freedom and equality.

20. The farmers' protest began a year ago. How has it lasted this long?

Source: [The Indian Express](#)

Topic: Marketing of Agricultural Produce and Issues and Related Constraints

Tags: Farmer's Protest, Farm laws, GS Paper 3, Agriculture

Context: The farmer protest movement against three Acts passed by the Parliament has sustained itself for more than six months. Article discusses the plausible reasons behind it.

Why has the farmer protest movement lasted this long?

- **Support from the hegemonic agrarian class of Punjab:** This class which has ruled this state since the mid-'60s in the post-Green Revolution phase has joined this protest. This section of the society has an abundance of human and material resources.
- **Why are they supporting the movement?** – Land, for this agrarian class, holds social and cultural value. The acts passed by the Parliament have reinforced their fears over the weakening of their control over the agricultural economy.
- **Support from other sections of the society:** It has enormous support among retired and even serving civil servants, teachers, students, civil society activists, artists and professionals.
- **Protest is for survival:** Earlier agrarian protests in the '80s revolved largely around the enhancement of support prices, institutionalised credit system, regular supply of inputs on subsidised rates, etc. Those protests used to threaten to stop the supply of food-grain to other states. Whereas now the crisis is privatisation of agricultural operations and of food-grain not finding a market. This protest is for survival.
- **Upcoming elections in Punjab and Uttar Pradesh:** Another reason for its longevity is the forthcoming election in early 2022 in Punjab and Uttar Pradesh. This explains the desperation of political parties, to support this agitation. In Punjab, it has provided an opportunity to the present government to overcome anti-incumbency. Knowing well that the state assembly has no powers to nullify the central Acts and introduce their own Acts to regulate agriculture trade, the state govt of Punjab did exactly that.

Conclusion

There is an urgent need to overcome the uncertainty in public policy and revisit the market centred growth model to ensure food security for the poor, food sovereignty of the country, and income redistribution policies for marginalised populations including farmers.

Terms to know

- Three Agri-laws passed by the Parliament
- MSP
- APMC

21. [India's Medical Health Crisis: Not enough doctors, nurses](#)

Source: [Business Standard](#)

Syllabus: GS Paper 2, Health and Associated issues

Tags: Medical health crisis, shortage of doctors, Health, Social Issues, GS Paper 2

Synopsis: The Covid-19 has overburdened India's poor healthcare system. Government has taken various initiatives to overcome it. But there is one area that doesn't get attention which is India's acute shortage of doctors and nurses.

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Doctors in India:

- **Doctors in India:** India had 1.16 million doctors of whom only 80% or 0.9 million were working in 2019. This results in 0.68 doctors for every 1,000 people.
- **WHO prescribes** a ratio of 1 doctor for every 1,000 people.

How much time would it take for India to reach WHO standards?

- **In 2019-20**, as many as 70,262 students graduated with a MBBS degree. If only 80% join medical work, it would take another seven years to reach the WHO standard.
- **Moreover**, even if India continues to add 1.1% to its population every year, and even if it increases MBBS seats by 5.5% each year, it will take 10 years to reach the WHO standard.

India's Status of Doctors when compared to other Countries:

- **BRICS** (Brazil, Russia China, and South Africa) countries average two doctors for every 1,000 people.
- **The Organisation for Economic Co-operation and Development (OECD)**, which has 38 members, mostly developed countries, has 3.1 doctors.
- **On the other hand**, at the current pace, India will take 32 years and 57 years to level with BRICS and OECD respectively.

Status of Nurses in India:

- **India had 3.24 million** or 2.36 nurses per 1,000 people in 2020. The WHO prescribes three nurses per 1,000 people.
- Even if India adds 0.21 nurses every year, it would take two years to reach the WHO-required nurse ratio, 11 years to reach BRICS and 32 to get to the OECD ratio of 9.6 nurses per 1,000 people.

Disparity Region and States wise:

- **India has an average** of 0.68 doctors per 1,000 people. But there is only 0.1 doctor for 1,000 people in rural India.
- **The disparity among states** is also huge. UP has increased its doctor count by 6% in the last two years and Delhi by 27%. On the other hand, Bihar did not add any nurses between 2016 and 2018.

22. The Union Government has a unifying effect

Source: [The Hindu](#)

Syllabus: GS 2 – Functions and Responsibilities of the Union and the States, Issues and Challenges Pertaining to the Federal Structure

Synopsis:

The term 'Centre' is absent in the Constitution as the Constituent Assembly did not want to centralise power. In this regard, the Tamil Nadu government has decided to replace the term 'Central Government' with 'Union Government' for all official communications.

Background:

- The Tamil Nadu government has decided to shun the usage of the term 'Central government' in its official communications and replace it with 'Union government'.

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- It is a **major step towards regaining the consciousness** of our Constitution as stated in **Article 1**. The article states that India, that is Bharat, shall be a Union of States.
- The term 'Centre' or 'Central Government' is absent from 395 articles and 12 schedules of the constitution. But still, the courts, the media and even the States refer to the Union government as the 'Centre'.

How are courts and media able to use the term central government?

- Even though we have no reference to the 'Central government' in the Constitution, **the General Clauses Act, 1897** gives a definition for it.
- The 'Central government' for all practical purposes is the President after the commencement of the Constitution.

What was the intent of our constitutional makers?

- Initially, the objective resolution wanted to create India as a Union of territories willing to join the "Independent Sovereign Republic".
- Many members were of the opinion that the principles of the British Cabinet Mission Plan (1946) be adopted. It contemplated a Central government with very limited powers whereas the provinces had substantial autonomy.
- The Partition and the violence of 1947 in Kashmir forced the Constituent Assembly to revise its approach and resolve it in favour of a strong Centre. The possibility of the secession of states from the Union weighed on the minds of the drafters of the Constitution and ensured that the Indian Union was "indestructible".
- Hence the term "**union of states**" was chosen. The members wanted to make it clear that though India was to be a federation, it was not the result of an agreement and that therefore, no State has the right to secede from it.
- Nonetheless, the term union instead of the federation also got some criticism from members like Hasrat Mohani on the following grounds:
 - The usage of the words 'Union of States' would obscure the word 'Republic'
 - It might create India into a despotic union like Germany at the time of Adolf Hitler
 - It would undermine federalism and bring all the units, the provinces and the groups of States under the thumb of the Centre.

Why was the term 'Centre' or Central Government' avoided?

- The members of the Constituent Assembly intended to **keep away the tendency of centralising of powers in one unit**.
- The term 'Union government' or the 'Government of India' has a unifying effect as the message sought to be given is that the government is of all.
- Both the Union and the States are created by the Constitution, both derive their respective authority from the Constitution. None is subordinate to the other in its own field.
- For instance, the judiciary is designed in the Constitution to ensure that the Supreme Court has no superintendence over the High Courts.
- Though the Supreme Court has appellate jurisdiction over High Courts and other lower courts, they are not declared to be subordinate to it.

23. The Kashmir outreach and the Afghan storm

Source: [The Hindu](#)

GS 2: Functions and Responsibilities of the Union and the States, Issues and Challenges Pertaining to the Federal Structure

Synopsis: The center announced few specific objectives towards the development of Kashmir after the abrogation of Article 370. However, a recent analysis of the stated objectives shows that the center has failed to deliver on its objectives

What are the objectives stated by the Centre after the abrogation of Article 370?

Apart from ending terrorism and violence in J&K, the center promised three specific objectives

- One, bringing development initiatives and investment from other parts of the country;
- Two, reclaiming those parts of the territory now occupied by Pakistan and China (PoK and Aksai Chin).
- Three, ending the rule of political “dynasties” in J&K in favour of a “Naya Kashmir” polity.

Above all, the Government underlined, that the decision to abrogate article 370 was purely an “**internal**” one, and did not affect India’s ties with any other country.

Had the center delivered on its promise?

No, the Government had failed to deliver on its promised objectives.

1. **First**, though **terrorism and violence** have decreased since 2019, it has come at the cost of massive hardship to the people in the name of security. For example, more than 5,000 people were arrested and the longest Internet shutdown (213 days) was enforced, etc.,
2. **Second**, regarding **attracting investments** to Kashmir, the Government claims that it has more than 400 memoranda of understanding from businesses. However, it can only be confirmed once the money actually comes in.
3. **Third**, the objective of **reclaiming PoK and Aksai chin** also looks impossible after the Chinese aggression at the Line of Actual Control (LAC). Further, any future conflict at the LAC would need to account for a two-front “situation” with Pakistan at the Line of Control as well.
 - Moreover, the US pullout from Afghanistan will add to the risk calculus, as the Taliban will get strengthened.
4. **Fourth**, the promise of ending the rule of **political “dynasties”** in J&K is also not delivered. Because currently, the government is engaging with the erstwhile State’s former leaders to discuss the future of the political process of J&K.
5. **Fifth**, what India calls an internal issue is being subjected to **international pressure**. For instance, it has now been discussed in more capitals, including the U.S. Congress, Parliaments in the United Kingdom, the European Union (EU), and the Nordic countries, than ever before.

In addition, the J&K dispute has been discussed at least three times at the UN Security Council, which had not touched the issue since 1971.

Impact of Geopolitics and Kashmir’s outreach

- India’s decision to engage the previous leadership, to discuss the restart of a political process and the reversal of the August 5 decision comes not from domestic considerations alone.

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- Similarly, Pakistan's softening stand towards J&K is borne out of international pressure as well as the sustained threat of a (Pakistan) blacklisting by the Financial Action Task Force.
- For instance, the U.S., keen to complete its Afghanistan pull-out and its negotiations with the Taliban, and nudges from the UAE envoy (Saudi Arabia, Qatar, and the United Arab Emirates) as "mediation" have been the push factors.

24. The unseen cost of covid's long shadow on India (Editorial)

Source: [LiveMint](#)

Syllabus: Issues relating to development and management of Social Sector/Services relating to Health

How Covid-19 impacted other healthcare conditions?

Context:

Ever since the inception of pandemic, India's collective attention, resources and energy of the health system have focused only on the coronavirus. This left every other health-related concern to take a back seat. This **covid-induced shadow** has already worsened the "routine" ailments of many.

What is the evidence of neglecting other diseases?

1. Even **normal immunization schedules and health services** for women and children have suffered because of the battle against covid-19. This has so far **infected more than 30 million Indians**.
2. The functioning of **National Programme for Prevention and Control of Cancer, Diabetes, Cardiovascular Diseases and Stroke (NPCDCS)** was seriously hit by the pandemic.
 - a. This result in, more people are approaching hospitals with diseases like cancer at an advanced stage, uncontrolled diabetes, heart ailments, and more.
 - b. Around **30% fewer people with cardiac emergencies could reach health facilities** in rural areas in March 2021 than last year.
3. The recently published **National NCD Monitoring Survey (NNMS)** showed some important figures.
 - a. **Two in five adults have three or more risk factors for NCDs.**
 - b. The longer they stay out of the health system's radar—either due to fear of covid or due to limited access—the more susceptible they would become to illnesses.
4. The **lockdowns and restrictions on movement** have also **changed the lifestyle** of people. This has resulted in **obesity and increased the risk of diabetes and hypertension**.
5. **Stroke rehabilitation and stroke prevention, adequate and optimal control of stroke risk factors** have all taken a hit.
6. **Fallout on the fight against tuberculosis:** India reported a 24% year-on-year fall in tuberculosis registrations last year, according to the **India TB Report 2021**. This makes India's pre-pandemic aim to eradicate tuberculosis by 2025, five years ahead of the global target date a tougher one.

What will be the expected outcomes of this neglect?

1. The already heavy burden of **non-communicable diseases (NCDs)**—diabetes, hypertension, kidney ailments and stroke—is almost **certain to rise**.

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2. Many health experts believe that the **health deficit of the early 2020s** might leave **generational ripples**. Even threatening the gains that the country had achieved earlier with decades-old battle against a slew of ailments.
3. Another study also showed that the **onset of diabetes during the covid era is more severe than in the pre-covid era**.
4. The study done by the **National Cancer Grid**, predicted an additional 98,650-131,500 cancer deaths within the next five years.
5. A **World Health Organization (WHO)** survey released in May 2020 projected an **increase in deaths due to heart ailments, cancer, diabetes, and other diseases**.
6. India is also **likely to miss the deadline for the elimination of neglected tropical diseases (NTDs)** such as kala azar and lymphatic filariasis.

HOW COVID-19 IMPACTED OTHER HEALTHCARE CONDITIONS?

NORMAL IMMUNIZATION SCHEDULES AND HEALTH SERVICES FOR WOMEN AND CHILDREN HAVE SUFFERED

This has so far infected more than 30 million Indians.

IMPACT ON NATIONAL PROGRAMME FOR PREVENTION AND CONTROL OF CANCER, DIABETES, CARDIOVASCULAR DISEASES AND STROKE (NPCDCS)

More people are approaching hospitals with diseases like cancer at an advanced stage, uncontrolled diabetes, heart ailments, and more

RESULT OF NATIONAL NCD MONITORING SURVEY (NNMS)

Two in five adults have three or more risk factors for NCDs. The longer they stay out of the health system's radar the more susceptible they would become to illnesses.

LIKE TO MISS DEAD LINES

- India might miss the deadline for the elimination of neglected tropical diseases (NTDs)
- India's pre-pandemic aim to eradicate tuberculosis by 2025 is almost not feasible

CREATE GENERATIONAL RIPPLES

The health deficit threatens India's health gains so far achieved earlier with decades of hard work

SUGGESTIONS TO FOCUS ON OVERALL HEALTH CARE

- Focus on ending the Covid-19 cycle faster
- Switch towards digital means
- Strengthening community-level healthcare

Suggestions to focus on overall health care:

- **Focus on ending the Covid-19 cycle faster:** A rapid ramp up in vaccination and concerted efforts to mitigate the third wave of covid will certainly help. It would offer some breathing room for healthcare institutions and provide time to re-focus their attention toward the other treatments such as NCDs and more common ailments
- **Switch towards digital means:** NNMS (National Non-Communicable Disease Monitoring Survey) calls for a rapid spike in the use of telemedicine and teleconsultation. It is particularly important for the treatment of cancer, diabetes, heart disease and stroke.
- **Strengthening community-level healthcare:** The pandemic experience shown that the lack of access to healthcare services in the prime cause for all these menaces. So, India has to strengthen community level healthcare to improve access to health care and prevent India from future such scenarios.

