

9pm
Compilation

August, 2021 (First Week)

9 PM Compilation for the Month of August (First Week), 2021

General Studies - 1

1. Why a shrinking population is terrible for a modern economy
2. Global food systems are not thinking about women. A UN report calls for action
3. The Power of Population for Economies

General Studies - 2

1. Long overdue
2. The benefits of breastfeeding
3. Walking NEP talk
4. Who is a Bhumi Putra in Goa, and why is the Opposition objecting to the new law?
5. Onus on states to implement Supreme Court order quashing Section 66A
6. Disregarding Parliament
7. Setting new house rules
8. Criminalising welfare issues
9. Steps to sustain the big success that our DBT Mission has been
10. [The hacking of Indian democracy](#)
11. Making a case for Indo-Abrahamic accord
12. Why liberalism is withering on the vine
13. Getting back in business in the Indo-Pacific
14. 'Improve social security for workers'
15. Providing horizontal quota: the Bihar way
16. Measures being proposed to curb resurgence of COVID wave
17. Skills mission underperforms on training, placement goals
18. [Preventable abuse: SC calls out wrongful use of preventive detention. Such arrests must be made only in rare cases](#)
19. Circumscription
20. Poverty in India is on rise again
21. Why valley is still distant, With end of Articles 370 and 35(A), there's peace, hope and democracy in J&K
22. Over the borderline: On Centre's role in resolving Assam-Mizoram row
23. Collapse of Adivasi self-governance system in Jharkhand: Need to implement PESA
24. Several trade-offs impede Zero Hunger goal. A UN report explains why, and how
25. No Fundamental Right To Strike
26. A language ladder for an education roadblock
27. Cabinet passes bill restoring power of states to make their own OBC lists
28. A Check list for Trust Base Governance in the country
29. Why are government schools not the first choice?
30. Re-negotiate Indus Treaty with Pakistan in light of climate change: Standing Committee on Water Resources
31. China's border games
32. Not always fair game
33. A guide to resolving Assam Mizoram border issue
34. An opportunity for India to pitch for holistic maritime security
35. India's schoolchildren need their childhood back

General Studies - 3

1. What Pegasus says about cyber power and our national security?
2. Skyglow forces dung beetles to abandon the Milky Way as their compass
3. Time to set ourselves a carbon-neutrality goal
4. Big cities need to upgrade water run-off systems
5. [SC order to raze Khori Gaon is a jarring example of coercive environmentalism](#)
6. What India@75 needs: Education and skills, rather than freebies
7. RBI must come clean where it stands on climate change
8. The draw of space and nuclear technologies
9. Rethink aviation policy
10. No Fossil Fuels as Usual
11. A cycle of low growth, higher inflation
12. Our bankruptcy code deserves credit for what it has achieved
13. MSME liquidity line set to widen as more NBFCs start 'factoring'
14. [Catching up on chip](#)
15. Banks withdraw funds from coal-fuelled projects in Asia
16. Climate crisis: Way forward for dairy giants in India
17. Climate emergency: Tipping points are already here, scientists warn
18. What India's labour force survey actually says about employment
19. Three strategic ways to grant supply chains resilience
20. Building sites could be fined, shut under new dust rules
21. Poultry industry seeks extension of loans, import of GM soybean
22. [Two is too few](#)
23. [How technology is Enabling smart farming?](#)
24. Exempting select PSUs from minimum free float norm reverses govt stance
25. Just Energy Transition
26. A rupee wish for India@100
27. Is net zero emission concept zeroing in on Climate change?
28. Privacy checks can be built into software architecture
29. Why switching to electric vehicles is fiscally imprudent
30. Tesla is unlikely to launch its vehicles in India anytime soon
31. A grand tax bargain in danger of coming apart
32. Respect regulations
33. Climate based protectionism: Green Public Procurement can incentivise public sector to eliminate polluting tech
34. Arbitration Awards and The Public Interest
35. Mediterranean a wildfire hotspot now : EU scientists
36. India's indigenous aircraft carrier setting sail for sea trials is a historic moment
37. Rewiring Indian Inc
38. How to save Banni Grasslands from invasive species? Here's what a new study suggests
39. India's godowns are overflowing. So why are people starving?
40. Fiscal action by the Centre must take over from monetary policy
41. [Avoid arbitrary regulation](#)
42. Brown vs Green Trap
43. [India-Nepal Flood Management Needs Course Correction](#)
44. Chinese Tech Under Scrutiny, Indian Tech can gain: GoI's first move in global action that's made Beijing nervous
45. Pegasus has given privacy legislation a job of urgency

9 PM Compilation for the Month of August (First Week), 2021

46. South Asia's emerging digital transformation
47. Prime Minister unveils strategy to boost exports
48. Harness power of nature-based solutions to fight climate crisis: G20 ministers
49. Spreading disinflation over 2-3 years to reduce output loss, says RBI
50. How COVID-19 protocols can propagate social discrimination in India
51. [Widen met station network in Himalayas to better predict extreme weather: Panel](#)
52. Does bill scrapping retro tax go far enough? Worries are the no interest clause, later I-T interpretation

ForumIAS

General Studies Paper - 1

General Studies - 1

1. Why a shrinking population is terrible for a modern economy

Source: [Livemint](#)

Syllabus: GS Paper 1 – Population and associated issues.

Relevance: This article explains the challenges associated with a shrinking population.

Synopsis:

A shrinking population is a bigger worry than a heavy welfare burden

Introduction:

The US population was shrinking. From the fertility rate of 3.2 in 1956, the fertility rate reached 1.6 in 2020. But the shrinking population has many challenges associated with it. For instance, the domestic business investment in the US also followed this decreasing trend.

Challenges with the shrinking population:

- **The problem of ageing:** There will be **ever fewer workers** to **pay the benefits of an ever-larger pool of retirees**.
- **Impact on the economy:** The economy will face many issues with the shrinking population. Such as,
 - The economy will not have a growing supply of new workers
 - New private investment has a harder time generating consistent positive real returns
 - The real return on ordinary physical investment fall so does the interest rate necessary to keep the economy humming.

Read more: [China's shift from "one-child policy" to "three-child policy"](#)

A shrinking population and the example of Japan:

Japan faced all the economic hurdles of a shrinking population. Japan had no post-war baby boom.

1. Despite a technologically advanced and export-oriented economy, the Bank of Japan's major policy rate fell steadily from 6% in 1991 to just 0.5% in 1995.
2. Japan also **experienced an enormous property bubble** in the late 1980s. This is because when **businesses cannot generate enough profitable investment to match the savings rate of an older population**. This resulted in huge investments in land.
3. Japan experienced an **infamous 'lost decade'**, during which **neither huge government spending nor persistently low-interest rates** could fully **revive the economy**.

These are the similar trend the US is also experiencing post -2008 crisis.

Read more: [Population control measures in India – Explained, pointwise](#)

Challenges in increasing the population:

- An **increased government spending on child care and other support for young families** would **offer only a modest boost** in population growth.
- Meanwhile, the ideas that offer the greatest potential for population growth, such as **comprehensive immigration reform**, are the **least politically feasible**.

Terms to know:

- [Total Fertility Rate \(TFR\)](#)

2. Global food systems are not thinking about women. A UN report calls for action

Source: [Down to earth](#)

Syllabus: GS -1 – women and associated issues

Synopsis: A recent ‘**Action Track**’ report of the United Nations has highlighted the vulnerability of women in obtaining equitable access to food. **It calls for altering the unequal power structures for more inclusive decision-making** in the society that would ensure better accessibility of food by women.

Introduction

Apart from this UN report, various other reports and findings have highlighted the skewness of power structures in society that make women more vulnerable in comparison to their male counterparts. In this article, we will throw some light on such data, find the reasons behind such scenarios and provide a roadmap for improving the situation of women.

Evidence of inequitable access to Women:

- Women farmers are **disproportionately more affected by climate change and land degradation**, according to an Intergovernmental Panel on Climate Change report. They face high levels of obesity and are more susceptible to chronic disease.
- Rural women were among the worst affected among the food insecure population of 821 million (as of 2017), according to an Oxfam report published in 2019.

Reasons behind inequitable access:

- **Patriarchal Mindset** has made them subject to multiple kinds of discrimination. They have very little land rights, face difficulties in obtaining ownership, do not have access to credit, and are engaged in unpaid work.
 - **This lack of agency reflects in their dietary patterns:** They eat least, last, and least well. Women farmers who control resources generally have better-quality diets.
- **Migration** is another factor that places a greater burden on women. The male spouse merely performs the economic activity in the new place, but females have to take care of domestic as well as a traditional livelihood (agriculture) in the village.
- **Epidemics** also place a higher burden on women. The impacts of the COVID-19 pandemic **have not been gender-neutral**. More women have been at the receiving end of increased poverty, food insecurity, malnutrition, and disease prevalence as per a 2020 UN report.

Way Forward:

- **Robust Social Protection Systems** like **Dimitri Clubs** and **German dual training systems** should be formulated in every country for women. They should help in upholding their livelihoods, build assets and create wealth for them.
 - **Dimitra Clubs** in the rural regions of sub-Saharan Africa have been drivers of women’s leadership for over a decade.
 - These groups comprise women and men who shed light on the gender inequalities in households and communities.
 - They fight malnutrition by challenging dietary taboos, mobilize to meet environmental challenges, and establish a credit cooperative to avoid debt.

9 PM Compilation for the Month of August (First Week), 2021

- **German dual training system** is an institutional infrastructure that creates a path to jobs and better livelihoods.
 - It integrates school-based learning with work-based practice.
 - It provides theoretical training for aspiring farmers as well as short-term courses on specific skills.
- The systems should adopt policies that **eliminate barriers to access to fundamental services**, ensuring, for example, the right to food, shelter, and health.
- The UN stressed that inequitable systems and structures that enable and exacerbate inequalities in food systems, should be dismantled. Further, governments, businesses, and organizations should be **held accountable** for ensuring equitable livelihoods.

Conclusion:

Food, clothing, and shelter are basic rights that every individual requires for their survival. Recognizing this, prudent efforts should be made for ensuring equitable access of food to women as it would uphold their dignity and also help in achieving sustainable development goals 2 (Zero Hunger) and 5 (Gender Equality) of the United Nations.

3. The Power of Population for Economies

Source: [Live Mint](#)

Syllabus: GS Paper 1 – Society – Population and associated issues

Relevance: Population control has been debated much. However, there are other aspects that require attention.

Synopsis: Governments, globally, are focussing on population control policies. However, political failure is doing more harm compared to population increase.

Introduction

Reverend Thomas Robert Malthus wrote in his *Essay on Population*—“**The power of population is indefinitely greater than the power in the Earth to produce subsistence for man.**” Since then, this theory has influenced plenty of scientists.

There are pessimists (usually biologists) and optimists (usually economists). Pessimists believe that the human population is increasing so rapidly that we will end in catastrophe. Whereas, optimists believe that humanity is capable of solving its population problems.

The debate on the Total Fertility Rate (TFR) is also one of the aspects of this debate. Recently, Uttar Pradesh also proposed a draft [Population \(Control, Stabilisation, and Welfare\) Bill](#) aimed at controlling TFR by introducing penalties for couples who have more than two children.

However, the effectiveness of these TFR related measures is still not clear.

TFR and Malthus prediction

At present, the TFR rate is decreasing very rapidly. Very soon, TFR figures the world over will be the lowest in history. China’s TFR (about 1.69) is well below the replacement level, and that of India was 2.22 in 2018. Even UP’s TFR was 2.7 in 2016.

However, since 1968, the Earth has added over 4 billion more people. This huge increase will have implications for the earth and humanity itself. But these implications will not include the disaster as predicted by Malthus.

This disaster will arrive as a result of, as Mann described: “**the human race’s perennial inability to run its political affairs wisely.**”

Example of sub-Saharan Africa

It is a general belief that overpopulation has caused terrible damage to the land in sub-Saharan Africa. However, the findings of Michael Mortimore of Cambridge University are in contrast to this belief.

For generations, Nigerian farmers would simply move on when resources were exhausted. But with population pressure, the land grew ever more expensive. This forced farmers to take better care of what they owned because moving on was no longer viable.

This resulted in a record increase in grain production levels. The country's steadily increasing population had actually increased the productivity of its land.

Thus instead of population increase, the failure of the political system i.e. government has increased their suffering.

- **Civil strife:** Governments have failed to stop civil strife in the regions, instead they are participating in it.
- **Land use reforms:** Governments have failed to reform land-use rules to address the issue of overuse of common property.

Conclusion

The example of sub-Saharan Africa fits well to India as well. Instead of increasing population, it is political violence and an inefficient justice system that requires attention.

Terms to know: [TFR](#)

General Studies Paper - 2

General Studies - 2

1. Long overdue

Source: [The Hindu](#)

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

Relevance: This article explains the evolution of All India Quota (AIQ) Scheme in India.

Synopsis:

OBC reservation in All India Quota medical seats puts an end to a discriminatory policy.

Introduction

Recently, the Centre decided to extend its 27% reservation for ‘other backward classes’ to all seats under the All India Quota (AIQ) Scheme is a welcome development. The Union government has also decided to provide 10% of the AIQ seats to those from the Economically Weaker Sections (EWS).

Read More: [All India Quota \(AIQ\) Scheme](#)

Evolution of AIQ Scheme:

1. The AIQ is a category created by the Supreme Court to free up some seats from residential or domicile requirements in some States for admissions to their medical colleges.
2. Introduced in 1986, the AIQ comprised 15% of undergraduate medical and dental seats and 50% of post-graduate seats surrendered by the States for admission through a central pool.
3. There was no reservation in the AIQ. But later, the Supreme Court directed the Centre to implement Scheduled Castes/Scheduled Tribes quota in the category.
4. In 2007, the Supreme Court allowed 15% Scheduled Caste reservation and a 7.5% Scheduled Tribe quota under the AIQ.
5. Meanwhile, based on a central law favouring Backward Class reservation in educational institutions, the Union’s 27% OBC quota was introduced in central educational institutions. There was no move to implement OBC reservation in the AIQ category.

About the recent decision to provide reservation:

In the courts, the Medical Council of India has argued against OBC reservation, but the Union government said it was not averse to the reservation, subject to an overall 50% limit. This is because,

- The omission of OBC reservation in the AIQ seats was discriminatory. There were **OBC seats in medical institutions run by the Centre**, as well as **State-specific quotas in those run by the States**.
- The **Madras High Court**, in July 2020, held that **there was no legal impediment to OBC reservation**, but, given that the policy varied from State to State, it left it to the **Centre to decide the modalities for quotas** from this academic year.

Based on that, the Central Government has now announced that it will provide 27% reservation for OBCs and 10% reservation for the economically weaker section(EWS).

2. The benefits of breastfeeding

Source: [The Hindu](#)

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

Relevance: This article explains the various advantages associated with breastfeeding and suggestions to improve it.

Synopsis:

The promotion of breastfeeding should be a continuous process, not an event restricted to a week.

Introduction:

UNICEF states that “breastfeeding is among the most effective ways to protect maternally and child health and promote healthy growth and optimal development in early childhood.”

About breastfeeding globally:

1. During the **Renaissance period, breastfeeding** came to be seen as **unfashionable**. **Feeding bottles and formula milk** were aggressively advertised leading to a reduction in breastfeeding between the 17th and 19th centuries.
2. However, during the late 19th century, an **increase in infant mortality rate** and a **rise in non-communicable diseases during adulthood** were attributed to bottle feeding.
3. This prompted experts and leaders everywhere to push for breastfeeding across the world.
4. The advantages of breast milk are evidence-based, yet globally only 25%-40% of babies are breastfed.
5. The **National Family Health Survey-5 data** show that there has been a **decline in early breastfeeding** in as many as 12 of the 22 surveyed States and Union Territories while the share of institutional births has increased.

Breastfeeding timeline:

Infants should be breastfed within one hour of birth, breastfed exclusively for the first six months of their lives, and be breastfed after six months in combination with solid, semi-solid and soft food until they are about two years old.

Advantages of breastfeeding:

- Breastfeeding provides greater **immunity for children** against infection, allergies, cancers and obesity; and **improves brain maturation**.
- It is also **beneficial for the mother**: it promotes faster weight loss after birth, reduces postpartum bleeding, and protects her against breast cancer, ovarian cancer, and osteoporosis.
- Data from The Lancet show that **more investment in breastfeeding could add \$300 billion to the global economy and prevent about 8,20,000 child deaths every year**.

Initiatives to promote breastfeeding

1. The **World Alliance for Breastfeeding Action (WABA)** was established in 1991 to create awareness about the importance of breastfeeding.
2. In 1992, WABA in coordination with **UNICEF introduced World Breastfeeding Week** during the first week of August every year.

9 PM Compilation for the Month of August (First Week), 2021

3. India enacted the **Infant Milk Substitutes, Feeding Bottles and Infant Foods Act in 1992** with stringent regulations.

Steps to improve breastfeeding in India:

- Governments must **allocate specific funds, rigorously implement the law, invest in educating parents and health workers** and involve civil society organisations and the media in **spreading awareness**.
- The government can establish breast milk banks in various parts of the country.
- The government can provide lactating mothers with **subsidised breast milk pump equipment**, and **setting up exclusive facilities to breastfeed** will prove to be beneficial for breastfeeding.
- Both the mother and newborn are vulnerable for the first 12 weeks. Therefore, assistance from the partner is indispensable during this time. However, Indian law only allows for 15 days of **paternity leave**. It is imperative to **extend this to 12-16 weeks**.

3. Walking NEP talk

Source: [The Indian Express](#)

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

Relevance: This article explains the various challenges present before the National Education Policy

Synopsis:

A year later, the national education policy remains a guide to the future, but there are challenges.

Introduction:

It's been a year since the National Education Policy 2020 laid out a map for a long-overdue re-imagining of Indian education. But, the Covid-19 pandemic has slowed down the implementation of the policy.

Some of the proposals in the policy are poised to see the light of day this academic year. Such as,

- An academic **credit bank for undergraduate students**
- 14 engineering colleges across eight states will teach **undergraduate programmes in Hindi, Tamil, Telugu, Bengali and Marathi** from the new academic year.

Read more: [PM to roll out academic credit bank](#)

Challenges with the National Education Policy:

- The government will **need to put in significant resources and work to create a knowledge ecosystem** for engineering courses in the **regional languages**.
- When the government is calling for greater autonomy, several universities continue to function without vice-chancellors. For instance, 10 central universities, including Delhi University and JNU, remain without full-time heads.
- The NEP asks for the highest priority to literacy and numeracy, but **the government has slashed the school education budget** by almost Rs 5,000 crore; **higher education has suffered a Rs 1,000 crore cut**.
- The **cancellation of the Class XII board examinations** and **subsequent challenges for institutes** of higher education also needs attention.

Read more: [Students can now get 40% of university credits from e-courses](#)

Terms to know:

- [Academic bank of Credit \(ABC\)](#)
- [National Education Policy](#)

4. Who is a Bhumiputra in Goa, and why is the Opposition objecting to the new law?

Source: [Click Here](#)

Syllabus: GS 2 – Parliament and State Legislatures

Synopsis:

The legislative assembly of Goa passed the Goa Bhumiputra Adhikarini Bill, 2021 for giving ownership rights to Bhumiputra (son of the soil). However, the bill has been criticised by the opposition as it was passed in haste and reckless manner.

Background:

- The legislative assembly of Goa passed the Goa Bhumiputra Adhikarini Bill, 2021 and 10 other bills in its recent assembly session.
- The bills were passed even though 12 Opposition MLAs walked out on the last day of the three-day Assembly session.

About the bill:

- It recognises anyone living in the state for 30 years or more as a **'Bhumiputra** (son of the soil)'. It gives Bhumiputra the right to own his or her 'small dwelling unit' if the ownership was undetermined till now.
- Once recognised as a Bhumiputra, **an individual can stake claim to ownership of their house of not more than 250 sq m, built before April 1, 2019.**
- It provides for the constitution of the **Bhumiputra Adhikarini**. It is a committee consisting of the Deputy Collector as its Chairperson, and officials from the departments of Town and Country Planning, Forest and Environment. Mamlatdars of respective talukas are also part of the committee.
- Bhumiputra may apply to the committee if his house has been built before the cut-off date. The committee will invite objections within 30 days, including from the land owner, which could also be a local body, and then take a decision of granting ownership to the Bhumiputra.
- **An appeal against the Bhumiputra Adhikarini's decision can be filed before the Administrative Tribunal within 30 days.**
- It states that **no court shall have jurisdiction** "to entertain, decide or deal with any question which is to be decided by the Bhumiputra Adhikarini and Administrative Tribunal under this Act".

Rationale behind its introduction:

- To **provide a mechanism** to give ownership rights to the self-occupied dweller of a small housing unit.
- To enable him/her to live with **dignity and self-respect and exercise his right to life.**

Why is the Opposition objecting to the bill?

- They said there was **not enough time** in the curtailed Assembly session to study or debate the Bill, and 10 others passed "in a haste".

9 PM Compilation for the Month of August (First Week), 2021

- It called this the ruling party's **"election engineering"** and **flagged concerns over illegal structures** being regularised.
- They said that the bill would recognise encroachments by slum-dwellers that are over 30 years old as Bhumiputras.

5. Onus on states to implement Supreme Court order quashing Section 66A

Source: [Times of India](#), [The Hindu](#)

Syllabus: GS 2 – Structure, Organization and Functioning of the Executive and the Judiciary

Synopsis:

The centre has given its reply to a petition filed by PUCL pertaining to misuse of Section 66A by the state police. The Centre said that the onus lies with the states to implement the apex court's 2015 judgment.

Background:

- The Union government informed **the Supreme Court (SC) that the onus lies with the states to implement** the apex court's 2015 judgment.
 - The court had quashed the 'draconian' section 66A of the Information and Technology Act in 2015 Shreya Singhal Case.
- The Union government also clarified that it has repeatedly advised the states to drop all cases registered under the provision.

Need for such clarification:

- On July 5, the SC had expressed shock and dismay over police continuing to register cases under section 66A despite it being quashed six years ago.
- NGO 'People's Union for Civil Liberties' (PUCL) **had pointed out that states have registered thousands of cases post the 2015 judgment.**
 - Maharashtra registered 381 more FIRs, invoking Section 66A post-judgment.
 - Uttar Pradesh had registered just 22 cases before 2015, but its police went on to file 245 more cases after the judgment.
 - Similarly, Jharkhand had just 43 FIRs prior to the judgment but went on to register 291 FIRs after the SC verdict.
- The NGO demanded that the Centre government should step in for immediate withdrawal of such cases.

What needs to be done?

- A series of directions is required for implementation of the SC judgment in letter and spirit by the states.
- The state governments must be directed to **collect and collate** all information about cases lodged and pending under 66A and order their immediate withdrawal.
- This could be achieved by giving a direction to the DGPs to take necessary steps and to the HCs to issue suitable advisory to the district judges for closure of cases in the courts within their jurisdictions.

The matter is scheduled for fresh hearing on 1st August before the SC bench headed by Justice Nariman.

6. Disregarding Parliament

Source: [Business Standard](#), [Indian Express](#)

Syllabus: GS 2 – Parliament and State Legislatures—Structure, Functioning, Conduct of Business

Synopsis:

Parliamentary Standing committees must not be hijacked by politics. They are an integral part of the Indian Parliamentary system and perform an enormous amount of good work.

Background:

- The head of the Parliamentary Standing Committee on Information Technology has written a letter to the Speaker of the Lok Sabha.
- He urged him to **take action against officials of the Union government who refused to appear before the committee.**

What's the issue?

- The committee was required to examine a number of issues, including the allegations of phone tampering and tapping associated with the Israeli Pegasus software.
- The officials from three Union ministries (electronics and information technology, communications, and home affairs) had been summoned for the same. However, all of them declared at the last minute that they would not be able to attend.
- These refusals arrived within a few minutes of each other and showed a **coordinated refusal by the summoned officials.** Hence, officials should be duly punished for breaching their responsibilities.

Indian Scenario Versus Global Scenario:

- In most other democracies, surveillance and other intelligence operations by the executive branch are held **in check only by in-camera supervision by a subset of legislators from all parties.** This is a system that works well.
- **There is no formal structure for such supervision in India.** There is a structure that expects, if the relevant committee asks for information, it must be either provided or the relevant official must provide explanations for secrecy in person.
- **Impact of Coordinated Refusals:**
- It undermines the functioning of Parliamentary standing committees and enables the executive to escape from accountability.
- It is a violation of Parliamentary privilege and an attack on Constitutional foundations.

Terms to Know:

- [Parliamentary standing committee](#)

7. Setting new house rules

Source: [Indian Express](#)

Syllabus: GS 2 – Parliament and State Legislatures—Structure, Functioning, Conduct of Business

Synopsis:

The legislative body's role must be strengthened and deepened so that disruption of proceedings ceases to be an option.

9 PM Compilation for the Month of August (First Week), 2021

Background:

- Disruption is replacing discussion as the foundation of our legislative functioning. In this regard, the government is considering curtailing the monsoon session of Parliament.
- All sessions since last year have been cut short. The first two were because of Covid, this year's budget session because of campaigning in state elections, and the ongoing session on account of disruptions.

Reasons behind disorderly conduct by MPs:

- **First, dissatisfaction** in MPs because of inadequate time for airing their grievances.
- **Second, an unresponsive attitude** of the government and the retaliatory posture of the treasury benches.
- **Third, political parties not adhering to parliamentary norms** and disciplining their members.
- **Lastly**, the absence of prompt action against disrupting MPs under the legislature's rules.
- **Steps to ensure disciplinary conduct:**
- The Lok Sabha has had a simple code of conduct for its MPs since 1952. Earlier, the rules required MPs not to interrupt the speech of others, maintain silence and not obstruct proceedings by hissing or by making commentaries during debates.
- Newer forms of protest led to the updating of these rules in 1989. Accordingly, members should not shout slogans, display placards, tear away documents in protest, play cassettes or tape recorders in the House.
- A new rule empowers the Lok Sabha Speaker to suspend MPs obstructing the Houses' business automatically.

However, these rules are not duly implemented.

Why are such steps not duly implemented?

- The **government exercises considerable control over the legislature**. It decides when Parliament should meet, for how long, and plays a significant role in determining what issues the House should discuss.
 - Successive governments have shied away from increasing the working days of Parliament. When a contentious issue crops up, the government dithers on debating it.
- This induces **opposition** MPs to violate the conduct rules and disrupt the proceedings of Parliament. Since they have **the support of their parties** in breaking the rules, the threat of suspension from the House does not deter them.

Suggestions:

- The two suggestions of the 2001 All-party conference – enforcement of a code of conduct for MPs and MLAs and an increase in the sitting days of legislatures, should be duly implemented.
 - The conference deduced that Parliament should meet for **at least 110 days every year and larger state legislative assemblies for 90 days**.
- Further, opposition parties should have the opportunity to debate and highlight important issues. Currently, government business takes priority, and private members discuss their topics post-lunch on a Friday.

9 PM Compilation for the Month of August (First Week), 2021

- The country can **introduce the concept of opposition days, as done in the U.K and Canada.**
- In the United Kingdom, where Parliament meets over 100 days a year, opposition parties get 20 days. On these days, they decide the agenda for discussion in Parliament.
- Usually, decisions of the House passed on opposition days are not binding on the government and are an opportunity for the opposing parties to focus national attention on issues that it deems crucial.

8. Criminalising welfare issues

Source: [The Hindu](#)

Syllabus: GS Paper 2 – Mechanisms, laws and institutions constituted for the protection and betterment of vulnerable sections.

Relevance: This article explains why the government should avoid criminalising welfare measures

Synopsis:

Before the legislature adopts coercive legal measures, a welfare response should be considered

Introduction:

Recently, the Supreme Court [turned down a petition to restrain begging](#) at traffic lights, markets, and public places in light of the precautionary measures for the Covid-19 pandemic.

In doing this, **the court rightly observed that being compelled to beg was a socio-economic issue** that could not be remedied by directions of the kind originally sought. **It required a welfare response from the state.**

This order points to the largely ignored nexus between coercive measures and welfare issues.

Read more: [SC refuses to ban begging, says 'no one would like to beg if not for poverty'](#)

Suggestions to improve State's action towards welfare activities

1. During the decisions about criminalisation, the **state should consider whether the issue might be better suited to a welfare response.** For instance,
 - a. **Harsh Mander & Anr. v. Union of India (2018) case:** In this, the court held the criminalisation of beggary under the Bombay Prevention of Begging Act, 1959 as unconstitutional. During that, the court noted that the **criminalisation of beggary served only to invisibilise beggars** without doing anything to address the structural deprivations that drove people to beg.
 - b. Similarly, the criminalisation of triple talaq by the Muslim Women (Protection of Rights on Marriage) Act, 2019, does **nothing to address the structural gender inequality, social stigma, poor employment options, and lack of state support** which actually cause the deprivations associated with divorce (and not just with triple talaq).
2. **Socio-economic marginalisation and poverty may frequently make people susceptible to exploitation**, whether through poorly paid/unpaid labour, trafficking and sex work, or indeed, begging. The government has to **create alternative, well-paying and dignified employment**, to remove socio-economic marginalisation and poverty altogether.
3. Focusing on the welfare aspect of exploitative practices also sheds light on **structural forms of impoverishment.**

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- a. In **Suhail Rashid Bhat v. State of Jammu & Kashmir and Others (2019) case**: The court held that begging is **evidence of the failure of the Government as well as the society** at large to protect its citizens from the debilitating effects of extreme poverty. The court also held that it is a **failure to ensure the right to life ensured under Article 21** of the Constitution of India.”

