

**9pm**  
**Compilation**

**September, 2021 (Third Week)**

## 9 PM Compilation for the Month of September (Third Week), 2021

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# General Studies Paper - 1

## General Studies - 1

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### **1. Bhashas & Bharat: The current language policy is wise, born out of pragmatism. We can't afford linguistic extremism**

**Source:** This post is based on " **Bhashas & Bharat: The current language policy is wise, born out of pragmatism. We can't afford linguistic extremism**" published in the **Times of India** on **15th September 2021**.

**Syllabus:** GS 1 – Salient features of Indian Society, Diversity of India.

**Relevance:** To understand Indian linguistic diversity.

**Synopsis:** India's notion of diversity has allowed multiple languages to flourish and multiple communities to thrive and unite.

#### **Introduction**

Recently, India celebrated the Hindi Diwas 2021.

#### **About Hindi Diwas**

The Constituent Assembly adopted **Hindi in Devanagari Script as one of the official languages** of the Union of India on 14th September 1959. This day is thus celebrated as Hindi Diwas.

Apart from Hindi, English is another official language of India. Moreover, **India presently has 22 languages specified under the Constitution's eighth schedule.**

#### **Why was Hindi adopted as an official language?**

**First** To avoid any conflict between all the diverse languages.

**Second**, Hindi is India's most widely spoken language. According to, **Census 2011 43.63% of the people has Hindi as their mother tongue.**

#### **How language is part of a political project?**

Language is not just a medium of communication, it also evokes strong emotional responses. Thus, we find that it needs to be handled with political wisdom. This is evident in many cases.

**Switzerland**, with a population of only 8.4 million, has four national and official languages.

**Erstwhile Pakistan** fell apart when it tried to impose Urdu as the state language on its Bangla-speaking population in what was East Pakistan.

Considering all these, **India adopted a unique three-language model** that suited its needs. Through this, three Indian languages were to be taught in the schools. This would promote brotherhood and unity amongst fellow Indians.

However, despite these, we find numerous challenges for this Indian project.

#### **What are the threats?**

**Linguistic extremism:** It is a scenario when a particular group adopts a tough stand towards other languages.

#### **What should be the way forward?**

Linguistic extremism can be avoided by ensuring that it does not become a political project or the issue should not be politicized. Further, there should be a lot more investment in translations of the works of one language into other languages. Translations will enrich Indian languages.

# General Studies Paper - 2

General Studies - 2

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**1. Let central banks stay focused on their goals**

**Source:** This post is based on the article “**Let central banks stay focused on their goals**” published in **Livemint** on **13th September 2021**.

**Syllabus:** GS2 – Statutory and Regulatory bodies – RBI  
**Relevance:** Central bank and its mandate, climate crisis and financial stability

**Synopsis:** Urjit Patel has suggested adding climate aims to the monetary agenda, however it has multiple risks associated to it. Hence, other tools should be used for our carbon crisis.

**Introduction**

Recently, former Reserve Bank of India (RBI) governor Urjit Patel laid out a strong argument in favour of the proposition of adding climate goals to monetary policy.

There is debate that whether central banks should join the fight and whether monetary policy be assigned a role.

**Must Read: RBI must come clean where it stands on climate change**

**Why RBI should not get involved with carbon crisis?**

**No expertise:** Former Bank of England governor Mervyn King says, it is hard enough for central banks to get their basics right, such as keeping the internal value of their currencies stable.

**Central banks getting involved in running policies:** Raghuram Rajan has also opposed the adoption of plainly fiscal objectives like encouraging eco-friendly investments by monetary authorities. He spoke against central banks with sufficiently wide mandates running policies best run by governments.

**Complexity in data collection:** complexity of green-growth calculations could result in poorer outcomes overall. It would cover policy rates of interest in a data fog that will make it harder for analysts to subject central banks to scrutiny.

**What is the way forward?**

**First**, we **must not rush into mixed mandates** in response to our current climate emergency. Central banks have a complex job, and any errors can prove exorbitant.

**Second**, climate settings are a political matter and taking up such a cause would expose central banks to the risk of lost autonomy, which is vital for long-range stability.

**2. IIT success as B-schools is a sign of a more expansive education vision taking root at premier engineering institutions**

**Source:** This post is based on the article “**IIT success as B-schools is a sign of a more expansive education vision taking root at premier engineering institutions**” published in the **Indian Express** on **13th September 2021**.

**Syllabus:** GS-2 Issues relating to development and management of Social Sector/Services relating to education.

**Relevance:** Understanding the performance of IITs in Management courses.

**Synopsis:** The IITs, were long known to provide only technical courses. However, we see that they are also doing well in management courses.

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### Introduction

Six IITs came in the top 20 management institutions, even outpacing reputed business schools such as IIM-Indore and IIM-Lucknow. This shows that India's premier engineering schools are not restricted just only to technical courses.

### Why IIT embraces other streams apart from engineering courses?

IITs look beyond technology to embrace the world of humanities and law, arts and architecture. Over the years, several IITs offered courses in humanities, social science and literature. This is in response to a growing realisation that a technical education alone can reduce talent in the economy.

**IIT Kharagpur:** It opened a medical college in 2018. It had also set up a school of law focused on intellectual property.

**IIT Delhi:** IIT Delhi, started offering MBA programmes in the late 1990s. Now, It is the highest-ranked IIT on the **National Institute Ranking Framework** in the management category.

### What does this success signify?

Given **adequate financial resources and the autonomy** to decide their own courses, **higher education institutions can build on their unique strengths** to deliver the best quality education and results.

### What are the issues in IIT?

**Gender Diversity:** Despite the introduction of supernumerary quotas to increase the intake of women, the IITs **remain a largely male preserve** — here, they are losing out to the IIMs, which do much better on the count of inclusivity.

**Exam Pattern:** IIT's have been facing criticism as the exam pattern tends to favour those who have access to the best coaching institutes.

However, despite these problems, the expansion of courses by IIT's is a welcome step as more talent can be accommodated in its ambit.

### Terms to know

- [National Institute Ranking Framework](#)

### 3. Nursing syllabus gets a major revamp

**Source:** This post is based on the article "Nursing syllabus gets a major revamp" published in **The Hindu** on **13<sup>th</sup> September 2021**.

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

**Relevance:** To study the impact of the new nursing syllabus.

**Synopsis:** The revamped programme for B.Sc nursing is aimed at standardization and includes medical ethics and simulation training.

#### Introduction:

The **syllabus of BSC Nursing programmes has been revised**. This is the **first major overhaul after 1947**. The revised curriculum has been standardized, updated and is aimed at bringing uniformity in nursing education across India.

#### Who made the changes?

**Indian Nursing Council** had revised and developed the syllabus under **Section 16 of the INC Act**.



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### What are the new additions to the syllabus?

**Medical Ethics:** It has been introduced for the first time.

**Syllabus:** Under the new system, a **credit-based semester pattern** has been adopted. Also, it has included forensic nursing, nursing informatics and ethics in the syllabus.

**Assessments:** Changes have been introduced in the internal assessment guidelines. Now there will be a continuous assessment based on attendance, written assignments, reports and other things.

**Mandatory modules:** The new system has also brought in mandatory modules for each specialisation. Students now have to pass in all mandatory modules placed within courses. Passing marks for each module is 50%.

**Science Students:** Students will only go to the clinical area after the compulsory training in the simulation laboratories. Also, the gazette does not permit the admission for non-science background students for B.Sc. The nursing program and minimum qualifying marks for the entrance test shall be 50%.

### What are the new hospital norms?

**Building:** It is mandatory that an institution shall have its own building within two years of its establishment.

**Hospital Beds:** According to new norms, colleges of nursing should mandatorily have 100 bedded parent or own hospitals. The beds of the parent hospital shall be in the same building/same campus.

**Modification of syllabus:** The revised rules also state that no institution or university will modify the syllabi prescribed by the Council for a course or program. However, they can add units or subjects if required.

### What are the negatives of the new curriculum?

**Exclusion of the disabled:** The **Rights of Persons with Disabilities Act** mandates inclusion of disability rights in higher education. Though the new system includes the pejorative expressions 'handicapped', 'mentally challenged' and physically challenged. It **does not include disability rights and disability competencies.**

**Read more:** [Rights of Persons with Disabilities Act](#)

**Exclusion of gender:** Curriculum also excludes gender expression and identity components which are mandated by **Transgender Persons Act.**

**Read more:** [Transgender Persons Act](#)

### What are the advantages of the new curriculum?

**Quality:** New curriculum will enhance the quality and standardisation of the programme. Based on the new curriculum, simulation-based training is given specific importance.