25. India engagement with Afghan Taliban

Source- [Times of India](#)

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

Synopsis- India has to be realistic. It has to come to terms with the reality that the Taliban have an upper hand and they might actually come to power.

Introduction-

- Indian officials have met and held discussions with the Taliban representatives in Doha ahead of the complete withdrawal of US troops from Afghanistan
- This is opportunity for India to reduce Pakistan's option for playing mischief and protecting its investment in Afghanistan.

Probable motive of India

- **To prevent Pakistan from using Afghanistan as strategic depth against India once the US leaves.**
 - Pakistan, as one of the three nations that recognize the Taliban's government in Afghanistan, has been a key player in the Afghan peace process.
 - A Taliban takeover would certainly empower Pakistan to deploy its Afghan proxies against India, perhaps affecting Kashmir.
- **India also tries to protect its investment in Afghanistan-**
 - India has invested billions of dollars in Afghanistan as it seeks to strengthen its role in the war-torn country.
- **Major development projects-**
 - Shahtoot dam, which is expected to cost \$250 million.
 - Afghan Parliament, Zaranj-Delaram Highway, and Afghanistan-India Friendship Dam (Salma Dam),
 - Along with India's assistance of more than \$3 billion in projects, hundreds of small development projects of schools, hospitals, and water projects.

Way forward-

- Given the level of investment, India has made in Afghanistan, India cannot rely on a multilateral approach to protect its interests. In this scenario, India must continue to engage with Taliban.

26. Protecting Prisoners' right

GS Paper 2: Structure, Organization and Functioning of the Executive and the Judiciary— Ministries and Departments of the Government

Tags: Prison reforms, GS Paper 2

Relevance: Prison reforms have been of late pending in India.

Synopsis: Overcrowding in prisons has put several inmates at risk of COVID-19 infection and death. It is a violation of the human rights of prisoners.

Background

- In India Prisons are overcrowded and it has left thousands of prisoners at risk of Covid infection and death.
- According to data, there are 12,715 inmates lodged in 11 sections of Tihar Jail alone as against the lodging capacity of 7,425. Out of them, 11,077 are undertrials.

Violation of human rights

- Court in **Charles Sobraj v. The Suptd., Central Jail, Tihar, 1978**, opined that “imprisonment does not spell farewell to fundamental rights”.
- Overcrowded jails are a violation of the human rights of prisoners guaranteed under Article 21 of the Constitution.
- Apart from risking the lives of inmates, ignorance of the poor conditions of prisons has also added to the misery of the families of those in jail. For example,

Laws / SC rulings in protection of Prisoners rights

- **Article 14 (3)(c) of the International Covenant on Civil and Political Rights**, states that an accused has the right to be tried without undue delay.
- **In Hussainara Khatoon v. Home Secretary, State of Bihar, 1979** the court has stated that the state is bound to provide legal assistance to prisoners, ensure their safe and timely release and safeguard their rights to a fair and speedy trial.
- **Recent Supreme court direction**
 - Taking cognisance of this issue, the Supreme Court directed the States to examine releasing inmates, convicted or facing trial on non-serious charges, from jails either on regular bail or on parole.
 - It also directed them to provide transport facility to the prisoners to reach home.
- Given that States have started vaccinating prisoners too, the situation may improve soon. But India cannot ignore the problem of overcrowding, pandemic or no pandemic.

27. New Political engagements preparing the ground for a 'Naya J&K'

Source: **The Hindu: [Article 1](#), [Article 2](#) and [The Indian Express](#)**

Syllabus – GS Paper 2 –

Syllabus: Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure

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Tags: J&K, GS Paper 2

Relevance: Development of Jammu and Kashmir is essential for Internal security and ensuring smooth functioning of the Federalism.

Context: For the first time since the state after abrogation of article 370, the Central government initiated political engagement with the leaders of Jammu and Kashmir.

Key outcomes of the meeting:

1. Both the center and state agreed to strengthen grassroot democracy.
2. Legislative polls will occur after the [delimitation of constituencies](#).
3. Restoration of Statehood in Jammu and Kashmir after the delimitation and elections. (But the timeline is still not clear).

What are the challenges in development of Jammu and Kashmir?

- Decades of turmoil has created unique problems of governance and mistrust.
- The state of delivery of **public service** has not improved significantly. Also, the promised **investment** from corporate groups has not translated into reality.
- **Challenges in arriving a comprehensive blue print:** The challenge before Center and state is to formulate a blueprint for good governance, which is acceptable to both. For instance, some political parties are still against the revocation of Article 370.

What are the present advantages?

Global and domestic factors encouraged the Indian government and the political parties in Jammu and Kashmir to accommodate viewpoints of each other for mutual development.

- **Ceasefire with Pakistan:** Backchannel diplomacy between India and Pakistan led to a successful [ceasefire on the Line of Control](#).
- **Lowest internal security threats:** stray incidents of violence, terrorism and militancy are at their lowest levels in recent years.
- **The change in Center's approach:** Federal relations are dynamic even in countries with almost inviolable rights of the States. India's policy towards J&K also moved between tight central control to a gentler federal grip that provided space for autonomous self-governance.

Suggestions:

- **Frame a comprehensive blueprint:** The Center and State have to frame a blueprint for good governance with framework of healthy federal relations.
- The center must **commit to a structured process of continuous engagement** to bridge the trust deficit vis a vis the intentions of the Centre.

Twenty-first century governance and empowerment in Jammu and Kashmir require a federal solution that is contemporary and built on best practices globally.

28. Vaccination for Pregnant Women

Source: [The Hindu](#)

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

Tags: Vaccination, mRNA vaccines

Relevance: Vaccination is one of the most important aspect to defeat the Covid-19 Pandemic.

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Synopsis: There is need for urgent vaccination for pregnant Women to minimise the impact of the coronavirus infection among them.

Why there is need to vaccinate mother-to-be?

- **Firstly**, India's demographic dividend is largely dependent on its high birth rate.
- **Secondly**, According to a recent publication in the Journal of the American Medical Association, **maternal mortality** is several-fold higher in COVID-19 positive pregnant mothers than in non-COVID-19 infected pregnant women.
- **Thirdly**, maternal and neonatal complications increase with **maternal obesity and diabetes in pregnancy** which is common in India. However, pandemic has worsened the situation by increasing complications such as increased C Section, neonatal infection and respiratory distress.

Measures need to be taken to protect mother-to-be:

- **Firstly**, vaccination should be taken up on a war footing. Women in the reproductive age group and the medical profession should be informed properly. Wherever possible, **advise all women to postpone pregnancy** till both partners are vaccinated and offer vaccination to all un-vaccinated pregnant women.
- **Secondly**, dedicated and safe ultrasound scan centers for pregnant women and **unvaccinated health-care workers** should be quickly vaccinated. Pregnant women with fever should be considered to have COVID-19 unless proven otherwise.
- **Third**, pregnant women should be vaccinated with inactivated vaccines. Pregnancy and the immediate postpartum period are **pro-thrombotic states**. It promotes the formation of blood clots in veins.
- Lastly, **segregation is required to protect non-COVID-19 infected mothers**. COVID-19 and non-COVID-19 pregnant women coming for delivery should be strictly segregated.

Way forward:

- Vaccination should be offered to pregnant women after providing adequate information and counseling.
- Provide resources to healthcare professionals involved in their care.
- Awareness regarding the availability and advantages of the vaccine for pregnant women should be **publicised**.
- **Enhance vaccination coverage of couples planning pregnancy** and pregnant women on a priority basis.

Best practice:

- The United Kingdom and the United States have approved vaccination of all pregnant women with **mRNA vaccines** due to the benefits involved. Benefits of vaccines are:
 - Produce a good immune response.
 - Maternal antibodies cross the placenta and enter the fetus.
 - Antibodies give protection against maternal to the fetal transmission of the virus.

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- India needs a **multidimensional approach** including information, education, effective communication to **enhance vaccination coverage** and address **vaccine hesitancy** in mothers-to-be.

29. Thaw on the western front

Source: Business Standard

Syllabus: GS2 – International Relations

Tags: Indo-Pak relations, Kashmir valley, Taliban, ceasefire

Relevance: India's engagement with Taliban and Pakistan, and political parties in Kashmir valley will stabilize its western front.

Synopsis: Hijack of IC-814 flight by Taliban made India look West. Now, in the light of US withdrawal of troops from Afghanistan, India is again trying to reshape its strategic outlook towards Western region.

Why is India engaging with Taliban?

India is talking to the Taliban because the Taliban are winning the war against USA and Afghan government. USA would want India to engage with Taliban because it doesn't want Afghanistan to become battleground for Indo-Pak rivalry again.

India too understands that it has to work together with USA in the West, if the Quad partnership in the East is to succeed.

Ceasefire along LoC

India and Pakistan understand that if they are actively at odds with each other along the LoC, their differences will spill over into Afghanistan too.

And then, with the Taliban in power, the ISI might be tempted to use them against India. Hence, the recent ceasefire should be seen in that light.

Political Engagement in Kashmir

- **New engagement in Kashmir is the logical next step:** Both, the central government and Kashmiri leaders have rightfully shed their extreme positions.
- **Breaking the status Quo in Kashmir:** With a strong centre it was expected that terrorism will die-off but the opposite has happened, as the resentment has grown. Engaging with the local leadership positively is the optimum strategy at this moment. Status-Quo is not helping India's cause anyway.
- **Regime change in Iran:** Ebrahim Rahisi has been elected as new President of Iran. If Iran-nuclear deal is restored by him then it will lead to opening up of Iranian market and oil supplies. This will be a good sign for India too.

30. **Issues with Mandatory Vaccination**

Source: [Indian Express](#)

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

Tags: Vaccination,

Relevance: Vaccination is one of the most important aspect to defeat the Covid-19 Pandemic.

Synopsis:

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Vaccination is a prerequisite for tackling the Pandemic. However, mandatory vaccination interferes with a person's right to integrity and his/her personal choice. Therefore, focus should be placed on using persuasive techniques rather than coercing the masses for vaccination.

Background:

The easing of second wave has induced the states to relax the nearly-two-month long lockdown. Nonetheless, the safety imperative has led some authorities to make vaccination a prerequisite for the resuming business operations.

Mandatory Orders issued by State Governments:

- On 24th June, the Gujarat government issued an ultimatum to “managers, owners and staff of business establishments” to either get vaccinated or close shops.
- Mandatory vaccination policies are also in place in some parts of UP and the Northeast. The orders are based on the belief that no one is safe till everyone is safe.

Verdicts over Mandatory Vaccination:

- In April, the European Court of Human Rights (ECHR) held that “mandatory vaccination **interferes with a person's right to integrity**”. However, such interference may be justified if considered necessary to control the spread of infectious diseases.
- On 24th June, the Meghalaya High Court deduced that “Vaccination by force destroys the fundamental purpose of the welfare attached to it.
- Both verdicts speak the language of **persuasion** and reiterate the importance of accessible information and informed consent.
- The ECHR talks of **incentives to marginalized groups**. While the Meghalaya court has asked all shops, business houses, and commercial vehicles to put on display the Covid-19 vaccination status of their employees at a noticeable place.

Way Forward:

- Vaccine hesitancy is a manifestation of the people's lack of trust in the health system. It can be reduced to some extent by ensuring ease of access to the vaccination shots.
- The industry and business associations should be allowed to inoculate workers at the level of the shop floor as problem of vaccine shortage has been overcome.
- Governments may still need to resort to disincentives. But the state's main concern should be inclusiveness, not using its strong arm as a blunt instrument.

General Studies Paper - 3

General Studies - 3

1. Maritime Policy of India Need a Long Term Vision

Source: [The Indian Express](#)

Syllabus: GS 3 – Security

Synopsis: Maritime policy of India lacks a long-term vision to counter China's expansionist designs in the Indo-Pacific. There have been a lot of issues with previous maritime policies, resulting in a huge gap between India & China's current maritime capabilities.

Introduction

- Today, China has not only overtaken the US Navy in numbers, but it is also the **world's top ship-producing nation**. It has the largest merchant navy, coast-guard and fishing fleet/maritime militia in the world.
- An economically strong, expansionist, and militaristic China is a concern. Because it will use the Maritime Silk Route initiative to expand its sphere of influence and ensure dominance in the Indo-Pacific.
- The PLA Navy's crucial role in this endeavor relies on its formidable maritime/industrial capabilities.
- On the other hand, the maritime sector in India is characterized by inefficiency & long-term vision.

Gap b/w India & China's maritime capabilities

China laid down its first indigenous aircraft carrier in 2015 and commissioned it in 2018. Work on India's first indigenous aircraft-carrier commenced in 2009 and, in 2021, the ship awaits completion.

Evolution of India's maritime policy and issues involved

- **Sagarmala:** India launched its first "maritime modernization" plan -"Sagarmala", in 2003, almost simultaneously with China. The plan was announced with the stated objective of ensuring that all major ports would be connected to the Golden Highway Quadrilateral through a network of expressways. It will facilitate country-wide goods traffic to-and-from ports. It was **abandoned** within months, following the declaration of the general election.
- **National Maritime Development Plan (NMDP):** Then in 2005, Sagarmala was replaced with the National Maritime Development Plan (NMDP). This plan remained confined to modernization of port infrastructure and enhancement of rail-road connectivity to these ports.
- Seven years after its commencement, the Lok Sabha was informed that only 82 of the 276 projects had been completed. While 30 had been dropped and 66 were still in the planning stage.
- **Maritime Agenda 2020:** In 2011, the government decided to abandon the NMDP-2005. It was replaced with a new 10-year plan titled Maritime Agenda 2010-2020 (MA-2020). While the Sagarmala-2003 and NMDP-2005 were focused mainly on port modernization and enhancing rail-road connectivity, MA-2020 had a much broader scope. It envisaged an outlay of Rs 5 lakh crore to achieve huge leaps in shipping tonnage, shipbuilding, and coastal trade, apart from ports, cargo handling, and other capacities. But, MA 2020 suffered from two problems:

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1. Firstly, it had set **extremely unrealistic targets**; aiming to increase in just 7-8 years shipbuilding capacity by **five times**. It will enhance cargo throughput in Indian ports by **four times**.
 2. Secondly, it showed **clear signs of confusion regarding its objective**. It cited as “*a roadmap to guide this ministry*” in one place, while at other places it cited itself as “*more an agenda for consideration, rather than agenda for action*”.
 3. Thus, MA-2020 also failed to achieve anything of substance before it was overtaken by the next plan.
- **Revival of Sagarmala:** The next government that came to power in 2014 followed the earlier practice, and having terminated MA-2020, revived the Sagarmala project.
 - Like all its predecessors, Sagarmala-2015 also focusses on **modernizing ports** and enhancing **connectivity**.
 - This version of Sagarmala was better as it had a structured, progress-monitoring framework.
 - However, data from the Ministry of Shipping’s Sagarmala Project Tracker, updated until September 2019, shows a **project completion rate no better than past trends**.
 - While the plan aimed to create 40 lakh direct jobs and 60 lakh indirect jobs, in 2019, the government admitted that **only 10,000 jobs** had been created.