Terms to know:

- [Bombay Prevention of Beggary Act 1959](#)

9. Steps to sustain the big success that our DBT Mission has been

Source: [Livemint](#)

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

Relevance: This article explains DBT Mission’s achievement, challenges and solutions.

Synopsis:

It is not much discussed, but the success of the Direct Benefits Transfer (DBT) Mission is indisputable.

Introduction:

Over the last 18 months, while, there have been very few silver linings in government actions. One of them has been a demonstration of the effect of the JAM (Jan Dhan Yojana-Aadhaar-Mobile phone) trinity in keeping millions of Indians away from starvation. The success of the Direct Benefits Transfer (DBT) Mission is indisputable.

How DBT Mission improved the government’s welfare transfers?

1. Former prime minister Rajiv Gandhi admitted that the ordinary citizen received only 15 paise of every rupee that the government tried transferring to him/her. This situation is changed drastically after the intervention of DBT.
2. **Increased government welfare transfers:** Between the benefits transferred in cash and kind, government welfare transfers amounted to ₹5.52 trillion in 2020-21, compared with a mere ₹7,367 crores in 2013-14.

Challenges faced by the DBT Mission:

- The DBT process **has many layers of authorities** involved, but the point of contact with the beneficiary for cash withdrawal is the most critical. However, surveys reveal that a **quarter of these agents are operating with losses**. But **agent viability and service quality are central to financial inclusion**.
 - The **issue of agent viability** and service quality is **not a direct responsibility of the DBT Mission**. It falls under the department of financial services in the ministry of finance.
- A **long-standing issue** has been the **inadequate compensation paid by the government to the banking channel for DBTs**.
- **Different payment mechanisms** are currently **in use** between the Union and state governments. Whereas the Union government uses the NPCI channel, states use NEFT and RTGS. This makes it **difficult for banks to receive DBT commissions**.

Suggestions to improve the DBT Mission:

1. The government has to **differentiate commission charges for agents specific to the location**. They should be higher for rural areas where economic activity is low.

9 PM Compilation for the Month of August (First Week), 2021

2. The government can **enrol and permit more women as banking business correspondents**. This will also help in women empowerment in rural areas.
3. The governments (central and state) has to **keep the eligibility criteria and enrolment process simple** for benefits schemes. For instance, the **enrolment of beneficiaries through the UMANG app** based on eligibility parameters can also be done through banking correspondents and not limited only to common services centres, as is the case currently.
4. Many of the operational challenges that DBT faces can be mitigated by putting an **effective customer grievance redressal mechanism** in place.

India has begun spectacularly with the DBT Mission. But the DBT Mission is not a project with a well-defined beginning and endpoint. It's a continuous one. So, the government has to institute the required processes and mechanisms, identify glitches and rectify them in time.

Terms to know:

- [DBT mission](#)

10. [The hacking of Indian democracy](#)

Source: [The Hindu](#)

Syllabus: GS2- Fundamental Rights

Relevance: Understanding various dimensions of the fall out of the Pegasus revelations.

Synopsis: International treaties, rules, and reports on the issue of right to privacy & the way forward in the Pegasus case.

Background

The Pegasus revelations reflect an attack on Indian democracy and Indian citizens. National security is important, but it can have an impact on human rights and civil liberties. The use of surveillance has serious implications for privacy. But at first look the list of people targeted shows that national security is a pretext to suppress political and societal dissent, raising doubts about the functioning of democracy in India.

Undermining the rule of law

The government has a constitutional duty to protect the fundamental and human rights of its citizens, irrespective of who they are. Even if the government is not involved in the surveillance, it has miserably failed in discharging this duty. There is clear evidence that the rule of law has been undermined.

This also reflects extremely poor governance.

Relevant international treaties & reports

- **Universal Declaration of Human Rights (UDHR):** India is a signatory to the Universal Declaration of Human Rights. Article 12 provides that *“No one shall be subjected to arbitrary interference with his privacy, family, home or correspondence, nor to attacks upon his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.”*
- **The International Covenant on Civil and Political Rights**, also signed by India, in Article 17 states, *“No one shall be subjected to arbitrary or unlawful interference with his privacy, family, home or correspondence, nor to unlawful attacks on his honour and reputation. Everyone has the right to the protection of the law against such interference or attacks.”*

9 PM Compilation for the Month of August (First Week), 2021

- The **annual report of the United Nations High Commissioner for Human Rights (UNHCHR)** in 2014 made fundamental observations and recommendations on “digital communications technologies”. It said, these powerful technologies offer the promise of improved enjoyment of human rights, but they also have enhanced the capacity of Governments, enterprises and individuals to conduct surveillance, interception and data collection.
 - **On Judicial involvement:** Judicial involvement that meets the international standards can be helpful. But, at the same time, judicial involvement in oversight should not be viewed as a panacea. It recommended an **independent oversight body** to keep checks.
 - **On providing of user data by companies:** Report stated that when a state requires that an information and communications technology company provide user data, it can only supply it in respect of legitimate reasons.
- **The General Assembly Resolution 68/167:** The General Assembly adopted Resolution 68/167 affirming that rights held by people offline must also be protected online and called upon all states to respect and protect the right to privacy, including in digital communication.

Way forward

An inquiry at the highest level under the supervision of the judiciary is the optimal way forward in the Pegasus aftermath. If this does not take place, India will cease to call itself a democracy.

Terms to know:

- [Universal Declaration on Human Rights \(UDHR\)](#)
- [ICCPR](#)
- [Puttaswamy judgement,](#)

11. Making a case for Indo-Abrahamic accord

Source: Indian Express

Syllabus: GS2 – International Relations (IR)

Relevance: Emergence of a new geo-political order in West Asia is providing an opportunity for India to increase its role in the region.

Synopsis: Turkish president’s excessive ambitions, alienation of Israel and moderate Arabs, growing conflict with Greece and alignment with Pakistan presents India with opportunity to widen outreach to west of the Subcontinent.

Emerging geo-political situation in West Asia

The reshaping of West Asia’s geo-political situation is marked by an alienation of Turkey and is driven by the following events:

Turkey and Pakistan’s cooperation

- Turkish president is making **assertive claims for the leadership of the Islamic world**. Also,
- Erdogan’s support for the Muslim Brotherhood, which seeks to overthrow the current political order in the region, has deeply angered the governments of Egypt, Saudi Arabia and the UAE. Thus, fighting the Brotherhood and balancing Turkey have become existential challenges for them.

9 PM Compilation for the Month of August (First Week), 2021

- **Hostility towards India:** Efforts since the end of the Cold War at normalising relations between Delhi and Ankara have also **broken down**, thanks to Erdogan's hostility towards India.
 - **Erdogan has been supporting Pakistan's case on Kashmir** after India changed the territorial status quo of the state in August 2019.
 - At Pakistan's behest, Erdogan is also **blocking India's entry into the Nuclear Suppliers Group**.

Pakistan's alienation

Pakistan's alignment with Turkey is growing resulting in its alienation from its traditionally strong supporters in the Arab Gulf — the UAE and Saudi Arabia.

Greece and UAE closer now

The discovery of new hydrocarbon resources in the eastern Mediterranean, the renewed territorial disputes between Turkey and Greece, and the Turkish quest for regional dominance has drawn Greece and the UAE closer.

Increased coop b/w India & Greece

Greece is looking towards India to enhance bilateral security cooperation. India's external affairs minister was in Athens at the end of June and the two sides have begun defence exchanges.

French counter to Turkey

Greece's European partners like France, which have a big stake in the Mediterranean as well as the Arab Gulf, have taken an active interest in countering Turkey's regional ambitions.

Indo-Abrahamic accord

Amidst the reshaping of geo-political order in West Asia, India's relations with the UAE and Israel have gained a political depth and strategic character under present Indian government. This trilateral relationship can be the launchpad for a wider regional coalition.

So, can this growing convergence of interest between India, UAE and Israel be formalized under an official coalition i.e. an Indo-Abrahamic accord?

Areas of cooperation

There are many areas like **defence, aerospace and digital innovation** where the three countries can pool their resources and coordinate development policies.

Coordination with Saudi Arabia will certainly remain a high priority for the three nations.

Meanwhile, others like Greece are eager for greater cooperation with the coalition.

Why Egypt's support is critical?

For India to play a greater role in West Asia and to formalize the emerging trilateral partnership will require Egypt's support. India's engagement with West Asia in the 1950s was centered on a **close partnership with Egypt**.

- **The Nasser & Nehru relationship:** The legendary special relationship between Jawaharlal Nehru and Gamal Abdel Nasser was instrumental in promoting **Afro-Asian unity** and **founding the Non-Aligned Movement**. Nehru and Nasser visualised a **strategic partnership** and sought to build a joint fighter aircraft and develop a jet engine.

Present Indian government can rebuild the strategic partnership jointly with el-Sisi who is calling for the construction of a “New Republic” in Egypt.

Way forward

The opportunities for India to the west of the Subcontinent are as significant as those that have recently emerged in the east. Much in the manner that the “Indo-Pacific” has transformed the way India thinks about the east, the notion of a “**Greater Middle East**” can provide a huge boost to India’s engagement with the extended neighborhood to the west.

Terms to know:

- [Abraham Accords](#)

12. Why liberalism is withering on the vine

Source: [Business Standard](#)

Syllabus: GS 2 – Indian Constitution—Historical Underpinnings, Evolution, Features, Amendments, Significant Provisions and Basic Structure

Synopsis:

Liberal ideals of liberty, equality and fraternity cannot be optimised, except in small communities.

Background:

- Liberalism is associated with mainly two popular theories. The first one is given by Adam Smith and focuses on economic liberalism.
- While the other one is drawn from the liberals of the French Revolution and focuses on social liberalism.

Assumption made by two theories:

- The **economic liberalism** theory focuses on allowing an individual to work as per his/her self-interest. It calls for minimum state intervention in order to allow an individual to live his/her life as per own will. This freedom breeds liberalism.
- The **social liberalism** theory focuses on inculcating the virtues of Liberty, Equality and Fraternity.
 - These ideals were built on the assumption that all institutions of the past (family, tribe, religion, caste, and the nationalistic state) were oppressive to the individual.
 - It called for maximising individual liberties in order to allow an individual to develop to its full potential.

Why did the two theories fail to attain liberalism?

- The first theory failed to understand that **Self-interest is certainly an important driver of growth**, but without the restraints imposed by a recognition of the interests of the larger community, economic freedom will be in peril.
- The two theories supported development of a **big and powerful state**, which is in direct contradiction with liberalism.
- **After the 2008 global financial crash**, economists from both the Left and Right sides of the ideological spectrum were supporting more state intervention.

9 PM Compilation for the Month of August (First Week), 2021

- After this scenario, the only hope to save liberalism was to develop strong laws and institutions against the tyranny of the state.
- However, no law written by anyone and anywhere is devoid of influence from vested interests. This resulted in control of few over others and undermined liberalism.

Suggestions:

- Liberalism has been attained only in small or unusually monocultural societies like Japan, Israel, Denmark, South Korea etc.
 - However, their continuing success depends on their being monocultural, which seems a bleak possibility considering the influx of immigrants into these societies.
- Hence, between individual and state, **there has to be a stronger role for the community for constraining rights** with community-monitored responsibility. No true free society can be built solely on the basis of individual rights.
- Raghuram Rajan in his book, **The Third Pillar**, says that without the third pillar of **strong community bonds and capacity for action**, one cannot help the poor neighbourhoods, riddled with crime and violence.
 - The powerful state can be restricted only if we empower communities to do part of the work of the state. And by community he doesn't mean only those based on caste, religion, gender, tribe or linguistic affinity.
 - Any group can constitute itself into a community, and work for its common and general interests, including providing for social security.
 - In many European countries, **voluntary church taxes can be deducted from the payroll with tax benefits. The Muslim zakat is another such idea of a voluntary tax.**

Getting to Denmark requires the effective community size for autonomous self-regulation and social security to be small. Liberalism and universalism are not going to get us there because their stated goal is the destruction of inherited community identities.

13. Getting back in business in the Indo-Pacific

Source: [The Hindu](#)

Syllabus: GS2 – International Relations (IR)

Relevance: A visible shift in the USA's Asian foreign policy towards the Indo-Pacific region will be very important for India.

Synopsis: Recent visits of the top US officials to various Asian nations indicate that the USA is trying to shift its foreign policy focus away from Afghanistan & Iraq to maritime Asia where COVID-19, climate change, and China are compelling challenges. An assessment of these visits and the key takeaways.

Background

Visits to various Asian countries by three top US officials — Deputy Secretary of State, Secretary of Defense, and Secretary of State.

In East Asia and Oman

Deputy Secretary of State Wendy R. Sherman's visit (July 19-27) covered **Japan, South Korea, Mongolia**, and also **China**.

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Underlying theme: Reaffirmation of the U.S. commitment to working with allies and partners for the promotion of peace and prosperity and upholding a ‘**rules-based order**’, the code word critical of China’s behaviour.

Key points:

Southeast Asian dynamics

The visit by Secretary of Defense, Mr. Austin (July 23-30) covered three important ASEAN member-states — **Singapore, Vietnam, and the Philippines.**

Underlying theme: Discussions reiterated the necessity for a U.S. military presence in the region.

Key points:

- Mr. Austin aptly asserted, that **Beijing’s claim to the vast majority of the South China Sea has no basis in international law** and sent out the key signal to Beijing stating that US won’t hesitate when its interests are threatened. Yet it doesn’t seek confrontation.
- In a joint statement, Singapore and the U.S. agreed that **America’s presence in the region is “vital for its peace, prosperity, and stability”.**
- Mr. Austin encouraged **Vietnam** to develop closer defence cooperation with the U.S.
- The Philippines visit produced a notable result, as Manila agreed to full restoration of the Visiting Forces Agreement, which provides the legal foundation for the U.S. military presence in that country.

In South Asia and Kuwait

Secretary of State, Mr. Blinken, visited **Delhi and Kuwait** (July 26-29)

- **Visit to India:** The India visit was more in the nature of a consultative dialogue, bringing out the expanding areas of convergence between the two nations. His repeated observation that the friendship with India is one of the closest that the U.S. has, was very important for India.
- Blinken’s visit has already been covered in detail [here](#) and [here](#)

What do these visits signal?

1. **China policy and Indo-Pacific policy:** First, that America’s China policy and the Rest of the Indo-Pacific policy will run in parallel, with inner consistency ensured by Mr. Biden.
2. **Relationship with China:** Second, Washington maintains a tough attitude towards Beijing, but it desires to keep the doors open for dialogue. The relationship with China is marked by three characteristics — adversarial, competitive, and cooperative. It is likely to stay that way.
3. **Integrated deterrence:** Third, the U.S. is willing to resist and counter China firmly, but with the full engagement of and contribution by the like-minded states of the region i.e. integrated deterrence

Conclusion

In short, the U.S. is back and is willing to lead — but the region will have to seriously step up too and participate actively to maintain peace and prosperity.

Terms to know:

- [ASEAN](#)
- [Rules based order](#)

14. 'Improve social security for workers'

Source: [The Hindu](#)

Syllabus: GS Paper 2 – Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes

Relevance: This article analyzes the Parliamentary Standing Committee on Labour report on the impact of the pandemic on rising unemployment.

Synopsis

The Parliamentary Standing Committee on Labour highlighted many issues and provided suggestions for improving employment.

About the News

The Parliamentary Standing Committee on Labour submitted a report on the impact of the pandemic on rising unemployment. The panel, which is chaired by Bhartruhari Mahtab, called on the government to improve social security measures for workers.

Key findings of the Committee:

- The panel noted that like in most countries, in India too, the **pandemic had made matter worse for women, the young, self-employed, migrants, and workers with low and medium skills.**
- The pandemic has **devastated the labour market**, denting the employment scenario and **threatening the survival of millions of workers and their families.**
- The committee noted that the Periodic Labour Force Survey (PLFS) data for years prior to the pandemic were available, and the **real impact of COVID-19 would only be seen when the PLFS for 2019-2020 and 2020-2021** are available.
 - Citing the PLFS, the report said **90% of workers were in the informal sector**, which is 419 million of the 465 million workers.

Read more: [Periodic Labour Force Survey and Unemployment in India- Explained, pointwise](#)

- The report mentioned that although no survey data is available yet on the impact of the **second wave, it has undisputedly been more severe than the first.**
- The panel mentioned that **offering another round of income support** to the poor to compensate for loss of jobs/employment, **would go a long way in mitigating their woes.**

- **Read more:** [What India's labour force survey actually says about employment](#)

Issues mentioned by the committee:

- The panel flagged the issue of **lack of a study by the Labour Ministry** to gauge the **impact of its advisories on employers' recruitment and termination policies.**
- The committee pulled up the Ministry for the **delay in developing a national database of unorganised workers.**

Read more: [Supreme Court's Directives for Migrants](#)

Suggestions of the report:

- In the backdrop of pre-existing high and rising unemployment, a **comprehensive plan and roadmap are required** to address the deteriorating condition of employment, much aggravated by the pandemic.
- The panel recommended the **strengthening of social security measures** and the possibility of **transferring money in the bank accounts of the informal workers** during adverse conditions like COVID-19.
- The report suggested that the government should **strive to support a recovery that is robust, broad-based and women-centric and based on social dialogues** with all the stakeholders concerned.
- The panel said **universal healthcare should be made a legal obligation** of the government and the **budgetary allocation for MGNREGA should be increased**.
- The panel also recommended an **urban job guarantee scheme** on the lines of the MGNREGA.

Read more: [Migrant workers and their Social protection in India – Explained, pointwise](#)

15. Providing horizontal quota: the Bihar way

Source: [The Hindu](#)

Syllabus: GS Paper 2 – Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes

Relevance: This article explains the recent horizontal reservation policy of the Bihar government and its advantages.

Synopsis

The Bihar government's horizontal reservation for women should be extended to other states also.

Introduction

The Bihar government recently announced 33% horizontal reservation for women in State engineering and medical colleges.

What is the vertical and horizontal reservation?

Vertical reservation:

The reservation for Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs) and Economically Weaker Sections (EWS) is referred to as the vertical reservation.

Horizontal reservation:

This refers to the **equal opportunity provided to other categories of beneficiaries**, such as women, veterans, the transgender community, and individuals with disabilities, cutting through the vertical categories.

- The horizontal reservations do not add to the regular reservation limit. Instead, it will be distributed across all the vertical categories, including the non-reserved category.
- For Instance, If an engineering college in Bihar has 100 reserved seats for STs, 33 of those seats (33% horizontal reservation) will have to be filled with ST women. So, the overall vertical reservation limit will be the same.

Note: Article 15(3) of the Constitution allows governments to make special provisions for women and children.

Why horizontal reservation of women has to be adopted?

This initiative should be welcomed and adopted across sectors, departments, and States for various benefits. Such as,

- India's **female labour force participation (FLFP) rate** is consistently declining and is worryingly low. World Bank data shows that the FLFP came down to 21% in 2019 from 31.79% in 2005.
 - As per the Bihar Economic Survey 2019-20, the **State's FLFP rate was abysmal** compared to the all-India average. Only 6.4% and 3.9% of women were employed in the urban and rural areas of Bihar compared to the all-India figures of 20.4% and 24.6% respectively.
- Evidenc
- e points out that **increasing women's participation in the workforce to the level of men boosts the economy**. In light of this, it is important for other governments to make more and more jobs available for women.

Other such role model initiatives by the Bihar government:

- In 2006, Bihar became the **first State to reserve 50% seats for women in Panchayati Raj institutions**. This was later imitated by several other states such as Madhya Pradesh, Andhra Pradesh, Maharashtra, Gujarat, and Chhattisgarh.
- In 2006, a scheme called the **Mukhyamantri Balika Cycle Yojana** was launched for Class 9 and 10 girl students. This was **India's first scaled-up conditional cash transfer programme for the secondary education** of girls. The enrolment of girl students went up after this scheme.

The Bihar government **should** also **extend** the engineering and medical **quota for women to all institutions of higher education**, including private colleges and universities.

Terms to know:

- [Labour Force Participation Rate \(LFPR\)](#)
- Horizontal and Vertical reservation

16. Measures being proposed to curb resurgence of COVID wave

Source: [Livemint](#)

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

Synopsis

Various governments have adopted various strategies for handling the Covid pandemic. Is making vaccination compulsory the right strategy?

Making Vaccine Compulsory in India – will not be a good choice because:

- There is a mismatch between the demand and supply of vaccines.
- If made compulsory for any group, would lead to diversion of doses to them and **will lead to vaccine inequities**
- Vaccines are **not free for everyone in India**, even not for private health care staff. So would be unethical to make it compulsory.
- If made compulsory for government health staff, where it is free, that would be discriminatory in nature

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Learnings from the past

- India undertook Family Planning Programme based on the forceful steps in the 1970s. But, it took India almost two decades to get back on track with family welfare activities and population control programme.

Read more: [Population control measures in India – Explained, pointwise](#)

- Polio Programme – India successfully implemented the “Polio Elimination Programme” with a coverage of 99% or even higher.
- The reason behind achieving this success was effective communication & dialogues with communities and the involvement of various stakeholders.
- So, India should learn from these examples, not what the other countries are doing.

Way Forward

- It is a must to have sufficient supplies of vaccines.
- Ensuring timely vaccination, achieving high coverage, providing at least one dose to 70% of the population.

Read more: [Universal vaccination in India : Challenges and way forward – Explained, Pointwise](#)

17. Skills mission underperforms on training, placement goals

Source: [Livemint](#)

Syllabus: GS Paper 2 – Issues relating to development and management of Social Sector/Services relating to Human Resources.

Synopsis

Given India’s young population and vast labour force, Skills India Mission was expected to give huge dividends. However, as per the recent data, the mission seems to be underperforming.

About the Pradhan Mantri Kaushal Vikas Yojana(PMKVY)

The scheme has 2 components,

- Short term training STT – Focused on training, certification and placement
- Recognition of prior learning RPL – Orientation and certification based on existing talents.
- It is implemented through skills partners affiliated with National Skill Development Corporation (NSDC).
- **Performance**
- PMKVY trained 6.59 Mn against the target of 7.62 Mn of these only 5.25 Mn were certified and 2.32 Mn were placed.
- Against a target of 70%, only 35% were placed.
- In Karnataka, 222378 people were trained and only 72881 were placed. This reflected **poor performance at the state level** also.

Monitoring mechanism of the Scheme

- The training process of the candidates, assessment, certification and placement is monitored in real-time.
- Training centres are put through processes like self-audit reporting, call validations and surprise visits.

Way forward

- There is a need for effective appraisal of the schemes.
- Improve monitoring by involving district skill centres (DSC)

Terms to know:

- [National Skill Development Corporation \(NSDC\)](#)
- [Pradhan Mantri Kaushal Vikas Yojana \(PMKVY\)](#)

18. Preventable abuse: SC calls out wrongful use of preventive detention. Such arrests must be made only in rare cases

Source: [Times of India](#)

Syllabus: GS Paper 2 – Indian Constitution – Significant Provisions and Basic Structure.

Synopsis

The courts have made adverse remarks in the matter of preventive detention. This has raised the debate of fundamental rights and freedom as offered in the constitution.

What is preventive detention?

It means the detention of a person without trial and conviction by the court. It is a precautionary measure to prevent the person from committing any future offence which is also provided in Article 22 of the constitution.

What is the current issue?

Complaint against Telangana authorities who had detained the person for a year even after the person had been granted anticipatory bail in five cases.

SC Observation in this matter

- SC instructed to detain the person only when he is a serious threat or likely to affect public order
- In the recent case, police didn't demand cancellation of anticipatory bail and kept the person in custody.

What makes it Controversial?

- It gives power to the authorities to **imprison a person without proper trial.**
- There is no requirement to present the person before the magistrate within 24 hours of detention.
- Nearly 25% detainees were illiterate and 41% had sub-class 10 education.

What is the Government's justification?

Several protests from history to the present day like the demand of statehood, reservation, labour & peasant issues, communal rights etc. have justified the need for Prevention detention to preserve the public order.

What are the constitutional safeguards against preventive detention?

- Right to be informed on Grounds of arrest
- Right to consult & be defended by a lawyer
- Right to produce before the magistrate within 24 hours (excluding travel time)
- Right to be released after 24 hours unless magistrate authorizes further detention

Suggestions

There is a need to **use Preventive Detention only in Rarest of Rare cases**. Even in these cases, Advisory boards should carefully vet the preventive detention.

Terms to know:

- [Preventive detention](#)

19. Circumscription

Source: [The Hindu](#)

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

Synopsis

Moves in J&K have been under scrutiny, especially after scrapping article 370. Under such times comes the directive pertaining to jobs and security clearances in J&K.

Government Directives for Job in J&K

- The government directed the departments to deny security clearance for passport verification, government jobs to all those involved in law & order and stone-pelting cases
- Directives have been issued to CID special branch to collect all the digital evidence from state police & security forces for that purpose.

Why is this directive Legal?—Under Sec 6(2) of the passport Act 1967, there are provisions to deny the passport on various grounds

- Engagement in activities threatening to integrity, sovereignty, security of the country
- Any person who is convicted in the preceding five years or against proceedings are pending before any criminal court.
- At the same time, the Act also provides the safeguards to approach the court for” No Objection” certificate to get a passport

What is the Government’s view?

- With the change in status of J&K to bring development and prosperity, it is now time to strengthen the grassroots democracy.

Challenges due to this directive

- This move might alienate the people of J&K further.
- Also, the move may create a wave of disaffection in the people against the Government.

Way forward

The government has to carefully manage the political process, which is sensitive to the needs and aspirations of local people.

Terms to know:

- [Passport Act](#)

20. Poverty in India is on rise again

Source: [The Hindu](#)

Syllabus: GS Paper 2 – Issues relating to poverty and hunger.

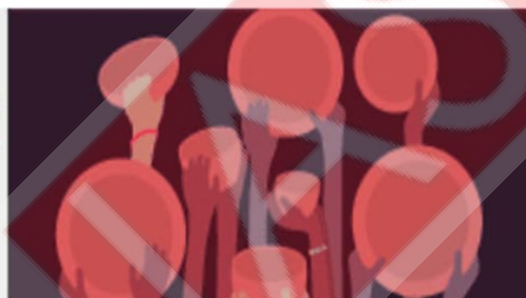
Synopsis

During the 2000's there was decline in poverty as was indicated by the Government data. However, now multiple data point to a rise in poverty and unemployment.

Context

Relative and absolute poverty rose after 2012

Tracking poverty in India from 2005 to 2020



Incidence of Poverty		As per NSS CES data		As per PLFS data
		2004-05	2011-12	2019-20
Poverty Head Count Ratio (%)	Rural	41.8	25.7	30.5
	Urban	25.7	13.7	15.5
	Total	37.2	21.9	25.9
Number of poor (Million)	Rural	325.8	216.7	270
	Urban	81.4	53.1	71
	Total	407.2	269.8	348
Tendulkar Poverty Line (MPCE in ₹) All India	Rural	₹446.68	₹816	₹1,217.96
	Urban	₹578.8	₹1,000	₹1,467

- Consumption expenditure survey (CES) is conducted and released every 5 years by NSO
- 2017-2018 data was not released, and the next set will be released in 2022.
- But based on the recent NSO's PLFS (periodic labour force survey), the unemployment rate has reached a 45-year high and also the poverty levels.

Measurement of Poverty

- Prior to 2011, PLFS (periodic labour force survey) data was also used to estimate poverty.

9 PM Compilation for the Month of August (First Week), 2021

- Household monthly per capita expenditure data was also collected based on Mixed Recall Period methodology.
- In 2011, the government decided to raise the poverty line as per the recommendations of the Tendulkar committee.

Rise in poverty figures

- In absence of CES data, PLFS data can be used to estimate poverty.
- NSO's CES data 2017 (leaked) showed that rural consumption had fallen by 8% and since over 65% of the population is rural, poverty is estimated to be increased.
- The absolute number of poor had risen from 217 Mn(2012) to 270 Mn(2019). **(first time since history of CES)**

Reasons for increased poverty

- Demonetization and GST reforms struck a heavy blow to the unorganized sector & MSME.
- Household savings declined, Private investment fell from 31% to 28%
- Public expenditure was constrained by fiscal consolidation
- Exports fell, in absolute terms
- There was a rise in unemployment and real wages did not increase.

Terms to know:

- [Periodic Labour Force Survey](#)

21. Why valley is still distant, With end of Articles 370 and 35(A), there's peace, hope and democracy in J&K

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

Syllabus: GS Paper 2 – Issues and challenges pertaining to the federal structure

Relevance: This article explains the situation of J&K ever since the abrogation of Article 370 and Article 35A

Synopsis:

With the anniversary of the abrogation of Article 370, it is time to take a stock of the arguments regarding the abrogation.