### 4. A selective nuclear policy

**Source:** This post is based on the article "**A selective nuclear policy**" published in **The Hindu** on **13<sup>th</sup> September 2021.**

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

**Relevance:** To understand the complexities of the North Korean nuclear program.

**Synopsis:** North Korea has maintained a dubious record of its nuclear program. Given its past record, it becomes difficult to access the direction its nuclear program is going to take.

### Introduction

North Korea recently **started its largest fissile material production reactor**. This is the same reactor whose production was ceased in December 2018. IAEA (**International Atomic Energy Agency**) has flagged this as a **violation of the UNSC** (United Nation Security Council) **resolution**.

### North Korea's confusing record of the nuclear program

**1987:** North Korea was added to the terror list following its bombing attack on a South Korean airplane. Ever since then it has been subject to repeated **sanctions** which were **withdrawn, only to be re-imposed**.

In **1994** North Korea **barred the access of IAEA to its reactors**. IAEA in its following reports mentioned that North Korea was generating plutonium from spent fuel. In response, the USA planned pre-emptive precision strikes on the nuclear complex. This was, however, resolved diplomatically through a framework of a peace deal brokered by President Jimmy Carter. Under the deal, **Pyongyang would free all the nuclear activities and allow inspection of its military sites**. In return, **they will be allowed to build two light-water reactors**.

The same activities of North Korea have been repeated again. In June 2008, North Korea **blew up its cooling tower** at Yongbyon complex to show commitment to the US and other countries. This led the USA to ease sanctions on North Korea. However, it barred the access of IAEA inspectors to its reprocessing plant in this complex and later expelled them.

### What is the USA present approach?

President Biden has adopted the pragmatic approach of dialogues and talks. North Korea has hardened its stance as it wants to secure relief from sanctions first.

All this leads to one important question – that can nuclear proliferation ever be controlled, especially when the States see it as a source of power.

### Terms to know

- [International Atomic Energy Agency \(IAEA\)](#)

### 5. The Quad must be flexible to counter China's many strategies across a wide range of issues

**Source:** This post is based on the article "**Power of four: The Quad must be flexible to counter China's many strategies across a wide range of issues**" published in **The Times of India** on **13<sup>th</sup> Sept 2021**.

**Syllabus:** GS 2- International Relation: Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests

**Relevance:** Article stresses on QUAD's multidimensional role for ensuring a free and open Indo-Pacific.

**Synopsis:** The Quad needs to be flexible to counterbalance China across a range of issues, be it Afghanistan or the South China Sea.

### Introduction

Quad is now shaping up as a security-plus platform. Recently, India and Australia held their first 2+2 ministerial dialogue. Militaries of the four countries participated in the Malabar joint naval exercise last year. Also, work is underway to produce and deliver a billion Covid vaccines through the group's network by 2022.

### Why QUAD has a security & civilian component?

Though, China has alleged that QUAD is an Asian NATO, it has been deliberately kept as a high-level diplomatic platform – notwithstanding a separate naval component – to prevent a return to the bloc politics of the past. There are two reasons for this:

**First**, the four Quad nations need to get into the habit of working together. The Covid pandemic and the Galwan valley clashes between India and China last year have seen the group coordinate. But more is needed to achieve regular operational momentum.

**Second**, the Quad also needs to find the optimum and balanced path between security and civilian cooperation because China represents a multidimensional systemic challenge. To counter China, Quad needs to be multidimensional as it is doing presently by working on Covid vaccines, open technologies and resilient supply chains

### What is the way forward?

As the global axis of power shifts partly from the West to the East, **Quad democracies need to shape the Indo-Pacific as a free and open region**. This will give Southeast Asian nations options to resist China's strategy of weaponizing economic interdependencies.

In short, the Quad needs to be flexible to counterbalance China across a range of issues, be it Afghanistan or the South China Sea.

### 6. Shifts and stagnancy in the caste profile of our asset rich and poor

**Source:** This post is based on the article "Shifts and stagnancy in the caste profile of our asset rich and poor" published in **Livemint** on **13<sup>th</sup> September 2021**.

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

**Relevance:** To understand the linkage of reservation policies with development.

**Synopsis:** India's debate on modifying affirmative action policies should be informed by an understanding of the trends observed so far.

#### Introduction

There are increasing demands for a caste census and the removal of a 50% cap on reserved seats for central government jobs and admissions to the central educational institutions.

#### **Read more: Caste based census in India – Explained**

The 50% cap was breached in 2019 when an additional 10% quota came into place for India's economically weaker sections (EWSs) on top of the already-existing 49.5% reservation. (27% Other Backward Classes (OBCs), 15% Scheduled Castes (SCs) and 7.5% Scheduled Tribes (STs)).

In addition to this, various state governments in India also implement their own reservation in the name of affirmative-action policies.

#### **A new study to understand the caste dynamics**

An asset index, using individual-level data from the National Family Health Survey (NFHS) for 2005-06 and 2015-16 has been constructed. It takes into account a wide array of assets like consumer durables and vehicles.

This helps us understand how different caste groups in the country are placed in terms of prosperity and poverty.

It defines the bottom **20% of the population as 'asset poor'** and the **top 20% of the population as 'asset rich'** based on the asset index score.

**Asset-poor:** Those who hold less movable or immovable assets as compared to others.

**Asset-rich:** Those who hold more movable or immovable assets as compared to others.

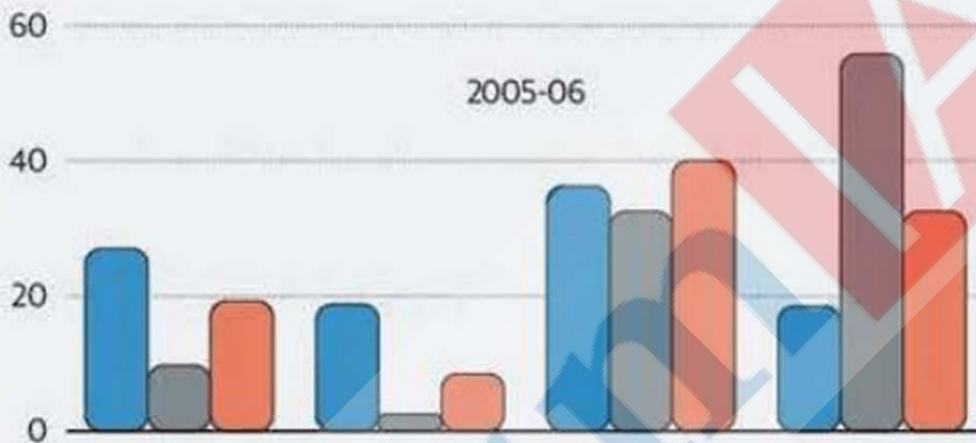
The study compares **changes in the share of each caste group** in India's population over time **and their share among the asset-poor and asset-rich** in India and its major states.

**Findings at all India level**

## Asset asymmetry

Caste variation in ownership of durables, as seen in group representation among the asset rich (top fifth) and poor (bottom fifth), has not changed evenly.

Bottom 20% Top 20% Population (in %)



Source: Authors' estimates

Source:

Livemint

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**OBC:** representation of OBCs in both asset-rich and poor categories is in line with their share in the population. Their share among the asset-rich has seen an increase between 2005-06 and 2015-16.

**Among major states:** OBCs are most over-represented among the asset-rich in Tamil Nadu. They are under-represented in Gujarat, Bihar and Uttar Pradesh.

**SC and ST:** Represented more in the asset-poor category and under-represented in the asset-rich category.

SCs and STs are under-represented in the asset-rich category in all major Indian states, with the most under-representation relative to their population share in Odisha and the lowest in Punjab.

**General Category:** They continue to form a higher share of the asset-rich than their share in India's population. General-category Indians are over-represented in all states among the asset rich.

### How states formation itself can be linked to such variance of the population?

Some states in India **were linguistically formed**, whereas **others owe their formation to similar cultures and ethnicity**. This suggests there may be one of the drivers of the sub-national differences in welfare outcomes in India.

Also, people in **some states tend to be politically aware** and act collectively on a range of issues, while people in other states have **low levels of political awareness and have a deeply divided society**.

### What should be the future research?

More work is needed to **understand how State policies have contributed to the advancement of different groups** in different categories. Such studies would also **help states** in making **evidence-based policies for affirmative action**.

### Terms to know

- [What is National Family Health Survey](#)

## 7. Regulatory limbo: Digital markets are fast expanding. We need an umbrella law for platforms

**Source:** This post is based on the article **“Regulatory limbo: Digital markets are fast expanding. We need an umbrella law for platforms”** published in **Times of India** on **13<sup>th</sup> Sep 2021**.