Evolution of India's Maritime Policy



1. Sagarmala

Launched in 2003

- Port connectivity
- Connection with Golden Quadrilateral
- Project abandoned within months

2. NMDP

National Maritime Development Plan

- Replaced Sagarmala
- Rail-road connectivity
- Modernization of ports

3. Maritime agenda 2020

NMDP abandoned

- Broader scope
- Focus on shipping tonnage, shipbuilding, and coastal trade
- Unrealistic targets and unclear objective

4. Sagarmala revived

MA-2020 terminated

- Modernizing ports & enhancing connectivity
- Progress monitoring included
- Project completion rate is still low



Problems with India's maritime sector

- Excessive focus on port connectivity
- Inappropriate aims and unrealistic targets
- Dying shipbuilding industry
- Backward fishing industry
- Dying shipbuilding industry
- Major ports are overloaded and inefficient



sector

- **Excessive focus on port connectivity:** The exclusive focus of successive governments on port development has led to **gross neglect** of other critical components of India's maritime capability.
 - These include merchant shipping, shipbuilding, ship repair, seabed exploration, and fisheries, etc. All of these have implications for India's maritime security as well as its "blue economy".
- Initiating programs with inappropriate aims, choosing unrealistic targets
- Abandoning/renaming projects and not ensuring faithful implementation
- Major ports are overloaded and inefficient
- **Dying shipbuilding industry:** India's contribution to commercial shipbuilding globally is less than 1% today, which is far lower than the 3.5% achieved in 2007-12. Only 20 of the country's 25 shipyards — big and small, private or state-owned — are functional.
- **Inadequate merchant fleet:** India's imports of crude oil, LPG, food, coal and fertilizer supplies, which constitute the country's commercial security, are all carried on foreign-owned shipping vessels for an estimated freight bill of \$52 billion in value annually.
- Seabed exploitation yet to take off
- Backward fishing industry

What needs to be done?

India should evolve a National Strategy for the maritime sector for the next 50 years. This maritime policy should receive Parliament's approval to ensure its survival through changes of government.

Conclusion

The naval power is going to play a decisive role in the India-China rivalry. But this can only happen with the backing of a strong maritime sector.

Also read: [Maritime security and connectivity in Indo-Pacific](#)

2. [Energy efficiency needs behavioral change: Study](#)

Source: [Down To Earth](#)

Synopsis:

A study in Bangalore found that to improve Energy efficiency we need to improve behavioural change and start shifting towards energy-efficient appliances.

Introduction:

Recently, a study in Bengaluru examined the usage of thermal comfort services like space cooling and water heating and their impact on energy efficiency. The study highlighted the need for efficient appliances and behavioural change to improve energy efficiency.

About the Study:

A survey was conducted among 403 households in Bengaluru, Karnataka. The survey collected data related to various aspects of users such as their income, the appliances owned by them, household demographics and time and duration of use of appliances.

The report of the survey was published as "A Policy-driven approach to demand management from space cooling and water heating appliances: insights from a primary survey of urban Bengaluru" recently.

Key findings of the study:

1. The study found that efficient electrical appliances in households form a major role in lowering the electricity demand.
2. The study also found voluntary behaviour changes also play a key role in electricity demand.
3. The study examined the use of fans and found out these are used approximately 12 hours a day. On average, a low-efficiency fan consumes approximately 75 watts (W), while five-star fans consume 50 W. So, an energy-efficient fan can save approximately 110 units per year per fan

Various initiatives towards energy efficiency:

- **Domestic Efficiency Lighting Programme (DELP):** It is a Programme under the UJALA programme. The plan offers LED bulbs at 20-40 per cent of the market price and provides a monthly payment plan for low-income households
- **The India Cooling Action Plan (ICAP):** India is the first country in the world to develop such a document (ICAP). It is **launched by the Ministry of Environment, Forest and Climate Change.**
 - The plan aims to provide sustainable cooling and thermal comfort for all while securing environmental and socio-economic benefits for society.
 - The plan provides a 20-year roadmap (2017-18 to 2037-38) and recommendations, to address the cooling requirements across sectors
 - **Objectives of the ICAP:**
 - Reduction of cooling demand across sectors by 20% to 25 % by the year 2037-38.
 - Reducing the refrigerant demand by 25% to 30% by the year 2037-38.
 - Reduction of cooling energy requirements by 25% to 40% by the year 2037-38.
- Private power distribution companies like Tata Power Co Ltd and Reliance Energy in Mumbai provide schemes to exchange old fans for efficient ones.

3. Lakshadweep could face major coastal erosion due to rising sea levels: study

Syllabus: Conservation, environmental pollution and degradation

Tags: coastal erosion, Lakshadweep Islands, Climate Change, GS Paper 3, Environment,

Source: [Indian Express](#)

Context: Environmental impact of climate change on sea-level rise in Lakshadweep Islands.

News: A group of scientists carried out a study to gauge the impact of climate change on sea-level rise in [Lakshadweep islands](#).

What are the findings of the study?

Some key findings:

- **Sea levels around Lakshadweep are estimated to rise** between 0.4 mm and 0.9 mm annually, causing coastal erosion in many of the islands, and possibly submerging the smaller islets.
- **All islands will be affected** by the sea level rise.

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- Islands **Chetlat** and **Amini** are expected to face major land-loss. The island **Minicoy** and **capital Kavaratti** are also vulnerable to sea-level rise and expected to experience land-loss along 60% of the existing shoreline.
 - The only airport in the archipelago, located on the southernmost tip of Agatti island, is likely to experience damage due to inundation.
- Fisheries, agriculture, and tourism are the three main economic sectors of the islanders, all of which are also vulnerable.

Why this is a cause of concern?

Lakshadweep Islands are already facing the impact of sea level rising which is taking place even now. But while many countries have coastal protection measures in place, and even India does have some coastal protection measures, these are not sufficient.

Why are Lakshadweep Islands facing increased vulnerability to rising sea level and erosion?

Lakshadweep group of islands face this heightened vulnerability due to its **unique land use pattern** wherein most of the residential areas occur along the periphery of the islands and cultivation in the center.

What measures can government take?

There are two kinds that the government can adopt –

- **Soft measures**, that is, the creation of mangroves, which is more effective
- **Hard engineering solutions** including the building of sea walls – a proposition which is extremely expensive.

4. World Investment Report 2021 released

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

Tags: World Investment Report, FDI in India, FDI in India 2020,

Source 1: [Times of India](#)

Source 2: [Live mint](#)

Source 3: [Hindustan Times](#)

Source 4: [India Today](#)

Context: UN Conference on Trade and Development (UNCTAD) has released its World Investment report 2021

Key findings: –

Specific to India

FDI in 2020

- **India was 5th biggest recipient:** India's FDI rose 27% to \$64 billion in a year when **global investment flows shrank** 35% to \$1 trillion. This peculiar phenomenon happened due to the following reason:
- **Mergers and acquisitions (M&A)**, especially in the technology space due to increased demand for digital products and services. India saw huge investments from overseas with major deals involving ICT (Implementation of information and Communication Technology), health, infrastructure, and energy. Large transactions included:

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- the acquisition of Jio Platforms by Jaadhu, a subsidiary of Facebook
- the acquisition of Tower Infrastructure Trust by Canada's Brookfield Infrastructure and GIC (Singapore)
- the sale of the electrical and automation division of Larsen & Toubro India
- Unilever India's merger with GlaxoSmithKline Consumer Healthcare India, a subsidiary of GSK United Kingdom)
- **India, China and Hong Kong** were among the countries saw a rise in 2020.
- **FDI outflows** from South Asia fell 12% to USD 12 billion, due to a drop in investment from India.
- India ranked 18 out of the world's top 20 economies for FDI outflows, with 12 billion dollars of outflows recorded from the country in 2020 as compared to 13 billion dollars in 2019.
- **Impact of COVID:**
- Announced greenfield projects in India contracted by 19% to USD 24 billion, and the second wave in April 2021 is affecting economic activities, which could lead to a larger contraction in 2021.
- Outbreak in India severely hit main investment destinations such as Maharashtra, which is home to one of the biggest automotive manufacturing clusters (Mumbai-Pune-Nasik-Aurangabad) and Karnataka (home to the Bengaluru tech hub)
- **Prediction for 2021:**
- Report suggests that investment in new ventures in India could be hit, but the production-linked incentive scheme and high-tech sectors could help drive growth.
- FDI to India has been on a long-term growth trend and its market size will continue to attract market-seeking investments
- Investments from India are expected to stabilize in 2021, supported by the country's resumption of free trade agreement (FTA) talks with the European Union (EU) and its strong investment in Africa.

Note: Greenfield projects are the projects which are built from scratch and are not constrained by prior work. It is constructing on unused land where there is no need to remodel or demolish an existing structure. Some examples of greenfield projects are new factories, power plants or airports which are built from scratch. Those facilities which are modified/upgraded are called **brownfield projects**.

Downward Trend in FDI Global Reasons

- **Slowdown in existing investment projects:** Lockdowns caused by Covid-19 around the world slowed down existing investment projects, and prospects of a recession led multinational enterprises (MNEs) to reassess new projects.
- **Boost in the demand of digital services:** The pandemic boosted demand for digital infrastructure and services globally. This led to higher values of greenfield FDI project announcements targeting the ICT industry, rising by more than 22%
- FDI inflows to developing Asia grew by 4% in 2020, making it the **only region to record growth** and increasing Asia's share of global inflows to 54%. In China, FDI increased by 6%.
- While some of the largest economies in developing Asia such as China and India recorded FDI growth in 2020, the **rest recorded a contraction**.

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- **FDI inflows in Asia are expected to increase** in 2021, outperforming other developing regions with a projected growth of 5–10%.
- **Terms to know**
- Foreign Direct Investment (FDI)

5. China's Huawei seeks access to Trusted Source Portal

Source: [Business-standard](#)

Syllabus: Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

Tags: Trusted Source Portal, national security directive

News: Chinese telecom gear giant Huawei Technologies has sought permission for access to the government's 'Trusted Telecom Portal' so that it can share details about the telecom products which telecom service providers have agreed to buy from it.

What is the 'Trusted Telecom Portal (TTP)'?

Government recently launched a 'trusted telecom' portal as a part of the **national security directive** on the telecommunications sector.

- **Background:** The development has come following the government's efforts to ensure security of telecom networks, especially wrt fifth generation (5G) service. The initiative is widely believed to discourage the use of China-made gear in the country's core networks.
- **Under:** The new portal under the Cyber wing of the National Security Council Secretariat
- **Objective:** Portal will mandate telecom service providers to use equipment through trusted or authentic sources only.
- **How will it work?**
 - The TSPs will be able to access the Trusted Telecom Portal and indicate the telecom products they plan to buy, along with the vendor.
 - The details of these vendors, the products, the critical components and their sources are then populated in the portal by the telecom service providers. Vendors will also be given access to the portal.
 - The government will assess the vendors and the sources of the components to determine trusted sources and trusted products and this decision will be intimated to the vendor and the telecom provider.

What is the National Security Directive?

The directive makes it mandatory for providers to get a '**trusted product**' and '**trusted source**' stamp on all new telecom equipment they want to buy from OEMs (Original Equipment Manufacturers).

- It is aimed primarily to allow for **closer scrutiny of Chinese telecom products** and ensure that companies like Huawei and ZTE are discouraged from selling any new equipment, especially in 5G.
- **Definition of a trusted product:** The definition of 'trusted product' is products and their critical components which need to be **procured from a trusted source**. The telecom service providers will be able to access the Trusted Telecom Portal and indicate the telecom products they plan to buy, along with the vendor.

So, why has Huawei sought permission to access TTP?

As per Huawei and other Chinese telecom companies, the new National Security Directive on the telecom sector does not in any way prohibit them from taking part in the process of selling telecom equipment of any kind to private telcos. Hence, it has sought permission to access the portal.

What are the new rules mandated by the govt regarding buying of telecom equipment?

As part of the new process,

- **Details sought:** Telcos which want to buy new equipment will have to apply for approval.
 - **Equipment details:** They will have to provide details of the products they want to procure. They'll also have to provide details about the **origin of the products** as well as the various components going into it. Details of **active components**, their **maker** and the **location** of their global headquarters have to be shared and the country in which the **intellectual property rights** are controlled. In the case of **software**, the **name** of the software owner, its **global headquarters**, the name and country of the subcontractors and the country from where software will be upgraded all have to be shared.
 - **Organizational details:** OEMs have to divulge a lot of detail not just about the equipment but about the organization as well, such as the names of the top 10 shareholders up to three levels, their country of origin and whether there has been any change in ownership in the last three years.
- **Scrutiny by NSCT:** Based on this data, the **National Security Committee on Telecom**, headed by the National Security Advisor Ajit Doval, will decide whether the equipment is trusted and from a trusted source.
- Mandatory replacement of existing equipment doesn't come under these new rules.
- This new order is similar to the restrictions that countries like the US and UK have also imposed on the import of Chinese gear out of fear that it might pose a security risk to their telecom infrastructure.

Problems with the new process

New rules are **not clear** as to what percentage of a piece of equipment's components has to come from non-Chinese sources for it to be considered trusted.

6. GST: A turning point?

Syllabus: Indian Economy and issues relating to planning, mobilization, of resources

Tags: GST, Tax to GDP ratio

Source: [Business Standard](#)

How to improve Tax to GDP ratio with GST?