Context

India bid farewell to Articles 370 and 35 (A) and abrogated them two years ago

The government argued that:

- Articles 370 and 35 (A) created an unnatural and unhealthy divide in our nation.
- It would promote gender equality and end discrimination against marginalised communities like the Scheduled Castes (SC) and Scheduled Tribes (ST) in J&K.
- The strikes like in 2008 can be better controlled and managed if Article 370 was not there.
- Abrogation would also put an end to terrorism in J&K

Many of these have failed to materialize because:

- The abrogation has deepened the alienation of large sections of the population
- The abrogation took place while J&K was under lockdown with limited scope for protest

9 PM Compilation for the Month of August (First Week), 2021

- The Constitution required consultations with the State legislature, which was effectively bypassed during the abrogation.
- The Constitutional guarantees given to the people of J&K during the abrogation have been broken.
- The fissures that existed between various regions have deepened, e.g. Buddhist majority Leh and Muslim majority Kargil.

Way Forward

- The move of the Union Government interacting with political parties is a welcome step
- More political dialogue and people to people connect is necessary
- The move for the restoration of J&K statehood should be given due consideration.

Terms to Know

- [Article 370 and Article 35A](#)

22. Over the borderline: On Centre's role in resolving Assam-Mizoram row

Source: [The Hindu](#)

Syllabus: GS2 – Issues & Challenges Pertaining to the Federal Structure [Inter-state disputes]

Relevance: Resolving the Assam-Mizoram border dispute

Synopsis: A people-oriented approach facilitated by the Centre can help resolve Assam-Mizoram row

Background

The violent clashes on the Assam-Mizoram border in Lailapur on July 26th culminated in the death of five policemen and a civilian from Assam. FIRs were also filed.

But, the situation now seems to be calming down at least at the leadership level after governments announced withdrawal of FIRs against the Chief Minister of Assam and a Rajya Sabha MP from Mizoram.

Must Read: [Assam-Mizoram dispute – Explained in detail](#)

Suggestions/Measures

Addressing the dispute is a necessity. Following steps can be taken:

- **Role of Central paramilitary forces:** The governments have already taken the right decision to withdraw their police forces from a four-kilometre “disputed stretch” and let it be manned by central paramilitary forces till a permanent solution is found on the border question.
- **Lifting the blockade:** Locals in the Barak Valley in Assam had imposed a blockade, disallowing trucks with essential goods from entering Mizoram. Assam government must compel residents to avoid continuing the blockade.
- **Inquiry into the clashes:** An impartial inquiry into the sequence of events that led to the firing incident and the deaths must also be held so that such a situation does not recur.
- **Settling the border dispute peacefully:** Instead of a purely juridical approach involving settling sovereign claims via historical claims, a people-oriented approach by the respective authorities with the facilitation of the Centre can help resolve the issue.

Way forward

Continuing talks without accusing each other is the only way out to lower down tensions between the two States.

23. Collapse of Adivasi self-governance system in Jharkhand: Need to implement PESA

Source: [Down to Earth](#)

Syllabus: GS2 – Welfare Schemes for Vulnerable Sections of the population by the Centre and States and the Performance of these Schemes.

Relevance: Reviving tribal self-governance system

Synopsis: The PESA Act is considered to be the backbone of tribal legislation in India. Proper implementation can rejuvenate self-governance system in Jharkhand.

Background

During most of the time in history, Adivasis had their own **federal governance system**. These decision-making processes were considered **people-centric and democratic**. The administrative systems during the colonial period and elected parliamentary democracy after independence affected this **Adivasi governance system** to a great extent.

- For example, the introduction of the **Bihar Panchayat Raj System** (BPRS) in 1947 made Adivasi traditional governance systems weak.

This was aggravated by industrialization, displacement of Adivasis and urbanisation. As a result, the traditional system disappeared from most Adivasi areas. Also, **the PESA Act**, which was supposed to uphold the traditional decision-making process, has so far not been fully implemented in its true spirit.

Traditional governance system of Adivasis: Village Council

- The Adivasis were not a part of the caste society. They had their own system of governance, which was, unlike the caste system, non-hierarchical.
- Every tribal village had a **village council** as the **basic unit for self-governance**.
- The names are different in different tribes though. For example, '**Parha Raja System**' for Munda and Oraon tribe, '**Munda Manki System**' for Ho tribe.
- These forums used to act as the decision-making bodies for all matters related to administration, justice, law making (social Sanctions). **Consent from the whole village** was considered to be the main component of this decentralised decision-making process.

Issues with traditional governance system

Though this traditional system of self-governance helped make the Adivasi communities decide for themselves, it had several loopholes too.

- **Absence of women** in this entire process of decision making.
- The chiefs of the traditional self-governance system of tribes in Jharkhand would be **selected hereditarily. No woman was allowed to be the chief** at any level.
- This system also **denied women's right to own property**.

Introduction of PESA

- To promote local self-governance in rural India, the **73rd constitutional amendment** was made in 1992.
- Through this amendment, a three-tier Panchayati Raj Institution was made into a law.

9 PM Compilation for the Month of August (First Week), 2021

- However, its application to the **scheduled** and **tribal areas** under **Article 243(M)** was restricted.
- After the **Bhuria Committee** recommendations in 1995, **Panchayat Extension to Scheduled Areas (PESA) Act 1996** came into existence for ensuring **tribal self-rule** for people living in scheduled areas of India.
- The PESA Act conferred the **absolute powers to Gram Sabha**, whereas state legislature has given an advisory role to ensure the proper functioning of Panchayats and Gram Sabhas.

PESA violations

- Out of 22 provisions in the PESA, Jharkhand has taken only seven of them and replaced the fifteen provisions by the general administrative norms of the Panchayat system for non-Scheduled Areas.
- PESA in Jharkhand remained partial in terms of the special rights that the Adivasis of Scheduled Areas in Jharkhand should enjoy.
- The partially implemented PESA has worsened self-governance in Adivasi areas in Jharkhand.
- Ananth and Kalaivanan (2017) stated that PESA did not deliver due to the lack of clarity, legal infirmity, bureaucratic apathy, absence of a political will, resistance to change in the hierarchy of power, and so on.
- Social audits conducted across the state have also pointed out that in reality different developmental schemes were being approved on paper by Gram Sabha as a vetting entity without actually having any meeting for discussion and decision making.
- Hardly any regular meetings of Gram Sabha are conducted.

Way forward

- PESA recognises the traditional system of the decision-making process and stands for the peoples' self-governance.
- If it is implemented in letter and spirit, it will rejuvenate the dying self-governance system in the tribal area of Jharakhand.

24. Several trade-offs impede Zero Hunger goal. A UN report explains why, and how

Source: [The Hindu](#)

Syllabus: GS Paper 2 – Issues relating to poverty and hunger.

Relevance: This article explains the recent report of the United Nations on achieving Zero Hunger

Synopsis

According to UN, Achieving SDG2 of achieving 'Zero Hunger' will require new investments, smoothly functioning trade, and changes in consumption patterns.

Introduction:

The United Nations recently released a report ahead of the Food Systems Summit in September 2021.

In this, it mentioned that Sustainable Development Goals (SDG) 2 of achieving 'Zero Hunger' has been negatively affected, in the wake of the novel coronavirus disease (COVID-19) pandemic.

Read more: [UN warns hunger is expected to rise in 23 global hotspots](#)

Relation of SDG 2 (Zero-Hunger) with other SDGs:

The report mentions that zero hunger goal works in tandem with many others: Poverty elimination (SDG1); good health and well-being (SDG3); and the need for clean drinking water (SDG6).

- The relation between SDG 2 and SDG 1 (poverty elimination) is highly synergetic. Food security does not only rely on food availability, but also on food access, the report said.
- Nutrition is key to good health, so the relation between SDG 2 and SDG 3 (good health and well-being) is also synergetic.

Similarly, education (SDG4), gender equality (SDG5), decent work and economic growth (SDG8), reduction of inequality (SDG10), sustainable cities and communities (SDG11), peace, justice, and strong institutions (SDG16), and partnership for the goals (SDG17) also **influence consumption patterns and healthy diet choice**.

Challenges in achieving zero hunger

- The UN report said that one of the most widely studied **adverse environmental impacts of the food system is, its contribution to climate change**. The food system contributes 34 percent of the anthropogenic greenhouse gas emissions.
- Overconsumption of water resources is another critical challenge faced by agriculture. Irrigation represents about 70 percent of global water withdrawals, and this demand is expected to continue to increase in the coming decades. This also **impacts the global food system and access to water**.

Read more: [Oxfam: 11 people die of hunger each minute around the globe](#)

Suggestions:

The report mentions that the success of achieving SDG2 will **require new investments, smoothly functioning trade, and effective markets**.

- Investment, research, and innovation for sustainable agriculture
- Reducing food waste and losses
- Changing our consumption patterns to leverage considerable benefits on SDG outcomes by relieving pressure on natural resources and fostering the health benefits

25. No Fundamental Right To Strike

Source: [The Hindu](#)

Syllabus: GS Paper 2 – Governance Reforms, Fundamental Rights

Relevance: This article explains the Parliament's Right to restrict the fundamental rights of the armed forces.

Synopsis

While the government seeks to reform the Ordnance Factory Board, the workers seem to stall the move by going on strikes. This article discusses the aspects of government bringing move to control these strikes

Essential Defence Services Bill

Recently introduced by Ministry of Defence for maintenance of essential defence services & to prevent government-owned ordinance factory's staff from going on strike.

9 PM Compilation for the Month of August (First Week), 2021

Previous such strikes by government employees and government actions:

This is not the first time that strikes by government employees are being made explicitly illegal by the government.

- MP (And Chhattisgarh) Civil Services Rule 1965 –Prohibits the strike or any activity resulting in halting of work. Other states also have similar provisions
- Article 33—Restrict the fundamental right of armed police forces to ensure proper discharge of their duties and maintenance of discipline among them.

The Example from Gandhi:

- A Gaya Havaldar was convicted upon which Gaya police gave notice of strike until relief was provided to Havaldar. The strike was commenced on March 24, 1947.
- When some representatives of policemen met Gandhi, he mentioned that “the police... **should never go on strike**. Theirs was an essential service and they should render that service, irrespective of their pay. **There were several other effective and honourable means of getting grievances redressed...**”

Supreme Court observations:

- **Delhi Police vs Union of India (1986) case** — Upheld the restrictions to form association after the amendment of Police Forces (Restriction of Rights) Act 1966. The court also said that although Freedom of Association is a fundamental right under Article 19(1), the recognition of that association is not. So, parliament by law can impose restrictions
- **K Rangarajan vs Govt of TN (2003) case** —The SC held that employees have no fundamental right to strike.

Conclusion:

- There is no fundamental right to strike under Article 19(1)(a) of the Constitution.
- Parliament has the right to restrict even the fundamental rights of the armed forces.

Terms to Know:

- [Essential Defence Services Bill, 2021](#)
- [Ordnance Factory Board](#)
- [Article 19\(1\)](#)

26. A language ladder for an education roadblock

Source: [The Hindu](#)

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

Relevance: This article explains the advantages, challenges, and suggestions in promoting learning in the mother tongue.

Synopsis

Learning in the mother tongue has to be promoted in India.

Introduction:

Recently, 14 engineering colleges across eight States decided to offer courses in regional languages in select branches from the new academic year.

Similarly, the All India Council for Technical Education (AICTE) also decided to permit B. Tech programmes in 11 native languages in tune with the New Education Policy (NEP).

Read more: [PM to roll out academic credit bank](#)

Why does India need to promote learning in the Mother tongue?

1. Multiple studies have proved that children who **learn in their mother tongue in their early, formative years, perform better** than those taught in an alien language.
2. UNESCO and other organisations have been laying emphasis on the fact that learning in the mother tongue is **germane to building self-esteem and self-identity**, as also the overall development of the child.
3. Even though our **educational system** has seen phenomenal growth. Over the years, **English remained an academic roadblock** and also let India's **own languages languish**.

For these reasons only, the great Indian physicist and Nobel Laureate, **Sir C.V. Raman** observed, **“We must teach science in our mother tongue. Otherwise, science will become a highbrow activity.”**

Read more: [PM launches SAFAL for CBSE students, Vidya Pravesh for preschoolers](#)

Learning in the mother tongue – Global practices:

- Among the G20, most countries have state-of-the-art universities, with teaching being imparted in the dominant language of their people. For instance,
 - France went to the extent of having a strict ‘French-only’ policy as the medium of instruction in schools.
 - In Germany, while the language of instruction in schools is predominantly German.
- In South Korea, nearly 70% of the universities teach in Korean, even as they aspire to play a role on the international stage.
- This trend is also observed in other countries like China, Japan, and Canada (in the majority French-speaking Quebec Province).

Learning in the mother tongue – In India:

1. The NEP put emphasis on the mother tongue as the medium of instruction to **instill confidence in students from poor, rural, and tribal backgrounds**.
 - a. The NEP also outlines the road map, demonstrating the means to protect our languages while improving the access and quality of our education.
2. AICTE and IIT Madras recently collaborated to translate SWAYAM's courses into eight regional languages such as Tamil, Hindi, Telugu, etc. This will be a major boost for engineering students.

Read more: [One year of National Education Policy – Explained, pointwise](#)

Challenges faced during learning in the mother tongue:

- Unfortunately, **some educators and parents still accord unquestioned primacy to English**, and resultantly, the child's mother tongue ends up as their ‘second/third language’ in schools.
- **One of the biggest bottlenecks** for students to take up higher education in their native languages is the **lack of high-quality textbooks, especially in technical courses**.
- Content in the **digital learning ecosystem**, still a nascent domain in our country, is **greatly skewed towards English**.

Suggestions to improve learning in mother tongue:

- India must begin with **imparting primary education** (at least until Class 5) in the **student's mother tongue**, gradually scaling it up.
- **For professional courses**, while the initiative of the 14 engineering colleges is commendable, we **need more such efforts** all across the country. **Private universities must join hands** and **offer a few bilingual courses**.
- The government has to address the work on high-quality textbooks, creation of digital content in regional languages at war footing.
- Like, AICTE's collaboration with IIT Madras, India needs **more such tech-led initiatives to democratise higher education**.

India at present does not need a 'Mother tongue versus English' debate. Instead, it needs a **'Mother tongue plus English' approach**.

Terms to know:

- [National Education Policy](#)
- [All India Council for Technical Education \(AICTE\)](#)

27. Cabinet passes bill restoring power of states to make their own OBC lists

Source: [Business Standard](#)

Syllabus: GS Paper 2 – Fundamental Rights

Synopsis:

The reservation has always been a sticky and political issue. While some time back Government gave constitutional status to NCBC, now Government is coming up with a move for states to make their own OBC list.

Context:

The Union Cabinet is learnt to have cleared a Constitution amendment bill which seeks to give power to states and UTs to make their own OBC lists

What were the changes brought by the 102 Constitution Amendment Act 2018?

Inserted

- Article 338 B – Deals with structure, power & duties of National Commission for Backward Classes (NCBC)
- Article 342A—President has the power to notify any particular caste as Socially and Educationally Backward Classes (SEBC) for grant of quota in jobs and admissions.

What are the Court judgements regarding reservation?

- Set aside Maharashtra law granting the quota to Marathas
- **Read More:** [Maratha Reservation and the Reservation Policy in India – Explained, Pointwise](#)
- Refused to refer 1992 Mandal verdict which puts a 50% cap on reservation
- **Read more:** [The Mandal case and Reservation in India – Explained, Pointwise](#)
- Dismissed Centre plea to review 102 Constitution amendment which took away the power of states to provide benefits regarding job & admission to SEBC (Socially & Educationally Backward Classes)

SC Verdict on 102 Amendment Act 2018

- The SC upheld the constitutional validity of the act

9 PM Compilation for the Month of August (First Week), 2021

- According to Article 342 A(1)—centre alone is empowered to identify SEBC for claiming reservation benefits. Further, Once the list is published, amendments can be done only by law enacted by the parliament
- The states can only make suggestions to President.

Read more: [Supreme Court Upheld Validity of 102nd Constitution Amendment Act](#)

Terms to know:

- [National Commission for Backward Classes](#)
- [SC's verdict on 102nd Amendment Act 2018](#)

28. A Check list for Trust Base Governance in the country

Source: [Livemint](#)

Syllabus: GS Paper 2 – Important aspects of governance, transparency and accountability.

Synopsis:

The slogan of Sabka Sath , Sabka Vikas aivam Sabka Vishwas needs trust of all stakeholders. So we need to work out a strategy towards ‘trust-based governance’.

Working to achieve ‘trust-based governance’ requires:

1. **Work and social harmony** leading to peace and which should check all forms of fundamentalism.
2. **Reliable data and statistical systems.**
3. Government should **empower the States financially**, particularly in domains like health, education and skilling.
4. **Empower GST council** by converting it into Empowered State Finance minister’s council to be headed by State finance ministers.
5. The finance commission, which now deals with Budget allocations would be able to generate confidence amongst States and other stakeholders.
6. **Administrative and bureaucratic reforms** to bring about transparency and accountability
7. A **policy of Coherence** to be centred around PMO and Chief Minister’s office.
8. **Work on EODB** through easing permits, checking inspector raj, license raj etc.
9. We need **2nd wave of economic reforms** to reinvigorate the LPG reforms of 1991
10. We need **urgent judicial reforms** to reduce pendency and delays and reduce the practice of long summer and winter breaks to Courts.

Way Forward

Move away from GDP based economic indicators to more inclusive indicators of development.

Terms to Know:

- [GST Council](#)

29. Why are government schools not the first choice?

Source: [The Hindu](#)

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

Relevance: This article explains the challenges faced by government schools and suggest remedies to them.

Synopsis

Improving the infrastructure of government schools will make them more attractive.

Introduction

Recently, The Patna High Court has recently asked for data on how many IAS and IPS officers have enrolled their wards in government schools.

Advantages of government schools:

- Children can get a chance to study with **children from different socio-economic backgrounds**. But in private schools, that's not the case.
- The **midday meal** in a school also contributes to building a **healthy school environment**.

Read more: [“Mid-Day-Meal Scheme” – Govt decides to provide monetary assistance through DBT](#)

Challenges with the Government schools:

1. People feel there are **not enough teachers** in these schools, or the **schools may not be functioning regularly**.
2. India has **different kinds of education systems in different States**. Each has different types of challenges.
3. **Barely 15% of the schools can be called compliant with the RTE**.
 - **Section 29 of the RTE** explains what kind of education every child has a right to. There is **no government school that is complying** with that, including elite schools.
4. The secondary and higher secondary level government schools do **not have adequate capacities**, so the **net enrolment falls, especially girls, sharply** beyond the primary level.
5. **Problems associated with government school teachers:**
 - Teachers' **professional development is a very weak** area in government schools.
 - Almost **half the regular teacher vacancies are filled by guest or ad hoc teachers**.
 - Nearly, **95% of teacher education is in private hands** and most of it is **substandard**.

Read more: [One year of National Education Policy – Explained, pointwise](#)

Suggestions to improve government Schools:

1. The government (State and Union) has to **improve pedagogy, teacher development, the level of community participation**, the parent committees, etc.
2. India should also look at the basic safety, well-being and hygiene factors in government schools. Such as, well functioning toilets, drinking water and proper compound walls.
3. India can **create better professional networks for teachers**, this will help teachers to continuously learn from each other.
4. Developing a **micro plan for every school**, and a **larger plan for schools at the district level**, and then at the State level.
5. **Decentralisation: Local bodies can take ownership of government schools**, and **school development committees can be linked with elected local bodies**, so they can support the needs of schools.
6. Create a **comprehensive curriculum review** like Kerala and synchronise it at a national level to facilitate the incorporation of inter-state migrated children.

Read more: [Post-Pandemic School Education System: Issues and Challenges – Explained, Pointwise](#)

Terms to know:

- [Right to Free and Compulsory Education \(RTE\) Act, 2009](#)
- [Section 29 of the RTE](#)

30. Re-negotiate Indus Treaty with Pakistan in light of climate change: Standing Committee on Water Resources

Source: [Down to Earth](#)

Syllabus: GS 2 – Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests.

Synopsis:

The 1960 Indus Water Treaty between India and Pakistan did not take present-day issues like climate change into account. This calls for a renegotiation of the treaty through discussion and deliberation among the two countries.

Background:

- The standing committee of Water resources has submitted its 12th Report to the Lok Sabha on 5th August 2021.
- The report calls for a renegotiation of the Indus Water Treaty in light of present-day challenges like climate change.

About the Indus Water Treaty

Findings of the committee in its 12th report:

1. Present-day pressing issues such as **climate change, global warming, and environmental impact assessment** were not taken into account by the treaty.
2. It predicted some **upcoming impacts of climate change** on the Indus basin:
 - There would be **instances of more high-intensity rainfall** as well as long stretches where there is low rainfall.
 - There would be a **high influx of water due to glacial melt**. The contribution of glaciers in the Indus basin is higher than in the Ganges or Brahmaputra basins.
 - Considering the fragile nature of the Himalayan region, there is a **greater frequency of landslides and flash floods**.
3. The report also noted that India was able to **make full use of the 'Eastern Rivers', namely the Ravi, Beas, and Satluj** through a series of dams. This includes dams such as Ranjit Sagar on the Ravi in Pathankot, Pong on the Beas, and Bhakra Nangal on the Satluj.
4. However, it observed that **canals in Punjab and Rajasthan** such as the Rajasthan Feeder and the Sirhind Feeder had become old and were not maintained properly. This had resulted **in the lowering of their water carrying capacity**. Thus, the **water from the Harike Barrage** on the confluence of the Beas and Satluj in Punjab was usually released downstream into Pakistan.

Way Forward:

- The committee urged the Centre to **expedite new projects** like the one on the Ujh, a tributary of the Ravi, as well as the Shahpurkandi on the Ravi. This will result in optimum utilisation of the rivers for irrigation and other purposes.
 - It also **recommended that the canal systems** in Punjab and Rajasthan be repaired to increase their water carrying capacity.
- Further India should use the tools of discussion and deliberation to renegotiate the treaty with Pakistan.
 - The aim should be to establish some kind of **institutional structure or legislative framework** to address the impact of climate change on water availability in the Indus basin.

31. China's border games

Source: [Business Standard](#)

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

Relevance: China's border strategy against India

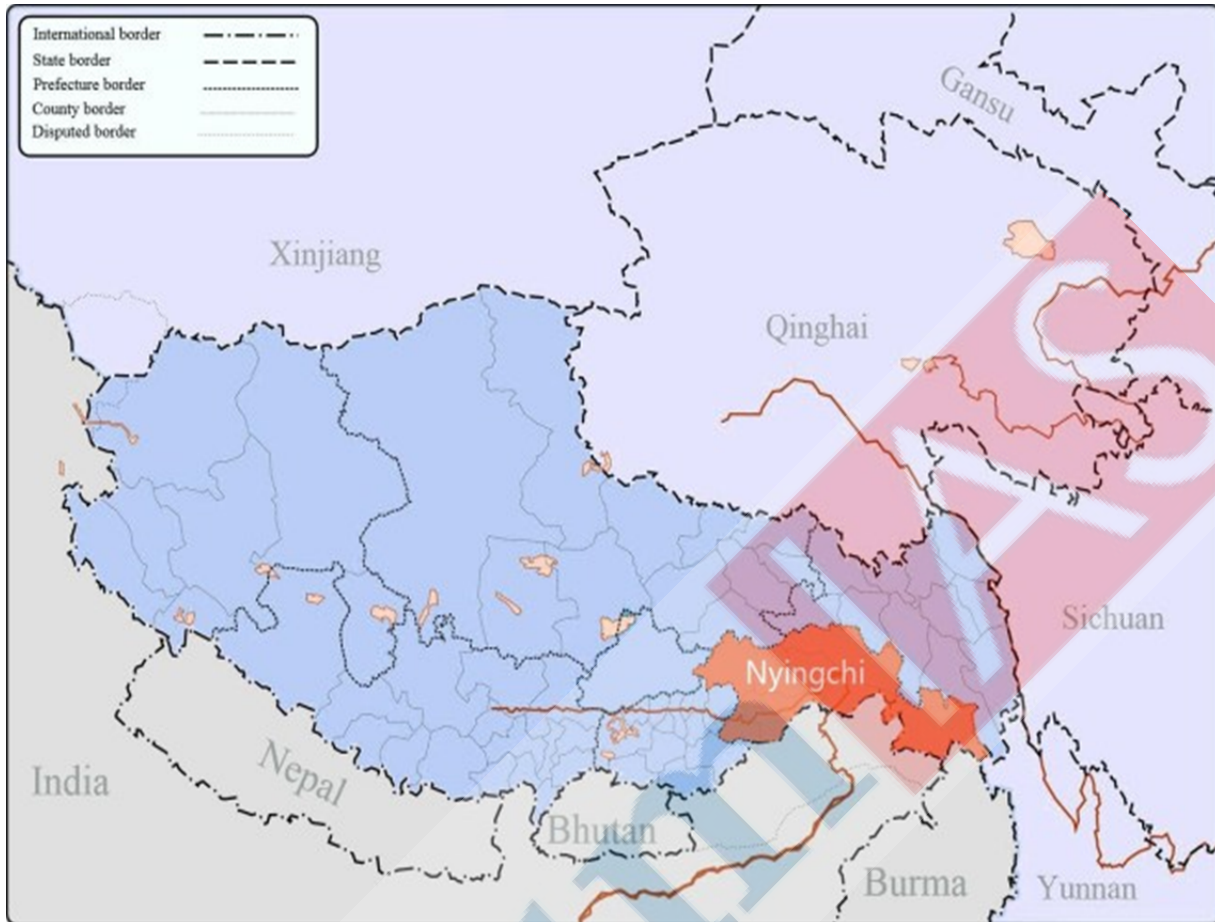
Synopsis: China's strategy of push and shove to solidify its position along the LAC requires bold and decisive action from India.

Context

- Recently, China's President made a three-day visit to Tibet.
- Featuring prominently in his programme was the Tibetan town of Nyingtri (or Nyingchi) which is of strategic interest to India.

Strategic significance of Nyingchi to China

- Beijing claims that what India calls **Arunachal Pradesh** is actually Southern Tibet, a part of Nyingtri prefecture.
 - Nyingtri is a key **crossroads in Beijing's plan to connect Tibet** with China's bustling Sichuan province.
- It is central to Beijing's plan to **connect the remote areas bordering India** and to build massive dams on the Yarlung Tsangpo river system to generate hydropower for uses such as powering the electrified, high-speed, double track railway between Lhasa and Chengdu, Sichuan's capital.
- A bullet rail link from Lhasa to Nyingchi was inaugurated recently.



Map showing Nyingchi

Must Read: [Lhasa-Nyingchi rail line](#)

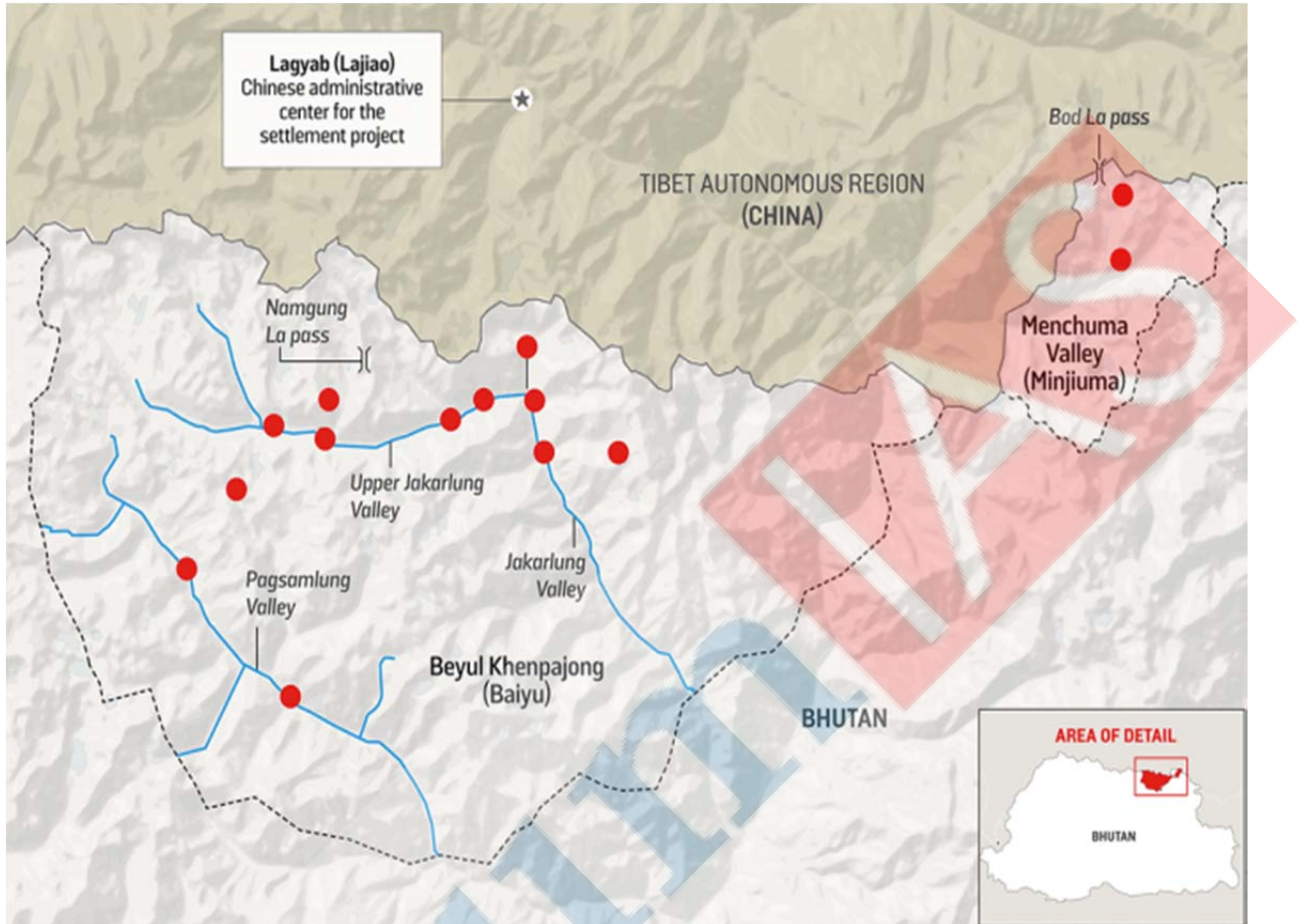
What is China's Push and shove strategy?