**Syllabus:** GS2 – Government Policies and Interventions for Development in various sectors

**Relevance:** Regulation of digital markets.

**Synopsis:** India needs to speed up its regulatory architecture in line with the pace of adoption of digital marketplaces.

### Introduction

One consequence of lockdowns imposed across the world during COVID was the quickening pace of economic transactions shifting from physical to digital marketplaces.

Eighteen months since the pandemic hit, societies have moved towards more engagements online. However, regulatory architecture hasn't kept pace. It has large gaps when it comes to dealing with digital markets.

Now, we have reached a stage where this slow pace may have an adverse impact on the nature of digital markets.

### Why a new regulatory architecture is essential?

Digital markets have a set of unique features that make the need for a new regulatory architecture essential.

**Economies of scale:** They offer otherwise unavailable economies of scale where, following a high initial cost, incremental customers can be added at practically no cost. This makes for the so-called **network effect**: an increase in the number of participants concurrently enhances the value of a service.

**Huge amount of data:** Also, the ability to accumulate huge amounts of data on users offers economies of scope inconceivable for a dominant firm in a traditional industry like steel or cement. To illustrate, Amazon started as an online bookstore less than three decades ago and is now among the world's top five firms by sales.

**First mover advantage:** Unique features of digital markets also confer a set of advantages to first movers that can potentially kill competition. In this context, the danger comes from large digital platforms that start off as mere intermediaries, but later also compete against businesses using their platform. There's an inherent conflict of interest in simultaneously being player and referee.

### What is the way forward?

The inaction in regulatory space means that early-mover advantages available to some firms may weaken the competitive nature of the market. Temporary regulations covering platforms in standalone areas such as e-commerce may create new distortions. A sector-specific approach is a bad idea.

What India needs is a **comprehensive umbrella legislation** to cover digital platforms. A delay could lead to irreversible distortions.

## 8. How to boost financial inclusion

**Source:** This post is based on the article "**How to boost financial inclusion**" published in **Indian Express** on **14th September 2021**.

**Syllabus:** GS2 -Growth, Development and Employment.

**Relevance:** Financial inclusion and formalization of MSMEs.

**Synopsis:** Greater flexibility in financial products will lead to greater inclusion of nano-enterprises, a segment which is critical to the growth of our rural economy.

### Introduction

There are 63.4 million MSMEs in India, 99% of which are micro enterprises with less than Rs 10 lakh in investment. These **tiny businesses** are run by **nano-entrepreneurs**, a growing segment that is absolutely critical to the growth of our rural economy.

For daily wage earners such as vegetable sellers, loan flexibility is given only by the moneylender and not by the bank.

### What is the present situation wrt formalization of nano-enterprises?

If we assess our progress against the definition of "**financial inclusion**" i.e. accessibility of banking and availability of credit, we have made significant progress.

However, if we question the adequacy of the financial products that they find access to, we fall short. Financial inclusion is not the same as **financial integration**.

The journey from inclusion to integration is not only about making products available and accessible, but also about making them relevant, applicable, and acceptable.

### What are the associated challenges?

#### Supply side issues

**Risk associated and no customer-centric products:** limited risk appetite, lack of data on customers and challenging regulatory oversight and agile capital makes it difficult to design bespoke products.

**Apathy of bankers:** Bankers and private financial institutions believe that a poor person takes a microcredit loan because she cannot save. In reality, they are able to save because of village postal agents who collect their savings from their doorstep.

**One-size-fits-all is no longer viable:** Products must be designed and delivered intelligently to meet the customer where they are, and by keeping in mind that they use products to reach their goals.

In the traditional financial system, the design, expensive technology development and brick-and-mortar infrastructure, distribution cost on financial products contribute to an **impractical model**.

Consequently, financial service providers are not attempting to reach rural and financially excluded areas.

#### Demand side issues

**Financial literacy and technology readiness:** Financial education assists people in making sound financial decisions. These are not just challenging of the Indian market, but other economies too.

### What is the way forward?

First, **tailoring the products to the needs and income profile** of the customer, including being cognisant of their environment, geography, and demography.

Second, use the **power of machine learning and cloud infrastructure** to lower operating costs while offering customers affordable, bespoke financial products that help them reach their goals.

### 9. Women self-help groups: Funding alone does not work; the government needs to listen in

**Source:** This post is based on the article “**Women self-help groups: Funding alone does not work; the government needs to listen in**” published in the **Down to earth** on **13<sup>th</sup> September 2021**.

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

**Relevance:** Strengthening women-SHG

**Synopsis:** Women-run SHGs form the backbone of our country. In order to help them to sustain for a long period, government needs to frame proper policy and provide ecosystem to the SHGs other than providing funding to them. As a whole, institutional support is needed to fully exploit their potential.

#### Introduction

Women-run SHGs form the backbone of our country. During the pandemic, they manufactured essential medical products such as masks, sanitisers, protective equipment and ran community kitchens, provided financial support to the vulnerable and communities.

The World Bank gave \$750 million in financial support to National Rural Livelihoods Mission whose aim is to eradicate poverty in India.

A lot more needs to be done.

### **How SHGs sustained during COVID-19 pandemic?**

The novel coronavirus disease (COVID-19) pandemic derailed several growth initiatives in India. Despite COVID-19-induced difficulties and socio-political pressure, women-run SHGs successfully established social well-being in their communities.

**Financial initiatives:** The government of India announced financial support to over 0.4 million under the Atmanirbhar Bharat (self-reliant India) programme. The central government has provided financial support to Micro Food Processing Enterprises (PMFME) and Farmer Producer Organizations (FPOs) as well.

**Government initiatives have also encouraged women citizens to have a bank account,** which has made it easier to procure loans for SHGs. SHGs, in turn, have shown satisfactory results by bringing down banks' non-performing assets.

### **What are the challenges faced by the women-SHG?**

Despite scopes and capability, some SHGs are unable to develop into full-fledged organisations because of the following reasons:

- i). Lack of understanding about core values of business
- ii). A loss of interest in doing business due to socio-cultural pressure
- iii). Poor presentation skills
- iv). Zero knowledge transfer
- v). Poor financial knowledge
- vi). Feeble management framework
- vii). Lack of understanding on importance of United-Nations mandated Sustainable Development Goals
- viii). Poor marketing and promotional skills

### **How we can alleviate the problems faced by the SHG?**

- i). Large-scale projects should be implemented
- ii). The government should work on creating a gender-neutral ecosystem for women entrepreneurs, develop adequate infrastructure, provide training and destroy red-tapism.
- iii). Specialised training should be given on climate change, clean energy, disaster management, water, etc
- iv). Women SHG members should be inspired to explore other sectors as agriculture, handicrafts, renewables, watershed development, alternative tourism, finance, education
- v). CSR support, international funding, multilateral bank support should be given to SHGs so that they can shape themselves into a corporate entity
- vi). Innovative ideas should be incubated by the top-most institutes of India
- vii). A dedicated grievance resolving mechanism should be set up
- viii). Assessment and livelihood support plan will help stakeholders to support women SHGs
- ix). Integrated common facility centre will help promote activities

## **10. COVID-19, kidney injury and need for vaccine shot**

**Source:** This post is based on the article "COVID-19, kidney injury and need for vaccine shot" published in **The Hindu** on **14<sup>th</sup> September 2021**.

**Syllabus:** **GS-2** Issues relating to development and management of Social Sector/Services relating to health.

**Relevance:** To study the impact of corona on the kidneys.

**Synopsis:** Covid-19 pandemic has long-term effects on internal organs. This article deals with issues with its impact on Kidney.



**Introduction:**

COVID-19 damages many organs including the lungs, heart and kidneys. A severe form of the disease is seen in older adults and people with chronic heart, kidney and lung diseases, diabetes or other conditions that render the immune system weak.

**What is the impact of Covid-19 on kidneys?**

**Kidney injury:** More deaths are reported in those who have acute kidney injury. Research, in **Southern India**, reported **prevalence of kidney injury was 7%** in a study of 2,650 patients admitted to a large hospital.

**A USA Study** reported kidney injury in as many as 46% of 3,993 hospitalised patients, of whom 19% required dialysis.

**What were research findings on the impact of the pandemic on the Kidney?**

Researchers have been doing the **study to understand the microscopic changes in kidneys** in people infected with Coronavirus. They have found that:

Thrombi or blood clots, as seen in the lungs and heart, may also be seen in the kidney. They have also found Inflammation (influx of white blood cells) in the kidney.