Context:

For the last 25 years, our tax-to-GDP ratio has been stuck at between 16 and 17 per cent. This is severely constraining our fiscal capacity to devote more resources to our underinvested sectors such as education and health.

How to improve tax to GDP ratio with GST?

- The goods and services tax (GST) reforms offer the prospect of raising the tax-to-GDP ratio by at least 2 percentage points if we **improve the information technology platform and address the issues of raising the incidence of duties.**

What are the reasons for Higher GST Revenues?

The **recent upsurge in GST revenue** is due to the following,

- Better compliance prodded by the matching of invoices
- Better monitoring of permissions granted for registrations through physical verification of the premises
- Evaluation of the past income tax payment record.
- All this has reduced the volume of fake input invoices.
- Better coordination between the two tax departments — Central Board of Direct Taxes and Central Board of Indirect Taxes and Customs – has helped boost collections. This has led to smaller units covering the unincorporated and the family units to pay greater amount of taxes.

What are the changes required in the GST to improve tax to GDP ratio?

The Fifteenth Finance Commission in its report based on an IMF study has said that the GST incidence of duty has fallen from 14 per cent to 11.8 per cent. This needs to be corrected. There are a number of steps that need to be taken.

1. **Large number of exemptions need to be phased away:** The government need to restrict GST exemptions only to those items that were VAT (Value Added Tax) exempt in the pre-GST period.
2. There is also a need to **revisit the GST rates on tobacco and gold:**
 - India need to raise the GST rates on tobacco, which is levied on reverse charge basis, from the present level of 5 per cent.
 - Similarly, on gold, there is a need to revise the GST rate of 3 per cent on equity consideration. As more than 80 per cent of gold and gold ornaments purchased and owned is by the top decile of the population.
3. There is also the need to **deal with the problem of inverted duty structure** in sectors such as textiles and footwear.
4. Finally, the **real estate sector also needs to be brought under the ambit of GST.** This will clean up the land market and increase the revenues more on the direct tax side as the GST rate would be more in the nature of clearing rate to offset the embedded input taxes.

Conclusion:

The recent upsurge in GST revenue, nudged up by better compliance, can be sustained by rate changes to increase the incidence of GST duty. Meanwhile, the buoyancy in the GST revenues can sustain higher healthcare expenditures in the short run, which is welcome indeed.

Terms to know:

- **Tax to GDP ratio**
- **Tax buoyancy**
- **inverted duty structure**
- **Goods and Services Tax**

7. PMC Bank gets some cooperative support, but revival to take time

Syllabus: Indian Economy and issues relating to planning, mobilization, of resources

Tags: PMC Bank, urban cooperative banks, UCBs

Source: [Business Standard](#)

What are the regulatory conditions for Urban-Cooperative Banks in India?

Context:

The Centrum-Bharat Pe combined and takeover a bankrupt urban cooperative bank. The RBI has also granted an “in-principle” approval to Centrum Financial Services and BharatPe to set up a small finance bank (SFB). This marks the first instance of NBFCs, high-net worth individuals and fintech being allowed entry in the urban-cooperative bank (UCB) space.

Regulatory conditions for urban-cooperative bank (UCB):

- The RBI in 2019 brought UCBs with assets of Rs 500 crore and above under the Central Repository of Information on Large Credits reporting framework. These banks were also brought under the ambit of the prompt corrective action (PCA) architecture.
- The RBI also made it mandatory for UCBs with deposits of Rs 100 crore to set up a board for management with the board of directors carrying out the due diligence for their appointment.
- Further, the RBI has been aligning UCB regulation with that of mainstream banks, and has done away with dual regulation with state governments making these banks relatively more attractive for those with banking ambitions.
- The amendment to the **Banking Regulation Act (1949)** came into force for UCBs with effect from June 29, 2020. Section 45 of the amendment enables the central bank to reconstruct, or amalgamate a bank, with or without implementing a moratorium, with central government approval.
 - The word “reconstruction” has been given wider connotation to include mergers, acquisitions and takeovers or demergers.

Major Committee recommendations regarding UCBs:

In 2015 **R Gandhi Committee** recommended that a business size of Rs 20,000 crore can be considered as threshold for the voluntary conversion of multi-state UCBs into commercial banks

Terms to Know:

- **Urban-Cooperative Bank (UCB)**
- Small Finance Bank (SFB)
- high-net worth individuals (HNIs)
- **Banking Regulation Act**
- NBFCs

8. [The issue of MSME financing gap](#)

Syllabus: changes in industrial policy and their effects on industrial growth.

Tags: MSME financing gap, MSME in India,

Source – [Livemint](#)

9 PM Compilation for the Month of June (Fourth Week), 2021

Synopsis: Micro, small and medium (MSME) enterprises act as the backbone of wealthy economies. However, pandemic has worsened the issue of delayed payments for their goods and services. It is causing MSME financing gap.

What are the issues facing MSMEs?

Micro, small and medium (MSME) enterprises are the backbone of a healthily balanced economy.

They supply components, intermediate goods and services at competitive prices to big companies.

However, they receive delayed payments for their goods and services. It results in large portions of working capital being blocked. This issue, coupled with often-inadequate credit at reasonable cost, leaves them financially unviable and unable to plan for growth.

Further, second wave of covid and its associated lockdowns have again aggravated their situation.

As per a recent report, *Unlocking Credit for India's Job Creators*, the total outstanding payments to be made to registered MSMEs by buyers in India could be about ₹15 trillion.

What are the government measures for MSMEs?

- **The MSME Development Act of 2006** proposed guidelines for resolving the problem of delayed payments. Further, the Factoring Regulation Act, 2011, helped codify the factoring business to address payment delays.
- **Emergency credit support** measures have been announced and several compliance requirements have been temporarily relaxed.
- **Trade receivables discounting system (TReDS):** TReDS was initiated by the Reserve Bank of India (RBI). This unified platform facilitates the financing of trade receivables of MSMEs from corporate and other buyers.
 - TReDS provides easy access to funds at market-discovered rates of interest. The MSME ministry has mandated the registry on the platform of companies with over ₹500 crore in turnover.
- Some purchasers avoid transacting on TReDS as they could lose the flexibility of deferring payments to MSME suppliers.

Suggestions

Jayant Sinha committee: A standing committee on finance headed by Jayant Sinha has recommended integrating the TReDS platform with the GST network's e-invoicing portal.

- This would grant buyers and sellers access to e-invoices through a single window for factoring and also enhance competition and liquidity, reducing the price of factoring.
- Apart from generating higher volumes of invoices, it would also be desirable to have more financiers on these platforms.

More NBFC Involvement: Non-banking financial companies (NBFCs), with their domain expertise in certain sectors, can easily digest the high risk of financing invoices from lower-rated firms.

- However, an NBFC needs to have 50% of its total assets/income from the factoring business to register on TReDS as a 'factor'.
- Thus, government should allow more NBFCs to join the TReDS by amendments to Factoring Act.

9 PM Compilation for the Month of June (Fourth Week), 2021

U.K. Sinha committee: U.K. Sinha committee recommended that a credit enhancement mechanism for extending guarantees to the invoices accepted by smaller/lower-rated corporates be evolved.

Many initiatives have been taken, however the issue of MSME finance gap persists. Thus, Industry associations and chambers of commerce must get their members to embrace a culture of payments to MSMEs on time.

9. There's no easy victory in the country's crypto cold war

Syllabus: Money and Banking, Internal Security

Tags: Crypto Currency, Cryptocurrencies in India

Source: [Livemint](#)

Synopsis: What should be India's Policy directives with respect to Crypto currencies.

India's Pessimistic attitude towards Crypto currencies

- The Reserve Bank of India (RBI) is pessimistic about the use of Cryptocurrencies in India. Consistently, the RBI had highlighted the disadvantages of using cryptocurrencies.
- Further, in 2019, a high-level intermediate committee constituted by RBI recommended a blanket ban on private cryptocurrencies in India.
- The pessimistic attitude towards digital currency has led banks, to distance themselves from the crypto community. For example,
 - In May, HDFC Bank warned its customers against virtual currency transactions.
 - Similarly, an RBI circular instructed all businesses to cease any involvement with cryptocurrencies.
 - Moreover, State Bank of India has also taken a tough stance on cryptos.

Reasons for India's Pessimistic attitude

- Their prices are highly volatile, and they pose the risk of a financial bubble.
- Anonymity in the usage that cryptos. it can serve as a safe transaction tool for cyber criminals.
- Potential losses of revenue for the government since it is almost impossible to track crypto payments for any tax liabilities.

Global Scenario

- Globally, cryptocurrency acceptance has been growing. For instance, El Salvador has become the first country in the world to grant Bitcoin legal-tender status.
- Also, countries like South Korea are implementing legislative frameworks to regulate cryptocurrencies and exchanges.
- However, equally there are negative sentiments towards adopting Crypto currencies as a legal Tender. For example, former US President Donald Trump didn't back Crypto currencies.
- In India too, some pressure being mounted to acknowledge crypto currencies. For instance, RBI's 2018 anti-crypto circular was struck down by the Supreme Court. Supreme court stated that RBI had failed to provide sufficient proof and detail over losses arising from crypto transactions.

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Consequences of India's disposition towards Crypto currencies: Aggrieved investors

- A research report by Bloomberg Intelligence has said that crypto's technical outlook is strong and its price could surge to \$400,000 in 2021.
- Investors in India fear of missing the high profits that can be earned through crypto trading.
- Many customers and crypto investors are taking to social media to express their discontent.

India's Position

- India's is trying to reduce the domestic cryptocurrency sphere to a state backed CBDC (Central Bank Digital Currency).
- India is considering the imposition of an effective ban on 'private' digital assets and currencies by enacting the **Cryptocurrency and Regulation of Official Digital Currency Bill, 2021**.
- As an alternative to Crypto currencies, India is willing to introduce a **central bank digital currency** (CBDC).

Way forward

- The global experience suggests that a blanket ban would be ineffective, and India should consider regulating them to mitigate systemic risks.
- Further, public consultation along with discussion, debate should be held among all stakeholders.

If India's cryptocurrency bill is enacted by Parliament in its current form, it would serve RBI's objective. However, it won't be a long-lasting and a pragmatic solution.

10. Covid leaves Indian adults poorer by 6.1% in 2020: Credit Suisse

Source: [Business Standard](#)

Syllabus: Indian Economy and issues relating to planning, mobilization, of resources

Tags: Global Wealth Report, poverty, Gini Coefficient, Indian Economy, GS Paper 3

What is the News?

Credit Suisse has released a report titled Global Wealth Report 2021.

Key Takeaways from the Global Wealth Report 2021:

Report on Global Wealth:

- **The aggregate global wealth** has risen by \$28.7 trillion to reach \$418.3 trillion at the end of 2020 despite the pandemic.
- **In terms of current US dollars**, total wealth grew by 7.4% and wealth per adult was up 6.0%.
- **Gini coefficient** — a broad-based measure of inequality has increased in most of the countries except in the US, where it fell marginally.
- **Developed regions** were better off in 2020. Total wealth has increased by \$12.4 trillion in North America and by \$9.2 trillion in Europe.

Report on India:

Covid-19 Impact on Indian Adults:

- **The Covid-19 pandemic** has left the Indian adults poorer by 6.1% in 2020.

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- **Wealth per Indian adult** in 2020 has dropped to \$14,252 by 2020-end compared to pre-pandemic levels. On a cumulative basis, the drop in the wealth of Indian adults at \$594 billion.
- **The drop in the wealth of Indian adults** in 2020 was amplified by exchange rate depreciation: at fixed exchange rates.
- **Moreover**, in real terms, the average wealth level in India in 2020 was at a level seen in the United States 70 years ago.
- **However**, in the next five years, wealth per Indian adult will surge past \$20,000, a rise of over 40%.

India's Wealthiest:

- **India's wealthiest** has seen their share in the country's wealth rise in 2020 even though overall wealth in India declined.
- **The wealth share** of the top 1% went up from 39.5% in 2019 to 40.5% at the end of 2020.

Gini Coefficient of India:

- **India's Gini coefficient**, a measure of the distribution of income across the population has increased from 74.7 in 2000 to 82.0 in 2019 and reached 82.3 at the end of 2020.
- **However**, India has done less badly than China on its Gini coefficient as China has seen a sharper concentration in 2020.

What is the Gini Coefficient and why is it not a good indicator to measure inequality?

- **Gini coefficient** is widely used to track wealth distribution. A higher Gini index indicates greater inequality.
- **However, the formula it uses**, such as large aggregations of people as data inputs, simply lacks sensitivity to cases of a disproportionate share of wealth held by very few people.
- **Hence, it fails** to adequately reflect changes in financial status if wealth levels at the bottom are negligible to begin with.
- **Therefore**, a tiny change recorded in India's Gini Coefficient for 2020 should not be taken as an assurance that covid did not widen our gaps of well-being by much.
- **Most evidence** points to millions having been pushed into poverty, even as owners of corporate equity saw their net worth go up as stock markets boomed.

11. Covid vaccines: EU ignores India, S Africa's patent waiver plea at WTO

Source: [Click here](#)

Syllabus: issues relating to intellectual property rights.

Tag: WTO, Patents, GS Paper 3, IPR Related Issues

Synopsis: The European Union has presented a declaration to the World Trade Organization (WTO) that overlooks the goals of India and South Africa's combined request for an intellectual property (IP) waiver on Covid pharmaceuticals and vaccines.

Introduction

Despite the fact that the waiver idea has the support of over 100 countries, the EU has been opposing it for the past eight months.

What is the issue surrounding the waiver?

- **Firstly, if adopted, the waiver will give countries critical policy flexibility** to eliminate IP hurdles, allowing them to collaborate more in R&D, manufacturing, and scale-up, and thereby improve the availability of Covid medicines and vaccines.
- **Secondly, the EU proclamation is being seen as a diversionary technique**, since it asserts its position of implementing relevant policies under the WTO's TRIPS (Trade-Related Aspects of Intellectual Property Rights) agreement during the pandemic.
- The EU reaffirmed the Doha Declaration on TRIPS and Public Health, urging nations to facilitate the use of compulsory licensing.
- **Thirdly, this might delay the progress of reaching an agreement on the waiver.** Waiver is important to address the inequalities in access to Covid vaccines.