Using border villages to strengthen its territorial claims

- Such as **coercing border villagers** to occupy disputed border areas, usually high pasturelands, thereby **solidifying China's territorial claims** along the still disputed boundary with India and Bhutan and strengthening Beijing's geo-political position.
- These included driving yak herds over land grazed by Bhutanese herders in the **Beyul, demanding tax payments from the Bhutanese herders**, planting Chinese flags on peaks and painting the word 'China' on rocks throughout the area.
- In the face of this, the Bhutanese herders moved away, abandoning their traditional grazing grounds.
- **Creating a network of quasi-militarised settlements:** By implementing multiple intrusions across the disputed borders, Beijing has created a vast network of quasi-militarised settlements.
- **Bhutan:** Beijing's eyes are fixed on pockets of territory **on Bhutan's western borders especially Doklam**, from where the PLA could pose a military threat to **India's Siliguri corridor**.
- Since 1990, Beijing has offered Bhutan a deal in which China would renounce its claim to Bhutanese territory Beyul, provided Bhutan cedes Doklam.

9 PM Compilation for the Month of August (First Week), 2021

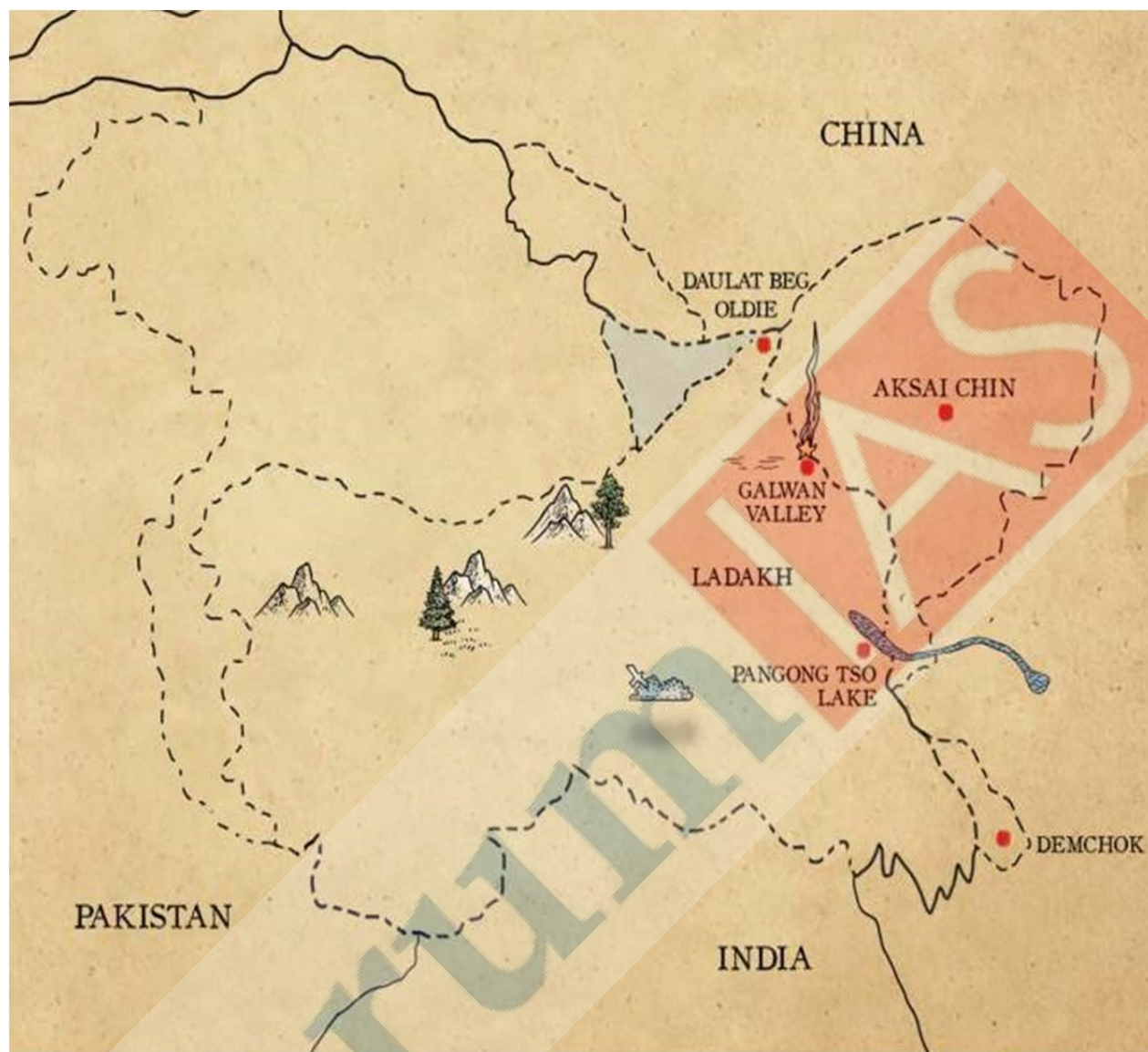
- When Bhutan declined Beijing's so-called package deal, China stepped up the pressure by beginning road construction in the Beyul in 2015.



Map showing Beyul

- By October 2018, China had completed the construction of Gyalaphug, **an entire village in the Beyul**. Other villages and infrastructure followed as an estimated 250,000 Tibetans were resettled thus in vulnerable pockets along the border.

Threatening Indian graziers: China plays this game **across the Line of Actual Control (LAC)** with India, supporting its own yak graziers and threatening India's. The area across the Indus at Dungti, near Demchok in Southern Ladakh, which is claimed by India, is no longer visited by Ladakhi herders after several were beaten up by Chinese border guards. Indian graziers in the Chushul area also face similar



Map showing Demchok

Way forward

Countering the Chinese game will require a bold political leadership that unequivocally supports our military forces.

Terms to know:

- [Siliguri corridor](#)

32. Not always fair game

Source: [The Hindu](#)

Syllabus: GS Paper 2- Government policies and interventions for development in various sectors

Relevance: This article explains the new amendment passed by the TN government to ban online gaming and the court verdict around it

9 PM Compilation for the Month of August (First Week), 2021

Synopsis

- Tamil Nadu government, driven by the desire to control the menace of online gambling, has moved legislation to ban online games like rummy and poker.

Introduction:

- The Tamil Nadu government has amended the Tamil Nadu Gaming Act 1930 and banned online games like rummy, poker etc.
- But the Madras High Court has struck down the amendment.

The justifications cited by the Government

- These games can be addictive.
- They can have an economically destabilizing impact on small households.

Madras High Court's observation

- The amendment failed to make a distinction between games of skill and games of chance.
- The amendment added clauses that would apply to games of skill if played for a wager, bet etc. This is contrary to the previous judicial pronouncements.
- The amendment would render even offline games illegal which are played for prize money.

Issues with the legislation

- Populism has made the state paternalistic, assuming that society needs its guidance. This compromises individual freedom and choice.
- Legislation is guided more by moralism or notions of sin rather than reason.
- Excessive paternalism can easily turn into authoritarianism.

Way forward

- These activities can be regulated rather than banning them.

33. A guide to resolving Assam Mizoram border issue

Source: [The Hindu](#)

Syllabus: GS2 – Issues & Challenges Pertaining to the Federal Structure [Inter-state disputes]

Relevance: Resolving the Assam Mizoram border dispute

Synopsis: Both Assam and Mizoram need to be sensitive to the historical context of the border issue. Only then they can hope to solve the present dispute.

Background

- **Read here:** [Assam-Mizoram border dispute – Explained](#)
- **Note:** Before moving forward, please go through the above link for a better understanding of the entire issue.

Historical context

Both Mizoram and Assam have their issues with the boundaries.

Mizoram: Almost one and a half centuries ago and 17 years before the Lushai hills was annexed to British Assam in 1892, the 'inner line' boundary of the Lushai hills was 'fixed' in 1875 on the southern border of Assam's Cachar district. This boundary was however not

9 PM Compilation for the Month of August (First Week), 2021

‘precise’ as it was drawn largely using natural markers such as rivers and hills. In post-independent India, the Mizoram government has accepted this boundary.

- **Revisions of the boundary not accepted:** Subsequent revisions were made by the colonial govt, but they are not recognized by Mizoram govt because they fail to recognize the Mizo’s long-standing historical rights to use the un-demarcated southern border of Cachar as their hunting ground, for *jhum* cultivation, and as sites of their resource extraction including rubber and timber.
- **Encroachment by Assam govt:** Assam government has enclosed around 509 square miles of the Lushai hills under the Inner Line Reserve Forest area via the Assam Forest Regulation, 1877. This is being cited as one of the glaring exemplars of ‘encroachment’ by the Assam government into the Lushai hills (now Mizoram).
- **Assam:** Assam government considers Mizo plantation and settlements in the Inner Line Reserve Forest areas as an ‘encroachment’.

Core of the problem

The heart of this entire problem is the differing approaches of the two state governments.

Assam govt’s state-centric approach

- This approach gives precedence to legal, juridical and administrative recognition and protection of the border.
- Under this approach, enclosing a forest as a reserve forest is primarily an activity to augment state revenues. More important objectives like Forest conservation and the protection of tribal/indigenous land interests take a backseat.
- The recent hints by Assam Chief Minister to approach the Supreme Court of India, and raise a 4,000-strong commando battalion to ‘protect’ the ‘forest reserve’ areas need to be seen against this backdrop

The main problem with Assam’s view –

- **Ignores historical context:** Assam govt’s view ignores the fact that various villages and tea-estates in Cachar have deep-rooted associations with Lushai chiefs. **For eg:** Jalenga tea estate located in Tlangpui village and Paloi tea estate near Vairengte — both in Cachar — took their names after Zalenga and Palawia, two Lushai chiefs. Lushai are also among the earliest settlers of Cachar, many villages in Cachar (and Karimganj) have Lushai settlements.
- **Mizoram’s people-centric approach**
- In contrast, Mizoram government advocates a ‘people-centric’ approach.
- This approach seeks to give a priority to the historical and traditional rights of the local indigenous people on the one hand and to the principle of *uti possidetis juris* (‘as you possess under law’, including customary law) on the other hand.
- Mr. Zoramthanga and his predecessors have made concerted attempts to forge a consensus around this approach. The two-member boundary committee report of 1973 and the memorandum prepared by the Joint Action Committee, non-governmental organisations and all-political parties in Mizoram in 2018, which has been submitted to the Prime Minister of India, are pointers to this.

9 PM Compilation for the Month of August (First Week), 2021

An ideal approach

An ideal approach to solve Assam Mizoram border dispute would be based on the following parameters:

1. **Sensitive to historical context:** It should be sensitive to historical context in which local landowners and protectors have transformed overtime as 'encroachers' of land across the two States.
2. **Seeing forests as more than a source of revenue:** It should be sensitive to the possibility of overlapping sovereignty, where forest 'commons' are seen not simply as sites of revenue-extraction but as powerful symbols of identity and sustainable livelihood resources for the local people.

Government's role

- Centre should **set up a permanent inter-governmental forum** to involve important stakeholders in order to effectively manage border and territorial conflicts.

Way forward

Deep historical knowledge, sensitivity and an accommodative spirit need to inform Assam and Mizoram even as they sit down peacefully to enter into dialogue and negotiation under the neutral supervision of the Centre

Terms to know:

- [Inner Line Permit \(ILP\)](#)

34. An opportunity for India to pitch for holistic maritime security

Source: [Indian Express](#)

Syllabus: GS2 – International Relations: Regional & Global groupings

Relevance: India's role at steering the debate on maritime peace and security at UNSC

Synopsis: India has an opportunity to ensure that the global debate on maritime peace and security is approached more holistically, rather than focussing just on the security aspect of it.

- A discussion of various current threats to global maritime domain and role India can play as it undertakes the rotating Presidency of the UN Security Council.

Context

In a departure from normal practice, Indian PM will preside (in virtual mode) over an open debate at the UN Security Council, on Aug 9 when India holds the President's chair for one month.

This will mark a diplomatic first for an Indian PM: This role has been performed in the past by a minister or a senior diplomat.

The subject to be deliberated upon by the UNSC members centers around the maintenance of international peace and security which is an extension of India's advocacy of SAGAR (security and growth for all in the region) in the Indian Ocean region (IOR).

Must Read: [India can act as a peace agent in UNSC](#)

Debate should focus on the following issues and threats concerning the global maritime domain.

Threats to maritime peace & security

Geopolitical

- **Tension in South China Sea (SCS):** South China Sea has been marred by tensions over freedom of navigation (FON) rights in international waters and China's claims to "territoriality" based on artificial structures (not natural islands).
 - US doesn't accept it and has exercised transit rights in these waters.
 - Many ASEAN nations and Quad members such as Japan, Australia and India subscribe to the principle of FON and do not buy the Chinese interpretation of the "nine-dash-line".

Environmental

- **Maritime pollution:** Accidents onboard large crude carriers and cargo vessels in the IOR have added to the anxiety about marine pollution and its downstream consequences for the health of the oceans.
- Over the last few decades, **global warming** and **carbon emissions** have changed the chemistry of the oceans, and as per a UN report they have become **more acidic** as seawater absorbs more carbon dioxide and furthermore, the upper layers of the open ocean have **lost between 0.5% and 3.3% of their oxygen** since 1970 as temperatures have risen.
- In a worst-case scenario, the report cautions that left unchecked, greenhouse gases could result in **sea levels rising at a relentless pace** for hundreds of years, potentially by 17 feet or more by 2300, and submergence of many islands and low-lying coastal areas along the global littoral.
 - Littoral means a region lying along the shore.

Technological

- **Drone attacks on ships:** Safety of merchant ships has been a concern lately. Recently, an Israeli-controlled tanker in the north Arabian Sea off Oman came under a suspected drone attack that killed two crew members.

Traditional

- Piracy and non-traditional challenges at sea such as gun-running and smuggling

Way forward

China, being a permanent member of UNSC, will stall any debate on issues like SCS, so India can direct the debate on issues of global good, like welfare of seafarers which has been grossly neglected during the pandemic.

Conclusion

A sustained focus on the maritime domain and its correlation with globalization, the blue economy, the health of the ocean and the overall impact on human security is a laudable goal and encouraging the UNSC to prioritize this issue is a worthy cause.

Terms to know:

- [SAGAR](#)
- [IOR](#)
- [Freedom of Navigation \(FON\) Rights](#)

35. India's schoolchildren need their childhood back

Source: [The Hindu](#)

Syllabus: GS Paper 2: Issues relating to development and management of Social Sector/Services relating to Education

Relevance: This article explains the need to reopen schools and recommendations to open them.

Synopsis:

India needs to stop asking whether schools are safe and start acknowledging that in-person school is essential

Introduction:

Malls, bars, restaurants, and some offices are open, but schools have been closed for 16 months and counting. But schools are not. This situation needs to change.

Read more: [Our children need education. How much longer can schools remain shut?](#)

Why do we need to reopen schools?

- In-person school education teaches children to share, wait for their turn, negotiate, and compromise. Depriving these will affect societal learning and development.
- For children from economically weak backgrounds, schools are a **key source of nutrition** ([Mid-day meal scheme](#)).
- For some, schools serve as **safe spaces from the chaos of their homes**.
- Many children do **not have educated parents or cannot afford home tutors**, for them, the denial of education results in learning losses.
- Further, the researchers agree that **children are at a low risk of developing severe COVID-19** compared to adults.
- Results of Indian Council of Medical Research's (ICMR) [Fourth National Sero-Prevalence Survey](#).
 - More than 80 percent of children from both urban and rural areas had antibodies. This means they were already infected and developed antibodies.

Read more: [Let's chalk out a plan to reopen our schools before it gets too late](#)

ICMR recommendation to open schools:

- It will be wise to open primary schools first and then secondary schools.
- Vaccinate all support staff and teachers before opening the schools

Read more: [Why are government schools not the first choice?](#)

Suggestions to reopen schools:

- There are a host of recommendations on how to open schools safely, including by the World Bank, the Lancet COVID-19 Commission India Task Force etc. The government can follow them.
- Start schools in areas where the community level of infection is low.
- Declare school staff and [teachers as frontline workers](#)
- Public campaigns to make school staff and parents aware of the low risk of transmission in schools and low severity in children
- Upgrade school infrastructure to facilitate a hybrid system of learning so that if parents are not willing, they can continue with online learning
- Formulate and issue guidance on COVID-19 protocols to be adopted by schools

9 PM Compilation for the Month of August (First Week), 2021

- Greater investment in healthcare facilities and implementation of systems to track the local levels of infections.

Read more: [A pandemic-optimized plan for kids to resume their education](#)

Overall, India needs to stop asking whether schools are safe and start acknowledging that in-person school is essential.

Terms to know:

- [Indian Council of Medical Research \(ICMR\)](#)



General Studies Paper – 3

General Studies - 3

1. What Pegasus says about cyber power and our national security?

Source: [Livemint](#)

Syllabus: GS3 – Security

Relevance: Implications of the Pegasus issue

Synopsis: Pegasus issue has crucial national security and geopolitical dimensions that must enter the national debate.

Conflict b/w liberty & national security

Information governance (*the way in which information is used and managed*) in liberal democracies has two key goals:

- First, to protect the fundamental rights (privacy included) of citizens; and
- second, to defend the national information sphere from hostile state and non-state enemies.
- These goals are sometimes in conflict. There is a trade-off between liberty and national security. Liberal democracies achieve a balance by **codifying the trade-off, placing limits on the state's powers, defining due processes, and subjecting government actions to parliamentary and judicial review.**

While the Indian state has managed a balance in many areas, privacy and surveillance have remained in a grey zone since the Constitution came into force.

Implications of the Pegasus issue

- **Governance framework for surveillance:** Pegasus shows that any country that can afford a few thousand dollars can hack the smartphones of heads of government. Hence, the need for a governance framework covering surveillance and information operations is necessary for national security
- **Weakness of India's cyberwarfare capacity:** Beyond national security, the Pegasus revelations highlight a disturbing weakness in India's cyber warfare capacity. If it is indeed true that Indian government agencies had to purchase a foreign commercial cyber-weapon for their needs, then we have advertised a strategic vulnerability that is bound to be exploited unless rectified quickly.
- **Misuse of data insights:** Another vulnerability arises from the fact that vendors of commercial cyber-weapons can get insights as to how their product is being used. This information can be misused by making it available to their governments. It is also vulnerable to other governments with superior cyber capabilities. The maker of Pegasus has a very good idea of what its customers are up to. It can turn it off at will. Even the political costs of being exposed could be used as leverage against the buyer.

Suggestions

- **Data encryption must not be weakened:** Citizens need to be empowered with a strong encryption. At least until a robust governance framework is put in place, the government must not weaken data encryption.
- **Intelligence reform:** India needs intelligence reform. The Shah Commission and the LP Singh Committee recommendations need to be looked into.

9 PM Compilation for the Month of August (First Week), 2021

- In the meantime, the surveillance review process needs to be bolstered. It should be mandatory for the requesting agency to deposit a refundable financial guarantee along with the application.

Way forward

India lacks offensive cyber capacity and is thus not a credible cyber power. It needs a serious, realist, non-partisan policy debate on the development and governance of national cyber capabilities.

2. Skyglow forces dung beetles to abandon the Milky Way as their compass

Source: [Down to Earth](#)

Syllabus: GS3 – Environment

Relevance: Impact of light pollution on the environment

Synopsis: Researchers used Dung beetle to study the impact of the growing light pollution on our environment.

What is Skyglow?

Globally, nights are becoming ever brighter. This light floods directly into the eyes of animals that are active at night and also into the skies. There a proportion of it is redirected back downwards towards an earthbound observer. This is known as 'skyglow', an omnipresent sheet of light across the night sky in and around cities that can block all but the very brightest stars from view.

Study on the dung beetle

The study compared the dung-rolling performance of beetles in a rural part of Limpopo province with that of beetles at the University of Witwatersrand in inner city Johannesburg, both in South Africa.

- Findings confirm that beetles exposed to light pollution (direct light and skyglow) are forced to change strategy. They **abandon their sky compass** and rely instead on earthbound artificial lights as beacons.

This change in strategy comes at a cost.

Impact of light pollution

Many species that rely on compass references also suffer from the loss of the stars.

- **Nocturnal ants** use landmarks for outbound journeys, but need their sky compass when returning home.
- **Migratory birds** have a magnetic compass, with which they check latitude and magnetic North, but use their sky compass to calibrate their magnetic compass to geographic North.

Suggestion/Measures

There is a remarkably simple solution to reducing animals' experience of direct and indirect light pollution:

- **Turning off** unnecessary lights at night.
- **Shielding of lights:** Where lights cannot be turned off, they can be shielded so that they do not shed light into the surrounding environment and sky.

9 PM Compilation for the Month of August (First Week), 2021

- **International Dark Sky Places:** The International Dark-Skies Association has certified more than 130 'International Dark Sky Places', where artificial lighting has been adjusted to reduce skyglow and light trespass. However, nearly all are in developed countries in the northern hemisphere. Less-developed regions are often both species-rich and, currently, less light-polluted, presenting an opportunity to invest in lighting solutions before animals there are seriously affected.

Terms to know:

- **International Dark-Skies Association**

3. Time to set ourselves a carbon-neutrality goal

Source: [Livemint](#)

Syllabus: GS3 – Environment

Relevance: Future course of action to for India in keeping its Paris commitment

Synopsis: India should take steps to fix itself specific carbon neutrality targets so that we can have a healthy carbon market in India.

Background

Right now, our average mercury reading is at least 1.2° Celsius higher than it was before the debut of industrial exhaust. On our current trajectory, by an estimate of the Climate Action Tracker, we are on course for an average of almost 3° Celsius more than the pre-industrial level by century-end.

What is carbon neutrality?

- Carbon neutrality refers to that situation when carbon emissions are equal to absorptions in carbon sinks.
- It is the balance between emitting carbon and absorbing carbon emissions from carbon sinks and refers to achieving net-zero carbon dioxide emissions.

Sub-continent is vulnerable

Recent studies suggest that apart from Arctic countries, the subcontinent would bear the brunt of a 3° Celsius increase in temp, in terms of crop distortion or sea elevation, the survival of species or the extra-humid heat.

In this scenario, we may even be exposed to temperatures a degree or two above 3°C. To avert this from happening, the global mean must go no more than a third of a degree higher than it already has (i.e. no more than 2°C)

Paris target is possible

America has stated that it will go carbon neutral by 2050 and China declared its goal to do likewise by 2060. According to climate trackers, this means that our Paris target of 2° is well within possible limits. But, this also means that we'd still overshoot our 1.5° danger mark by half a degree Celsius.

What must India do?

India must set itself a **carbon-neutrality date**. For all the climate action we've taken, we still need a firm target from which quotas can be derived for a carbon market of our own. China,

9 PM Compilation for the Month of August (First Week), 2021

which launched a national one recently, has emission permits trading at some \$8 per tonne. We need price discovery, too. We should move swiftly on a cap-and-trade exchange.

4. Big cities need to upgrade water run-off systems

Source: [TOI](#)

Syllabus: GS3 – Disaster Management

Relevance: Fighting the recurring issue of urban flooding

Synopsis: Upgradation of storm water drain designs and making storm water drain management a part of smart cities mission is required to fight the problem of urban flooding.

Background

Every monsoon after a few hours of rainfall our metros are inundated. This annual urban horror story is made worse by the fact that huge amounts of money are spent on desilting city drains every year.

Many blame unplanned urbanisation and construction on wetlands for water-logging. That's true but it's not a problem that can be fixed in a few months.

Suggestions

- **Upgradation of storm water drain designs:** Some improvement is possible by upgrading storm water drain designs. Current design standards take into account only one- or two-year flood levels. This must change so that drains can cater to greater volumes of run-off from heavier showers in short bursts.
- **Make urban storm water management a part of smart cities mission:** It makes sense to make urban storm water management a part of larger infrastructure development policies such as the Smart Cities mission. Leaving this only to municipalities, which often lack the institutional dynamism to take on new ideas, is clearly not working.

5. SC order to raze Khori Gaon is a jarring example of coercive environmentalism

Source: [The Indian Express](#)

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

Relevance: This article explains the various challenges associated with the SC decision to allow the demolition of Khori Gaon

Synopsis:

This is a return to an era of green imperialism, wherein forests around the country are routinely handed over for capitalist profiteering while the landless poor are displaced in the name of restoring ecologies.

Introduction:

- Recently, the Supreme Court of India has refused to stop the demolition of over 10,000 settlements encroaching on forests (Khori Gaon) in the Aravalli range in Haryana's Faridabad district.
 - After that, four petitions arose after the SC ordered the petitioner in the lead case, the Municipal Corporation of Faridabad (MCF), to evict the basti in the middle of the pandemic in 2020.
 - The MCF has the ignominious success of vacating 150 acres of urban land with the densest habitation of affordable homes of the working poor.

9 PM Compilation for the Month of August (First Week), 2021

- Following this, nearly a lakh people have been pushed into the throes of suffering as most of them have lost their only home in this world.

On the other hand, using “rule of law”, well-maintained forests around the country are routinely handed over for capitalist profiteering through private mines, dams and real estate development.

Read more: [SC refuses to stay demolition of settlements in “Aravalli range” in Haryana](#)

Issues with the SC decision

The razing of Khori Gaon is a jarring example of **forest conservation models that frame forests versus people**.

- The **Forest Rights Act** was enacted to restore the dignity and place-based rights of **Adivasi communities** and forest workers. But, the **policies for the relocation of people** even from protected areas and tiger reserves now eschew **forced evictions** and **forced rehabilitation**.
- **The issue with the Punjab Land Presentation Act of 1900:** The Haryana state government and judiciary are aiming to restore forest cover in the Aravallis using the colonial Punjab Land Presentation Act of 1900. But this is not the right move.
 - Since the forest land under the PLPA covers 25 percent of Haryana. It includes lands that are public and privately owned in rural and urban areas
- **Against Ishita Chatterjee’s scholarly work on Khori Gaon:** Ishita Chatterjee’s work on Khori Gaon shows that this basti should be seen as a **restorer of quarry land**. This is because, the residents turned these areas that were mined till the SC’s mining ban in 2002, into liveable habitats by using individual and community labour.
 - This is no mean feat when **governments around the world struggle to reuse mined areas after the earth has been polluted and exhausted** of all its productivity.

6. What India@75 needs: Education and skills, rather than freebies

Source: [The Indian Express](#)

Syllabus: GS Paper 2 – Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes

Relevance: This article explains the India’s improvements in poverty reduction, literacy and food security since independence and suggestions to improve further.

Synopsis:

India’s improvement in poverty reduction, literacy and food security since independence is impressive but a lot more needs to be done.

About India’s Independence:

India started its journey as a newborn nation with deep wounds of Partition. Independent India’s population was roughly 340 million, with more than 70 percent are extremely poor, and only 12 percent are literate.

Winston Churchill had famously warned: “If Independence is granted to India, power will go to the hands of rascals, rogues, freebooters, all Indian leaders will be of low calibre and men of straw.... A day would come when even air and water would be taxed in India”.

But Jawaharlal Nehru said in the Constituent Assembly on August 14, 1947, “At the stroke of the midnight hour, when the world sleeps, India will awake to life and freedom... The service of

9 PM Compilation for the Month of August (First Week), 2021

India means, the service of the millions who suffer. It means the ending of poverty and ignorance and disease and inequality of opportunity”.

Situation of India's poverty since Independence:

- From more than **70 percent poor in 1947, the head-count ratio (HCR) of poverty in India dropped to 21.9 per cent in 2011**, as per the erstwhile Planning Commission's estimates based on the Tendulkar poverty line.
 - The drop in HCR during 2004-11 was almost three times faster than during 1993 to 2004, and much faster than during the socialist era of 1947-91.
- But many Leftists disputed the poverty line, and the government had to set up a committee under **C Rangarajan, which estimated HCR poverty at 29.5 percent in 2011**.
- But there are no official estimates of poverty after 2011, but the World Bank estimated India's HCR to be between 8.1 and 11.3 per cent in 2017, as per the international definition of per capita income of \$1.9 per day (at 2011 PPP). Using the same definition, the **World Poverty Clock estimates India's poverty at just 6 per cent in 2021**.

Situation of India's literacy since Independence:

- The overall literacy rates going up from 12 percent in 1947 to about 77 percent now. (with Kerala at the top and Bihar at the bottom).
- But the quality of education for large sections of the poor remains poor. Year after year, **Pratham's ASER reports** indicate that a large number of **children in the eighth grade do not fulfil the learning requirements of the fifth or sixth grades**.