**Mayo clinic research:** It showed that Kidney damage may occur due to a strong immune response in the kidney. The immune response was seen in all parts of the kidney tissue, including the small blood vessels and in the glomerulus (filtering unit of the kidney). This was mostly seen in those with severe cases of COVID-19.

**What are the experts' suggestions?**

Experts suggested that the kidney injury in severe COVID-19 behaves similar to kidney injury from sepsis, which is the body's extreme response to an infection.

**How can we manage the impact of Covid-19 on other body parts?**

**First**, use the patient specimens collected during the pandemic and gather and store data for current and future use.

**Second**, A study of COVID-19 associated tissue injury has to be conducted among different populations to understand the issue further.

**Third**, by using state-of-the-art technology tools, we can analyse the body's immune response and the impact of Covid-19 on various body parts.

Taken together, the severe kidney injury seen in COVID-19 further supports the need for widespread vaccination to protect everyone from this viral infection.

**11. Political incentives for populism could let India's democracy down**

**Source:** This post is based on the article "**Political incentives for populism could let India's democracy down**" published in **Livemint** on **14<sup>th</sup> September 2021**.

**Syllabus:** GS 2 – Good governance.

**Relevance:** To understand how democracy switches between populism and reforms.

**Synopsis:** A democracy claims to represent the majority or the will of the people. However, often it seems to represent the will of a well-organized minority.

**Introduction**

The struggles of democracy to meet the conflicting demands of the electorate are well known. This was on display in 2018 in Goa when taxi drivers came head to head with the government decision to open doors for Uber and Ola.

### About the issue

Taxi drivers dominate the local transport in Goa. Even the public was tired of bullying. Driven by these issues Government decided to open the doors for Ola and Uber. However, soon the issue turned political. The entire state came to a stand-still and the Government had to concede the demands of the taxi drivers.

This shows that **Government responds more to a well-organized minority than responding to a loosely aggregated majority**. Such responses have the potential to block the reforms as the general or larger public loses out.

### How reform-oriented leaders can shape the policy?

In the '90s, despite criticism by crony capitalist and socialist factions, Mr **PV Narsimha Rao went ahead with economic reforms**. These reforms helped propel India on a growth path and also lifted 200 million people out of poverty.

### Reform vs populism

**Reforms are the only means to institutionalize development**. However, democracy has the potential of responding positively to well-organized minorities.

When the self-interest of citizens gets impacted by the government decision, they tend to respond keeping their self-interest in mind. When everyone does this, it will lead to an inefficient and incompetent governance system.

### How the Chinese system escapes this?

In China, the reforms are based on economic performance and growth. Thus, Chinese politicians cannot be influenced by a minority electorate that seeks to hold the system.

### What does prospect theory say about the loss to the government?

Prospect theory is a theory of behavioural economics and behavioural finance. It states that losses and gains are valued differently, and thus **individuals make decisions based on perceived gains instead of perceived losses**. This theory helps in the process of decision-making under conditions of risk.

Prospect theory shows that **the impact of loss is twice as powerful as the potential gain**. This political calculation allows a small minority to hold state and reforms to ransom. The response of leaders to such scenarios is what separates populist leaders from pragmatic policy-oriented leaders.

### What should be the way ahead?

Democracy, instead of representing the will of the people, tends to represent the will of the vocal people. So, we should have a proper system where the well-considered will of the majority is promoted.

## 12. Can the Shanghai Cooperation Organisation be the regional body that stabilises Afghanistan?

**Source:** This post is based on the article “**Can the Shanghai Cooperation Organisation be the regional body that stabilises Afghanistan?**” published in the **Indian Express** on **14th September 2021**.

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

**Relevance:** This article explains the reasons for the failure of SCO.

### Synopsis

The crisis in Afghanistan presents a major opportunity for the SCO to realise its regional ambitions.

### Introduction

The **Shanghai Cooperation Organisation's** (SCO) importance for Afghanistan seems self-evident if one can see its member and observer nations.

Its founding leaders are the two great powers of the east — Russia and China. Its other initial members were Uzbekistan, Tajikistan, Kyrgyzstan, and Kazakhstan to the north and northeast of Afghanistan. India and Pakistan were inducted as full members in 2017. Besides Afghanistan, Iran, Belarus and Mongolia are observers.

**Read more:** [Shanghai Cooperation Organisation \(SCO\)](#)

### The Shanghai Five and SCO

The SCO was preceded by the creation of a “**Shanghai Five**”— **Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan**. The purpose of the Shanghai Five was to **stabilise this frontier**, as well as build on the **shared Sino-Russian interest in preventing American meddling in Central Asia**.

### What are the issues associated with the SCO?

**Did not deepened regionalism in Central Asia:** Two decades after its formation the institutional promise of the SCO remains just as promise.

*Different interest among Russia and China in Central Asia*

**For providing security:** While military confidence building measures have grown under the SCO banner, Russia had its own security organisation for the region named **Central Security Treaty Organisation (CSTO)**.

Members of CSTO include three members of SCO (Kazakhstan, Kyrgyzstan, and Tajikistan) and Armenia and Belarus.

Russia sees **itself as the sole protector of the former Soviet Republics** and may **not be ready to share that role with China**.

**For trade relations:** Russia prefers the **Eurasian Economic Union (EAEU)** under its own leadership to promote trade integration in Central Asia.

**Read more:** [Eurasian Economic Union \(EAEU\)](#)

**China is not a member of either CSTO or EAEU.** This is one reason for the weakness of SCO regionalism.

*Quarrels within other members on regional security challenges*

**Uzbekistan** seems open to a cautious engagement with the Taliban.

On the other hand, **Tajikistan** and **Iran**, due to the ethnic and linguistic links with the **Tajiks in Afghanistan**, has been critical of Kabul's evolution under the Taliban.

**India and Pakistan**, needless to say, are **poles apart** on the Taliban.

### What should India do?

Given this divergence, it is unlikely that the SCO can come up with a “regional solution” for the Afghan crisis.

So, in the upcoming SCO Summit, India should remind other leaders of the “three evils” that the SCO set out to defeat — **terrorism, extremism and separatism**. Further, India

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should **focus on finding common ground** with those members of the SCO who do share India's concerns about Afghanistan.

### 13. Archakas of all hues : About reforms in Temples

**Source:** This post is based on the article “**Archakas of all hues**” published in **The Hindu** on **14<sup>th</sup> September 2021**.

**Syllabus:** **GS-2** mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

**Relevance:** To Understand the reforms made in temples and their Judicial observations.

**Synopsis:** The reforms made by the Tamil Nadu government in Temples and their acceptance in Court is paving a way for reforms in Temples throughout India.

#### Introduction

Recently, the Tamil Nadu government appointed 24 trained archakas (priests) in temples across the State which come under the control of the Department of Hindu Religious and Charitable Endowments (HR&CE).

#### State and the legislation

The Tamil Nadu HR&CE Act, 1959, is the governing law on the administration of Hindu temples and religious institutions. The State made the amendments to abolish hereditary of priesthood and to appoint sufficiently trained Hindus irrespective of their caste as archakas. The Supreme Court upheld the law and the amendments.

#### Judicial observations on discrimination

In **Adi Saiva Sivachariyargal v. Govt. of Tamil Nadu case**, the SC observed that “the **constitutional legitimacy**, naturally, **must supersede all religious beliefs or practices**”. The Court further stated that any **appointment that is not in line with the Agamas** will be **against the constitutional freedoms** enshrined under **Articles 25 and 26 of the Constitution**.

In **Indian Young Lawyers' Association v. State of Kerala** (the Sabarimala case) and **Joseph Shine v. Union of India** (2018) cases the Supreme Court reiterated the need to **eliminate “historical discrimination which has pervaded certain identities”, “systemic discrimination against disadvantaged groups”, and rejected stereotypical notions used to justify such discrimination**.

In Sabarimala case, the court held that, “in the **constitutional order of priorities**, the **individual right to the freedom of religion** was not intended to prevail over but was **subject to the overriding constitutional postulates of equality, liberty and personal freedoms** recognised in the other provisions of Part III”

#### What is the way forward?

In future, apart from men, **women and trans persons can also be appointed** as archakas. This will help us to attain a vision of a just, equal and dignified society.

### 14. How India ramped up its vaccination drive

**Source:** This post is based on the article “**How India Ramped up its vaccination drive**” published in **Live Mint** on **15<sup>th</sup> September 2021**.

**Syllabus:** **GS-2** Issues relating to development and management of Social Sector/Services relating to health.

**Relevance:** To study the issue of vaccine hesitancy.

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**Synopsis:** India's vaccination drives have evolved over the last two decades. It has overcome not just scientific challenges, but also social issues like hesitancy.