12. Infodemic due to top-down Misinformation

Source: [The Hindu](#)

Syllabus: Role of media and social networking sites in internal security challenges

Tags: Infodemic, Misinformation, Covid misinformation, GS Paper 3, Internal Security

Synopsis: Domestic political actors are a major source of false or misleading information about the coronavirus which is concerning many Indians.

What is infodemic, disinformation, misinformation and fake news?

- **Misinformation :** It refers to information that is false or inaccurate, and is often spread widely with others, regardless of an intent to deceive.
- **Infodemic:** It is an immense wave of information that includes false and misleading material, rumours that attempts to exploit the crisis for propaganda for profit. Misinformation accompanied with the pandemic is known as infodemic.
- **Disinformation:** It refers to false or out-of-context information that is presented as narrative or facts for deliberately misleading.
- **Fake News:** It is purposefully crafted, sensational, emotionally charged, totally fabricated information that mimics the form of mainstream news

What are the major sources of misinformation?

- As per recent survey one in four (23%) people has said Government, politicians or political parties are the source of misinformation.
- Only 16% are concerned about Facebook being a source and 14% said YouTube is major source for the spread of misinformation.
- Among messaging applications only 28% believes WhatsApp generate more widespread misinformation.
- **Only 9%** identified activist groups as the most concerning source of false or misleading information about the coronavirus.

However, Indian authorities are mostly interested in misinformation generating from activists.

Some recent examples of widespread misinformation during pandemic:

- One, 'coronil' the ayurvedic remedy was launched in June last year by Patanjali Ayurveda and claimed to be certified by WHO.

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- It claimed **100 per cent recovery** from COVID-19 within seven days of consuming the medicine but later it was pointed out that the license was for an immunity booster.
- Two, **Former President of the United States and Brazilian President** are prominent international examples for spreading misinformation related to corona.
- Three, some politicians have also claimed that **cow urine** can protect people against COVID-19.
- Similarly, the Ministry of Health and Family Welfare last year came under severe criticism for recommending a range of unproved, alternative remedies to prevent or treat the disease.

Why misinformation generating from top is harmful for the society?

- Firstly, Coronil episode showed how misleading information from prominent public figures and people in positions of authority can **lead to bigger problems**.
- Globally many reporters have found that official COVID-19 death tolls are far lower than the actual excess deaths during the pandemic.
 - For instance, **The Hindu found this in Tamil Nadu** after comparing Civil Registration System data with the officially reported figure.
- Secondly, Misinformation spread by top politicians and promoted by partisan news media **destroys the democratic fabric** of the society.
 - It also makes the fight against corona virus more difficult.
- Thirdly, though top-down misinformation from politicians, celebrities, and other prominent public figures forms a **small part** of the false and misleading.
 - But they have a **large share of social media engagement** which results into infodemic.

That it is why top down misinformation when people are suffering from deadly corona is more serious. It suggests that government needs **holistic approach** to deal with infodemic instead of just focussing on any one source.

13. Edge computing will be key to automating cars and factories.

Source: TOI

Syllabus: Awareness in the fields of IT, Space, Computers

Tag: edge computing, Science and Technology, GS Paper 3

Synopsis: Edge computing will be the key to automation of factories and cars.

What is Edge Computing?

Edge Computing is a **distributed information technology (IT) architecture** in which client data is stored and processed as near to the originating source as possible.

In simple terms, Edge computing is a computing that is done at or near the source of the data, instead of relying on the cloud at one of a dozen data centers to do all the work.

Whereas in traditional technology data captured by sensors and cameras will be sent to data centers. Then data centers will analyse and send back the appropriate action to be taken.

For example, in a self-driving car, for brakes or a sudden turn, captured data will be sent to data centers. Then centers send the appropriate action back to the car.

Whereas in case of edge computing data storage and processor will be in the car. So, it can take instant decisions in case of emergency.

Significance of Edge Computing

- **Saves bandwidth:** It saves bandwidth, since data is not being sent on the network. For example, in facial recognition and motion analytics cameras, images require massive bandwidth. The edge processor can process images and send the processed data to the data centre for further analytics, reducing traffic.
- **Applications:** Edge devices can monitor air quality and temperature patterns in a room and send alerts to the central building management system on breach of air quality parameters.
- Edge Computing system installed in ITC can detect and reject the defected products within milliseconds.
- **Availability of internet:** Further, it is useful for the regions where there's no internet.

Opportunities

Since last 2-3 years, custom processors are being made by companies. These processors are used for specific applications such as voice, video and image processing, which are essential in edge computing.

These custom processors are powerful enough to store and do the necessary computations themselves.

14. Why is China targeting cryptocurrencies?

Source: [The Hindu](#)

Syllabus: Awareness in the fields of IT, Space, Computers

Tag: Cryptocurrency, cryptocurrencies in India, GS Paper 3, Money and banking, Indian Economy

Synopsis: Bitcoin has fallen below \$30,000 for the first time in more than five months. This is because of China's crackdown against cryptocurrencies which are not sanctioned by China.

What has China done?

- **China has asked banks** and online payment firms not to offer any crypto-related services, such as account openings, registration, trading, clearing, settlement and insurance reiterating the 2017 ban.
- **Moreover**, China has also asked Banks and payment companies to step up monitoring of money flows involved in cryptocurrency trading and coordinate more closely in identifying such risks.

Why has China taken action against cryptocurrencies?

- **To crackdown on Crypto Mining:** China accounted for around 65% of global Bitcoin mining operations in 2020 with Sichuan province rated as its second largest producer.
- **Role of Bitcoin Miners:** Bitcoin miners play a similar role to gold miners — they bring new Bitcoins into circulation. They get these as a reward for validating transactions which require the successful computation of a mathematical puzzle. And these computations have become ever-increasingly complex and therefore energy-intensive in recent years. Huge mining operations are inevitable if one is to mine Bitcoins.
- **To stop access to cheap electricity:** Access to cheap electricity has made mining lucrative in China. In 2020, China accounted for two-thirds of the total computational power last year.

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- **To stop Illegal activities:** Cryptocurrencies bypasses official institutions and the anonymity that it offers makes it a flourishing business for illegal activities.
- **To avoid Financial Risk:** Bitcoin and other cryptocurrencies cannot be traced by a country's central bank making them difficult to regulate. Hence, China has acted on cryptocurrencies to prevent and control financial risks.
- **To launch its own Digital Currency:** China is planning to introduce its own digital currency. Its aim is to allow China to conduct transactions in its own currency around the world reducing dependency on the dollar which remains dominant internationally.

15. Four theatre commands likely to be raised by year-end

Source: [The Hindu](#)

Syllabus: Various Security forces and agencies and their mandate

Tags: GS Paper 3, Security Forces, Internal Security, theatre command

Synopsis: The Chief of Defence Staff (CDS) has chaired a meeting with the Vice Chiefs of the three Services and representatives of Government to iron out differences on the integrated theatre commands creation.

What is a theatre command?

- A theatre command is a military structure wherein all the assets of the army, air force and navy in a particular theatre of war are under the operational control of a three-star general.

What is the current situation?

- **The Indian armed forces** currently have 17 commands. There are 7 commands each of the Army and the Air Force. The Navy has 3 commands.
- **There is one joint command** in Andaman and Nicobar Islands. It is the first Tri-Service theatre command of the Indian Armed Forces, based at Port Blair in Andaman and Nicobar Islands of India.
- **The other tri-service command**, the Strategic Forces Command (SFC), looks after the delivery and operational control of the country's nuclear assets.

What are the four integrated tri-service commands that are being planned?

- Air Defence theatre command
- Maritime theatre command (A maritime theatre commander will not be appointed right away. The command will be first raised, and commander appointed later)
- Integrated eastern theatre command
- Integrated western theatre command

Why is an integrated theatre command being planned?

- **Major countries** including the US and China function on the theatre command concept with the idea of seamless integration among the land, sea and air forces for better coordination and response.
- **Moreover**, the idea behind integrated theatre command is to rationalize war fighting resources, and efficiency of executions and to face threats in an integrated manner.

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- **This means** that the proposed Theatre Commands are going to be highly dependent on the interoperability amongst various units of the three services which is not available yet.

Challenges in the creation of Theatre Command:

- **Objections by Indian Air Force (AIF):** IAF fears that it will lose control over its assets and operations if integrated theatre commands come up. Moreover, it also has issues over the naming of the commands.
- **Moreover**, experts have said that there has been no occasion during actual warfare when the three services have not operated with commendable cooperation. Hence, there is no need for an integrated theatre command.

16. Save jobs or protect savers? A new monetary policy dilemma

Source: [Business Standard](#)

Syllabus: Indian Economy and issues relating to planning, mobilization, of resources

Tags: RBI, monetary policy, Indian Economy, GS Paper 3, Accommodative Policy, accommodative stance

Context: Should RBI increase the interest rate or continue with its accommodative stance? A new model has also been suggested – HANK (Heterogenous Agents New Keynesian).

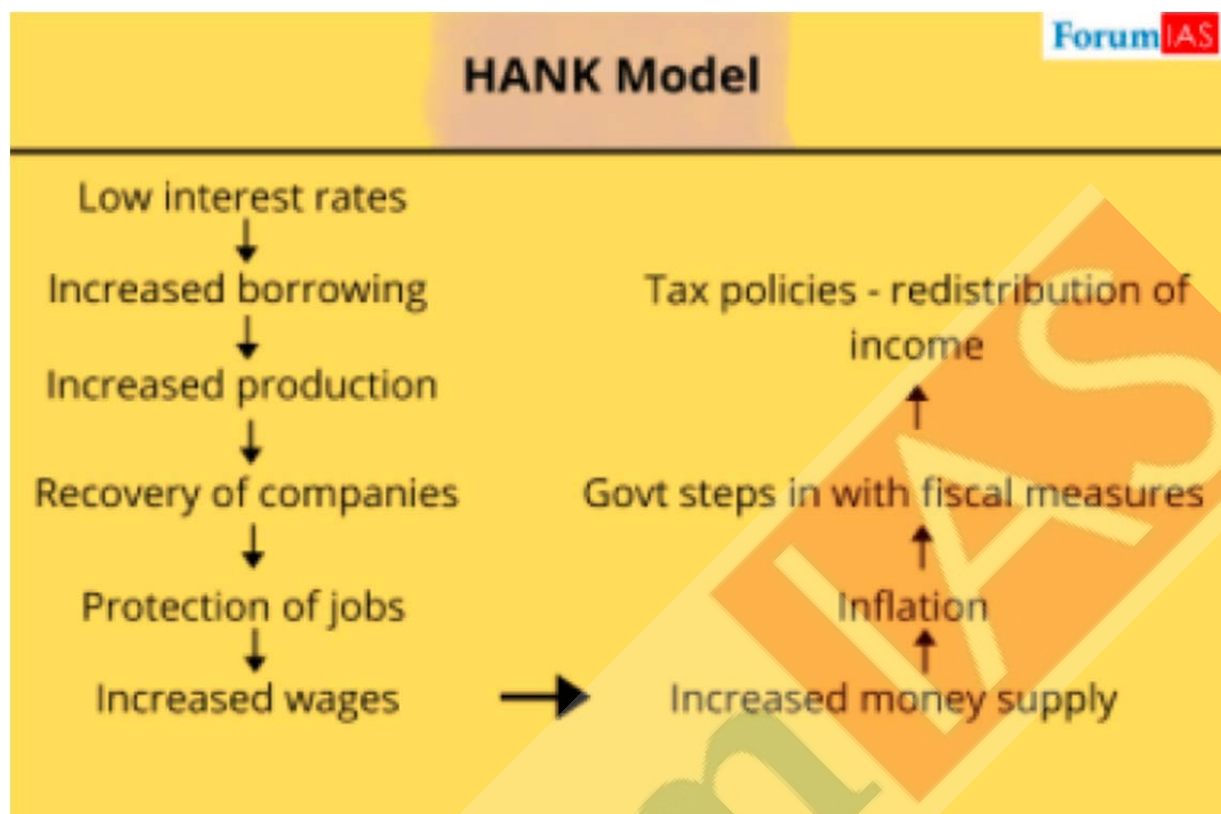
Introduction

While the world is still debating whether modern monetary theory (MMT), which encourages governments to spend without having any meaningful fiscal constraints, should be the norm, something new has been for India— Heterogenous Agents New Keynesian (HANK) model.

What is HANK?

In simple terms, the model suggests that interest rates can be kept low for the greater good. While a section of depositors does get affected, not all savers may necessarily be negatively impacted when central banks push down the interest rates.

- **Rationale behind HANK:** The central idea behind the HANK model, is that by increasing demand with monetary expansion, firms would ramp up production. This would improve their survival rate amid a deep shock like the pandemic and protect jobs that would eventually push more wages and salaries in the hands of households, most of whom may get compensated for a drop in their interest incomes on saving.



- The HANK model also depends on **fiscal policy** to address part of the price stability concerns, traditionally the main job of a central bank. The central bank on its part can do many things **it can keep interest rates low, enhance liquidity, or even do direct or indirect monetization for the government** to help it spend more. This helps growth, generates demand, and can **give rise to inflation**.
- The government then formulates tax policies that redistribute income to people who are in dire need.
- **What HANK doesn't recommend?** – HANK, however, does not suggest unrestrained spending for long. This specialised policy comes in handy when the country is witnessing a once in a century crisis.

Why should RBI continue with its accommodative stance?

A continuation of RBI's accommodative stance is necessary in the backdrop of the second wave and to help support a sustainable recovery through lower rates and easier financial conditions.

- Lowest monetary policy rates ever are also justified at a time when the pandemic managed to push the gross domestic product (GDP) to its deepest contraction in the last fiscal year.

Why should RBI discontinue with its accommodative stance?

- **Impact on pensioners:** There are at least 42 million senior citizens in India with at least Rs 14 trillion deposits who have no hedging (risk management) in case of interest rate declines as we have no comprehensive social security.

Way forward

The interest rate component can be adjusted in the case of people who are not solely dependent on interest income.

- For example, alternate financial savings avenues such as equity markets participation are getting popular. But they do not ensure the safety of the principal and are therefore not desirable to the senior citizens.