Situation of India's food security since Independence:

- There has been tremendous success in this respect, with the country **moving from a “ship to mouth” situation in the mid-1960s to become the largest exporter of rice** (17.7 MMT) in 2020-21, amounting to 38.5 percent of the global rice trade.
- This has been achieved through the use of modern technology, improved seeds, irrigation, fertilisers, and, of course, the right incentives for farmers.
- India's public grain management system of procurement, stocking and distributing is, perhaps, the biggest food programme in the world.
 - But it is also an **expensive, inefficient and corrupt system**, and is crying for reforms. This is one of the reason for high malnutrition amongst children.

Suggestions to improve India's situation in Poverty, literacy and food security:

If India had invested in better quality education for the masses, especially for the girl child, the results would have been much better.

- **Without quality education**, their incomes remain low and **many remain stuck in the poverty trap**. The pandemic has exacerbated the digital divide between rural and urban school children. The government has to work on improving the quality of education in India.
- India's food productivity came at the cost of groundwater depletion. Future policies need to focus on greater sustainability.
- Rational policy of gradually moving towards **cash transfers to targeted beneficiaries, limiting grain stocks**, can easily save Rs 50,000 crore every year from the food subsidy bill.

9 PM Compilation for the Month of August (First Week), 2021

- This can be achieved without sacrificing the objectives of supporting the vulnerable population as well as giving a fair deal to farmers. This rationalisation of food policy needs to come up high in priority, with changed policy instruments

7. RBI must come clean where it stands on climate change

Source: [Livemint](#)

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

Relevance: This article explains why the RBI should include green financing and what are the challenges faced by the RBI in its execution?

Synopsis:

Considering the extreme climatic events around the globe and in India, the RBI has to include green financing as its component

Introduction:

1. The past few weeks over 200 people have lost their lives in Maharashtra due to landslides, floods and other rain-related accidents.
 - The Maharashtra government's preliminary estimates of loss to property, business and infrastructure is around ₹4,000 crore, with the final figure likely to be higher.
2. Elsewhere in India, heavy rains set off landslides in mountainous Himachal Pradesh, with cascading boulders killing tourists and residents.
3. In Bihar, rain-fed Gandak river has washed away Motihari and East Champaran districts.

Extreme Climatic events at global level:

India is not the only country ravaged by these extreme weather incidents.

1. Heat waves in Canada and the north-west coast of the US—with temperatures reaching 50° Celsius—have killed close to 500 people.
2. Uncharacteristic rains flooded Germany and Belgium, claiming about 200 lives.
3. Similar abnormal rains and flooding in central China affected 2 million citizens and resulted in economic losses of over \$500 million.

How Climatic events will impact economy?

Climate change, undoubtedly, is responsible for these extreme fluctuations in weather patterns. These episodes of extreme weather variations result in the following economic problems.

1. **Supply chain disruptions, business continuity problems,**
2. **Labour productivity diminution,**
3. **Lower investment rates,**
4. **Contraction in collateral values, and defaults by businesses and households,**
5. **All of the above might lead to problems of overall financial instability.**

The **International Monetary Fund's Global Financial Stability Report of 2019** also **highlighted these risks:** "Losses from climate-related risks **affect the financial system directly**, through price impairment, reduced collateral values, and underwriting losses, and indirectly, through **lower economic growth and tighter financial conditions. Insurance claims from natural losses have already quadrupled** since the 1980s."

About the Network for Greening of the Financial System (NGFS):

- Most of the central banks have been working to assess financial system risks from climate change, figuring out how to design stress-testing maps and trying to finalise risk mitigation models.
 - For instance, the Network for Greening of the Financial System (NGFS)
- *NGFS:*
- It was set up during the 2017 Paris ‘One Planet Summit’ for central banks and supervisors to share best practices in climate-related risk management practices.
- The network already has 95 central banks as members and 15 multilateral financial institutions as observers.
- The Reserve Bank of India (RBI) joined NGFS in April 2021.

The Challenges faced by RBI in green financing:

The Reserve Bank of India (RBI) in its July bulletin mentioned, the **need for monetary-policy frameworks to incorporate climate-change risks, but refrained from** explicitly expressing a desire to **re-examine its own monetary policy** framework or indicating whether it is moving in that direction.

RBI faces two peculiar challenges that will test its resolve in the days ahead.

1. **India’s unique and differentiated position in the climate change battle when compared with developed nations.**
 - Rich countries and their institutions are marching ahead with their agenda of net zero emissions by 2050, which is at odds with India’s developmental challenges.
2. **Like all other central banks, RBI is bound by a mandate fixed by the legislative.**
 - The preamble to the Reserve Bank of India Act, 1934, states that monetary policy’s “primary” objective is price stability, “while keeping in mind the objective of growth”.
 - This could skew RBI’s attempts to foster a green financing compact within the Indian financial system.

Suggestions to improve RBI’s green financing:

- The RBI will **have to leverage its NGFS membership** to access global best practices, but will also have to tweak the framework to suit India’s development imperatives.
- In addition, the RBI will also have to **act as a champion for other developing and poor nations** by developing an alternative but sustainable model.
- The RBI has to balance its NGFS commitments versus its constitutional mandate of fostering “growth”. Therefore, the RBI will have to either seek legislative amendments or establish a legitimate work-around.

The RBI can no longer afford to ignore the compelling imperatives of green financing or overlook how climate change is slowly but surely eroding financial stability.

8. The draw of space and nuclear technologies

Source: [The Hindu](#)

Syllabus: GS 3 – Infrastructure: Energy

Synopsis:

It remains to be seen whether the new ventures of Jeff Bezos and Bill Gates will strike a chord and benefit mankind. The projects are aimed to address the issues of climate change and high reliance on fossil fuels, however they are subjected to various criticisms.

Background:

- Jeff Bezos blasted into space in his private capsule on 21st July while Bill Gates is eager to launch his own fast breeder nuclear reactor.
- Both of them characterised their initiatives as essentially significant for the environment protection and tackling climate change.

About the Gates Plan:

- TerraPower (the nuclear company founded by Mr. Gates) has just announced an agreement with private funders and the State of Wyoming, U.S. The agreement involves establishment of its Sodium fast reactor demonstration project in the state of Wyoming.
- The project is carried out on the belief that small, factory-built, modular reactors will be cheaper and safer.

Rationale behind the initiatives:

- Space exploration will devise ways for shifting all heavy industries and polluting industries into space. This would help in keeping earth neat and clean.
- The development of Nuclear reactors will **enhance clean energy production** thereby decreasing reliance on fossil fuels.
- Nuclear energy will also help in **meeting the growing energy demands** across the world.
- It will revive America's nuclear industry and enable the United States to **compete in an international market now dominated by China and Russia**.
- Another benefit envisaged is that fast breeder reactors will provide a solid nuclear industrial base for **meeting U.S. military nuclear requirements**.

Associated Concerns:

- The companies chasing space tourism dollars have drawn criticism for catering to the rich while so many are struggling amid the pandemic.
- In the case of Nuclear Reactors, there is a **concern over their safety**. The 2011 Fukushima Daiichi accident in Japan is a testimony to the havoc that can be created by a nuclear leak.
 - Pursuant to this, the nuclear industry came to a standstill except in Russia, China and India. However, a revival was seen with global warming becoming ever more apparent.
- The commercial nuclear supply can lead to **proliferation of Nuclear weapons**. The fast breeder reactors have a risk of the turning of inert uranium to plutonium, and then using the plutonium as fuel. However plutonium is a nuclear explosive which can be used for developing a bomb.

9 PM Compilation for the Month of August (First Week), 2021

- The recent reports that China is building two more fast reactors have immediately provoked international concerns about China's possible weapons plutonium production.
- The opponents of TerraPower believe that China will be encouraged in its efforts to develop fast breeder reactors and may even want to buy them from Mr. Gates.
- Furthermore, in some major markets, **nuclear power lacks a favourable policy and financing framework** that recognise its contributions to climate change mitigation and sustainable development.
 - Without such a framework, nuclear power may struggle to deliver on its full potential, even as the world remains as dependent on fossil fuels as it was three decades ago.

9. Rethink aviation policy

Source: [Business Standard](#)

Syllabus: GS 3 – Infrastructure: Airports

Synopsis:

The government's approach to the aviation sector in India has grown messy, confusing, and possibly counter-productive.

Background:

- Recently the director-general of the International Air Transport Association (IATA) pointed out **that government regulation was slowing the aviation sector's recovery from the second wave.**
- Both capacity and pricing restrictions are creating a problem for the airline sector. Further the recently introduced **the Airports Economic Regulatory Authority of India (Amendment) Bill, 2021** also lacks clarity on multiple issues.

Dismal state of airline sector:

- In May 2021, according to the data from the IATA, **domestic air travel in India was 71 % lower than in the equivalent month of 2019**, before the pandemic hit.
- Fleets have been downsized and older aircraft retired, making the restoration of capacity to pre-pandemic levels a non-trivial task.
- Similarly, global domestic passenger traffic was 23.9 % less in May 2021 than it had been in May 2019.
- The IATA has argued that it will take three years to return to the pre-pandemic load in the airline sector from the moment of reopening.

Problems created by Government:

- Government regulations on **capacity utilisation** have recently been slightly relaxed.
 - Before the second wave hit, domestic flights were permitted to operate at 80% capacity. Subsequently, that was revised downwards to 50% and has now been raised slightly to 65%.
 - Although some airlines, including market leader IndiGo, were in favour of going all the way back to 100% capacity. Last week, IndiGo itself reported a larger than expected net loss in the first quarter of 2021-22 of Rs 3,174 crore.

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- The government has also imposed **price caps** on the airlines. These are based on the duration of flights and range at present from Rs 2,600 for 40-minute flights to Rs 8,700 for flights of over three hours.
 - However these **haven't been relaxed considering rising fuel costs** in recent times. This has forced many airlines to shutter routes. For example, Vistara had announced with great fanfare a flight to Dehradun, which it had quietly stopped.
- The Airports Economic Regulatory Authority of India (Amendment) Bill, 2021 aims to energise flights to smaller airports. However there is no clarity over the nature of support to be given to achieve this objective.
 - For instance, if the government decides to subsidise airlines rather than ending price controls. Then this will in effect be an unjustified transfer to well-off Indians.

Way Forward:

- The government should take **"data-driven" decisions** because otherwise restrictions are speedily put in place and removed at a relatively slow pace.
- It should swiftly respond to the broader data available about variants, transmission, and positivity rates in various areas.

10. No Fossil Fuels as Usual

Source: [Indian Express](#)

GS3: Infrastructure- Energy

Synopsis: The article suggests to **redefine the supply-side** priorities of Ministry of Petroleum and Natural Gas in the face of the imperatives of atmanirbharta.

Introduction:

- The spread and speed of the destruction caused by climate change in recent weeks present a policy dilemma.
- Indian **economy is dependent on fossil fuels** and there is no discernible end in sight to this dependence.
- India imports approximately 85 per cent of its crude oil requirements and is exposed to the volatility of the international oil market.

Key suggestions for Ministry of Petroleum and Natural Gas?

- Government should **scale back its emphasis on domestic exploration**.
 - Resources earmarked for exploration can be deployed more productively elsewhere.
 - A review of the public **sector's exploration and production (EP)** track record suggests that whilst India may well be sitting on substantial hydrocarbon reserves but these reserves are not easy to locate and.
 - They **are difficult to develop and produce on a commercial basis**.
 - The fundamental point is that EP in India is a high-risk activity.
 - This risk is even greater today because of the **longer-term structural softness** of the petroleum market.
- Second, **ONGC should shed a part of its equity in Mumbai High** to get the best technology service partner.
 - ONGC allocate increasing resources to improving the productivity of its producing fields.

9 PM Compilation for the Month of August (First Week), 2021

- The average oil recovery rate in India was around 28 per cent.
- That is, for every 100 molecules discovered, only 28 were monetised.
- The global average of around 45 per cent for fields of comparable geology.
- There is still a wide gap, the application of **enhanced oil recovery (EOR) technology** offers a relatively low-risk avenue for increasing domestic production.
- Third, need to **build contingency safeguards**. Since, Middle East, predominantly Saudi Arabia, Iraq and Iran faces deep **political and social fault lines** and there is no knowing when our supply lines might get ruptured.
 - India holds currently strategic reserves equivalent to 12 days of imports.
 - China, the EU, South Korea and Japan hold between 70-100 days of reserves.
- Fourth, **restructure and reorganise the public sector petroleum companies**.
 - These companies should be encouraged to look beyond hydrocarbons to build an **“energy” enterprise**.
 - It will **help cut back the “avoidable” costs** of intra public sector competition.
 - It will provide a **focused platform** for balancing the shorter-term need to provide secure and affordable hydrocarbons with the medium and longer-term imperative of developing clean energy.
- The petroleum minister should not see his responsibility through the siloed prism of oil and natural gas.

11. A cycle of low growth, higher inflation

Source: [The Hindu](#)

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

Synopsis: Unless policy action ensures higher demand and growth, India will continue on the path of a K-shaped recovery

Background

- Some economists are of the opinion that the Government should not intervene with the economy and that it will revive by itself.
- These economists’ reason that, like after the Great Depression, the economy rebounded worldwide, and so will it with us.
- However, such arguments are fallacious on four accounts

Why government intervention is needed for Economic recovery?

The first factor, demand.

- In the case of the Great Depression, demand was created by the Second World War effort.
- In the current scenario, there is no war to create demand.
- Further, the COVID-19 pandemic has resulted in demand destruction as confirmed in the **Centre for Monitoring Indian Economy** and other surveys.
- To counter demand destruction the western world has spent a lot of money stimulating the economy.
- Rising freight costs, non-availability of containers and a strong rupee relative to major competitors is hampering India’s growth exports to Western countries where demand has been generated.

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Second factor is the rising inflation accompanied by stagnant growth.

- India is suffering from stagnant growth to low growth in the last two quarters along with rise in inflation
- **Causes of Rising Inflation**
 - One, high asset price inflation caused by ultra-loose monetary policy followed across the globe.
 - Foreign portfolio investors have directed a portion of the liquidity towards our markets.
 - Compared to a developed capital market such as that of the U.S., India has a relatively low market capitalisation.
 - It, therefore, cannot absorb the enormous capital inflow without asset prices inflating.
 - Two, supply chain bottlenecks have contributed to the inflation. Essential goods have increased in cost due to scarce supply because of these bottlenecks caused by COVID-19 and its reactionary measures enforced.
 - Three, India's taxation policy on fuel has made things worse. Rising fuel prices percolate into the economy by increasing costs for transport.
 - Furthermore, the increase in fuel prices will also lead to a rise in wages demanded as the monthly expense of the general public increases.
 - Four, RBI is infusing massive liquidity into the system by following an expansionary monetary policy through the G-SAP, or **Government Securities Acquisition Programme**.
 - Five, an added threat of rising rates is the **crowding out of the private sector**, which corporates are threatening to do by deleveraging their balance sheets and not investing.

The third is interest rates.

- The only solution for any central banker to limit rising inflation is through tightening liquidity and further pushing the cost of money.
- However, rising interest rates lead to a decrease in aggregate demand in a country, which affects the GDP.
- There is less spending by consumers and investments by corporates.

Finally, rising non-performing assets, or NPAs.

- Our small and medium scale sector is facing a **Minsky moment**.
- The Minsky moment marks the decline of asset prices, causing mass panic and the inability of debtors to pay their interest and principal.
- India has reached its Minsky moment. Several banks and financial institutions have collapsed in the last 18 months in India.
- As a result of the above causes, credit growth is at a multi-year low of 5.6%. Banks do not want to risk any more loans on their books.
- This will further dampen demand for real estate and automobiles once the pent-up demand is over.

The Indian economy is in a vicious cycle of low growth and higher inflation. In the absence of policy interventions, India will continue on the path of a **K-shaped recovery** where large corporates with low debt will prosper at the cost of small and medium sectors

12. Our bankruptcy code deserves credit for what it has achieved

Source: [Live Mint](#)

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

Synopsis: An examination of the IBC's record on resolving cases of business insolvency reveals greater success than critics acknowledge

Background

Analysis of IBC's performance: Added points

- A good insolvency system cannot be judged by the number of companies being liquidated.
- Because the purpose of an insolvency law is to swiftly liquidate firms that have had value erosion and stand a low chance of survival.
- For instance, Germany is known for its efficient insolvency system despite a very high liquidation ratio.
- Even in the UK and the US, where the insolvency regime is well developed, the number of companies being liquidated is higher than in India.
- According to data from the ministry of corporate affairs, there are nearly 1.35 million active companies in India with 6,893 under liquidation as on 31 March 2021.
- After the coming into force of the IBC, liquidations can take place under the Companies Act, 2013, or the IBC.
- Under IBC, only 26% of the IBC-referred firms have gone for liquidation.
- Of the 1,270 liquidations ordered under the IBC, 944 were already defunct or BIFR cases (i.e. 74%) till 31 March 2021.
- Of the non-defunct 318 companies, 170 did not receive any resolution plan.
- This could be for reasons such as unviable business models, no market for their products or just lack of a well-developed market for such assets to be bought and turned around.
- There was also another set of companies that received up to six resolution plans but none was found suitable in the commercial wisdom of the committee of creditors (CoC).
- In fact, there are companies such as Raman Ispat Pvt Ltd and Infinity Fab Engineering, which were defunct but their resolution plans received value greater than the admitted claims.
- Examining details of the 363 companies yielding resolution under the IBC until 31 March 2021, it is observed that 123 of them were defunct or with the BIFR.
- The total realizable amount by financial creditors was 34% of their admitted claims even in these companies. Their financial creditors actually realized 160% of the liquidation value.

Other reasons that hamper realisation of recovery rate: Added Points

- The lack of a developed market for distressed assets that can help discover competitive prices for companies.
- There is a dearth of resolution applicants ready to take on the challenge of turning around a distressed company.

Conclusion:

In a short span of time, the IBC has created a discipline in the market, formalized an insolvency framework, offered a one-stop solution for companies to undergo insolvency resolution, and created a new cadre of insolvency and valuation professionals. One must appreciate these nuances, which will only strengthen in the long run.

13. MSME liquidity line set to widen as more NBFCs start 'factoring'

Source: [Indian Express](#)

Gs3: Issues related to Growth and development of MSME sector

Synopsis: Factoring law amendments have been cleared in both Houses of Parliament in the current session. This will enable nearly 9,000 NBFCs to participate in the factoring market instead of just seven now.

Background

Read here: <https://blog.forumias.com/how-the-factoring-business-can-help-small-companies/>

Benefits to small businesses: new Points

It will significantly boost funding availability for MSMEs, lower interest costs, and improve cash management.

1. The recent changes will **enable the participation of nearly 9,000 NBFCs** in the factoring market, compared to just 7 as of now. Improved participation by NBFCs in the factoring market will **enhance liquidity** for MSMEs and lower their interest costs.
2. Now, all NBFCs are allowed to do factoring business, irrespective of the proportion of income from factoring. This, therefore, **brings liquidity into the factoring business**, which was deprived of it as only large banks and few NBFCs could participate in it previously.
3. NBFCs' lending to MSMEs is typically based on the balance sheet strength, **leading to high lending interest rates**. But in the case of **funding against receivables (or factoring)**, the NBFC is taking a risk on the customer of the MSME who is larger corporate, leading to lower (nearly halving) interest costs, he said.

Terms to know:

- [TReDS \(Trade Receivables Discounting System\) platform](#)

14. Catching up on chip

Source: [Business Standard](#)

Gs3: issues related to ICT and Electronic Industry .

Synopsis: India needs to secure semiconductor chips to lead the race in the emerging ICT technologies

Background

- The global semiconductor industry has become the arena for the most bitter technology battle between the US and China.
- Taiwanese semiconductor players are caught squarely in the middle.
- As per few observers, China's recent aggression to assert sovereignty over Taiwan is guided partially by its need to secure cutting-edge chip fabrication facilities.
- The ripples of this war are also being felt in Europe, Japan, and South Korea.

9 PM Compilation for the Month of August (First Week), 2021

- The Indian government, unfortunately, has largely ignored what is going on, though it affects every country that hopes to be a strong manufacturing and digital innovation hub.

Significance of Semiconductor Chips

- Chips are at the heart of every product and device from automobiles to aircraft, and from motor cars to mobile phones. Its importance is only going to increase in the coming years.
- Securing access in advance to the latest and most powerful chips will determine the winner in the latest technologies such as artificial intelligence, cryptocurrency, NFT mining, 5G, etc.,

Implications for India

- The consequences of the technological war between the US and China could lead to more **chip shortages** in the next few years.
- It could also **drive up chip prices** because manufacturing in the US, EU, or Japan is far more expensive than doing so in Taiwan or China.
- India has so far not managed to attract any player into **setting up a new generation fab foundry** in the country, though it has been trying. The main problem has been that fabs require enormous investments running into billions, stable electricity, and lots of water.
- Thus, all the developments mentioned above would have a huge implication for India.

Suggestions

- One option for it is to invest in existing fab companies in the US and South Korea. Another could be long-term contracts with fab foundries outside of Taiwan.
- The US is offering billions in incentives to ensure that the latest generation chip fabrication facilities are set up within its borders. Like the US, India too can offer incentives to attract semiconductor fabrication industries.

Securing Chip industries is a necessity for India if it has ambitions of becoming a big global hub for manufacturing and technology innovation in the future.

Terms to know:

- [NFT](#)

15. Banks withdraw funds from coal-fuelled projects in Asia

Source: [Livemint](#)

GS3: Infrastructure- Energy

Synopsis: Banks are cutting off funding for new coal-fuelled power plants in poorer Asian countries to hasten the shift toward cleaner energy sources.

Recent push for green financing:

Most key financiers, in Japan and South Korea as well as in China, have signaled disinterest towards overseas coal projects. For instance,

- China's environment and commerce ministries advised some of the country's biggest overseas lenders against investing in coal.
- China's embassy in Bangladesh said that it would no longer consider projects with high pollution and high energy consumption.

9 PM Compilation for the Month of August (First Week), 2021

- In **Japan**, JICA, has put **no-coal pledges** in their lending and bond-issuance policies. All of Japan's biggest banks now have similar no-new-coal pledges.
- State-owned **Korea's** Kepeco, said that it would stop investing in new coal projects overseas and will either eliminate or convert to natural gas.
- **UK** asset manager, Legal & General Investment Management, sold its shares in ICBC and Kepeco because it wasn't satisfied with the companies' approaches to coal.

Possible Implications of such move:

1. First, the pullback could **force poorer countries** to curtail coal expansion plans and **accelerate transitions to energy sources** such as solar and wind.
2. Second, it won't affect most projects inside China and India. Both countries have **big pools of domestic funding**. China alone accounts for more than half of the roughly 480 gigawatts of coal-plant capacity in construction or planning stages worldwide, as per Global Energy Monitor.
3. Third, China and India are building new coal-power capacity at a significantly **slower pace than a few years ago**. The countries' investment in terms of gigawatt capacity was 80% less in 2020 than in 2015, according to International Energy Agency data.
4. Fourth, the **consumption of coal will still be around for a long time**. The developing world has an enormous fleet of existing coal-burning facilities that will use coal for decades to come.
5. Fifth, the **price of solar and other renewable energies has plummeted**, while the cost of financing coal projects has risen.
6. The world of 2021 is barely recognizable from five years ago when it comes to the degree and the intensity of finance campaigning and the results that are being got from it.

16. Climate crisis: Way forward for dairy giants in India

Source: [Down To Earth](#)

GS3: Food Processing and Related Industries in India

Synopsis: Activists and experts are advocating plant-based alternatives **to dairy food**.

Significance of Dairy sector:

- Harvesting animals for dairy and animal-based products in India is a **major source of livelihood** for 150 million dairy farmers.
- The products are a **source of nutrition and food security** for a significant population as well.
- The dairy sector accounts for **2 per cent of the national gross domestic product**.
- Besides the **holy significance of the cow** in Hindu tradition guided by age-old traditional wisdom, turmeric milk, desi ghee and cow urine have been considered a panacea for several diseases.
- Milk, ghee, paneer and milk-based sweets and products have been an inseparable part of the Indian palate.

Need of plant-based alternative to dairy sector:

1. First, **harmful consequences of animal harvesting** on climate. Agriculture contributes approximately **16 per cent of India's greenhouse gas (GHG) emissions**. Methane from ruminant belching and animal waste contributes about 75 percent of the total GHG emissions.

9 PM Compilation for the Month of August (First Week), 2021

2. Second, India is increasingly becoming **water-stressed** due to exploding human and cattle population growth. A typical crossbred cow consumes about 1,100 liters/day. Multinational companies such as Nestle SA and Danone SA have also been accused of promoting the **water-intensive dairy industry** in Punjab and the neighboring states.
3. Third, animal exploitation is the **leading cause of zoonotic diseases**. Evidence suggests that the adoption of plant-based diets and lifestyles, referred to as veganism, may result in a decrease in the threat of zoonotic diseases.
4. Fourth, the **appalling conditions in cattle rearing** have been widely condemned.
 - o Such as **artificial insemination, widespread use of growth hormones** to boost milk production, injecting oxytocin into milch cattle, the slaughter of male calves, abandoning cattle that are sterile, and selling livestock to slaughterhouses and tanneries.

Challenges:

1. First, with livelihoods of 150 million at stake, **policymakers will need to identify alternative employment opportunities** for the displaced masses. Large-scale social forestry could be an answer to address this, with positive consequences for the planet.
2. Second, PETA implored Amul to introduce vegan alternatives due to **ecological and health benefits of plant-based food, including milk**.
 - o However, Amul recently launched an advertising campaign challenging PETA's claims that plant-based alternatives are the way forward to create a sustainable food system.
 - o **Food Safety and Standards Authority of India (FSSAI)** notified that the word 'milk' cannot be used for plant-based dairy alternatives.
 - o Also, questions have been raised about lab-produced plant-based milk for human consumption.
 - o Amul and its supporters argue that PETA's moves may be a ploy for multinational companies to promote synthetic milk and genetically modified seeds through a misinformation campaign.

Terms to know:

- [WMO](#)

17. Climate emergency: Tipping points are already here, scientists warn

Source: [Down to earth](#)

Syllabus: GS 3 – Environment

Synopsis:

The tipping points of a Climate Emergency are already visible on Earth. The countries should acknowledge them and take urgent action towards decarbonization of the global economy and restoration of nature.

Background:

- **In 2019, more than 11,000 scientist signatories talked about the need for declaring a climate emergency.** They emphasized that conservation endeavors have to be scaled up immensely to avoid unprecedented suffering due to the climate crisis.
- Now, as many as 18 of the 31 vital signs/variables that the researchers tracked have reached the **new most dangerous levels, according to the paper published on July 28, 2021, in the journal Bioscience.**

Factors pointing towards the onset of Climate Emergency:

1. Ruminant world livestock numbers soared past 4 billion for the first time and exceeded the mass of all humans and wild animals combined. This rise in numbers **means a rise in deforestation as forests are cut to make way for agricultural land and livestock ranches.**
2. **Annual forest loss in the Brazilian Amazon** reached a 12-year-high, with 1.11 million hectares destroyed between 2019 and 2020. Forest degradation due to fires, drought, logging, and fragmentation has transformed the region to act as a carbon source rather than a carbon sink.
3. The global **emissions-weighted average price per tonne of carbon dioxide has remained too low** (\$15.49 as of 2020). This will need to increase several times to be highly effective in curbing fossil fuel use, according to the new study.
4. An alarming **rise in extreme weather events is being witnessed** every year, the authors noted.
 - o The year 2019 was categorized by the World Meteorological Organization as the **conclusion of a decade of exceptional global heat** and high-impact weather.
 - o From tropical cyclones to floods, heavy rainfall, and droughts — 2020 saw it all. The most dramatic was the record-breaking Atlantic Hurricane Season that concluded on November 30.
 - o In India, the annual mean land surface air temperature was above normal in 2020, This made 2020 **the eighth-warmest year** on record since 1901.
5. **Fossil fuel energy usage has decreased since 2019**, along with carbon dioxide emissions, likely because of the novel coronavirus disease (COVID-19) pandemic. However, **the projected estimates in 2021 show all of these variables rising again.**
 - o Even though solar and wind power consumption increased by 57 percent between 2018 and 2021, this is 19 times lower than fossil fuel consumption, the report showed.

What should be done?

- Countries should acknowledge the evidence of approaching a Climate Emergency.
- A greater focus should be placed on six areas:
 - o Fossil fuel elimination and shift to renewables
 - o Slashing black carbon, methane, and hydrofluorocarbons
 - o Restoring biodiversity
 - o Switching to plant-based diets, reducing food waste, and improving cropping practices
 - o Switching to ecological economics and a circular economy
 - o Lowering fertility rates

Terms to know:

- [Aflatoxin M1](#)

18. What India's labour force survey actually says about employment

Sources: [Livemint](#), [The Indian Express](#) and [The Hindu](#)

Syllabus: GS Paper 3 – Indian Economy and issues relating to planning, mobilization, of resources

Relevance: This article explains the recent PLFS survey and associated issues

Synopsis:

The Periodic Labour Force Survey (PLFS) has indirectly revealed deeply entrenched problems related to the quality of jobs being generated in the country

Introduction

The third annual round of the Periodic Labour Force Survey (PLFS) data was conducted during July 2019-June 2020 and the Quarterly Bulletin [July 2020 – September 2020] was released recently.