### **Introduction**

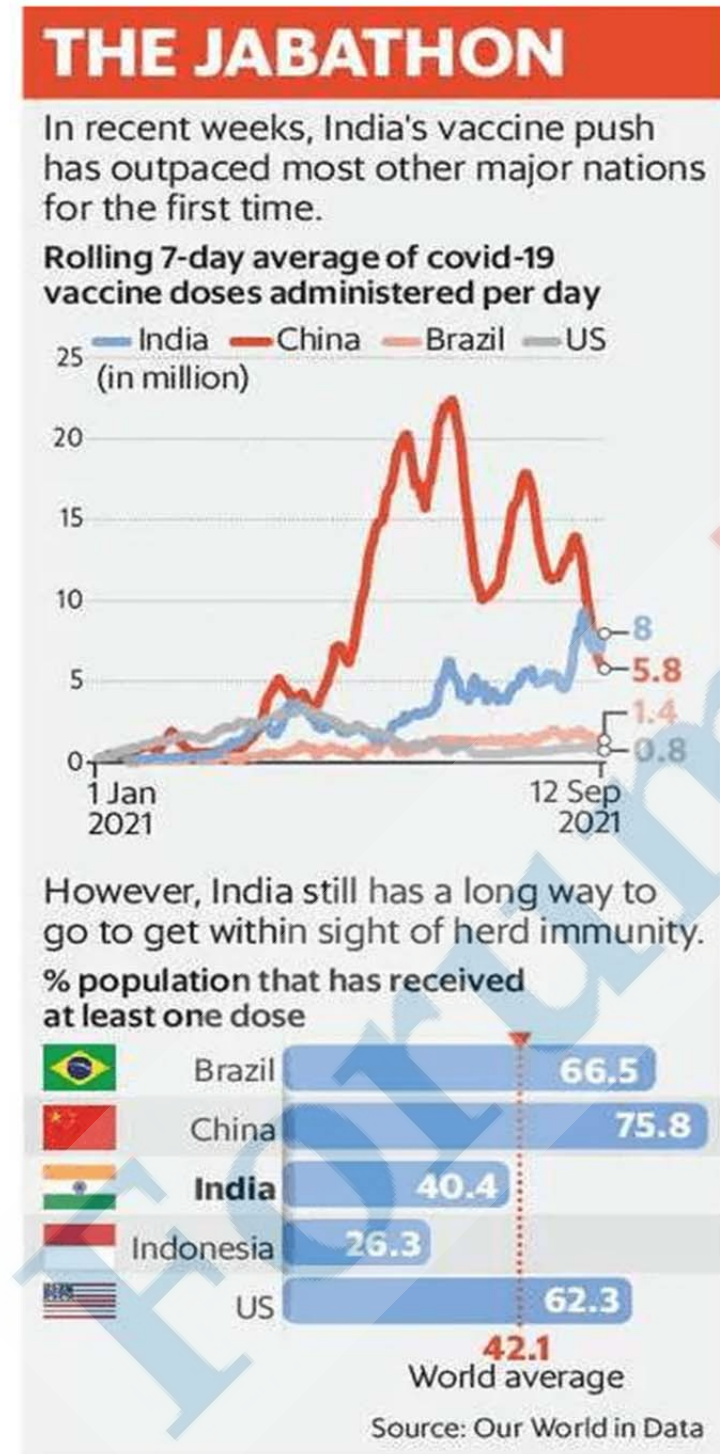
India's health infrastructure was put under severe stress by the 2<sup>nd</sup> COVID wave. The best remedy to prevent recurrence is to complete the vaccination drive. However, Vaccination faces a great challenge of social hesitancy, with people running away from the vaccine and vaccination drives.

### **What were the apprehensions of the people on Vaccination?**

In general, people are scared of medicines. Some believed that **vaccines are not effective**. Some people were worried about the **reactions to the vaccines** like fever. While others, particularly in **tribal belts of Rajasthan**, thought that **vaccines** are meant to **target the leftover people of their tribes**. So appropriate strategies had to be devised.

**Read more:** [Intellectual Property Rights\(IPR\) and Universal Vaccination – Explained, Pointwise](#)

What were the strategies adopted for overcoming the social hesitancy?



Source: Livemint

**Doctors worked with ASHA workers** to spread the awareness from door to door. **Doctors also visited the Temples, mosques** etc to rope in the people for the vaccination drive.

There were different factors that motivated the doctors. Some were **driven by the targets** that were given by the administration. Some **want to vaccinate their entire district** in record time.

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Prominent rural personalities like village Sarpanch, Teachers and other functionaries were used as means to spread the message.

Even places like **MGNREGA worksites were visited to educate people** about vaccination.

Even emotional messages like the impact this may have on their loved ones were used to convince people.

All this turned out to be significant as gradually people started coming to vaccination centres.

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

### What is the way forward for the vaccination drive?

There are some issues like the **last-mile delivery of the vaccines**. To address this, India needs innovative approaches. For example, the Telangana government has started delivering vaccines through the Drones **under medicine from the sky' project**.

**Read more:** [Explained: Telangana's idea of supplying medicines to remote areas by drones](#)

A study in the **Indian Journal of Public Health** noted that the **Indian vaccination program has matured and evolved over the last few decades**. The current ratio of rural to urban vaccination is 2.3:1, implying that the **rural population is vaccinated more than twice of the urban population**. If this continues, India may soon attain its target of immunizing all its adult population well within the stipulated timelines.

### 15. Should children be giving COVID 19 jabs

**Source:** This post is based on "Should children be giving COVID 19 jabs" published in **The Hindu** on **15<sup>th</sup> September 2021**.

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

**Relevance:** Understanding the impact of COVID 19 vaccination on Children.

**Synopsis:** Vaccination has helped the world to overcome the Covid-19 pandemic. However, the debates over-vaccination of Children still continues.

#### Introduction

Covid-19 has impacted all sections of society, especially children. Debates have been going on to initiate Covid vaccination drives for children. This issue was raised, particularly in India, when the reopening of schools was tied to the vaccination of children.

### What are the risks involved with children during the pandemic?

It was found that **Covid has a low impact on children**. Even the newly found variant Delta is not deadly for children. So, the risk of death for children from Covid-19 is extremely low.

In comparison, for persons aged below 25, the risk of traffic accidents or even suicide is about 10 times higher than death due to COVID-19.

**Read more:** [Long term Impacts of School Closure – Explained, pointwise](#)

### What are the Short term effects of Covid vaccines on children?

The risk of Covid vaccines on children is **low, but not negligible**. In the past, there have been instances of side effects, even death, in many countries including India. Considering these, **Australia, the U.K., and many European countries have not recommended the AstraZeneca vaccine (Covishield) for children**.

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The **only vaccines in use for 12+ are the Pfizer and Moderna vaccines**. But these too put children at risk of myocarditis (inflammation of the heart muscle). For example, In USA **one in 6,000 pose a risk of a cardiac adverse event from the Pfizer vaccine** for boys aged 12-15.

**Read more:** [Orphaned Children in India – Explained, Pointwise](#)

### What are the long-term effects of covid vaccines on children?

All the current COVID-19 vaccines being rolled out **have only limited short-term safety data**, as clinical trials are likely to go on till 2023. Also, vaccines like Pfizer and Moderna use new gene-based technology (mRNA). This is different from previous vaccine technology. So, we are **not sure about the long term effects**.

Another issue is that **vaccine makers have been granted zero liability**. This is because they do not want to take the risk, if some side effects of the vaccines emerge after 3-4 years of vaccination.

### What were the lessons of previous vaccination trials and children?

The history of emergency vaccination across the globe has not shown good results.

**Swine flu vaccine:** The swine flu vaccine, Pandemrix, was rolled out in response to the 2010 pandemic. But soon the vaccine was withdrawn as it caused narcolepsy (sleeping disorder) in children.

**Dengue Vaccine Dengvaxia:** The vaccine was withdrawn after 19 children died of antibody-dependent enhancement.

Since the risk of COVID is low in children, one needs to carefully consider the need of vaccinating the children against COVID.

## 16. Partners in the Indo Pacific

**Source:** This post is based on the article "**Partners in the Indo-Pacific**" published in **The Hindu** on **15<sup>th</sup> September 2021**

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

**Relevance:** Strengthening of India-Australia ties.

**Synopsis:** The '2+2' dialogue between India and Australia will provide substance to an already meaningful partnership.

### Introduction

Recently, India and Australia held the inaugural 2+2 talks. The main focus of the dialogue is to implement the vision of a peaceful and prosperous Indo-Pacific Region.