Terms to know

- Accommodative stance of RBI
- Fiscal policy
- Liquidity management by RBI

17. Export's India's window of opportunity

Source: [Business Standard](#)

Topic: GS3 – Indian Economy and issues relating to planning, mobilization, of resources

Tags: Exports, GS Paper 3, Indian Economy, International Trade

Context: Possibility of a sharp recovery for Indian economy can only be realized through a strong focus on exports.

Export-led growth of global economies

Since World War II, we have seen many countries grow on the back of rising investments and exports.

- Japan, South Korea, China, and to some extent, Thailand and Malaysia, are all examples of economies where exports played a major role in driving economic transformation.
Hence, it has been clear for some time now that strong exports are crucial in driving development.

What are some key learnings from Asian experience that we can implement?

- **Exports and imports go hand in hand:** Experience of Asian countries, like Japan, China etc, illustrates that imports and exports grow hand in hand.
- **Example:** Automobile industry – India imports \$6.1 billion worth of auto components, but using these imports, our automobile industry exports \$18 billion worth of products.
- This holds true for India as well. For example, between 2001 and 2010, India's trade-to-GDP ratio nearly doubled from 26% to 49%. Both imports and exports grew during this period. In nominal terms, both imports and exports grew at rates close to 20% in this decade.
- **Focus on intermediate goods:** Almost half of China's imports consisted of **intermediate goods**, which were then instrumental in raising their exports. Important to note is that a **liberal import regime** was followed for such intermediate goods, with **duty-free imports** allowed. Hence, India should not increase tariffs or raise non-tariff barriers on intermediate goods. This is because:
- Goods that come into India flow into goods manufactured for exports. Any increase in the cost of such products **indirectly increases production costs** and hampers our exports.

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- By raising the cost of these critical inputs, we end up **further eroding our competitiveness**, already burdened by a high cost of logistics, credit, and power.
- **Present situation** – Presently, a large proportion of our imports, 32%, consist of intermediate goods. Almost 70% of all anti-dumping duties are levied on intermediate goods. This needs to change.
- **Proper incentive structures**: Incentive structures were put in place to ensure higher relative profitability of exports compared to the rest of the sectors.
- The incentive structures ranged from subsidised bank credit, export targets linked to long-term credit, export subsidies, and incentives for research & development, amongst others.
- **Phasing out of import substitution**: An important lesson is that while import substitution may have been in place, it was gradually phased out.
- **Developing capabilities in manufacturing**: Another important lesson is that these countries having developed their capabilities in labour-intensive industries gradually moved up the manufacturing value chain.
- **Public investment in infrastructure** to reduce the cost of logistics is another key policy intervention. Several strategic sectors were identified for promotion. The lessons from the experiences of Asia indicate that **export promotion, rather than import substitution, drives development**.

Has India been able to replicate the above policies followed by Asian countries?

No. This can be seen from the following facts:

- **Dismal share in global merchandise trade**: According to the World Trade Organization, India's share in global merchandise trade stood at less than 2%, despite having the inherent strength and potential to do much better.
- **Manufacturing** as a share of GDP and **employment** remained **stagnant** between 1990 and 2020. Whilst exports have increased, they are dwarfed in scale by China.
- **Low global share in food processing exports**: Even in traditional sectors, like food processing where India has one of the largest raw material bases in the world, we command a 2% share in global exports.

Why couldn't India replicate the Asian experience?

Several factors explain this.

- **Availability of credit**: We lag in credit availability to the private sector. Domestic credit to the private sector, as a percentage of GDP, stood at 50 per cent in India, compared to 165 per cent in China and 123 per cent in other upper-middle-income countries.
- **Low private debt-to-GDP ratio**: Our private debt-to-GDP ratio is extremely low and there is immense possibility of enhancing it for manufacturing and exports.
- Cross-subsidization of power
- Higher cost of logistics
- Labour laws
- **A traditional export basket**: Similarly, the composition of India's exports needs to undergo a radical change. Our export basket is predominantly traditional and does not comprise cutting-edge products. As much as 70% of India's exports target 30% of world trade comprising items with a declining global share.

What steps should India take and what reforms have been implemented?

The need is to promote our **domestic manufacturing industry** to drive exports and growth. Several important policy steps have been taken in this regard over the past few years.

- **Lowering of corporate tax:** The decision to lower the corporate tax rate to 22% for all firms and 15% for new manufacturing firms, will encourage the domestic manufacturing sector.
- **PLI Schemes:** The introduction of the production-linked incentive (PLI) schemes in several key sectors, for the first time, incentivize production, rather than inputs. These schemes will help domestic manufacturing achieve size and scale.
- **Rationalization of labor codes:** As many as 29 Central labor laws were rationalized into four codes.
- **Definitions of MSMEs revised:** The definitions of micro, small and medium enterprises (MSMEs) have been raised upwards, allowing them to grow in size, whilst maintaining the benefits of MSMEs.

All these steps should help the domestic industry achieve size and scale.

Conclusion

The possibility of a sharp recovery for the economy can only be realized through a strong focus on exports. The opportunity of India integrating itself into global value chains cannot be allowed to pass. Strong and coordinated policy action, across all levels of governments, is needed to realize this opportunity.

Terms to know

- Import substitution
- Intermediate goods
- Cross-subsidization
- Production-linked incentive (PLI) schemes
- Rationalization of labor codes
- Revision of definition of MSMEs

18. Impact of Fed's Policy changes on the Indian Economy

Source: [Livemint](#)

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

Tag: US federal reserve, Indian Rupee, US Fed rates, GS Paper 3, Indian Economy

Synopsis:

The decision of U.S federal reserve to increase interest rates by 2023 will have a significant impact on India. It may depreciate the Indian rupee and increase the inflation levels in the country thereby demanding robust reforms.

Why is a change in Fed rates a concern for all?

- Any interest rate change in the U.S influences exchange rates, international money flows and, to a certain extent, interest rates the world over. The implications are very wide as the US is the world's largest economy and the dollar is the most traded currency.

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- When the FOMC raises rates, foreign institutional investors (FIIs) of American origin and other large foreign funds move back to the US in search of better returns.
- When FIIs withdraw money from the host country, it negatively influences the exchange rate. This results in depreciation of the host country's currency and resulting in appreciation of the dollar.

What is its link with the Indian economy?

- Given that India is a growing economy offering higher returns, there exists a **strong link between changes in Fed rate and FII flows**.
- A Fed rate change leads to fluctuations in Indian capital markets and impacts exchange rate. With the FOMC hinting at two rate hikes by 2023, Indian stocks and currency have been adversely impacted.
- Rupee depreciation can lead to higher import prices, and with crude oil being the largest component of Indian imports, it could lead to **increased fuel prices, worsening the cost-push inflation**.

Thus, the government should strive for economic revival and initiate reforms, and build on India's story of being an attractive destination for investors.

19. The role of multilateral lenders in minimizing climate change

Source: [click here](#)

Syllabus: Conservation, environmental pollution and degradation

Tag: Climate change, ADB, Environment, Climate financing, Multilateral funding, GS Paper 3, Environment

Synopsis: Asia should take bold measures and launch green projects in the energy sector to make a difference.

Introduction

We must fight climate change, meet the emission-reduction goals under the Paris Agreement, all while promoting economic growth and putting the region's development on a green path.

Why is the efforts of Asia important in the climate change battle?

Asia accounts for 36% of the global GDP, has made progress in economic development and poverty reduction.

- It is also responsible for 80% of the world's coal consumption, and 60% of CO2 emissions.
- **Many countries have experienced the devastating consequences of climate change:** floods, droughts, heat waves and storms.
- **The region requires major changes in the energy sector.** These include: avoiding the use of fossil fuels and switching to low-carbon fuels, deploying more renewable energy, improving energy efficiency, reducing final energy demand, and incentivizing investment in low-carbon technologies.
- **A commitment across the region will be needed to meet the goal of limiting global warming** to no more than 2 degrees above pre-industrial levels.
- **Asia needs to balance climate mitigation and adaptation efforts.** Ensuring universal energy access is critical as more than 200 million people in the region still have no electricity.

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- Countries such as China, Fiji, Japan, the Republic of Korea, Maldives, the Marshall Islands, Singapore and Timor-Leste have pledged carbon-neutrality.

How will the ADB help in minimizing climate change?

The (ADB) is ready to take on a leadership role in the region in meeting these commitments. It aims at stepping up our climate finance and capacity-building efforts to help developing member countries achieve their NDCs.

- **Firstly, under ADB's Strategy 2030, the target is to focus 75% of Asian Development Bank's operations on climate adaptation and mitigation.** \$80 billion in climate financing from 2019 to 2030 will be provided.
- **Secondly, ADB will contribute to the global effort envisioned by COP26.** We will promote a holistic approach that integrates the ecological, social and financial aspects of flexibility across our operations.
- **Thirdly, private sector operations to support this agenda should be continued.** It should fill investment gaps and lead technological and business innovation in the pursuit of sustainable solutions.
- **Technology advances have slashed the costs of producing renewable energy by up to 80%** in the case of solar photovoltaics. Emerging technologies like smart grids, energy storage and hydrogen make it easier to integrate renewable energy into power networks and distributed energy systems.
- **Smart technologies have enhanced the flexibility and resilience of power networks.** Digitalization has boosted energy efficiencies on the demand side.
- **Lastly, for cross-sectoral impact, innovative energy projects are utilizing public-private sector synergies.**
- **For example, in Thailand, ADB provided long-term financing for a 10MW wind power project** with an integrated 1.88MW-hour pilot battery energy storage system. It is the first private sector project in the country to integrate utility-scale wind power generation with battery storage.

The conclusion

- ADB envisions an energy policy that is aligned with global commitments under the Paris Agreement and is responsive to the needs of our DMCs as they build sustainable and resilient energy systems. It could include a formal withdrawal from financing new coal-fired power plants.

20. Digital Agristack for Farmers

Source: [Livemint](#)

Syllabus: E-technology in the aid of farmers

Tags: Digital Agristack, agri technology, GS Paper 3, Agriculture

Synopsis:

The agricultural ministry is working towards creating a Digital Agristack for farmers. It will collect granular data to provide growers with a range of customized services like input quantity, output choice, potential market etc.

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About Agristack:

- The project will collect granular data to provide growers with a range of customized services. Like, what to plant, where to sell, market information on price movements, and linkages to formal credit arrangements.
- Each farmer will be provided a unique farmer's ID, which will be linked to her Aadhaar number.
- It will contain details related to land ownership, the crops she grows, soil health and the benefits available under government schemes such as direct cash transfers, crop insurance and subsidized credit.

Significance of Agristack:

- The stack will **fuel innovation and support several value-added services** as deduced by a consultation paper titled India Digital Ecosystem of Agriculture-IDEA.
- It would **curtail information anomalies** and allow farmers to effectively plan what and how much to produce.
- It would **breed investment towards the agricultural sector** and **augment research** towards more resilient crops.
- Agri-tech startups received over \$1.5 billion of investment in the past 5-7 years and AgriStack can open the taps for more inflows.
- It would **enable use of Artificial intelligence (AI) and machine learning (ML)** on large datasets. This will not only support farm management but can also help develop and design new crop protection products.
- It would be used by insurance firms to do effective crop loss assessment. This **would result in prudent settlement of claims and rationalisation of future premiums**.

Concerns associated with Agristack:

- **Linking land ownership data with Aadhaar may hit a roadblock** because the process of **digitizing land records is still under progress in India**. Further land disputes account for more than 60% of all civil litigation.
- A blind reliance on technology **may lead to exclusion errors** as observed in other welfare programmes like the food subsidy scheme.
- **Accessibility of data** is another issue as big players can easily access it while small farmers are excluded due to digital divide. Further, if the same data ends up solely in the hands of a set of large traders, it could help them **manipulate markets**.
- It can be used by large corporations to encourage unnecessary purchase by the farmers. They can then sell farmers **everything** from chemicals to credit and pare their own current marketing and human resource costs.
- **Accuracy of data may be questionable** as capturing high quality data on crops and soil conditions from India's 150 million land parcels is not an easy task.
- The **revenue model of private firms working on pilot projects is still not clear**. They may sell farmers data and **breach their privacy**.

Way Ahead:

- The private firms working on pilot projects must effectively cooperate with state governments to reconcile the differences over land ownership.

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- The government should move ahead with the project based on the results obtained from pilot trails.
- It should duly consult farmer groups or otherwise run the risk of a meltdown later. The ongoing protests against the farm reform laws shows the adverse consequences which may arise due to non-consultation.

21. Green Tariff Policy

Source- [Live Mint](#)

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

Tags: green tariff policy, GS Paper 3

Synopsis- The green tariff policy will enable DISCOMs to supply clean electricity to consumer.

Introduction-

- India is working on a green tariff policy and soon launches guidelines enabling power distribution companies to supply only clean electricity to customers at a green tariff.
- **Green tariff policy-**
- The Green Tariff Policy will assist DISCOMs in providing electricity generated from clean energy projects at a lower cost as compared to power from conventional fuel sources such as coal.
- The policy comes as solar and wind power rates in India have reached all-time lows of \$1.99 per unit and \$2.43 per unit, respectively.

India's ultimate goal

- India aims to achieve 175 GW of renewable capacity, including 100GW of solar power, by 2022.
- According to the Central Electricity Authority, by 2030, India's power requirement would touch 817GW, more than half of which would be clean energy.

Advantage of green tariff policy-

- **Supply cheaper renewable energy-**
- Once the mechanism is in place, discoms can exclusively buy green electricity and supply it at 'green tariff', which will be the weighted average tariff of green energy that the consumer will pay.
- Open access will allow large users of energy, generally those who consume more than 1MW, to purchase power from the open market rather than relying on a more expensive grid.
- Ensuring open access will also encourage major green electricity users to build their own green energy facilities.

How India intends to address the issue of intermittent solar and wind energy supply.

The Union Power Ministry will shortly issue a strategy to encourage **hydro pump storage schemes**, with a potential capacity of about 96 GW.

- The plan is to elevate water to a certain height during off-peak hours and then discharge it into a lower reservoir to produce energy.

22. Adverse impacts of rising inflation

Source: [Indian Express](#)

Syllabus: GS 3 – Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Synopsis: A rising inflation level adversely impacts the purchasing power of the consumer and discourages lending activities in an economy. India is currently observing an upward trend which may induce RBI to alter its accommodative stance and tilt towards a stricter monetary policy.