The PLFS captures key indicators of the labour market such as the Labour Force Participation Rate (LFPR), Worker-Population Ratio (WPR), and Unemployment Rate (UR).

Read more: [Periodic Labour Force Survey and Unemployment in India- Explained, pointwise](#)

Key findings of the Quarterly Bulletin of PLFS:

Key indicators	As per the recent Quarterly Bulletin [July 2020 – September 2020]	Corresponding period a year ago
Unemployment rate	13.3 percent	8.4 percent
Labour Force Participation Rate	37 percent	36.8 percent
Female unemployment rate	15.8 percent	9.7 percent
Workforce Participation Rate	32.1 percent	28.4 percent

About the significance of the recent PLFS:

- The recent PLFS showed **two surprising trends**. One, **India's unemployment rate (UER) has declined** over the survey period. Two, the **Labour Force Participation Rate (LFPR) had increased**.
- The results are surprising because they correspond to a period when India's GDP growth rate is decelerated sharply.

Reason for high jobs during low economic activity:

1. The PLFS categorises the workforce into self-employed, regular wage/salaried workers and casual labourers. Of all the worker categories, **only the proportion of unpaid family workers has gone up significantly** in the last three years.
 - Almost the entire rise in the workforce was accommodated by agriculture. **Agriculture continues to perform the function of a sink** — absorbing the workforce that cannot find remunerative employment elsewhere.
 - Eight states, including populous ones like Uttar Pradesh, have more than 70% of people reporting themselves as self-employed, following the current weekly status (CWS) approach.
2. **Increase in women participation:** The story of the declining unemployment rate can largely be explained by a **movement of women from domestic work to agriculture and other petty production activities** as unpaid family helpers.

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3. **Increase in the Service sector:** The proportion of the urban workforce dependent on services has gone up from 69.3% to 71.8% over 2017-18 to 2019-20. This is due to a high increase in low-paid service sector jobs.
4. The data also suggests an unsurprising correlation between employment and consumption.

Read more: [Causes of Unemployment and solutions](#)

Challenges exposed by the PLFS

- The data also suggests an unsurprising **correlation between employment and consumption**. The employment among those consuming the least being the lowest. This suggests **extreme inequity in employment, leading to consumption inequities**.
- **60% of our population is not available to our labour force**, and only 38.2% of our population is employed. This is in stark with data from China. **In China, 66.8% of its labour force actively employed or seeking employment** and 63.5% of its population employed in 2020.

Conclusion:

The PLFS survey 2019-20 has revealed deeply entrenched issues pertaining to the quality of employment being generated in India.

There is no official data on poverty after 2011-12 or on-farm income after 2013, and no recent data on migrant workers. So, Minor tweaks in future PLFS surveys can fill such data gaps.

Terms to know:

- [Labour Force Participation Ratio and Unemployment Ratio](#),
- [Periodic Labour Force Survey](#)
- [Worker Population Ratio](#)

19. Three strategic ways to grant supply chains resilience

Source: [Livemint](#)

Syllabus: GS3 – Economy

Relevance: Building supply chain resilience

Synopsis: Companies need to ensure resilience of their input supply chains to protect themselves from any turbulence during global shocks like COVID and natural calamities hitting the clusters of input suppliers.

Background

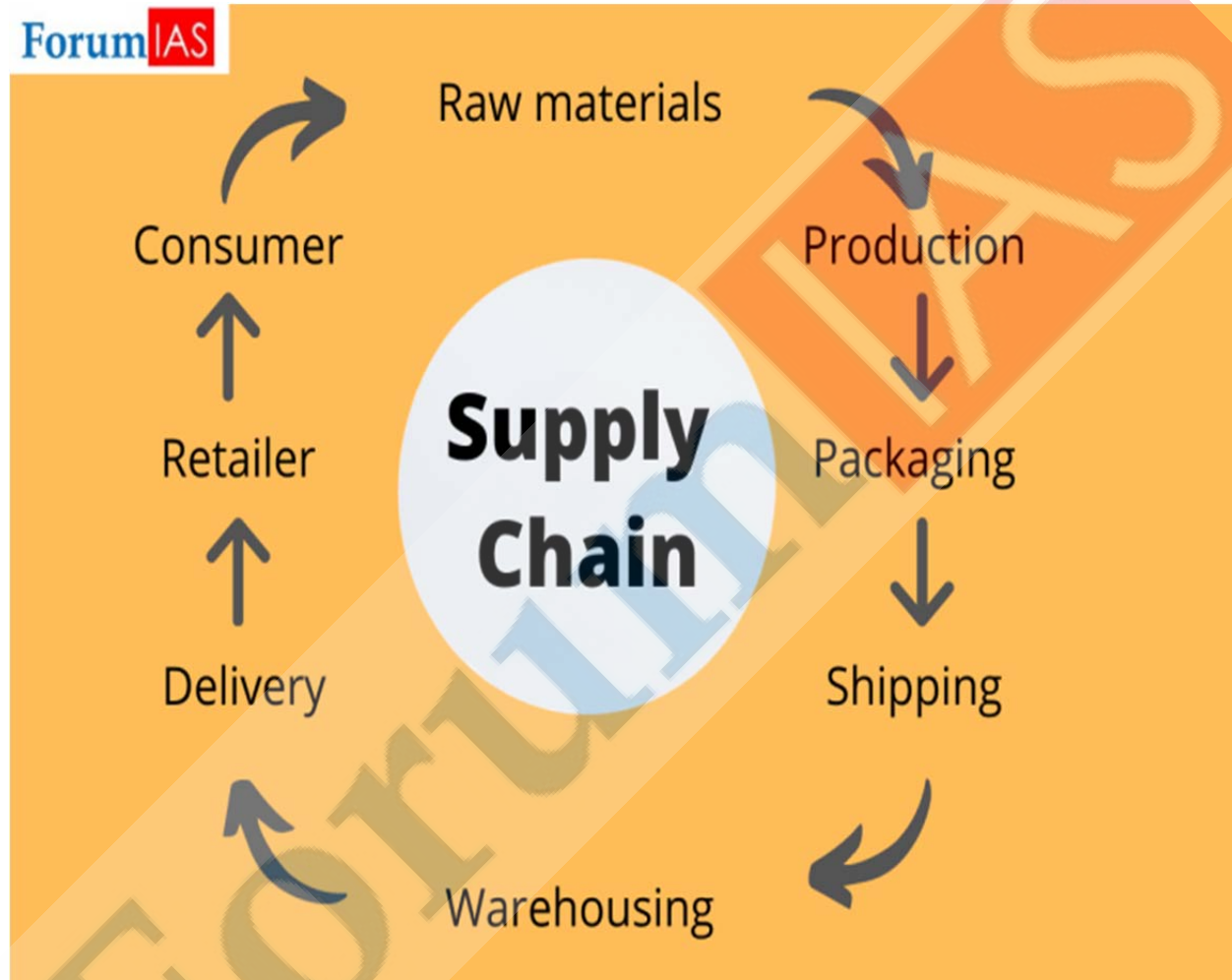
Automobile and electronics makers worldwide have had to reduce output because a severe drought in Taiwan hit the island's production of semiconductors. This and other global supply-chain disruptions, many of them caused by the covid pandemic, have prompted advanced economies to take steps to mitigate the potential impact.

- The current global semiconductor shortage also illustrates how geographic clustering of input suppliers can cause supply-chain disruptions on a global scale.
- Before moving forward, lets understand the meaning of the term – 'supply chain'.

What is a supply chain?

The supply chain includes all the activities, people, organizations, information, and resources required to move a product from inception to the customer. For eg: This is how a supply chain in consumer goods space would look like –

- Raw materials -> Production -> Packaging -> Shipping -> Warehousing -> Delivery -> Retailing.
- Each stage of a supply chain is essentially a different industry, for example, raw material extraction and manufacturing.



Hence, supply chain is an entire system of producing and delivering a product or service, from the very beginning stage of sourcing the raw materials to the final delivery of the product or service to end-users.

Impact of supply-chain bottlenecks

Supply-chain bottlenecks can have a significant economic effect. For eg:

- **Germany:** Germany, for example, imports 8% of its intermediate products from low-wage countries. Problems with input deliveries recently led Germany's Ifo Institute to **lower its forecast for German gross domestic product (GDP) growth** this year by almost half a percentage point to 3.3%.
- **USA:** The US relies on low-wage countries for 4.6% of its inputs. In June, a task force presented its assessment of America's supply-chain vulnerabilities across four key

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products: semiconductors and advanced packaging, large batteries of the sort used in electric vehicles (EVs), critical minerals and materials, and pharmaceuticals.

The question is – Do firms really need state help to protect themselves from supply-chain troubles?

Ways to strengthen supply-chain resilience

There are three ways advanced-economy firms can make their input supplies more resilient, and only one of them requires government involvement.

1]. Re-shoring production from developing countries: One option is to re-shore production from developing countries. COVID-crisis, by increasing the relative costs of supply chains, has accelerated a re-shoring trend that began with the 2008-09 global financial crisis. Supply chains have become more expensive. The price of containers used to ship goods from Asia to the West have risen eightfold.

- Re-shoring means to transfer a business operation that was moved overseas back to the country from which it was originally relocated.

2]. Creation of large inventories: A second way for firms to insure against supply-chain shocks is to create large inventories.

3]. Diversification of input sources: Companies can dual-source or even triple-source inputs, relying on suppliers from different continents to counter the risk. But this diversification strategy has its limits. For example, a highly specialized supplier that invests in research and development for a specific input is not easily replaceable.

- **Heavy regional concentrations** of suppliers also make diversification difficult. Most producers of chips, battery cells, rare earth materials and pharma ingredients are based in Asia.

Government's role

Governments can play a useful role by **helping provide firms with more potential alternative suppliers.**

It can provide incentives to firms to **move into sectors with high vulnerability to supply disruptions.**

Doing this the governments in the EU and US can ensure that a sufficient number of suppliers are available in both Europe and North America to hedge against the risk of disruption.

Way forward

The world has recently experienced a cascade of supply-chain disruptions, and will likely suffer from more global pandemics and extreme weather in the future.

Business leaders and policymakers must think about how to minimize the effects of such shocks on production networks and the global economy and when government should step in.

Also Read: [What is supply chain resilience?](#)

20. Building sites could be fined, shut under new dust rules

Source: [Times of India](#)

Syllabus: GS 3 – Pollution and conservation.

Relevance: Delhi is one of the most polluted cities in India. Controlling pollution in Delhi will result in less pollution in surrounding regions as well.

9 PM Compilation for the Month of August (First Week), 2021

Synopsis:

All new large construction sites in Delhi may soon have to install at least three real-time air quality monitoring stations and adhere to strict dust management norms.

Background:

- Construction and road dust contribute to somewhere between 15% and 40% of PM 2.5 and PM10 emissions in Delhi.
- In order to curb this problem, a Dust Management Committee has submitted a dust management plan to the Delhi government.
 - The committee comprises experts from IIT Delhi, The Energy and Resources Institute (Teri), and the Delhi Pollution Control Committee (DPCC).
 - It gave recommendations by drawing inspiration from dust management models of London and Paris.
- Based on its recommendations, new dust management rules are about to get approved by the government.

About the New Rules:

- It will apply to all construction sites with **an area of more than 20,000 square meters**.
- The sites are required to obtain **an environmental clearance** and **submit a fixed bank guarantee** before starting their work.
 - While applying for the environmental clearance, each construction site will have to specify the exact location of the three air quality monitoring stations installed at the site.
 - A large display board showing the readings will also have to be put up at the site, with the data being relayed to a DPCC control room.
- It allows the issuance of warnings if the **PM10 and PM2.5 levels at the site are more than 25% of the air quality readings at the nearest monitoring station**.
- A “cure period” of three hours will be given to take corrective measures after the first warning.
 - After 3 hours, a notice will be sent to the project proponent and a fine of either Rs 1 lakh, or 10% of the bank guarantee, will be invoked.
 - If after 12 hours of the first warning, the situation does not improve, then a fine of Rs 3 lakh or 20% of the bank guarantee, whichever is higher, will be imposed.
 - If after 24 hours of the first warning, no corrective action is taken, the site will be shut down.

21. Poultry industry seeks extension of loans, import of GM soybean

Source: [The Hindu](#)

Syllabus: GS 3 – Conservation, environmental pollution and degradation

Relevance: The recent demand from the poultry industry to permit the import of crushed genetically modified (GM) soy seeds again stirred the issue of GM crops in India.

What is the News?

The poultry industry is demanding that the Central government to permit the import of crushed genetically modified (GM) soy seeds for captive consumption of farmers.

Note: The import of GM soya bean seeds has not been approved in India.

9 PM Compilation for the Month of August (First Week), 2021

The main fear is that import of GM soya bean will affect the Indian soya bean industry by contaminating non-GM varieties.

What is a GM Crop?

- **Genetically Modified(GM) Crop** involves the editing of genes of a crop in such a way that it incorporates beneficial traits from another crop or organism.
- **This could** mean changing the way the plant grows, or making it resistant to a particular disease.

Read more: [What are GM Crops?](#)

GM Crops in India:

- **Bt cotton** is the **only GM crop that is allowed in India**. It has two alien genes from the soil bacterium *Bacillus thuringiensis* (Bt) that allows the crop to develop a protein toxic to the common pest pink bollworm.
- **Ht Bt Cotton** is derived with the insertion of an additional gene, from another soil bacterium, which allows the plant to resist the common herbicide glyphosate.
- **In Bt brinjal**, a gene allows the plant to resist attacks of fruit and shoot borer.
- **In DMH-11 mustard**, developed by Deepak Pental and colleagues in the South Campus of the University of Delhi, genetic modification allows cross-pollination in a crop that self-pollinates in nature.

Legal Position on GM Crops in India:

- **In India**, the Genetic Engineering Appraisal Committee (GEAC) is the apex body that allows for the commercial release of GM crops.
- **Use of the unapproved** GM variant can attract a jail term of 5 years and a fine of Rs 1 lakh under the Environmental Protection Act, 1989.

Read more: [GM Crops in India: Issues and Challenges](#)

Benefits of GM Crop:

- Genetic engineering can improve crop protection. Crops with better resistance to pests and diseases can be created.
- Farmers can achieve high yield and thereby get more income.
- Nutritional content can be improved.
- Shelf life of foods can be extended.
- Food with better taste and texture can be achieved.
- Crops can be engineered to withstand extreme weather.

Reasons for Opposition to GM Crops:

- Some GM crops have been engineered to create their own **toxins** against pests. This may **harm non-targets** such as farm animals that ingest them.
- GM crops are modified to include antibiotics to kill germs and pests. And when people eat them, these antibiotic markers will persist in human body and will render actual antibiotic medications less effective over a period of time, leading to **superbug threats**.
- Concerns about multinational agribusiness companies **taking over farming from the hands of small farmers**. Farmers are also reluctant because they will have **limited rights to retain and reuse seeds**.

9 PM Compilation for the Month of August (First Week), 2021

- People in general are wary of GM crops as they are engineered in a lab and do not occur in Nature.

22. Two is too few

Source: [Livemint](#)

Syllabus: GS3 – Awareness in the field of IT, space, computers, robotics etc

Relevance: Essentiality of Fair competition in the market

Synopsis: The telecom sector in India may soon see a duopoly soon. Since the Vodafone Idea is facing various issues to remain afloat creating circumstances for emergence of Duo Poly (Reliance Jio and Bharti Airtel).

Issues with Telecom sector

1. **Declining Average Revenue per User (ARPU):** ARPU decline is sharp and steady which is combined with falling profits due to predatory pricing.
2. **Limited spectrum availability:** Available spectrum is less than 40% as compared to European Union and 50% as compared to China.
3. **Low Broadband penetration :** According to International Telecommunication Union (ITU), broadband penetration in India is only 7%
4. **Competition from over The Top Applications:** Applications such as Whatsapp providing free chatting platform is affecting the revenues of telecom service providers
5. **Duties on telecom equipment –** Nearly 85% of Indian Telecom equipments are imported, thus duties on such products affect expansion and investment.

Suggestions

- **Insolvency and Bankruptcy Code ‘s provisions** can be used to save Vodafone Idea.
- **Change in perspective:** Telecom firms should not be viewed as just source of revenue. They are critical for empowering millions with better digital tools and ensuring easier access to public services
- **Government of India should play a facilitating role** in fostering competition. The goal of Digital India requires competition to be sustained.
 - Government of India **should lower at least some of the levies** that are raised from telecom companies, finding a solution to lay down 5G technology without causing much pain to the providers and promise regulatory stability.

Way Forward

Emergence of a duopoly will hamper public interest. Hence, competition is necessary in such a critical sector. Markets with a regulatory structure that encourages competition have **at least three to four large telecom service providers.**

Terms to know:

- [IBC](#)

23. How technology is Enabling smart farming?

Source: [Livemint](#)

Syllabus: GS3 – E-Technology in the aid of farmers

Relevance: Applications of technology in agriculture sector

Synopsis: Millions of farmers in India, who often rely on luck or favorable weather for a decent harvest, could be benefitted with access to better technologies which are affordable.

Role of Technology in agriculture

1. **Crop and Soil Monitoring** – using sensors or Internet of Things, for example Understanding the level of soil moisture and predicting the right time to start sowing
2. **Predictive agriculture analytics** – Predicting the amount of fertilizers needed to maximize the farm yield using Artificial Intelligence and Machine learning Tools
3. **Real time Data Analytics** – to build an efficient and smart supply chain
4. **Weather based advisories** – using data analytics to provide accurate advice to the farmers.
5. **Pest and disease management** – through use of Drone technology along with sensors enabled with AI
6. **Water Management** – to use the water resources optimally technology is used to link irrigation facility with soil sensors
7. **Smart Supply Chain** – Applications are developed to solve the crop marketing and logistical issues, reducing the intervention of middle men, addressing price volatility, wastage, and unfair trade practices. Ex- eNAM
8. **Quality Assessment** – Use of computer vision and deep learning tool can be used to provide monitoring and grading solutions which adds value to product.

24. Exempting select PSUs from minimum free float norm reverses govt stance

Source: [Indian Express](#)

Syllabus: GS3 – Changes in Industrial Policy

Relevance: Changes to minimum public shareholding norms and consequent impact

Synopsis: Recently, the Department of Economic Affairs has amended the Securities Contract (Regulation) Rules, 1957 (SCRR).

Background

Through a recent notification in the government gazette, the Department of Economic Affairs has amended the Securities Contract (Regulation) Rules, 1957 (SCRR).

- The amendment states that the “Central government may, in the **public interest**, exempt any listed public sector company from any or all of the provisions of the rule” of increasing **minimum public shareholding** to 25%.
- The current MPS of 25% came into effect in 2013. The 2019 Union budget proposed to raise this to 35%.

What is MPS?

Minimum public shareholding (MPS) is the minimum level of public holding (other than promoters) in a company to be maintained on a continuous basis.

Need for MPS

- For bringing better public ownership of the PSUs.
- Bring greater commercial and market orientation of the listed PSUs.
- **Adequate free float in a listed company** is essential for providing sufficient liquidity in trading stocks thereby facilitating efficient price discovery and maintaining market integrity.
- **Rationale behind the move**

9 PM Compilation for the Month of August (First Week), 2021

- The **timeline for public sector companies**, PSUs and public sector banks (PSBs), was extended multiple times closer to the deadline due to lack of efforts from such companies towards compliance.
- The previous such extension granted them time till August 2, 2021 for compliance.
- Of 1,705 listed private sector companies on the NSE, only 2 were **non-compliant** with MPS requirement as of June-end.
- In contrast, during the same time, 27 of 77 public sector companies on the NSE had public shareholding less than 25 per cent. Of them, 11 companies have public shareholding of less than 10 per cent.

Possible Implications:

- First, sections in the government and market participants feel the **move would affect liquidity** in PSU company stocks, dissuade institutional investors and may even have a bearing on the **disinvestment programme**.
 - Low free float is one of the reasons why PSU stocks command low valuation in the market.
 - This can be detrimental at a time the government is planning strategic sales in various PSUs including BPCL, Shipping Corporation, and Air India.
- Second, the Securities and Exchange Board of India's (Sebi's) rules requires companies to pay a **structured fine for every day of non-compliance**.
 - While private sector companies have to still comply with norms, the government has now created a carve out for PSUs.
- Third, maintenance of minimum public float by listed companies helps attract higher foreign capital and increases India's weight in international indices like MSCI and FTSE.
 - Government firms not adhering to these norms **could be a drag on the inflow of foreign capital**.

Instead of having various kinds of exemptions for PSUs, it may be worth considering having **completely separate regulations governing listed PSUs** as PSUs are audited by the CAG and are answerable to Parliament.

Terms to know:

- **SEBI**
- Securities Contract (Regulation) Rules, 1957 (SCRR),

25. Just Energy Transition

Source: [Indian Express](#)

Syllabus: GS3 – Energy Conservation

Relevance: Achieving a clean energy transition for India, which is just and inclusive.

Synopsis: A people-centric approach will help India build a clean and inclusive energy future and also provide a model for other countries and communities worldwide.

Current scenario in India

- It is among the world's top five countries in terms of renewable power capacity.
- Its ambitious target to **increase India's renewable energy** capacity to 450 gigawatts (GW) by 2030 would help move it closer to achieving the country's broader climate goals.

9 PM Compilation for the Month of August (First Week), 2021

- India is also showing **global clean energy leadership** through initiatives such as the **International Solar Alliance**, which has more than 70 member countries.

Challenges

- **Adaptive strategy:** Emerging and developing economies are starting from different baselines than advanced economies and they must adapt their pathways to ensure their transitions are inclusive.
- **Requirement of new jobs:** New jobs would need to be found over time for people who work in the fossil fuel power plants that will close down.
- **We need a gender inclusive workforce:** According to a 2019 study by Council on Energy, Environment and Water (CEEW) and the International Energy Agency (IEA), women account for nearly 32% of the renewable's workforce globally but only around 11% of the rooftop solar workforce in India.

How India can achieve a just energy transition?

- **Credible severance packages and insurance cushions** would make the transition easier to navigate.
 - Policymakers must keep special "**transition funds**" to help coal-dependent regions and to remodel economies and develop new industries.
- **Engaging the youth** is critical to ensure that the energy transition is sustainable, inclusive and enduring.
 - It is the emerging generation of innovators and entrepreneurs that will provide the **technical and social solutions of the future**.
- **Energy subsidies must be rationalized** and directed towards those who need them most.
 - This would help sustain the gains of the **Saubhagya and Ujjwala**
 - Fiscal resources freed up through subsidy reform should then be **invested in clean energy solutions**, especially in underdeveloped regions and marginalized communities.
- The energy transition in rural India can be driven by **dedicated policies to promote renewables, incentivise investment** in decentralised low-carbon power sources like rooftop solar, and train and build the capacity of clean energy entrepreneurs.
 - **Green construction** could ensure millions of homes enjoy thermal comfort, and help make energy efficiency a core part of building designs.

Way forward

To achieve **jobs, growth and sustainability**, India must try to put people at the centre of its energy transformation.

Terms to know:

- [International Solar Alliance \(ISA\)](#)
- [IEA](#)

26. A rupee wish for India@100

Source: [Indian Express](#)

Syllabus: GS3 – Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment

Relevance: An ambitious goal for India's 100th year of Independence in 2047.

9 PM Compilation for the Month of August (First Week), 2021

Synopsis: Prosperity is possible and best accomplished by the goal of making the rupee a global reserve currency by 2047. Conditions are opportune. An analysis.

Characteristics of Reserve currency

- A reserve currency has to serve as a medium of exchange, a store of value, and a unit of account.
- The main properties of a country having a reserve currency are – **trust** and **lower real interest rates**.
 - A real interest rate is one that has been adjusted for inflation, reflecting the real cost of funds to the borrower and the real yield to the lender.

Current situation

Official foreign exchange reserves of about \$12 trillion across 150 countries are currently stored in eight currencies:

- 55% in US dollars
- 30% in euros.
- 15% in six other currencies.

Positive Global environment

Global factors which indicate that India can target making rupee a global reserve currency.

- **Multipolar world:** America now accounts for less than 25% of global GDP.
- **The need for diversification:** Central bank reserves in dollars have fallen to 55% from 71% in 1999.
- **Demographics:** 25% of the world's new workers in the next 10 years will be Indian.
- **Strong economic factors:** India has never defaulted and the 1991 reforms have been accelerated by big reforms like GST, IBC, inflation targeting, education, labour, and agriculture.
- **Central bank credibility:** lower-for-longer creates a quantitative easing addiction.
- Rest of the factors are: **The UK's secular decline, a global shift of economic gravity to Asia, and the challenges of trusting China.**

What needs to be done?

- **First** step should be towards **full capital account convertibility**, as suggested by the **Tarapore Committee** in 1997. A 2030 deadline for finishing the agenda could be an interim milestone.
- **Second**, ask trading partners to start rupee invoicing, raising corporate rupee borrowing offshore and onshore, accelerating our CBDC plans, and taking our UPI payment technology to the world
- **Three**, effective Fiscal, Monetary and Economic policy agenda.
 - **Fiscal policy** must raise our tax to GDP ratio, raise the share of direct taxes in total taxes, and keep our public debt to GDP ratio under 100 per cent.
 - **Monetary policy** must control inflation while moderating central bank balance sheet size.
 - **Economic policy** must try to achieve the following
 - **Formalisation:** 400 million workplace social security payers.
 - **Urbanisation:** 250 cities with more than a million people.
 - **Financialisation:** 100 per cent credit to GDP ratio.

9 PM Compilation for the Month of August (First Week), 2021

- **Industrialisation:** less than 15 per cent farm employment.
- **Internationalisation:** higher share of global trade and skilling.
- **Four**, these goals must be complemented by reinforcing institutions that signal **rule of law, cooperative federalism**, press freedom, civil service effectiveness, and **judicial independence**.

Way forward

India needs bold reforms in the next 25 years. Becoming a global reserve currency is a wholesome goal because it indirectly aligns fiscal, monetary, and economic policy.

Terms to know:

1. [UPI](#)
2. Global reserve currency
3. Tarapore Committee
4. Tax to GDP ratio
5. [Capital Account Convertibility](#)
6. [Inflation Targeting](#)

27. Is net zero emission concept zeroing in on Climate change?

Source: [Down to Earth](#)

Syllabus: GS3 : Conservation, Environmental pollution and degradation, Environmental Impact Assessment

Relevance: Flaws with the net-zero concept

Synopsis: The world has seen a massive surge in voluntary commitment to achieve net-zero emission targets but there are inherent problems with the net-zero concept. Listing few such problems and a way forward.

What is net zero concept?

Net zero refers to the balance between the amount of greenhouse gas produced and the amount of GHG removed from the atmosphere.

- The present market based arrangements are based on Net zero concept which is **more focused on Supply side mechanism** rather than Demand side reduction which is leading to Net increase in emission rather than reduction in GHG.

Issues with Net Zero Concept

1. **More focussed on supply-side:** Critiques argue that net zero concept exclusively relies on nature based solutions and technological solutions for carbon removal and sequestration. Thus it discourages solutions based on demand side reduction.
2. **Promotes dependence on costly tech solutions:** Net zero also promotes strategy of “Burn Now Pay Later strategy” which promotes our dependence on costly technological solution rather than affordable demand reduction strategies.
3. Net zero strategy **increases our vulnerability** by postponing actual reduction.
4. **Fails to address the root cause** of climate crisis and does not include ways to reduce the increasing demand of goods and services.
5. **Promotes the idea of Growthism** which means economic growth ensures care for environment.
6. **Benefits only the large corporations** through creation of Multibillion Dollar market by introducing mechanism of Carbon Offset.

Way forward

1. **Changing our lifestyles to reduce consumption demand:** The ever-increasing demand for resources and energy-intensive lifestyles would make it next to impossible for technological fixes to reduce carbon emissions to maintain a balance towards the net-zero world.
2. **Reducing materialism:** We need to spread the idea that acquiring more and more things doesn't translate into well-being. Both are not interrelated after one has secured means of a good life.
3. **Balancing economic aspirations with environmental sustainability:** Shift towards alternative economic model which balances environmental sustainability with economic growth.

Conclusion

A slow and sustained change in socio-cultural priorities and notions of good life, along with necessary infrastructural changes to support that, is the only way forward to realise a sustainable and just world for all.

Also Read: [Leveraging traditional lo-tech innovations to fight climate change](#)

28. Privacy checks can be built into software architecture

Source: [Livemint](#)

Syllabus: GS3 : Science and technology- development and their applications and effects in everyday life

Relevance: Protecting Right to Privacy and enabling digitization

Synopsis: India's Data Empowerment and Protection Architecture (DEPA) is becoming an important tool to strengthen the privacy framework in India. It not only gives us better control over our data transfers, but also covers nearly all the modern principles of that are central to privacy.

Principles central to privacy laws

Central to privacy laws anywhere in the world is a set of principles that define how personal data can be collected and processed. These are:

1. **Notice and consent** – provides for informed consent of Individuals before collecting or processing of his/her data
2. **Purpose limitation** – to ensure that the purpose for which data is collected is described clearly
3. **Data Minimization** – to collect only a limited set of data that is required for fulfillment of specific purpose
4. **Retention limitation** – to ensure that data is not retained for more than required to achieve the purpose
5. **Use limitation** – to ensure that data is used for the purpose for which it has been collected.