### What are the recent developments in India-Australia Relations?

Common and shared values of democracy, respect for international rule and law have enabled the two to forge strong relations. Further, there are also various collaborations on many issues in bilateral, trilateral, plurilateral and multilateral formats. This is evident in:

**Strategic Partnerships:** They elevated their bilateral strategic partnership to a **Comprehensive Strategic Partnership(CSP)** in June 2020. Both countries have completed one year of their **CSP**.

**Elevated 2+2 Dialogue:** The two countries have elevated their '2+2' Foreign and Defence Secretaries' Dialogue to the ministerial level, emphasises the positive trajectory of their transforming relations.



**Co-operation in Indo-Pacific Region:** Security cooperation has enhanced due to common interest in free, open, inclusive and rule-based Indo-Pacific region. Security dialogues also have been done with key partner countries who share similar interests to strengthen coordination in Indo-Pacific. For example, the **Malabar Naval Exercise** is a step in this direction.

**Read more: The Malabar Exercise of Quad nations, and why it matters to India**

**Trade:** There is a growth in trade between both countries in recent years on various sectors like infrastructure, health, education etc. Two-way trade between India and Australia stands at \$24.4 billion in 2020.

**What are the present challenges hampering India Australia relations?**

**Challenges in India:** India has a **high tariff for agriculture and dairy products**, which makes it difficult for Australian exporters to export these items to India.

**Challenges in Australia:** India faces **non-tariff barriers** imposed by Australia. Also, Indian skilled **professionals face discrimination** in the Australian labour market.

The **Quad has gained momentum** in recent months. The **time is ripe for these countries to deliberate on a 'Quad+' framework**.

**17. Instead of denying slide in democratic values, India must work to fix it**

**Source:** This post is based on the article "**Instead of denying slide in democratic values, India must work to fix it**" published in **Indian Express** on **15<sup>th</sup> September 2021**.

**Syllabus:** GS-2 Important aspects of governance, transparency and accountability.

**Relevance:** To understand how India is responding to the global downgrade of democratic rankings.

**Synopsis:** India's performance in global rankings in political affairs has taken a dip. This calls for deep introspection.

**Introduction**

India has ranked low in various global democracy reports. This is not good for India, as it tarnishes the image of India.

**What are the findings of the various reports?**

**Freedom House Index 2021:** It demoted India's rank from 71 to 67. Now India has been shifted from the "**Free**" to the "**Partial Free**" category.

**V Dem ranking:** It also downgraded India's rank and **labelled the country as an "electoral autocracy"**.

**Economic Intelligence Unit's Democracy Index:** It has also **lowered India's rank from 7.92 in 2014 to 6.61 in 2020**. India's ranking has dropped from 27 to 53 out of 167 countries.

**Reporters without Borders' Press Freedom Report:** It placed **India 167th out of 183 countries**. It has given India a score of 2 out of 4 in terms of press freedom, and has stated that the **Indian press is "partially free"**.

**What are the reasons for the lower rankings?**

There have been many instances where the government crackdown on freedom of speech. Journalists have come under fire, with cases like **sedition** being filed on them. There is an **increase of 165% in sedition cases** between 2016 and 2019. Hate and polarization are increasing in society. There is increased pressure on human rights organizations and civil rights groups.

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This was also **pointed by EIU's Democracy Index**. The Indian government, however, challenged the report. The issue got highlighted when EIU refused to share the data based on which rankings were provided. After this, the Indian government is considering a parallel **global democracy index formulated by Indian think-tanks**.

### **How is the Indian democracy index is formed?**

It is an aggregate of 60 questions. These questions range from electrical process to pluralism. This is a backed-up assessment of the experts. However, the report **does not give the details of the expert assessment**.

### **How do we access the Indian scenario?**

One can question the EIU, but even other agencies have been critical of India.

EIU pointed that the internet shutdown in Kashmir and CAA issues have brought down the Indian ratings.

However, **Kaushik Basu** (former Chief Economist of World Bank) also highlighted the tendencies in India to fabricate data to attack any specific country. This was seen in unemployment data, COVID data etc. Such incidents, according to him, reduce the reputation of any nation.

### **What should be the way forward?**

Indian government often goes into denial mode. We should instead introspect and look for corrective actions that we can take to make our system and society more democratic.

## **18. Democracy of Producers**

**Source:** This post is based on the article "**Democracy of Producers**" published in **Indian Express** on **16th September 2021**.

**Syllabus:** GS2 – Functions and Responsibilities of the Union and the States

**Relevance:** Democracy, creation of welfare state

**Synopsis:** Real democratic freedom is impossible without economic equality.

### **Introduction**

Democracy is about freedom. **Rosa Luxemburg** famously opined that real freedom is the freedom to disagree. In a functional sense, democracy means discussion, debate and dissent. But in India, these are fast disappearing and there is a **deliberative deficit**.

### **How democracy accumulates undesirable tendencies?**

**Shrinking Public space:** There are only some spaces provided by political parties wherein discussions are directed and controlled.

**Inequality:** Structurally, democracy must mean equality, but equality is possible only in a non-hierarchical situation.

**No real decentralisation:** Under democratic decentralisation, what really happened was the devolution of certain centrally determined functions, responsibilities and resources to lower tiers of administration, without changing the power structures.

Hence, **power**, whether at the national, regional, local, corporate or family level, always tends towards **centralisation**.

**Power itself is the problem:** Power is always used by the powerful against the powerless. Thus, the state is an instrument of oppression. The more unequal a society, the more authoritarian the state.

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**Growth of authoritarian State:** In India, because economic inequalities is increasing, the state is becoming more and more authoritarian. India is becoming a democracy without freedom.

**Democracy prefers stability and continuity:** questioning inequities invites draconian laws. For instance, statement in Madras High Court by famous lawyer and human rights activist Kannabiran: "Crime is defined by law, but the criminal is determined by the state." Another example, migrant workers were treated badly in the lockdown and the incident in 2018 in which a starving Adivasi in Attappadi, Kerala, was beaten to death for stealing some food.

### What is the way forward?

**First**, in an **egalitarian system**, state power has no place. **Marx** had said that in a classless society, state would wither away.

**Second**, real democracy is **economic democracy**, as **Ambedkar** stressed. Hence, we need to ensure economic security to all, not through an income transfer programme (universal basic income), but through the **provision of universal property rights**.

**Third**, the poor should be treated not as welfare borrower, but as consumers, active producers, and potential entrepreneurs.

**Fourth**, **MGNREGA** allocation must be utilised not for creating wage-employment but for building the asset base of the poor, developing entrepreneurship among them, building idea/incubation centres and helping undertake production/ business units, individually or on a group basis.

### 19. We Ignore True Secularism At Our Own Peril

**Source:** This post is based on the article " **We Ignore True Secularism At Our Own Peril**" published in the **Times of India on 16th September 2021**.

**Syllabus:** GS 2 Secular feature of Indian Constitution.

**Relevance:** Understanding Indian notion of secularism.

**Synopsis:** Indian state shouldn't be running Hindu temples when it doesn't run mosques, churches, gurdwaras.

#### Introduction

This article highlights the essence of Secularism and how it impacts Indian culture.

#### What is Secularism in the Indian context?

Secularism in the Indian context does not mean that the state will stay away from religion. In India State strives to maintain equal distance and equal engagement with all religions. But it looks like India often fails this secularism test too. This can be seen from numerous cases and examples.

#### Pre Independence India: Before 1947

**1925:** British introduced the **Madras Religious and Charitable Endowments Act**. It brought all religious establishments under government control. But this law faced a lot of opposition from Indian minorities and so was redrafted to exclude Muslim, Christian and Parsi places of worship.

That same year the **Sikh Gurdwaras Act** was passed. It was to bring Sikh places of worship under a Sikh council. In effect, government control was only left in place on Hindu temples.

**Read more:** [Women as temple priests: An idea whose time has come](#)

### After Independence

**Hindu Religious and Charitable Endowments Act, 1959:** This act gives state governments the power to exercise control over the finances of over four lakh Hindu places of worship while leaving out government control on mosques, churches and gurdwaras.

This was followed by similar legislation being passed in most South Indian states. For example, while Tamil Nadu controls and manages 44,000 temples, Andhra Pradesh controls 33,000 temples.

**Read more:** [Archakas of all hues : About religious reforms](#)

### What was the motive behind this legislation?

The intent of such legislation was to **avoid mismanagement and misappropriation of assets** by temple authorities. But this has raised its own challenges. Recently the Madras high court asked the state government to explain how 47,000 acres of temple land had gone missing from records of the state. Courts called it a form of **institutionalized plunder**.