Background:

- RBI has not intervened on high inflation since the onset of the pandemic in order to support growth. It has kept the repo rate unchanged at 4% for more than a year.
- But the current spell of inflation is over a high base and a continuation of recent trends will persuade it to turn the focus back on inflation.

Inflation levels:

- Until April this year, only wholesale inflation (WPI) was on the rise, led by fuel and commodity prices. But in May, even retail inflation (CPI) picked up.
- CPI inflation crossed the RBI's upper limit of 6 percent after five months. A rise in inflation was observed on both, month-on-month and year-on-year basis.

Impact of Rising Inflation:

- It hurts **lenders and benefits borrowers**. For instance, the government stands to benefit as it is the biggest borrower. Rising inflation will lower the national debt load in relation to the size of the economy as it enhances the nominal GDP of a country.
- The value of past debt and debt servicing costs gets decreased in real terms as inflation rises.
- It reduces **purchasing power and hits private consumption**. In the present context, inflation is likely to hit private consumption in rural areas more than in urban areas.
- This would happen as overall food CPI inflation was lower than non-food inflation since the last past five months.
- This indicates that what agriculturalists typically sell is rising at a slower pace than what they do not produce, and have to buy from the market.
- It is an opposite situation from last year when a normal monsoon, a bumper crop, and high food inflation in wholesale and retail markets added to rural incomes.
- It puts **severe stress on producers of goods**, especially a rise in WPI level. While producers seem to be bearing a part of the burden of rising input costs for now, these could get **passed on in greater measure to consumers** once demand recovers.
- Rising inflation **reduces returns on fixed income instruments**, including bank deposits, which account for over 50 percent of households' financial savings.
- This has already induced a shift to riskier asset classes such as equities, which has **ramifications for overall financial stability**.

Way Ahead:

- The RBI will have to closely monitor inflation trends and calibrate its policy response.

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- o Further given the need for monetary policy to stay accommodative, it might be time to consider other supply-side interventions. For instance, the government can cut excise rates on petroleum products to soften the inflation blow.

23. The usual tools are unlikely to fix our inflation problem

Source: [Livemint](#)

Syllabus: GS3 – Indian Economy

Context: High consumer and wholesale price inflation along with no/low growth means that India might enter into a stagflation phase. Traditional macroeconomic approach may not be optimum in such case. We need a more comprehensive set of policies to address the peculiar kind of inflation that India is facing.

What is stagflation?

Stagflation occurs when economic output **stagnates** but **inflation keeps rising**. It leads to **unemployment** and **poor consumer demand**.

These localized micro-level factors and the high-level of uncertainty being faced by households and firms currently, means that inflation will be on incline. In such cases, monetary policy might be ineffective.

What should be done instead?

- Causes, such as **pandemic-driven anxiety, rising uncertainty among consumers and capital scarcity** among producers, require **fiscal-monetary support measures** that would allow consumer and producer sentiment to improve.
- **Direct income support:** On the fiscal front, government should provide **greater direct income support through unconditional cash transfers** to households, giving them the means to spend.
- This would help **drive both private investment and employment**.
- Unconditional cash support would **expand the capacity of all households** to make discretionary expenditures.

Why conditional cash transfers in such cases are difficult?

- Increased allocation for our rural employment scheme would pay only those who work, and that too, on the assumption that there is work in those areas.
- At a time when infections are rising in rural areas and mutant variants of the virus are infecting unvaccinated groups, little rural employment guarantee work may be available, or worse, people may be too afraid to leave home and go work. Conditional cash transfers in such times are less effective.

Way forward

Going forward, the key to framing a comprehensive response to inflationary tensions would be to pursue a localized and counter-cyclical (*contrary to the fluctuations in an economic cycle*) fiscal-monetary approach.

- This should combine the instruments of direct government support with easy liquidity and bank credit provisions, so that firms and households have a wider set of choices.

Conclusion

Fixing supply disruptions solely through monetary policy tools, is likely to prove ineffective. It could even drive other aggregates like consumption and private investment demand into deeper recession.

Terms to know

- Monetary policy tools
- Types of inflation

24. Reviving the Airline Sector

Source: [The Hindu](#)

Syllabus: GS 3 – Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

Synopsis: The government and industry should collaborate to develop a sustainable restart strategy. Governments need to come up with consistent policies based on evidence. While the industry should do whatever it can to reinstate passenger confidence and embrace new ways of making revenue.

Background:

- Airlines have been battling uncertainty since March 2020. In April 2020, two-thirds of the global fleet of aircraft was grounded, but essential operations were not halted.
- By raising private capital, receiving government support, cutting costs to the bone, etc., many airlines have managed to prevent bankruptcy.

Challenges in Reviving the sector:

- It is not easy for governments to reopen their borders, allow traffic, and still keep the virus away.
- There exists a high degree of uncertainty regarding **the number of years required for returning demand to pre-COVID-19 levels**.
- Further, it would take **considerable time to vaccinate all the eligible people** across the globe which may impede the revival.
- Internationally, there is concern that governments **may not cooperate or establish shared principles** for opening their borders.
- Further different vaccinations are administered in different countries which would impede the adoption of standard procedures. For example, the Pfizer and AstraZeneca vaccines are only accessible in 72 and 74 countries, respectively.

Measures to revive the sector:

- The government and industry should collaborate to develop a sustainable 'restart strategy'. Such a strategy should use a science-based approach and specify:
 - dealing with vaccinated and unvaccinated passengers,
 - quarantine and testing measures
 - electronic capture of health data to facilitate international travel
- For India, the **large domestic aviation market is a saviour**. The government should do an active collaboration with states for reviving the domestic demand.
- Local actions need to be taken whenever risks are identified, and a consistent policy should be followed.

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- In recent times, **micro-containment zones** have been helpful over blanket lockdowns in containing infections.
- Tools should be developed to continually monitor the risk profiles of different regions.
- It is time to focus on substituting blanket restrictions with testing, vaccination, and limited quarantine measures.
- Vaccination can be a requirement to travel but should co-exist with testing regimes.
- Implementing widespread COVID-19 antigen testing before departure is key for restarting air travel.
- Digital travel passes and vaccine passports may be another solution. But in order to work, these will require standardization across borders and mutual recognition of vaccines that allow global travel.
- A **network plan needs to be rethought and reworked**. As there may be the possibility of different segments in different parts of the network opening and closing depending on the uncertainty of the pandemic and the demand.
The next few years will be challenging for the aviation industry. The actions taken by governments and industry will determine how long it takes for the industry to recover.

25. What India's new rules mean for e-marketplaces

Source: [Livemint](#), [Business Standard](#) and [Times of India](#)

Syllabus: Changes in industrial policy and their effects on industrial growth.

Tags: e-commerce, Draft E-commerce rules

Context:

The Centre has proposed additions and changes to the Consumer Protection (E-commerce) Rules, 2020. This has caused confusion among e-commerce firms and stakeholders.

To whom the new rules applicable?

According to the definition provided in the rules, these rules apply to “all goods and services bought or sold over digital or electronic networks including digital products”.

These rules apply to

- **Large marketplaces** such as Amazon, Flipkart
- **Food aggregators** Swiggy and Zomato,
- **Singlebrand e-commerce sites and grocery sites**
- **Specialised vertical-led platforms** such as FirstCry, Nykaa
- **Taxi aggregators** such as Ola and Uber
- **Big techs** including Facebook Marketplace.

What are the major challenges with the rules?

- **Multiple ministries governing operations of e-commerce firms:** The rules come at a time when DPIIT is working to release a separate e-commerce policy and the IT ministry is working on the Personal Data Protection Bill. This is likely to create fresh regulatory bottlenecks, overlaps, and ambiguities in terms of law for e-commerce players in the country.
- **Increase the compliance burden of e-commerce firms:** For instance, the rules require all e-commerce firms to appoint a grievance officer, a chief compliance officer and a 24×7 nodal officer.
- Several proposals require **either a change in their existing business model or for them to make product changes**. For instance,

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- The rules ask e-tailers to send a notification and suggest “alternative” goods manufactured in India. So, the e-commerce firms not only have to rank goods but also come up with a framework such that the ranking does not discriminate against domestic goods and sellers.
- No marketplace or e-commerce entity will be allowed to sell goods or services to any person who is registered as a seller on its platform. Companies argue that with such restrictions will be near impossible.
- **Not a level playing field:** Offline retail stores often have selected previews and better discounts for their **loyalty programme customers**. If the argument is to have a level playing field, then the government must create similar rules in the offline market too.

Conclusion:

Online marketplaces promote competition, enable transparency in terms of product offering, prices, delivery speed and returns. So, the draft policy needs a relook.

Read more:

- [Draft e-commerce rules and their challenges – Explained, pointwise](#)
- [Draft e-commerce rules](#)

26. [Rural economy is the key to revival of Indian economy](#)

Source: [The Hindu](#)

GS 3: Indian Economy – Inclusive Growth

Tags: Rural economy, Indian Economy, GS Paper 3, National Rural Employment Guarantee Scheme (NREGS), **National Statistical Office**

Relevance: Decline in the GDP due to COVID, the role of agriculture and rural employment generation in the revival process

Synopsis: The rural economy continues to remain crucial for any strategy of economic revival.

State of economy:

- As per the **National Statistical Office (NSO)** the Indian Gross Domestic Product (GDP) declined by 7.3%.
 - This was partly a result of a slowdown in economic activity since 2016-17 and partly result of a **mishandling of the economic situation**.
- Indian economy suffered during first wave that is why any claim of recovery this year will be **only statistical due to low base of last year rather than a real recovery**.
- Small and medium enterprises as well as the large **unorganised sector** have suffered severely during both the waves of pandemic.
- **Agriculture became an important contributor to the economic performance**.
 - It showed the **resilience** of the rural economy.
 - Even though rural areas were the first point of **refuge for a majority of migrants**, agriculture was the only major sector which reported an increase in Gross Value Added (GVA) in 2020-21.
 - The **average growth rate** of agriculture GVA in the last five years, at 4.8%, is significantly higher than the GVA growth of the economy, at 3.6%, in the last five years.

Why there is need to focus on rural economy for revival of the Indian economy?

- Firstly, **agriculture sector** which is saviour of the economy is suffering from **neglect** and policy missteps by the Government.
- Secondly, the **second wave affected rural areas** in terms of health and livelihoods.
 - Economic distress in rural areas is also unreported and underestimated.
 - People have spent a large sum on private health care expenditure.
 - It has led to sharp rise in indebtedness from non-institutional sources.
- Thirdly, the Government has not **increased the allocation** for the [National Rural Employment Guarantee Scheme \(NREGS\)](#) despite an increase in employment demand in NREGS.
- Fourth, **prices** for dominant agricultural commodities in the domestic market are **declining** while consumer prices of essentials such as edible and pulses are contributing to rising inflation.
 - The latest estimates of April 2021 showing a decline in rural non-agricultural wages by 0.9% per annum.
- Lastly, **rising input cost and rising inflation further reduces the purchasing power** of the rural economy.
 - Rise in input prices for diesel and increase in fertilizer prices have also added to the misery of farmers.

Way forward:

- **Proactive intervention** to protect the rural population by speeding up vaccination.
- Need of **greater fiscal support** in terms of direct income support.
- Indirect support in the form of **subsidies and protection** from the rising inflation in input prices is the need of the hour.
Hence, the urgent intervention in rural economy is not just necessary to support economic revival but also to prevent another humanitarian crisis.

27. [Lesson from China on bad banks](#)

Source- [The Indian Express](#)

Syllabus- GS 3 – Indian Economy – Money and Banking

Tags: Bad banks, Asset Reconstruction Company, GS Paper 3,

Relevance: There is a debate going on in India to open bad bank for solving the NPA problem with banks.

Synopsis – To address stressed assets [nonperforming loans (NPLs)], a bad bank must have a fixed term and a narrow mandate with clear aims.

What are bad banks?

A ‘bad bank’ is designated financial institutions that **purchase and resolve nonperforming assets (NPAs) from banks** and help banks to help clear their balance sheets.

NARCL- National Asset Reconstruction Company Ltd, the proposed bad bank for taking over stressed assets of Banks, was announced in the Budget for 2021-22.

Lesson for India from China’s bad banks

- **First, Bad banks should have a finite tenure** – The bad bank should resolve these bad assets within a fixed period of time.

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- **Second, Bad banks should have narrow mandate** with clearly defined goals and clear resolution strategy to resolve NPAs.
- **Third**, Policymakers must ensure that the NARCL's establishment has no influence on RBI's initiative to reduce bank holding in security receipts (SRs).
- **Forth, NPAs resolution should take place through a market mechanism** and not through a multitude of bad banks.
 - **The regulatory arbitrage between ARCs and AIFs must stop** with the establishment of NARCL as a centralized bad bank.
 - AIFs should be allowed to purchase bad loans directly from banks and have enforcement rights under the **SARFAESI Act**.
 - ARCs should be allowed to purchase stressed assets from mutual funds, insurance companies, bond investors and ECB lenders.
 - ARC trusts should be allowed to infuse fresh equity in distressed companies, within IBC or outside of it.
 - The manager/sponsor of ARCs shall maintain the same level of interest as AIFs, i.e., at least 2.5 percent in each scheme or Rs 5 crore, whichever is lower.

Way forward-

The policymaker should learn from China's mistake and should limit the mandate and tenure of NARCL while facilitating market-based mechanisms for bad loan resolution in a steady state.

Read more:

- [Establishment of Bad Banks – associated Issues and Significance](#)

28. [Need to work with country on vax passport | CoWin platform is an inclusive system](#)

Source: [Livemint](#)

Syllabus: GS3 – S&T

Tags: CoWIN, vaccine, FHIR, vaccination platform, COVID, Healthcare, digital vaccination certificate

Relevance: Few key points related to CoWIN platform

Synopsis: India's online vaccination platform CoWin has come a long way. With the return to centralized vaccine procurement beginning 21 June, the government is constantly fine-tuning the platform for the mass adult immunization drive.

Key points:

- **Addressing the rural-urban divide:** About 53% of vaccine doses given in the country are in rural India, and 80% of the total vaccinations have been without registration. Moreover, ownership of a mobile phone is not a prerequisite for covid vaccination. Data shows more than 70% of vaccination centers are located in rural areas, including more than 26,000 at primary health centers and 26,000 at sub-health centers.
- **Digital Vaccination certificate:** A digital vaccination certificate was introduced since the beginning.
 - It's now aligned with what is called Fast Healthcare Interoperability Resources, or FHIRs, a World Health Organization (WHO) standard. This digital certificate will act like a vaccine passport.