Positives of DEPA

DEPA addresses three out of the five principles outlined above – Notice and consent clause, Purpose Limitation and data minimization. Let's see how it does that.

- **Notice and consent clause principle:** DEPA uses the MeITY **electronic consent artefact** to process data-transfer requests. What this means is that each time a data

9 PM Compilation for the Month of August (First Week), 2021

fiduciary makes a request for data, it has to provide information on what specific data it needs, the purpose to which that data will be put, and the duration for which it will be retained for the same. As a result, every data transfer request will provide users with **due notice** and can **only be completed if consent is provided** in relation to that specific request.

- A **consent artifact** is simply a **machine-readable electronic document** that specifies the parameters and scope of data share that a user consents to in any data sharing transaction
- **Purpose Limitation and data minimization:** Data-transfer requests under DEPA are based on pre-designed templates: data fiduciaries will have to choose from a set of such templates. These templates will be designed to cover a broad range of uses for which data might be requested, while still ensuring that **only that much data as is necessary to fulfil those uses is requested**.
 - By using consent templates, DEPA ensures that both the purpose limitation and data minimization principles are met.

Inadequacies of DEPA

- **No protection after data is collected:** It doesn't seem to be capable of protecting what happens to the data after it is collected. There is nothing to prevent a data fiduciary (digital companies) for using the data for the other purposes or retaining the data for longer than agreed time.

Suggestions

- **Incorporate technological safeguards:** If DEPA is to be an end-to-end solution for privacy, we have to incorporate technological safeguards that address the issues of Use Limitation and Data Retention as well.
- **Use of innovative technologies:** We need to use innovative technologies like **Confidential Clean Room** which restrict access of data for the specific purpose and also helps in providing solution to the issue of Data retention.

Conclusion

India's Data Empowerment and Protection Architecture offers a technological solution that embeds privacy principles directly into the technology architecture. Done right, this might well be the solution that regulators have been looking for.

29. Why switching to electric vehicles is fiscally imprudent

Source: [Indian Express](#)

Syllabus: GS -3 changes in industrial policy and their effects on industrial growth

Relevance: Electric vehicles are necessary for pollution control and import substitution.

Synopsis: The government is promoting Electric vehicles in India at a good pace. However, there are issues attached to government policies towards EVs.

Introduction

E-vehicles or EVs are becoming increasingly popular in India. It is evident in the increasing sales of TATA Nexons EVs.

The most important reason behind their popularity is their low running cost, which is a sixth of the diesel variant.

However, there are many issues attached to their popularity.

What are the issues attached to E-vehicles?

Moral blindness behind subsidies: The cost of a basic Nexon EV was Rs 14.3 lakh and that of the diesel variant Rs 8.3 lakh. At present five states — Delhi, Maharashtra, Gujarat, Karnataka, and Meghalaya are providing a huge amount of subsidies per car i.e., Rs. 5 lakh per car.

- **Issue:** Only 1 car in 50 sold cars costs more than Rs 10 lakh, which is purchased by the affluent fraction of the car-owning population. It means that Rs. 2,770 crore subsidies from taxpayers, will be paid to the affluent class of the country.
- **Available alternatives:** Instead of promoting EVs, India can promote other cheaper alternatives. For instance,
- **Methanol** can be produced from any biomass waste from crop residues to municipal solid waste. Furthermore, it is known for superior quality and greater safety
- For India, **gasification** holds even greater promise. Simple, air-blown gasifiers are already in use in food processing that can convert rice and wheat straw into a lean fuel gas. This gas can generate electricity and provide guaranteed 24-hour power to cold storage in every village.
- **Biochar**, which is the bi-product of gasification, is also very useful. It can replace imported coking coal in blast furnaces. It can also be used as a feedstock for producing transport fuels even more easily than municipal solid waste.

30. Tesla is unlikely to launch its vehicles in India anytime soon

Source: [Live Mint](#)

Syllabus: GS-3 – Changes in industrial policy and their effects on industrial growth

Relevance: Electric vehicles are necessary for pollution control and import substitution.

Synopsis: India needs to ease its restrictive policies towards the import of electric vehicles.

Introduction

Last month, Elon Musk complain about India's restrictive policies for the import of electric vehicles. India's restrictive policies are aimed at the Make in India campaign for developing domestic industrial manufacturing.

Due to this policy, importing a kit of unassembled auto parts containing an engine and gearbox (15% duty) is much cheaper compared to importing a fully built car (100% duty).

What are the issues attached to this policy?

Capacity crunch: Importing unassembled parts of e-vehicles is not sufficient, precision and quality of manufacturing these vehicles, like Tesla, is very important. India hasn't yet built up the necessary capacity to pull off large-scale output.

Hurdles for foreign companies: On the other hand, foreign companies are also not interested in setting up manufacturing units in India, due to local content requirements.

Misplaced efforts: The government has targeted 30% EV penetration by 2030, up from under 10% currently. Furthermore, it is making efforts to develop charging infrastructure in the country. However, very little efforts are made to encourage the manufacturing of EVs in India.

Suggestions

Reducing tariff on cheaper vehicles: Average household incomes are low in India; the overall market is dominated by more affordable scooters and motorbikes. Thus, India should allow cheaper electric two-wheelers from China, at a lower tariff.

Lessons from China: Chinese also failed to create a high-quality, domestic auto industry, due to their unfocused subsidies and plans. However, with regard to EVs, they have evolved their policies.

China kept its import tax rates for EVs relatively low at 25%. When China became a big source of sales revenue for Tesla, it set up a manufacturing plant there. At present, Tesla is exporting cars from its Shanghai factory to Europe.

India must also come up with a new policy, suitable for present conditions. If big foreign companies like Tesla can help India in developing its EV manufacturing, then India should accept it with favorable policies.

31. A grand tax bargain in danger of coming apart

Source: [The Hindu](#)

Syllabus: GS3 – Government Policies and Interventions for Development in various sectors

Relevance: Issues with GST regime

Synopsis: A version 2.0 of GST may have to be designed sooner rather than later.

Issues existing with GST

- **Non-expanding tax base:** The **tax base of GST does not appear to be expanding.**
 - The Tax to Gross value addition (GVA) is only about 5% to 6.5% though GVA growth was much higher.
- **Political architecture:** The **fundamental weakness of the GST is its political architecture.**
 - In the voting, the central government has **one-third vote and States have two-thirds** of total votes (with equal voting rights regardless of size and stake).
 - With the support of a dozen small States whose Budget is mostly underwritten by the central government the game is hugely in the Centre's favour.
 - With equal value for each States' voting, larger and mid-sized States feel short-changed.
- **Design flaws:** There exist **design flaws in the tax structure.**
 - Nearly 45% to 50% of commodity value is outside the purview of the GST, such as petrol and petroleum products.
 - Most trading and retail establishments, (however small) are out of the fold of the GST.
- **Exemptions from registration and taxation of the GST** have further eroded the GST tax base compared to the tax base of the pre-existing VAT.
 - As multiple rates are charged at different stages, it goes against the lessons of GST history.
 - This tax works well with a single uniform tax rate for all commodities and services at all stages, inputs and outputs alike.
 - India stands out and is among the five countries to have four rates/slabs.
- **Exclusion**
 - Petroleum products remaining outside the purview of GST has helped the Centre to **increase cesses and decrease central excise.** Central excise is shareable with the States while cesses are not. Equity requires that petrol and diesel be brought under the GST.
- **Compliance with GST return (GSTR-1) filing stipulation** and the resultant tax information is not up to date.

9 PM Compilation for the Month of August (First Week), 2021

- The gap in filing GSTR-1 was 33% in 2019-20 and has been increasing.
- Fraudulent claims of Input Tax Credit (ITC) are quite high.
- Tax evasion, estimated by a National Institute of Public Finance and Policy's paper, is at least 5% in minor States and plus 3% in the major States.

Conclusion

There is need to address policy gaps along with compliance gaps otherwise the grand bargain that resulted in the GST regime, will come apart.

Terms to know:

- [Input Tax Credit \(ITC\)](#)
- [GST](#)
- [GVA](#)

32. Respect regulations

Source: [Business Standard](#)

Syllabus: GS3 – Changes in Industrial Policy and their Effects on Industrial Growth

Relevance: Changes to minimum public shareholding norms and consequent impact

Synopsis: The government's move to exempt any public sector listed company from complying with the minimum public shareholding norm is undesirable and inappropriate.

Background

- [Exempting select PSUs from minimum free float norm reverses govt stance](#)

Issues with the latest move

- **Blocked an option to raise resources:** According to the latest data, the government has only managed to raise Rs 7,648.15 crore so far in the current fiscal year against the full-year target of Rs 1.75 trillion. Now, in a number of public sector banks and other firms, the government owns over 90%. Reducing stake in firms to comply with the regulation was, in fact, an opportunity for the government to raise resources, which would have helped increase expenditure.
- **Govt had enough time to comply:** Government reportedly argued that to comply with the regulation (maintain a public float of 25%), the government would have had to resort to distress selling, which it wanted to avoid. However, this is a flawed logic given that the government had enough time to comply with the public float norms.
- **Policy U-turn:** The decision to exempt PSUs from the regulation is a U-turn from the stated policy position of the government. In the July 2019 Budget speech, Finance Minister had noted that the government would take necessary steps to meet public shareholding norms in all listed PSUs.
 - She also said that SEBI had been asked to consider raising the minimum public shareholding threshold from 25% to 35%.
 - The total disregard of this commitment undermines the position of the securities market regulator and **reflects poorly on governance of PSUs.**
- This will further **affect PSU valuations** and **create complications** for the overall disinvestment programme of the government.

Terms to know:

- [Securities and Exchange Board of India \(SEBI\)](#)

33. Climate based protectionism: Green Public Procurement can incentivise public sector to eliminate polluting tech

Source: [Down to Earth](#)

Syllabus : GS3- Conservation, Environmental pollution and Degradation, Environmental Impact Assessment

Relevance: Tackling Climate Change Through Innovative Methodologies

Synopsis: In June 2021, the European Parliament signed the first dedicated Climate Law. There are some problematic or protectionist provisions in the law, but it is still considered as a step in the right direction to tackle the issue of climate change.

- Till now countries have used various measures to reduce carbon emission such as Carbon tax, Emission Trading systems, and most recently **Carbon Border Arrangements (CBA)**.

Note: CBA or CBAM or EU's carbon border tax are one and the same thing.

Must Read: [EU's carbon border tax – Explained, pointwise](#)

What is CBA?

It is a tool which taxes the imported goods in proportion to their carbon emission. Under this mechanism the importer will be required to **buy emission certificates** for carbon intensive products which will improve the shift towards **Green Economy**.

- **Advantageous to low emission industries in EU:** However, this mechanism places low emission industries of the European Union at an advantage compared to the industries from developing countries. Thus, it incentivizes domestic industries (in the EU), to lower their emissions to gain from CBA.

Implications of CBA

Despite the concerns raised from **India, China, Brazil, and South Africa**, CBA's may see a greater adoption across the world in the years to come as a tool to tackle climate change.

Emerging economies need to understand that CBA might only be the first of many such regulations to come, thus thorough clean up of manufacturing sector's emissions is the way forward.

Measures

There are two ways of doing this clean up –

- Offering subsidies to low emission businesses
- Incentivizing manufacturers to make switch themselves

How to incentivize the manufacturers?

- **Green Public Procurement (GPP)** is a tool through which government can capitalize on their purchasing power to incentivize the manufacturers.
- For India, GPP has immense potential, since public procurement in our economy accounts for 20-25% of our GDP.
- It is increasingly used by countries to achieve policy objectives in the area of environment protection.
- It also helps individual commitments of the G20 major economies towards the **Good Practices for Integrity in Public Procurement** prepared by the **OECD**

Obstacles to formalizing Green Procurement

There are three main obstacles –

1. The perception that green products and services may be more expensive than conventional ones
2. the lack of technical knowledge and capacity to integrate green standards in the procurement process
3. the absence of monitoring mechanisms to evaluate if green procurement goals are achieved.

Examples from India

1. Indian Green Building Council has certified over 2500 products and 150 manufacturers with GreenPro EcoLabel
2. Indian Railways also replaced energy inefficient incandescent lights in railway housing colonies with compact fluorescent lamps.

Benefits of GPP

1. Green public procurement presents an opportunity for the Indian manufacturing sector to change course in time for major policy shifts across the world.
2. It has the potential to be a major driver for innovation, providing industries with incentives to develop environmentally friendly works, products and services.
3. GPP may also provide financial savings for government when life cycle approach is taken into consideration.
4. Help the world to actively cut down the emission and prevent 'leaks' by way of exports.

Conclusion

India needs to integrate green standards and specifications within its procurement manuals in a phased manner. This will act as a signal to industries and also gives them time to cope. It can have a profound impact on the quality of life that the country promises its future generations.

Terms to Know:

- [UNFCCC](#)
- [OECD](#)

34. Arbitration Awards and The Public Interest

Source: [Business standard](#)

Syllabus: GS3

Relevance: Way forward for India in the Cairns Energy case

Synopsis: Recently, a court in Paris allowed **Cairn Energy** to freeze assets of **Government of India** in Paris in a tax dispute. Similar developments are possible in the US from actions by Cairn and **Devas Multimedia**. Thus, an objective, analytical approach to pursuing or resisting claims and arbitration awards is advisable.

Options before India

The choice before India are:

1. to litigate continuously
2. to accept the award
3. to negotiate a settlement

Accepting the award

Accepting the award has the following consequences:

- Political – state appears to be weak if it accepts the award
- Social – it indicates selling out of public interest to business entities
- Economic – it could lead to more such cases such as Vodafone case, Vedanta case, Devas Multimedia case etc. which hurts public exchequer.

Implications of a non-resolution

Resolution would enable **reallocation of India's energies** — our political, administrative, and judicial resources, and society's productive capacity and mind-share — to more constructive purposes.

Additional considerations include substantial, **continuing damage to India's business reputation** for not honoring agreements and awards, and for resorting to repeated appeals.

The **indirect costs and collateral damage are enormous**, such as to the telecom and energy sectors since 2012, to affected companies and employees, to the investment climate, and the cascading effects through the economy.

Suggestions

- **Mindset change:** The mindset will have to change for a more open approach, objective analysis, and decisions based on facts and reason. Cairn, Vodafone, and Devas have reportedly shown willingness to settle.
- **Evaluate pros and cons:** The government should seriously consider evaluating the pros and cons of asset seizure and indirect damages, compared with other options, including possible settlements.

Conclusion

By ending these disputes quickly and well, we can hope to build a more reasonable and stable business and investment environment, and better business practices.

35. Mediterranean a wildfire hotspot now : EU scientists

Source: [Reuters](#)

Syllabus: GS3 – Environment

Relevance: Impacts of human-induced climate change

Synopsis: Climate change is causing intense heatwaves across the world and contributing to rising cases of wildfires, too.

Background

The Mediterranean has become a wildfire hotspot, with Turkey hit by its most intense blazes on record and a heatwave producing a high risk of further fires and smoke pollution around the region. Wildfires are raging in countries including Greece and Turkey, where thousands of people have been evacuated from their homes.

Southern Europe is already experiencing an intense heatwave, with some places in Greece on Tuesday recording temperatures of over 46°C. Human-induced climate change is making heatwaves more likely and more severe, scientists say, using the EU's **Copernicus Atmosphere Monitoring Service (CAMS)**. CAMS monitors wildfires through satellites and ground-based observation centers.

CAMS is one of six services that form **Copernicus**, the European Union's Earth observation programme which looks at our planet and its environment

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Causes of Wildfire

Both Anthropogenic and Natural factors causes fires. These include the following,

Anthropogenic causes (90% of all wildfires)	Natural Causes
Smoking: Smoking is the leading cause of forest fires globally. Throwing away the cigarette butts without completely extinguishing them can lead to wildfires.	Lightning: A lightning strike can produce a spark. Sometimes the lightning can strike power cables, trees, or rocks and any other thing and this can trigger a fire.
Campfires: During camping or outdoor activities people normally leave lit fires or combusting materials unattended. That will ignite wildfires.	Volcanic eruption: Hot magma in the earth's crust is usually expelled out as lava during a volcanic eruption. The hot lava then flows into nearby fields or lands to start wildfires.
Burning Debris: Wastes and trash are on several occasions burned to ashes as a way of reducing the accumulation of rubbish. For example, the recent Simlipal Forest fire is due to this only.	Heat patterns: Increased temp due to global warming are making the forests more vulnerable. Rising atmospheric temperatures and dryness (low humidity) make favorable circumstances for a fire to start.

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<p>Fireworks: Fireworks are used by humans for various reasons such as festivals. However, their explosive nature can start wildfires.</p>	<p>Climate Change: Massive fires in the Amazon forests in Brazil and in Australia are primarily due to Climate Change. The fires due to climate change have certain characteristics in common. It is also applicable to India. They are, Longer duration of fires High-intensity fires Fires of high-frequency</p>
<p>Slash and Burn Cultivation: This is one of the major reason for the fire in India's Northeastern region.</p>	<p>In India the march and April month see more wildfires. It is due to the availability of large quantities of dry wood, logs, stumps, dead leaves, dry grass and weeds in forest lands.</p>
	<p>Lack of soil moisture: The dryness in the soil triggers fire in forests. For example, the recent Uttarakhand wildfires are due to this.</p>

Suggestion to reduce wildfires

1. **Capacity development** of forest departments' officials at different levels (national, regional, local) to reduce the vulnerability of Indian forests fire.
2. **Creating forests fire control manuals** for field staff. Thus suggesting steps to early detection, reporting and controlling the fires.

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3. **Policy at the national level:** A cohesive policy or action plan should be formulated to set forth the guiding principles and framework for wildfire Management. The policy should also **incorporate the dimension of climate change**.
4. **Using indigenous knowledge and techniques** of local and tribal people in comprehensive wildfire management.
5. **Improving the Staffing and capacity of firefighters in the country.** For example, construction of watchtowers and crew stations, hiring seasonal fire watchers to spot fires, etc.
6. **Technology:** Modern firefighting techniques such as the radio-acoustic sound system for early fire detection and Doppler radar should be adopted.

36. India's indigenous aircraft carrier setting sail for sea trials is a historic moment

Source: [Indian Express](#), [Time of India](#)

Synopsis:

The onset of sea trials of **INS Vikrant** marks a historic moment for the Indian Navy, which till now **had aircraft carriers, but none built at home**. The brand-new INS Vikrant is 75% indigenous and is the first big-ticket example of Atmanirbhar India.

Background:

- August 4, 2021, marked a milestone in India's ambition to become self-reliant in defence production.
- The first indigenous aircraft carrier began its sea trials. It's expected to be commissioned in a year as INS Vikrant.
- It makes **India only the seventh nation** to develop the capacity to indigenous design and build a carrier. The other six include the US, UK, Spain, Russia, France, and China.

About INS Vikrant

Analysing the degree of Self Reliance in Defence Production:

- A pathway to realize this goal was a policy transition in May 2001 to open up the defence industry to 100% private participation. Post this, 333 private companies have got industrial licences.
- **Success:**
 - In 2020-21, about 63% of the Rs 1.39 lakh crore procurement budget went to domestic manufacturers.
 - In relative terms, procurement from domestic sources has increased. HAL, for example, supplies 61% of the airborne fleet in use by defense services.
- **Concerns:**
 - During the period 2001-20, the Stockholm International Peace Research Institute's database showed that **India was the world's largest importer** of arms, at an aggregate value of \$52.8 billion.
 - The huge import is a result of a **shortage in capabilities for designing and developing major platforms**. For instance, we ordered the Medium Multi-Role Combat Aircraft from France and the S-400 Air Defense System from Russia.
 - Further, there is a **lack of financial support to boost indigenous production**. For instance, in 2020-21, By 2020-21, 61% of the defense budget was allocated for salaries and pensions and 19% towards buying arms.

Way Forward:

- The government must soon finalise the modalities of **the 15th Finance Commission's suggestion** on **creating a non-lapsable defence fund**. This is necessary to insulate defence spending from short-term fiscal pressures and enable the development of more indigenous carriers.
- It needs to be complemented by a **relatively closer engagement between Government and domestic manufacturers**. Durable commitment by the government is desired to move up in the value chain of defence production.

37. Rewiring Indian Inc

Source: [Indian Express](#)

Syllabus: GS3 – Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth

Relevance: Changed dynamics in Indian economy after 1991 reforms

Synopsis: 1991 reforms was a transformational step for the Indian economy, causing a tremendous shift in the way business was carried out in India. An analysis of the changes brought by the reforms and its impact.

Changes brought by 1991 reform

1. **Centrality of the consumer** – the reforms gave centrality to the consumer, who till 1991 did not have a choice. The Indian consumer was given choices and companies, both foreign and Indian, wanted to be their first choice which boosted demand which is reflected in GDP growth rapidly moving up to 7% per annum.
2. **Increased competition in the market** – Indian companies faced real competition from other Indian as well as foreign companies.
3. **Government-industry partnership** – Post reform the government's dialogue with industry deepened. Consultations were frequent. Feedback on what was happening on the ground was taken regularly. A government-industry partnership improved further.
4. **Increased "aspirations" of the industry** – There was excitement and ambition to be world-class. And, in this, the IT industry led by TCS, Infosys and Wipro played a major role.
5. **Emergence of Entrepreneur Class** – The reforms created not just the big boys of the industry, but also, the small and medium sectors that became part of the new energy in industry.
6. **Ended Monopoly of the government in Infrastructure** – private sector was invited to participate, to get into public-private partnerships and end the government's monopoly.
7. **Induced Competition in Banking sector** – the reforms of 1991 gave birth to a new private sector bank — HDFC Bank. This was a huge step forward in the reform process.

Conclusion

The reforms of 1991 placed Private sector at the centre which has grown many folds. There is still a long way to go, but the die that was cast in 1991 has led to a new tsunami of change. Over the last 30 years, the Indian industry has expanded its global reach. Its products and services are internationally competitive, matching the best. The period from 1991-2021 was transformational.

Must Read: [Economic Reforms of 1991 – Explained, pointwise](#)

38. How to save Banni Grasslands from invasive species? Here's what a new study suggests

Source: [Down to Earth](#)

Syllabus: GS 3 – Environment, sustainable development.

Relevance: To analyze the findings of the report by ATREE to study the impact on Banni grasslands.

Synopsis:

A study by ATREE (Ashoka Trust for Research in Ecology & Environment) & Sahjeevan (Volunteer Organisation) to study the impact of Prosopis Juliflora on Banni Grasslands

Context:

Prosopis Juliflora, a non-native tree species, has encroached over half of Banni Grasslands. Although it is harmful to ecology, locals are dependent on it for livelihood, mainly for Charcoal

When Prosopis Juliflora was introduced in India?

Prosopis was introduced into India's arid landscapes in the late 19th century owing to misplaced beliefs that deserts and grasslands were wastelands and hence needed trees.

- For Fuelwood availability
- And to keep salt flats of Rann of kachchh in check

The threat of Prosopis Juliflora:

- It depletes Groundwater
- Increase soil salinity
- More susceptible to wildfire
- Threat to the habitat of various wildlife, mainly Desert Fox, Houbara Bustard, Spiny Tailed Lizard

Adaptation by local communities:

Many of the communities have shifted from Kankej cows to Buffaloes as they cannot digest Prosopis pods

- Although the main source of livelihood is still Animal Husbandry, people started to make charcoal as an alternative source of livelihood, especially during drought years.

How Grasslands can be managed: Two methods can be used here

1. **Mechanical:** Use of machines and tractors to remove trees
2. **Loping:** Use of machetes to uproot trees that are 10-20 centimetres above the soil level.

Findings of ATREE study:

- For Small Scale restoration—Mechanical removal will be best suited as it can help to increase the diversity of grasslands
- For Large Scale Restoration—The mechanical process will be expensive & there is a need to study the impact on local livelihoods as charcoal making is a major source of alternative livelihood

Way Ahead:

- Focusing on ecology alone and ignoring the dynamics of local communities would not be wise.
- The needs of local communities should also be incorporated in the solution.

Terms to Know:

- [Banni grasslands](#)

39. India's godowns are overflowing. So why are people starving?

Source: [Indian Express](#), [Down to Earth](#)

Syllabus: GS Paper 3: Governance, Agriculture & Food Security

Relevance: Understand the challenges of food security in times of COVID

Synopsis

Undernourishment has been a global challenge over the last few decades. This has been further highlighted by the state of Food Security and Nutrition in the World (SOFI) report released by the UN.

Findings of the SOFI report

- The prevalence of moderate to severe food insecurity in India rose by about 6.8 percentage points in 2018-20.
- In 2020, over 237 crore people were grappling with food insecurity globally, an increase of about 32 crores from 2019.
- In India, this happened despite **the government having an unprecedented 100 million tonnes of food grains in its godown** — larger than the food stocks of any country.

Indicators of food security

The SOFI report is based on two globally accepted indicators of food insecurity:

- The **Prevalence of Undernourishment (PoU)**, which estimates the proportion of people suffering from a chronic deficiency of calories
- **Prevalence of Moderate and Severe Food Insecurity (PMSFI)**.

PoU estimates

- Since consumption surveys are not available every year, PoU captures changes in per capita food supply and is not sensitive to capture disruptions in the food supply.
- Hence, the increase in the prevalence of hunger captured by PoU — from 14 percent in 2019 to 15.3 percent in 2020 for India — is likely to be an underestimate

PMSFI estimates

- They are based on data collected through surveys that capture people's experiences of food insecurity.
- PMSFI estimates show that there was about 43 crore of moderate to severe food-insecure people in India in 2019.
- Gallup (commissioned by FAO) collect data on the Food Insecurity Experience Scale (FIES).
- Since GOI has not conducted the survey since the outbreak of the pandemic and has not accepted Gallup results, there are no India data in the report.

Causes of food insecurity in India

- Despite food availability, there is hunger because of **widespread economic distress, high unemployment and high levels of inequality**.

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- A large proportion of the poor is dependent on the informal economy, where income is low and uncertain.
- High food prices and high inflation have further added to food insecurity.

Food insecurity and Women in India:

- Indigenous women, who play a crucial role in eradicating hunger, suffer due to a lack of recognition of their rights and discrimination in the household.
- Women farmers are disproportionately more impacted by climate change, as stated by the IPCC report.
- Covid-19 has aggravated the crisis further due to increased poverty, food insecurity and malnutrition.
- So, gender equity is badly needed to achieve food security as highlighted by the UN in Food Systems Summit in September 2021.
 - Dimitra Clubs in the rural regions of sub-Saharan Africa have been driving women's leadership for over a decade. This can be implemented in India.

Way Forward

- Government should establish **systems for regular monitoring** of food security.
- **Universalization of public distribution system.**
- Fight malnutrition by **challenging dietary taboos, mobilise resources to meet environmental challenges.**
- Adopt policies that eliminate barriers to access to fundamental services, ensuring food security. For example, the right to food, shelter and health, etc.

Terms to Know:

- [State of Food Security and Nutrition in the World \(SOFI\) report](#)

40. Fiscal action by the Centre must take over from monetary policy

Source: [Livemint](#)

Syllabus: GS3 – Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment

Relevance: Importance of fiscal policy measures to promote economic growth

Synopsis: Monetary policy has done its part, both through rate cuts and other forms of support, to get our economy going. Now, it's the turn of India's fiscal authority to step up efforts to promote growth.

What is fiscal policy?

Fiscal policy is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy.

Required fiscal policy actions

Fiscal policy actions are needed in these areas:

1. **On vaccination programme:** There is need for ramping up of speed of vaccination twice at present and the central budgetary allocation of Rs 30000 crore should be treated as floor rather than cap.
2. **On Export:** Exports are foremost at a time when world growth is projected at 6%. Indian merchandise exports touched a sensational \$95 billion in the first quarter (April to June) of the current year.

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3. **On Central expenditure on transfers to states**, which could face procedural obstacles.

Issues faced by Export sector

1. **Levies outside the GST** affect the exporter, such as on universal inputs like electricity, petroleum and diesel, affect the rupee price of exports.
2. **Issues with RODTEP**
 - **Rates not announced:** The remission rates by product have not been announced yet, which may lead to exporters taking a cut to their margins or reduce their product price.
 - **Small budgetary provisions:** RoDTEP carries a budgetary provision this year of ₹13,000 crore, which is very small in comparison to the target of achieving \$400 billion export.

Issues with Central transfers

New requirements for release of funds: Central transfers through CSS (centrally sponsored schemes) funds will flow in four tranches of 25% each, subject of course to evidence of usage, which is a standard feature of our financial controls. However, the states were required to open a separate bank account for a single nodal agency (SNA) for each CSS, and for each of the agencies at district or lower levels to whom the funds will flow, by 1 July 2021.

- **Impact of these new requirements:** The administrative burden on states will increase enormously, to open all those accounts and maintain them as mandated, resulting in a reduction in the release of CSS funds simply because of states' inability to cope with the new requirements.

Terms to Know

- [RoDTEP Scheme](#)
- [Monetary Policy](#)

41. [Avoid arbitrary regulation](#)

Source : [Business Standard](#)

Syllabus : GS3 -Indian Economy and issues relating to Planning, mobilization of resources, growth, development and employment

Relevance : Issues with the latest decision of RBI on deferment of the guidelines

Synopsis : The deferment of RBI's guidelines on Overdrafts and current accounts, which were laid down in August last year, has been criticized as an arbitrary regulation. The deadline for implementation of the circular has been pushed back to October 31 from July 31.