**Read more:** [States control over temples is against Secularism](#)

### What should government do to become more secular?

**Give up control of Hindu temples:** As the acts majorly regulate the Hindu temples alone, this is against the notion of secularism.

**Bring India under Uniform Civil Code:** It would define the framework for marriage, divorce, inheritance and many other areas. The Indian government passed the **Hindu Marriage Act, the Hindu Succession Act, the Hindu Minority and Guardianship Act, and the Hindu Adoptions and Maintenance Act in the 1950s**. But some religions continue to be guided by their personal laws.

### What should be done next?

In recent years there has been much debate about secularism, communalism, fundamentalism, Islamism and Talibanisation and such terms. But amongst all these, we have forgotten that **India is essentially dharmic (Based on Dharma)**.

As opposed to any ideology that attempts to impose a singular truth on a plural world, dharmic philosophy is plural. That is the very essence of the Upanishadic ideal of 'Vasudhaiva Kutumbakam'. The world is one family. If we want true secularism, we should walk the dharmic path.

### Terms to know

- [Vasudhaiva Kutumbakam](#)

### 20. Where is the strategy for dealing with learning loss during Covid?

**Source:** This post is based on the following articles:

- **“Where is the strategy for dealing with learning loss during Covid?”** published in the **Indian Express** on **16<sup>th</sup> September 2021**.
- **“NEP Schools: The Future”** published in **The Hindu** on **16<sup>th</sup> September 2021**.

**Syllabus:** GS 2 – Education.

**Relevance:** Understand the challenges of school education in India.

**Synopsis:** As the schools reopen, it should not just be the regular business. This should be used as an opportunity to revamp the education system.

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### Introduction

COVID has impacted the various sections of society, especially the students. With the question of reopening the schools, the parallel debate is going on how to cover the damage and how to frame the future of schooling.

### What are the recent findings?

A survey named **School Children's Online and Offline Learning (SCHOOL)** was conducted to understand the impact of the prolonged closure of schools due to the pandemic. It provided various data which can be used for analysis for the education policies.

**Read more: [SCHOOL Survey and Long Term Impact of school closure](#)**

### How future schools should be like?

**Extended networks:** Schools should be extended networks rather than being closed classroom communities. Our schooling system has to be shifted from knowledge-centric to skill-centric. As a result of knowledge-centric education, we have job seekers, we hardly have job creators passing out of the school precincts.

**Pro-Active Innovators:** Schools should adopt '**innovative pedagogies**' and '**differentiated instructions**' as per the needs of the learners to enable them to become knowledge creators and, eventually, job creators.

**Future-Oriented:** The future of jobs will have a direct impact on the schools of the future. Students of the future will need a new set of capabilities like – hyper-information, virtual teams, and a constant swing between super speciality and cross-disciplinary skills. So, schools should frame the curriculum according to the need of students.

**Communication:** Schools should forge stronger and more trusting engagement with families and communities. The online world of e-parents-teachers meetings (e-PTMs), e-guidance to parents, and social media-based active communication with parents during the pandemic has opened up an entire world of possibilities

**Innovation:** There is a need to innovate the methods which will reverse the impact of the pandemic. For this, a differential instructions interventions approach should be implemented.

### What will be the way forward?

A simple bridge course as the schools reopen will not solve the long-term challenges. There is a need for the contribution of various stakeholders like educationists, thinkers, practitioners, etc to frame the education policy which is most suited for the future need of students.

### 21. Hardly the India- China century Deng envisioned

**Source:** This post is based on: "**Hardly the India-China century Deng envisioned**" published in **The Hindu** on **16<sup>th</sup> September 2021**.

**Syllabus:** GS 2 India and its neighbourhood- relations.

**Relevance:** Understanding the issues of the India-China relationship.

**Synopsis:** As China becomes increasingly assertive, the options with New Delhi are limited.

### Introduction

This article is highlighting the changing trajectory of India-China relations. As China grows economically and militarily, it seems to be adopting a hardened posture towards its neighbours, including India.

### How both the countries talked earlier tensions in India – China relations?

There have been political tensions between India and China ever since both countries gained independence. Border disputes have been the major cause. Then there is the **issue of Chinese support to its “all-weather ally” Pakistan. Chinese have been sensitive about India’s stand on Dalai Lama** and granting him asylum.

However, neither country had allowed these tensions to derail the bilateral relations. China had declared that the border dispute could be left to “future generations” to resolve, and **India endorsed the “One China” policy, refusing to support Tibetan secessionism.**

**Read more: [Taiwan-China conflict and India’s stand on it](#)**

Thus we can see that both countries have adopted a stance to keep the relations deteriorating beyond limits.

### What are the recent developments in India China relations?

India’s stand on the border has been to manage the border and not provoke China. This has allowed the bilateral trade between the two nations to flourish to \$100 BN. Further, **India** has made it clear that it **will not join USA led policy of containing China.**

In fact, in **2019, to mark the 70th anniversary of formal diplomatic relations** both countries announced they would **conduct 70 joint activities**, improving their trade and supporting scholarly research into their ancient civilizational links.

India also **lifted restrictions on bilateral Chinese investment** in strategic sectors of the Indian economy (ports, airports, power generation and telecoms technology. By 2020, Chinese investment stood at about \$26 billion with infrastructure projects accounting for about half the total.

### How do India and China engage in Multilateral partnerships?

India engages with China on multiple international forums like **BRICS, RIC** etc. India is also a partner in the Chinese-led **Asian Infrastructure Investment Bank** and the **New Development Bank (NDB)**

However, it has become clear that the strategy of sidestepping the controversial issues is not working in the Indian favour.

### How Chinese policy is detrimental to India?

China has adopted a policy of mounting **minor military incursions into India’s northern border**. Their strategy is to control vital points along the LAC so that, when in future there is a discussion on the border, the Chinese will have a default claim on it.

**Read more: [China’s plans for new dams on Brahmaputra River](#)**

### What has been India’s response and strategy?

India mounted a **strong military response in Ladakh (Galwan clash) and halted the Chinese advancement**. India also was able to reclaim finger areas. India also presented an economic response. While acts like **banning Chinese apps** were largely symbolic, **India’s moves to keep the Chinese companies out of 5G** could hurt Chinese interests. India has also placed limits on Chinese investment into critical areas like Railways, Airports etc.

**Read more: [Disengagement agreement at Pangong Tso Lake](#)**

### How Indian response to the Chinese has been measured?

China is India's major trade partner, with a bilateral trade of \$100 Bn. The nature of imports is such that India is dependent on cheaper Chinese inputs for its exports products. Moreover, Indian trade constitutes only 3% of Chinese trade volume. Even critical inputs for medicines and vaccines like API come from China.

This leaves India with an option of either playing a second fiddle to China or forging a multilateral alliance with like-minded countries.

### 22. As children come back to school, they will need both time and patience

**Source:** This post is based on "As children come back to school, they will need both time and patience" published in the **Indian Express** on 17th September.

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

**Relevance:** Understanding the issues of school education post-pandemic.

**Synopsis:** As the schools will soon reopen after the pandemic induced gap, what should be the factors that should drive the education system?

#### Introduction

Pandemic has had a negative impact on the education of children with students facing up to 57 weeks of school closure. They might have forgotten what they had learnt. But there has also been a **loss of foundation abilities** like reading, writing etc. This all has had a great impact on the learning process of children..

#### What are the findings of the report?

**What's next? Lessons on Education Recovery report by UNICEF, UNESCO, World Bank and OECD:** It documents the steps that have been taken to overcome the backlog of learning. Nearly 41% of countries have extended the academic year. 42 % of countries have prioritized certain curriculum areas or skills. Over 2/3rd of countries have implemented remedial measures to address learning gaps.

**Azim Premji Foundation's Research:** It noted that nearly 3/4th of the children in **Class II** have **lost the ability to identify a word in print**. Similarly, in **Class 4th**, the majority of students have **lost the ability to express the gist of a poem**. In **Class VI** more than half the children **lost the ability to write their views on various events** happening around them.

**SCHOOL Survey :** It noted that 42% children in urban areas and 48% in rural areas are unable to read more than a few words. It also indicated that most children across the primary grades have lost the basic abilities of learning.

**Read more:** [Long term Impacts of School Closure – Explained, pointwise](#)

#### How should schools frame their curriculum?

The learning outcomes should focus on the abilities children have to acquire as opposed to the content of textbooks as indicated by the **National Council of Educational Research and Training (NCERT)**. Thus, **learning outcomes of specific subjects must be prioritised**, and the curriculum should be reset, prioritising the need of students.