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- The certificate is FHIR-compliant, and has a complete data set —vaccine type, vaccination date and the name of the person who vaccinated and details of vaccinees. It is encrypted with the private key of the government of India. Public key is the 'verify certification' section on the CoWin website. For ensuring verification, there's an encrypted QR code, which can be verified.

For more info on Co-WIN: Go through the articles at [this](#) and [this](#) link.

Tags: CoWIN, vaccine, FHIR, vaccination platform, COVID, Healthcare, digital vaccination certificate

29. Govt to amend Apprenticeship Act in monsoon session to boost hiring

Source: [Livemint](#)

Syllabus: GS 3 – Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Tags: Apprenticeship, Apprenticeship Act

Relevance: The amendments aim to improve skill development and provide flexibility of companies in India

What is the News?

The Ministry of Skill Development is likely to amend the Apprenticeship Act in the upcoming monsoon session of Parliament. Amendment will expand the scope of the act and allow companies to hire more apprentices, by providing them flexibility.

What is Apprenticeship?

- Apprenticeship is a Skill Training program wherein a person is engaged by a company as an apprentice and gains classroom (theory) learning for a short period followed by on-the-job (practical) training.

About Apprenticeship Act:

The Apprentices Act was enacted in 1961. It aims to

- regulate the programme of training of apprentices in the industry as per the guidelines laid down by the Central Apprenticeship Council.
- Utilise the facilities available in the industry for imparting practical training to meet requirements of skilled manpower for industry.

What are the key amendments proposed in the Apprenticeship Act?

Jointly Hiring of Apprentices:

- **The amendment** will allow small and micro companies to jointly hire apprentices and deploy them on a sharing basis.
- **It means a group of homogenous small firms** may hire a batch of apprentices, share stipend and deploy them based on individual requirements as per the contract period.

Hiring of Apprentices:

- **The amendment may** formally allow employers to take up to 15% of staff strength as apprentices. The current threshold is less than 10%.
- **It will** also allow a company to deploy apprentices at multiple locations, such as the manufacturing unit, shop floor, and at vendors' sites.

Abroad Deployment of Apprentices:

- The bill will allow Indian firms to deploy apprentices in their operations abroad if they so wish. They will be able to use third-party aggregators such as staffing firms to help scale up apprenticeship training and hiring.

Reduce Regulations:

- The bill will also reduce regulations and penalty clauses if some firms fail to hire despite promising to do so. It will allow them options to correct any past promises.

30. Smart Metering Program shouldn't be implemented in Haste

Source: [Livemint](#)

Syllabus: GS 3 – Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

Relevance: Inefficient discoms have been a critical problem for India's power sector since long.

Tags: Discoms, smart meter, power sector

Synopsis: Smart meters have the power to improve the revenue recovery rate of discoms and ensure better electricity services to the consumer. But such outcomes can be expected only if our roll-out program are executed well and not in haste.

Background:

- Announced in Union Budget 2020 –21, smart metering of electricity consumption is one key measure being adopted by India to alleviate the financial distress of electricity distribution companies (**discoms**).

About Smart Metering:

- A smart meter is an electronic device that records information such as consumption of electric energy, voltage levels, current, and power factor.
- Smart meters communicate the information to the consumer for greater clarity of consumption behavior, and electricity suppliers for system monitoring and customer billing.

Need for smart metering:

- They are expected to significantly improve metering and billing efficiencies, and in turn, increase **discom revenues**.
- The revenue gaps of discoms have been increasing and were exacerbated by the pandemic. Further their dues to power generators have been piling up and are now estimated at around ₹70,000 crore.
- Thus, significant investment in smart meters is being proposed by the Centre. A large-scale roll-out is justified on expectations of a vast improvement in payment collection efficiency.
- However crucial issues need to be addressed before state electricity regulatory commissions (SERCs) approve state-wise roll-outs.

Issues with Smart Metering:

- **First**, there seems to be **discrepancies within data sets** of the National Smart Metering Program (NSMP) and state discoms.

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- **Second, not much information is available in the public domain** on other aspects of the roll-out of these programs.
- **Third, consumer trust** over smart meters is **declining**. In UP, on 12 August 2020, about 160,000 smart-metered consumers faced automatic disconnection of supply as a result of system faults.
- **Fourth, data privacy is another issue**. Smart meter data can reveal sensitive information that is analyzed from electricity usage patterns.

Way Forward:

- The focus should be on creating a **transparent, accountable and participatory mechanism** to ensure that the full benefits of such large-scale investments are indeed obtained.
- We need a consumer- centric approach. The discoms should invest in engaging consumers to generate trust in these new systems.
- The ministry of power should evolve a framework for handling smart meter data and finalize it in consultation with stakeholders.
 - **Regulators should put in place a set of provisions** that cover various aspects of data-sharing protocols, purposes, grievance redressal, security, etc.
 - **Discoms should appoint data protection officers** to ensure requisite consumer privacy.

Read more:

- [Problems with discoms need radical reforms](#)

31. A system of shared IDs can globalize digital currencies

A system of shared IDs can globalize digital currencies

Source: [Livemint](#)

Syllabus: **GS 3 – Economy**

Tags: Digital Currency, National Digital Currency, Bitcoin.

Relevance: Digital currencies are gaining global attention. Even an inter-ministerial committee (IMC) suggested to introduce National Digital Currency under the RBI.

Synopsis:

The major countries of the world are planning to issue their respective digital currencies whose success depends on the degree of global acceptance and transferability.

Background:

- Digital Currency is a direct claim on a central bank, like regular cash. FedCoin, e-CNY, digital euro, Bitcoin etc. are some of the digital currencies that would be rolled out in near future.

Issues associated with digital currencies:

- **First**, a system for ensuring seamless movement of digital currencies across global merchants is still not prepared by the monetary authorities. For this, they will need to verify identities of 8 billion people.
- **Second**, unlike cash, or cryptos like Bitcoin, digital money issued by central banks won't be pure tokens. Either the issuing monetary authority or private players it tasks

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with the job will keep debit and credit accounts. Thus, persistent issue of tackling money laundering, terror financing, etc. would be there.

- **Third**, sharing identities across borders will become a complex task, jeopardizing a user's privacy and augmenting secret surveillance. This won't be accepted by countries like U.S and China who have significant trust deficit amongst them.

Solutions proposed by the Bank for International Settlements (BIS):

- First, the simplest solution may be for different payment authorities to enhance compatibility of their technical and regulatory standards.
- Second, they (monetary authorities) can interlink their systems and share some interfaces, eliminating middlemen.
- Third, they can get together on one platform for their independent digital currencies. Each of the three approaches "would require increasingly intertwined identification schemes, but in all cases, ID would remain at a national level.

Most Promising Model:

- The third model—a jointly operated payment system supporting multiple central bank digital currencies—is the most promising from a user's perspective.
- After Hong Kong's monetary authority began experimenting with the Bank of Thailand to develop a common platform, they were joined by China's and the UAE's central banks.
- The project is now called m-CBDC Bridge. Even in such a highly cooperative setup, **a single ID system** would not be needed.

However, it's unlikely that the US and China will agree to join their digital currencies, given their mutual distrust. For this, we need to rely on vaccine passport model.

Vaccine Passport Model:

- The vaccine passport is a digital vaccination certificate issued for cross-border travel. It has a tamper-proof QR code, which can be read by immigration authorities.
- The certificate has an individual's name and partially masked identification number.
- Upon scanning, the issuing country gives bare minimum information to immigration authorities and takes responsibility of the credibility of the certificate.
 - Credibility is ensured by verifying an individual's phone number and unique ID created by the issuing authority.

Usage in Global Digital Currency Transactions:

- A similar system (like vaccine passport) could work for international payments with digital cash. Example: For a cup of coffee, it should be sufficient that a national authority has verified your identity and your claim of digital currency. Without this level of coordination, e-CNY, FedCoin, Bitcoin and a digital euro will all remain trapped in silos, making them non-starters in a globalized world. This would also pave the way for the likes of Diem, synthetic private-sector tokens backed by reserves maintained in one or several official currencies.

Read more:

- [Introducing National Digital Currency in India – Explained, Pointwise](#)

32. Securities market: On the cusp of change

Source: [Business Standard](#)

Syllabus: GS3 – Indian Economy

Tags: FSLRC, Financial market, Securities, derivatives, bonds, PDMA, Bond-Currency-Derivative nexus

Relevance: A robust financial market is critical for optimum channelization of surplus in an economy.

Synopsis: We need to establish a capable financial market system. One of the challenges is the less than perfect functioning of regulatory bodies.

Problems with the regulators

- **Concentrated power:** Regulators in India are unique in having concentrated power, with an intermixing of legislative, executive and judicial functions.
 - Constitutional norms in a liberal democracy are not always in agreement with such kind of extreme power. This creates unpredictability for a sophisticated market economy.
- There is a major gap in the bond market and its associated elements (the **bond-currency-derivatives nexus**). These are increasingly holding us back.
 - **Problems with bond market:** The government needed to vastly increase borrowing when faced with the pandemic, but faced constraints in the resourcing available through the present configuration of the government bond market.
 - **Firms prefer listing overseas:** Many Indian firms are avoiding the traditional journey of maturity, of an initial public offering in India, and instead opting for overseas ownership/listing structures so as to avoid the weaknesses of the Indian institutions, including financial markets regulation.
 - **Shifting of funding from banks to bond market:** The funding of private firms urgently needs to shift away from banks to the bond market, and this transition has been hampered by policy constraints.
- **Establishing sound foundations of law:** The present laws are not clear on the objectives, of consumer protection, prudential regulation, resolution, systemic risk regulation and certain specialized elements of securities law such as market abuse.
 - The vagueness of objectives in the present law confuses the officials working on financial regulation, and creates uncertainty for the industry.
 - **Example:** As an example, the present law on market abuse, the Sebi Prohibition of Fraud and Unfair Trade Practices Regulations, confers unbridled discretionary penal powers in the hands of Sebi, and creates corresponding regulatory risk for private persons.

What steps can be taken?

Reforms aimed at consolidating and unifying the following can help:

- **Financial Sector Legislative Reforms Commission (FSLRC) material** on the working of regulators, including the role and composition of the board, refreshed and updated, reflecting the 2015-2021 experiences on the ground.
- **Clarity of objectives** of financial market regulation where the FSLRC work is broadly complete.

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- **Financial agency architecture** surrounding the bond-currency derivative nexus and Public Debt Management Agency (**PDMA**), which involves continuing the reforms announced in the 2015 Finance Bill and later withdrawn.

33. 23 states at additional Covid risk due to Biomedical waste

Source: [TOI](#)

Syllabus: GS2 – Health, GS3 – Environmental Pollution

Tags: Biomedical waste, medical waste.

Relevance: Prior to pandemic itself, India's biomedical waste management capacity was already limited. With the advent of pandemic, biomedical waste generation has increased manifold.

What is the News?

A study was conducted by the International Institute for Population Science (IIPS) to determine the Covid risk due to increase in Biomedical Waste.

What is Biomedical Waste?

- **Biomedical Waste** means any waste generated during diagnosis, treatment, or immunization of human beings or animals or in research activities.
- **Management of biomedical waste** is an integral part of infection control and hygiene programs. Without proper treatment, these medical wastes can create an adverse impact on the environment and public health.
- **Global studies** have linked increased Covid risk to increased biomedical waste (BMW).

Key Findings of the Study:

- **The Covid-19 pandemic** has significantly increased the generation of biomedical waste. However, the disposal facilities have not increased proportionately.
- **Around 23 of the 35 states** and Union Territories follow deep burial methods restricted by the Government of India.
- **Moreover, 70% of the states** do not have a well-established system for monitoring a typical Biomedical Waste processing facility. Only 12 states have upgraded according to the new emission regulations.

Way Forward:

- **All states** that produce more than 100 metric tons a month should be considered high priority states. Moreover, special emphasis should be placed on the hilly states.

Read more:

- [Biomedical Waste Management during pandemic – Explained, Pointwise](#)

34. Periodic shutting of national parks is beneficial for animals

Source: [Indian Express](#)

Syllabus: GS 3 – Conservation, environmental pollution and degradation

Context: The decision of Uttarakhand government to allow all year opening of two tiger reserves for tourist has been criticized by many experts. They believe that the move will disturb the ecological balance of the forest.

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Background:

- Uttarakhand forest minister announced that the state's two Tiger Reserves — Corbett and Rajaji — would now remain open for tourism.
- The statement has sparked a debate with many warning that tourism activities in the rainy season will disturb tigers in their mating season.

Impact of all year opening on breeding:

- The breeding season will not be impacted as tigers breed throughout the year.
- In India, if there is any seasonal bias for mating, observational evidence suggests it is towards the autumn-spring window. The **rainy season is not the best time** for tiger breeding.
- Similar is the case for the elephants. A high number of births among elephants have been observed in the winter months of November-January in India.

General reasons for periodic shutting parks:

Generally, the reserves remain closed to tourists during the monsoon for 4-5 months every year. It is due to the following reasons: –

First, A tropical forest is **least accessible** during the monsoons, with lush undergrowth blocking movements and gullies washing away tracks. This is why even the trophy hunters term the rainy months as the off-season that allows the animal population to recover.

For instance, high monsoon in Assam forces Kaziranga National Park to stay practically shut for six months between May and October.

Second, the policy of **shutting down a wildlife park is driven by weather across the world**.

For instance, Yellowstone, the first national park in the US, and also the world, shuts every winter in the snow season.

Nagarhole and Bandipur Tiger Reserves of Karnataka shut to tourists in the dry summer season to protect animals from stress and the forests from fire.

Third, shutting is essential for the **protection of tourists** as well. In 2019, heavy monsoon rain in the seasonal Dhangarhi nallah swept away a tourist car.

Fourth, a peaceful breeding season maintains the **ecological balance between species**. It is required to maintain a food chain.

Fifth, **poachers consider the monsoon an opportunity** to hunt tiger as the forest guards struggle to patrol much of the reserve. Due to this, the Project Tiger has always emphasized enhanced vigilance during the monsoon.