About overdraft and current account guidelines

In a bid to enforce credit discipline and check diversion of funds, the Reserve Bank of India (in its August 2020), put in place certain safeguards for opening of current accounts by banks. With the earlier framework found to be inadequate, according to the RBI, it moved to tighten the norms to streamline the use of multiple accounts by borrowers.

- Under the new guidelines, no bank can open current accounts for customers who have availed credit facilities from the banking system. All transactions should be routed through the CC (Cash Credit)/OD (Over Draft) account.

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- Further, in case of customers who have not availed CC/OD facility from any bank, banks may open current accounts, but with certain conditions in case of borrowers with more than ₹50 crore exposure to the banking system.

Issues with deferment

1. **Penalizing the banks that that sought to comply with the guidelines** – since they had to close hundreds of accounts and lose out many customers.
2. **Hurried extension** – the deadline has been extended four days after the deadline has, in fact, expired causing disruption in smooth functioning
3. **No clear case has been made** – for explaining the advantages of guidelines indicating rush towards implementation without foresight
4. **Increased cost of burden for banks** – It also required banks to implement an escrow mechanism for borrowers with exposure to the banking system of over Rs 50 crore, and limited current accounts of these borrowers to the banks managing the escrow account which increased cost of burden on the banks
5. **Affecting the interest of private banks** – the mandate on current accounts looks like the RBI taking preferential action on behalf of state-run banks, which tend to be large lenders to the corporate sector in India
6. **Penalizing banks that provide better services and companies with more efficient treasury management** – guidelines force the corporate sector to move their current accounts to public sector banks, thus penalising banks that provide better services and companies with more efficient treasury management.
7. **Neglecting advanced information sharing techniques** – Objectives of the guideline is to address the information asymmetry in the banking sector and reduce banking frauds however guidelines failed to look at other technologies

Conclusion

Regulatory unfairness should be avoided at all costs. When a level playing field is provided, more efficient private banks will prosper and gain market share. This is a natural and desirable process, and the RBI should not stand in its way.

42. Brown vs Green Trap

Source: [Times of India](#)

Syllabus: Gs -3 Environment, Sustainable Development

Relevance: To study the path for a green economy.

Synopsis:

The more the world push towards a green economy, the more expensive the campaign will become and less will be the chance to achieve its aim & limit the worst effects of global warming.

Introduction:

Governments around the world are focused on driving up the demands of materials required to build a clean economy. They are also curbing the supply of sources that are contributors to carbon. For instance, discouraging investment in mines, smelters etc.

The world is facing a rise in oil prices and decreasing investments in hydrocarbon companies. But still, the hydrocarbon companies are reinventing themselves as provider's clean power.

The actions of government and Hydrocarbon companies will lead to greenflation -rising prices for metals & minerals like aluminium, iron which are required for building green technologies. For e.g. copper prices are up by more than 100%.

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Further, limiting the supply of oil threatens to raise what Bill Gates calls the “greenium” – the premium the world must be prepared to pay for climate-friendly infrastructure.

ESG movement:

ESG stands for Environment, Social & Governance.

This is used by asset managers and investors to evaluate companies’ potential financial performance and their performance in ESG.

The asset managers aim to invest in companies that strive to make the world a better place. It evaluates companies and countries on various metrics like sustainability, clean energy, etc.

Effect of ESG movement:

- Mining projects are now taking ten or more years time in countries like Chile and Peru, where earlier it took only five years
- Chile adopted new environmental rules & royalty which makes the mining unprofitable there

Suggestions:

The World will not be able to meet the rising demand for Green construction materials. So they require using more technology in order to facilitate them. For instance,

- The US has joined China in its commitment to carbon neutrality.
- Governments have announced Green spending plans.

Way Forward:

We should not be in a hurry to shut the old economy into a new green economy. We have to strive for a balance between the old and the new.

Terms to know:

- [ESG movement](#)

43. [India-Nepal Flood Management Needs Course Correction](#)

Source: The Hindu

Syllabus: GS3 – Disaster management

Relevance: Importance of Indo-Nepal cooperation towards solving the flood problems in Bihar

Synopsis: Despite both structural and nonstructural efforts to improve disaster management during the past, people continue to suffer with perennial flooding in North Bihar, which is already facing humanitarian crisis following Coronavirus pandemic. The solution lies in India and Nepal working together to solve the problem.

Flood problem in Bihar

- The Flood Management improvement Support Centre (FMISC), Department of Water Resources, Government of Bihar estimates that 76% of population in North Bihar faces recurring threat of flood devastation.
- 73.06% of the land area in the region get affected due to the floods.
- Plains of North Bihar have recorded the highest number of floods during last 30 years. the years 1978,1987,1998,2004 and 2007 witnessed high magnitude of floods.

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Measures taken

Past Measures

- **Structural changes:** Renewed approaches in infrastructure augmentation for dams and reservoirs, detention basins, embankments and channel improvement.
- **Non-structural measures:** Such as floodplain management, flood forecasting and warning, flood insurance and financial compensation.

Present Measures

Bihar's Disaster Management Department released two documents titled: "Pre-Flood Preparedness" and "Flood Control Order 2021" to **help the local administration** in terms of preparedness and having in place a relief support system.

However, a solution to the issue of chronic flooding lies in revisiting the old plans and arrangements between India and Nepal to address the root cause of flooding in the region.

Indo-Nepal coop is essential

A large part of north Bihar, adjoining Nepal, is drained by a number of rivers that have their catchments in the steep and geologically nascent Himalayas.

1. **Most rivers originate in Nepal:** Most of the rivers such as the Kosi, Gandak, Burhi Gandak, Bagmati, Kamla Balan, Mahananda and Adhwara group originate in Nepal. These rivers have a high discharge along with an equally high sediment load.
2. **Past cooperation:** The history of cooperation between India and Nepal go back to the 1950's when the work on Kosi embankment started by the Volunteers on both side, however this spirit short-lived. Such a progressive government-citizen interface could not sustain itself, and water cooperation between the two countries for a common cause waned.

Issues involved

1. **Negative impact of interventions:** Infrastructural interventions such as building embankments and re-routing streams have disturbed the conventional pattern of slow water flow, affecting farming in the region causing displacement of people
2. **Inefficient Kosi Treaty:** The Kosi Treaty of 1954, under which the embankments in Nepal were established and maintained, was not futuristic and did not make enough provisions for maintenance of the embankments and rivers changing their course.
3. **Rising river bed:** The deposition of stones, sand, silt and sediment has led to river beds rising

Suggestions

1. Increased transborder cooperation on flood management
2. Sensitization on climatic imbalances and sustainable development
3. Reestablish water cooperation as a common cause and draw inspiration for joint action from the 1950s.

Way forward

Greater attention needs to be given to this annual calamity and its devastating effects on lives and livelihoods. India and Nepal need to be in dialogue to end the crisis of flooding every year.

44. Chinese Tech Under Scrutiny, Indian Tech can gain: GoI's first move in global action that's made Beijing nervous

Source: [TOI](#)

Syllabus: GS3 – Science and Technology

Relevance: Government policies and their impact on Indian economy

Synopsis: A sharp crash in share prices of prominent Chinese tech companies due to steady expansion of government regulation, has led to decline in the market capitalization of China's big tech companies to the tune of \$800 billion. For Indian Tech companies, it is creating a new opportunity for expansion.

What's happening in China?

- Lately, the Chinese Government has been taking various measures to address issues such as violation of Anti trust Laws, unfair market practices, violation of user privacy and mishandling of the user data by tech companies.
- Some of the country's largest big tech companies like the Alibaba group, DiDi, Tencent Holdings, and ByteDance have come under government scanner for alleged violations. For instance Tencent's WeChat, China's largest messaging app, has temporarily suspended registering new users due to crackdown by the government

Reason for recent Crackdown?

- **Banning of apps by India:** It is believed that the origin of regulatory actions by Chinese government lies in the **proactive actions taken by Indian government in June 2020 to ban numerous Chinese apps** over the issue of data security and privacy concerns. GoI even banned popular apps like TikTok and PUBG which had millions of user in India to protect the National Interest
- **Start of a global debate:** These actions by India **started a global debate over potential security threats from Chinese big tech**, leading to similar actions taken by then US President Donald Trump to ban multiple Chinese apps.
- The action taken by Indian govt and the global debate it began, may have necessitated corrective measures so that Chinese tech companies could continue operations domestically as well as in foreign markets.

Possible Implications of Crackdown

1. These actions could usher a paradigm shift in Technology sector globally.
2. Market expansion of the companies will depend upon their ability to comply with legal provisions for user privacy, data sharing and fair market practices.
3. It will promote "Ethical Tech" while "Unethical tech" will face serious hurdles.
4. Opens up opportunity for Indian Technology Sector

How it can be a big moment for Indian startups and IT?

India has a good track record in regulating big tech, particularly in privacy and data protection. Indian companies have operated in that environment and have a good compliance record. That makes them attractive for both global markets and global capital, as evidenced by the recent Zomato IPO.

1. **Increase investment opportunities :** Actions of Chinese government could lead to a "Flight Of Capital" from China and India's Ethical Tech sector will benefit out of it.

9 PM Compilation for the Month of August (First Week), 2021

2. **Reduced competition** : Crackdown on domain specific tech companies like online tutoring companies could reduce market competition for Indian companies
3. **Market expansion** : It could open doors for foreign markets and new customers for Indian companies.

Conclusion

The Indian government had initiated a global battle against unethical tech and their dangerous practices and the results are for everyone to see today.

45. Pegasus has given privacy legislation a job of urgency

Source: [Livemint](#)

Syllabus: GS3 – Security

Relevance: Impact of the Pegasus spyware issue

Synopsis: Pegasus has shown just how easy it now is for governments to spy on people. Such tools being in wide use has given rise to calls for legislative action to keep them under democratic supervision.

Background

In light of the Pegasus spyware issue, a need has widely been felt for legislation to deal with data protection and privacy in India. This issue is especially significant given that in the Justice K.S. Puttaswamy vs Union of India case of 2017, held the right to privacy to be an intrinsic part of the right to life and personal liberty under Article 21, and as part of the freedoms guaranteed by Part III of the Constitution of India.

Must Read: [Pegasus spyware issues – Explained, pointwise](#)

About Personal Data Protection Bill

Although the Indian government had introduced the Personal Data Protection Bill on 11th December 2019, it is yet to become law.

The bill is a diluted version of what that BN Srikrishna committee had proposed, as it exempts agencies of the central government from its application and empowers the government to direct data fiduciaries to submit personal as well as non-personal data of Indian citizens to it under Section 91.

- **Definition of data:** What constitutes 'personal data' is defined under Section 3(28) of the bill to mean data that directly or indirectly identifies a natural person, or relates to any characteristic, trait or attribute of such a natural person, but **there exists no definition for non-personal data.**
- **Sections related to personal data breaches:** Personal data breaches are addressed under **Section 25**, which imposes a duty on the data fiduciary to inform the Data Protection Authority of India (DPAI) in case of any breach of personal data that may cause harm to the data principal.
- **Duties of the DPAI:** The duties of the DPAI have been laid down under Section 41, which are to protect the interests of data principals, prevent any misuse of personal data, ensure compliance and promote awareness about data protection.

Concerns

- **Independence of DPAI:** Despite the safeguards, there exist concerns about the independence of the DPAI.

Read here: [Analysis of PDP Bill](#)

Way forward

With advancing technology, the ability of governments and private actors to intrude into the private lives of individuals will expand further. Additionally, on the pretext of terrorism and national security, governments around the world have blurred the lines of reasonable surveillance and data collection.

Hence, in the larger scheme of things, states need to adopt national laws that not only deal with data protection and privacy, but also educate people of risks related to identity theft and fraud in the digital world.

Terms to know:

- [Srikrishna committee](#)
- [Puttaswamy judgement](#)

46. South Asia's emerging digital transformation

Source: [The Hindu](#)

Syllabus: GS3 – Science and Technology- Developments and their Applications and Effects in Everyday Life

Relevance: Digitization and its benefits, scope, issues and way forward

Synopsis: Adoption of digital technology has increased manifold during the pandemic, and it will continue its upward trajectory. An analysis of the issues involved with digitization and how South Asia can leverage its potential to come out of economic stagnancy.

Context

Covid-19 has forced South Asia to take a quantum leap in digitization. The shift to remote work and online education has led to rapid increase in internet penetration. Even a small nation like Nepal recorded almost 11% increase in internet users. For a region with an inadequate public health infrastructure it acted as a watershed moment providing novel solution to the public health crises.

Impact of Covid 19 on digitisation

1. **Accelerated launch of National Digital Health Mission** – In India, COVID-19 accelerated the launch of the National Digital Health Mission, enhancing the accessibility and the efficiency of health-care services by creating a unique health ID for every citizen.
2. **Increased adoption of E-commerce** – The pandemic-induced lockdown spurred South Asia's embrace of e-commerce, boosted by digital payment systems. For instance, Bangladesh alone witnessed an increase of 70-80% in online sales in 2020, generating \$708.46 million in revenues.

Why digitization is key for India and South Asia?

Digital transformation through advanced technologies such as cloud computing, artificial intelligence, the Internet of things, Big Data, etc., will become key to success in future and thus role of digital technology can not be overlooked.

- **Economic growth** – Adoption of digital tech will drive post-pandemic growth in South Asia, including India.

9 PM Compilation for the Month of August (First Week), 2021

- **Business opportunities** – digitization will provide new business opportunities and access to larger markets
- **Create employment** – In India, e-commerce could create a million jobs by 2030 and be worth \$200 billion by 2026
- **Poverty reduction and financial inclusion** – Fintech could drive significant growth and reduce poverty by building financial inclusion

Problems with digitization

1. **Lack of access** – Despite having the world's second-largest online market, 50% of India's population are without Internet, 59% for Bangladesh and 65% for Pakistan.
2. **Gender divide** – 51% of women in South Asia got excluded from social security measures due to lack of access to internet.
3. **Exclusion of children** – According to UNICEF data 88% of children lacked access to Internet powered homeschooling which can create other problems such as increase in out of school children, place girls at risk of early marriages, can push poor children into child labor
4. **Impact on businesses** – Many South Asian firms failed to embrace e-commerce or other cloud-based technologies to survive the financial problems of the novel coronavirus pandemic. The region recorded a 64% decline in sales, with small and women-led firms impacted the most.
5. **Creating unemployment** – With increased pace of digitization due to Covid crisis, the acute skill gap among the youth will create problem of unemployment.

Digitisation in South Asia: South Asia has also made significant strides in the adoption of digital technologies.

- **The Digital Bangladesh Vision 2021** envisages transforming Bangladesh into a prosperous, digital society
- **India's JAM Trinity** (Jan Dhan, Aadhar and Mobile) systems intend to improve the efficiency of welfare programmes through digital innovation.

However, the region still has a long way to go.

Measures/Suggestions

1. **Addressing legal and regulatory issues** -South Asia needs to address legal, regulatory and policy gaps as well as boost digital skills
2. **Boosting digital infrastructure** – A robust digital infrastructure is a sine qua non
3. **Increasing Funding to the sector** – public private partnership needs to be leveraged for the region's digital infrastructure financing
4. **Regulatory roadblocks need to be addressed** – as e-commerce regulations are weak in South Asia
5. **Other issues** – such as customer protection, digital and market access regulation, etc. need to be addressed
6. **Addressing digital illiteracy and skills** – Governments and businesses need to come together to revamp the education system to meet the demand for digital skills and online platforms
7. **Stringent cybersecurity measures** – needed to protect data of the users.
8. **Cooperation among countries:** Roadblocks to digitization could be effectively addressed, drawing inspiration from recent cooperation among South Asian countries

9 PM Compilation for the Month of August (First Week), 2021

against the COVID crisis. To fight COVID, South Asian countries collaborated with various initiatives like contributing towards a COVID-19 emergency fund, exchanging data and information on health surveillance, sharing research findings etc.

Conclusion

Collaboration at all levels is needed to push South Asia out of stagnancy and towards a digital future of shared prosperity. A shared “digital vision” could place the region on the right track towards the Fourth Industrial Revolution.

Terms to Know:

- [ASEAN](#)
- [National Digital health Mission \(NDHM\)](#)

47. Prime Minister unveils strategy to boost exports

Source: [Business Standard](#)

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

Introduction:

The Prime Minister has spelt out a strategy to boost the export of goods from India while interacting with the Heads of Indian Missions abroad and stakeholders of trade and commerce virtually.

India's Exports Strategy:

The PM pointed out four factors that are very important for accelerating outward shipments from India. These factors are:

- Increasing domestic manufacturing
- Ironing out problems of transport, logistics
- Need for the Centre and state governments to walk shoulder to shoulder with the exporters
- Expanding the international market for Indian products.

India's Exports:

- **Currently**, India's exports are about 20% of GDP.
- **India's export basket** is currently dominated by products with engineering goods, petroleum products, gems and jewellery, pharmaceuticals being the top items.
- **Among the exports**, merchandise exports over the last nine years have been around \$260-330 billion, with the highest ever being \$330 billion in 2018-19.
 - **The Government of India** has set up a target of \$1 trillion in 2027-28 for merchandise exports and \$400 billion worth of merchandise exports in the current fiscal.

Suggestions:

There is also a need for diversification of India's export basket as well as identification of new products that can be exported and relevant markets for such items and prepare strategies for that.

48. Harness power of nature-based solutions to fight climate crisis: G20 ministers

Source: [Down to Earth](#)

Syllabus: GS3 – Environment

Relevance: Fighting climate change

Synopsis: India can leverage the global best practices regarding Nature-based solutions (NbS) to fight against the climate crisis. Significance of NbS and discussion of its major roadblocks.

Background

In the recently concluded meeting of The environment, energy and climate ministers from the 'Group of 20' on in Naples, the Ministers expressed their commitments towards addressing the challenges presented by urbanization, climate change and biodiversity loss. A major emphasis was placed on the inclusion of **nature-based solutions** (NbS) in the fight against the climate crisis.

Nature-based solutions (NbS)

Nature-based solutions to climate change involve conserving, restoring or better managing ecosystems to remove carbon dioxide from the atmosphere. It is a relatively new concept and still at a nascent stage of development. However, certain countries of G20 have begun implementing this concept already, like

1. **Argentina** – It launched the **Forest AR2030** platform to boost environmental sustainability through massive restoration programmes. The initiative aimed to restore two million hectares of forested land.
2. **Canada** – It is establishing a **natural climate solutions fund** that will be investing \$4 billion over the next 10 years.
3. **European Union** – It is among the top leaders of NbS. It has implemented numerous projects and funding programmes like **Horizon 2020**
4. **China** has been aggressively pursuing the NbS since the 1998 mass flooding. They have established more than 20,000 miles of levees systems.
 - Levee is an embankment built to prevent the overflow of a river.

Significance for India

India can potentially leverage these global practices and harness multiple benefits by implementing NbS.

1. **Protecting coastal cities** – Planting mangroves can play a crucial role in climate-proofing India's coastal cities
2. **Mitigating Urban Heat Islands** – NbS can be an effective tool in mitigating [urban heat island](#) problems.
3. **Creating resilient cities** – By protecting cities against urban flooding and improving air quality.
 - Programmes such as **GrowGreen**, funded by the European Union or the **Sponge City programme** in China, have been exemplary examples of managing urban floods and addressing urban heat stress.
4. **Fulfilling international obligations** – NbS effectively link the long-term agenda of ecosystem restoration announced by the United Nations Environment Programme (UNEP), Sendai framework and others.

9 PM Compilation for the Month of August (First Week), 2021

Major roadblocks

The failure of developed countries to mobilize \$100 billion Climate fund post the Paris Agreement, 2015 and secure new financial resources for the implementation of NbS in developing countries is acting as major roadblock for effective implementation of NbS.

Must Read: [Leveraging lo-tech to fight climate change](#)

49. Spreading disinflation over 2-3 years to reduce output loss, says RBI

Source: [Business Standard](#)

Syllabus: GS3 – Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

Relevance: Addressing various issues ailing the financial sector of the Indian economy.

Synopsis: RBI Governor Shaktikanta Das, other deputy governors took questions from the media and addressed the raging topics in the financial sector.

Here is what he had to say regarding RBI's view on various issues.

On inflation

- Between 2016 and 2020, RBI had kept inflation at 4%.
- Owing to the pandemic, inflation went up to 6.2% on average.
- Now, looking at average inflation of 5.7%, from a historical perspective, is a remarkable improvement over 2021.
- So, the path of inflation is being set downwards to reach 4%. RBI is aiming for disinflation (*a decrease in the rate of inflation*) over a period of 2-3 years so that the loss of output is minimized.

On current account norms

Regarding the current account norms for small borrowers –

- There is no blanket ban on opening of current accounts. RBI have been quite flexible. And now taking into consideration some concerns put out by banks, RBI have extended the timeline.
- Further, RBI is trying to address the issues in consultation with the Indian Banks' Association and banks.

On Govt's fiscal measures

RBI's views on government's fiscal measures:

- As far as fiscal support is concerned, it has been very prudent, calibrated, and responsive.
- Initially, the focus was on the marginalized sections of society, which then shifted to sectors that were under stress due to the pandemic.

Terms to know:

- [Monetary Policy Committee \(MPC\)](#)
- [What is a NBFC?](#)

50. How COVID-19 protocols can propagate social discrimination in India

Source: [Down to Earth](#)

Syllabus: GS3 – Environment

Relevance: To learn about the climate crisis and lessons from Covid-19 to avert it.

Synopsis: Covid-19 has brought many changes in people's behaviour. Similar such behaviour is needed to avert the climate crisis.

Population and Climate crisis

- The pressure of the rising population is designated as a significant contributing factor to the climate crisis. Earth can sustain only a fraction of the present world population's consumptive demand
- Population pressure, along with energy and resource-intensive lifestyles, is acting as a major cause of climate change.
- This will induce crises like health issues, economic issues and other issues.
- However, it is **unethical to impose the pressure of costly lifestyles of western people up on the people in developing countries.**
- **Covid-19 and Climate crisis**
- The **outbreak of COVID-19** in the human population is rightfully denoted as a **prime example of environmental imbalance affecting human health.**
- A direct link between environmental imbalances and health emergencies is likely to give rise to the **medicalisation of the climate crisis.**

Few important changes brought by COVID-19

- **Medicalization of death:** This includes distancing of the dead body, bureaucratic restrictions imposed on conducting the last rites, etc.
- **Medicalization of social experiences:** This includes Covid appropriate behaviour, Social distancing norms, etc.

Suggestions:

Numerous initiatives like the half-earth project, neo-Malthusianism, United Nations Agenda 21 showcase the **need to contain or reduce the growing population** especially the global South population.

On many occasions, experts have highlighted that our capability to manage COVID-19 demonstrates our future capability to manage climate change. Many experts argue to **announce climate change as a health emergency.** It is time for global nations to consider that seriously.

51. Widen met station network in Himalayas to better predict extreme weather: Panel

Source: [Down to Earth](#), [Down to Earth 2](#), [Down to Earth 3](#)

Syllabus: GS 3 – Disaster Management

Relevance: Fighting the flood problem in India

Synopsis: Standing Committee of Parliament (Water Resources) presented its report in both the houses. A detailed look at its findings and the recommendations made.

Context

The report of the Standing Committee of Parliament (Water Resources) for the 17th Lok Sabha, was presented in both houses.

9 PM Compilation for the Month of August (First Week), 2021

Findings of the report

Here is a brief list of the findings:

1]. Impact of Flooding: According to the report of the **Standing Committee of Parliament (Water Resources)** for the 17th Lok Sabha,

- Flooding has affected approximately 40 million hectares of India's land area.
- From 1953-2018, 109,374 people died as a result of floods and heavy rains in the country.
- During these 65 years, the country is estimated to have lost Rs 400,097 crore.

2]. Reasons for flood disasters: Every year, floods caused enormous losses due to

- Poor planning
- Failure of flood control policies: For instance, flood plain zoning mandated as per the Model Bill of Flood Plain Zoning Act is yet to be implemented in many states.
- Insufficient preparedness
- Ineffective disaster management
- Unpredictable rainfall patterns due to rising temperature. For instance, flooding of the Kedarnath Valley during the Uttarakhand floods due to extreme precipitation in a short span of time.
- **Natural Events:** Flash floods, glacial lake outbursts and landslides. For instance, the **Parechu river**, a left bank tributary of the Spiti river was blocked in Tibet due to a landslide. It resulted in the creation of an artificial lake upstream and accumulation of huge volumes of water

3]. Declaring a flood as a national calamity: States have often demanded natural calamities to be declared as national ones, especially after floods in a region.

- But surprisingly, under the existing Scheme of **State Disaster Response Fund / National Response Fund** of the Ministry of Home Affairs, there is **no provision** to declare any disaster including flood as a National Calamity.
- The reasoning behind this is, it is **not practical and economically feasible** to provide complete protection to all flood-affected areas. Therefore, reasonable economic security is given to reduce the damage caused by floods.

Must Read: [India-Nepal flood management needs course correction](#)

Recommendations

1]. Collaborative approach: All stakeholders (Centre & State) needed to understand that managing floods was their collective responsibility.

2]. Changes in Administrative structure

- **Make Jal Shakti ministry the in charge of flood management in India:** Because, it appeared that the responsibility of flood management lay with everyone and hence no one paid attention to it.
- **Set up a permanent body:** Centre should form a permanent National Integrated Flood Management Group chaired by the Minister of Jal Shakti and at least one meeting be held each year.
- **Centre govt should take up responsibility:** Central govt should take the responsibility of flood control and coordination, keeping in view the loss of life and property due to floods

3]. Policy implementation

- The Standing Committee also requested that the **Dam Safety Bill** and the **River Basin Management Bill** be passed as soon as possible and that the existing Disaster Management Act of 2005 be properly implemented.
- The committee also proposed developing an **Integrated River Basin Management Plan** involving all flood-affected states as well as neighboring countries, in order to manage the water of neighboring countries.

4]. Flood mitigation

- The Centre should put in place and strengthen **weather forecasting technology** to warn about cloudbursts, flash floods and glacial lakes.
- Centre should make efforts to set up and widen the **network of high altitude meteorological and discharge stations** to keep track of changes in water bodies in the Himalayas. Such stations should be equipped with modern technology, including **synthetic aperture radar imagery**, to detect new lake formations and watersheds in the Indian Himalayas.
- Early warning without early communication and early action was useless. We need **all-weather communication systems**.
 - **Community radio** is an excellent way to do this in the Himalayas

52. Does bill scrapping retro tax go far enough? Worries are the no interest clause, later I-T interpretation

Source: [The Hindu](#), [The Indian Express](#) and [Times of India](#)

Syllabus: GS Paper 3: Indian Economy and issues relating to growth, development

Relevance: This article explains issues with the 2012 amendment which provide retrospective taxation and the challenges with the recent bill.

Synopsis:

Delayed reset on retrospective tax is only the first step to regaining investor confidence

Introduction:

The government has recently introduced the Taxation Laws (Amendment) Bill, 2021, in Parliament. The bill seeks to nullify the contentious **retrospective tax law** by amending the **Income Tax (IT) Act of 1961 and the Finance Act of 2012**.

Read more: [Retrospective taxation and the Taxation Laws \(Amendment\) Bill – Explained, pointwise](#)

Evolution of retrospective taxation in India:

- Earlier, the Supreme Court had ruled against the retrospective reading of the law by tax officials in the case of Vodafone. Despite that, In 2012, the Indian **government then retrospectively amended the tax code**, giving itself the power to go after **mergers and acquisitions(M&A) deals all the way back to 1962 if the underlying asset was in India**.
- The present government called the retrospective provisions a form of ‘tax terrorism’ and introduced a law to nullify them.

Issues with the 2012 amendment:

1. Immediately, several large transactions done by foreign companies prior to 2012 came into the tax officials net.

9 PM Compilation for the Month of August (First Week), 2021

2. **Foreign investors were naturally alarmed** that the **Indian government could go back in time and charge** them for **transactions legitimately done in the past**.
3. The arbitration cases internationally led to large **awards upwards of \$1 billion against India**, including interest and damages.
4. Further, the winning parties started enforcing their award in foreign courts and dented India's image internationally.

Challenges with the Bill:

- The Bill allows for the refund only of the principal amount in these cases, not the interest. But the Bill is **silent on what if the companies are not ready to accept the payments without interest**.
- Since the **bill does not provide** for the payment of any **interest**, the companies might **prefer the arbitration and litigation** proceedings **where they are likely to get the refund with interest** at the market rate.
- Similarly, the government's stand is also not mentioned in the bill, if the companies are not withdrawing the cases within India and abroad.
- Large entities like Cairn Energy Plc, Vodafone, etc have already **received large arbitration awards in their favour**. So, **they might not give up** the demands for the lower amount provided by the government.
- The bill also provides that apart from these conditions, **further conditions may also be stipulated by CBDT**. In the past, the **CBDT and IT departments prefer to put stringent** conditions.

Conclusion

India needs to demonstrate greater clarity and consistency in policy across the board to fix its broken credibility.

The government **should allow, at the least, payment of interest** on amounts that have been already recovered.

Terms to know:

- [Retrospective taxation](#)
- [Tax terrorism](#)
- [Income Tax Act, 1961](#)
- [Finance Act, 2012](#)