**Primary schools:** As the primary schools established the foundation of later learning, we need to focus on recovery of foundational abilities in language and mathematics. Along with learning of the current class, **focus** should also be on **relearning from previous classes**.

**Middle school :** Focus should be adopting an integrated approach to achieve learning outcomes across subjects.

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**Secondary and Senior secondary level:** Focus should be on core learning outcomes. Learning process should be mapped to textbooks; and for this level additional material could be developed.

**Teachers:** Teachers should be given the autonomy to determine what and when the children should learn. Changes in curriculum and the approach to teaching-learning would require orientation of teachers.

**Track the performance of students:** There is a need to track the performance of students by **periodic assessments, regular testing, assessments and interactions** with the students. Teachers should also make sure that this process will not demotivate the children.

### What should be the way forward?

We need to understand that students have not just suffered a learning loss, but lost valuable time of learning and growth. The most important thing is to give them time to settle back into routines and cover up what has been lost.

### 23. Recruit transgenders to foster greater diversity

**Source:** This post is based on “**Recruit transgenders to foster greater diversity**” published in the **Livemint** on **17th September**.

**Syllabus:** GS 2 – Mechanisms, Laws, Institutions & Bodies Constituted for Protection & Betterment of the Vulnerable Sections of society.

**Relevance:** Understanding that gender inclusion should also talk about transgender.

**Synopsis:** As society talks more about gender inclusion, we need to take a deeper look at all the dimensions of gender.

#### Introduction

Recently, Tata steels have welcomed transgender individuals as candidates for their job openings. Also, Dutch paints in collaboration with National Small Industries Corp opened a painting academy designed to focus on the training of people who are identified as transgender.

#### What is the court ruling on the transgender community?

**National Legal Service Authority vs Union of India (2014):** The Supreme Court recognized that gender identity cannot merely be binary (male and female). The court also recognized the transgender community as different and identified them as the **third gender**.

So, **in 2020** all central government departments were directed to include transgender as a third gender under India’s Constitution. Recently, **Karnataka** also provided reservations in their **state jobs for transgender**.

#### What is the status?

**Census 2011:** About half a million identify themselves as transgender, still, they are underrepresented.

There are only a few transgenders who have done well professionally like **activist dancer Laxmi Narayan Tripathi, Doctor V.S. Priya, Mayor Madhu Bai Kinna**, etc yet others have regular jobs.

**Read more: [Empowerment of Transgender community in India](#)**

#### How should we promote a gender-inclusive society?

Corporates could take the lead. It could take up the **gender sensitization policies** and encourage a more **gender-inclusive workplace**. It could work to enhance their skills. Small



gestures like **Unisex bathrooms** can have a symbolic effect. Such efforts should also be backed by the State, which can have a transformative effect.

### 24. **E-Shram needs some hard work to get going**

**Source:** This post is based on “**E-Shram needs some hard work to get going**” published in **The Hindu** on **17th September 2021**.

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

**Relevance:** Understanding the E-Shram portal.

**Synopsis:** India’s challenge of providing social security benefits to unorganized workers can be revamped through initiatives like E-Shram.

#### **Introduction**

The **Ministry of Labour and Employment (MOLE)** launched the **E-Shram**, the web portal for **creating a National Database of Unorganized Workers (NDUW)**, which will be seeded with Aadhaar.

#### **What is e-Shram Portal?**

**e-Shram Portal** is a database of unorganised sector workers. It aims to register 38 crore unorganised workers, such as construction labourers, migrant workforce, street vendors etc. It has come into existence after the repeated directives of the Supreme Court and even after passing the **Unorganised Workers’ Social Security Act, 2008**.

**Read more:** [Government of India launches the e-Shram Portal](#)

#### **What are the problems associated with it?**

**Long Process:** Given the size of the Indian labour force, it is going to be a long-drawn process. This is evident as till now, only 0.61 million workers have been registered.

**Data Security:** The measure would require the central government to share data with the state government. However, the data security credential of the State government is doubtful.

**Eligibility:** The government has **excluded workers covered by EPF** (Employees Provident Fund) **and ESI** (Employees’ State Insurance). This would mean that lakhs of contract and fixed-term contract workers will be excluded from the ambit of Unorganised Workers.

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

Under the **Social Security Code (SSC)**, hazardous establishments employing even one worker will have to be covered under the ESI, which means these workers also will be excluded.

Further, the NDUW excludes workers aged over 59 from its ambit, which constitutes **age discrimination**.

**Aadhar Criteria:** Aadhaar-seeding is a controversial issue. Many workers will not have an Aadhaar-seeded mobile or even a smartphone.

**Identity:** Many unorganized workers are circular migrant workers. They quickly shift from one trade to another. Many others perform both formal and informal work, e.g. during non-office hours, some may belong to the gig economy like an Uber taxi driver or a Swiggy employee.

- This creates confusion on multiple fronts. Firstly, MOLE has included gig workers in this process, but there is confusion whether gig/platform worker can be classified first as a worker at all (the other three Labour Codes do not include these workers).
- Secondly, their classification as organized or unorganized workers is also not clear. The definition of an “unorganized worker” in the Social Security Code does not include them.

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**Dependency:** The central government will have to depend on the state governments for this project to be successful. Given political issues between different parties ruling states, this can be challenging.

**Corruption:** Concern about corruption also exists, as middle-service agencies such as Internet providers might charge high charges to register and print the E-Shram cards.

### Why E-Shram portal is vital?

E-Shram is a vital system to provide invisible workers much-needed visibility. It will provide the Labour Market Citizenship Document to them. It will also link delivery of all kinds of benefits and voices to workers/citizens, viz. **One-Nation-One-Ration Card** (ONOR), E-Shram Card (especially bank account seeded) and the Election Commission Card.

### 25. Going down the wrong path

**Source:** This post is based on “Going down the wrong path” published in **Business Standard** on 16th September 2021.

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

**Relevance:** To understand India’s ranking in various international reports.

**Synopsis:** India slips on indices of freedom and the government has not even acknowledged there is a problem.

#### Introduction

Recently, the government decided to leverage the **monitoring of select Global Indices** to drive reforms and growth in the country”. **The Development Monitoring and Evaluation Office** of the NITI Aayog, set up in September 2015, will monitor the indices.

It would track India’s performance in **four** categories — **industry, development, economy, and governance**. The aim is to use these Indices as tools for systemic reforms in the policies and processes. As this would help in improving investor confidence, creating a conducive ecosystem for investment and enhance ease of living”.

#### What are the findings of various reports on India’s Democracy and civil liberties?

**CIVICUS National Civic Space Ratings:** India has gone from the “Obstructed” to “Repressed” category.

**Freedom House Freedom in the World:** India has gone from the “Free” to the “Partly Free” category.

**Access to Info RTI Ratings index:** India has fallen four places for being “less transparent” in government.

#### What are the findings of various reports on Employment?

Similar performances have been seen in the economy and employment sector. In most of the reports, India’s ranking has been slipped down.

**United Nations Development Index,** India has gone from 130 to 131 out of 189 countries.

**United Nations Happiness Report:** India has fallen 22 places. India has been placed at 139th position out of 149 countries.

**International Food Policy Research Institute’s Global Hunger Index:** India has fallen 39 places even ranked below Pakistan, Bangladesh, and Nepal.

### What are the platforms where India scored better?

India has shown improvement in other global reports World Bank's **Doing Business Report**, **Global Terrorism Index**, World Bank's Logistics Performance Index, **Global Innovation Index**.

### What are the reasons for the lower rankings in the above categories?

The indices are reflective of data that the government itself puts out in many ways. But despite that, the government is not acknowledging the rankings. Given the NITI's monitoring system, and , this trend is likely to continue.

**Read more: [Instead of denying slide in democratic values, India must work to fix it](#)**

## 26. **Two democracies and their vigilante problem**

**Source:** This post is based on the article “**Two democracies and their vigilante problem**” published in **The Hindu** on **17th September 2021**.

**Syllabus:** GS 2 – Criminal justice system.

**Relevance:** Understanding the notions of the word – vigilante.

**Synopsis:** With incidents of mob justice and vigilantism increasing, it becomes important to understand the dimensions of the word Vigilante.

### Introduction

This article highlights how the word “Vigilante” has different meanings in two different democracies.

### What is Vigilantism?

It is a process of law enforcement undertaken without legal authority by a self-appointed group of people. Or It is the practice of ordinary people in a place taking unofficial action to prevent crime or to catch and punish people believed to be criminals:

**Vigilantism In the case of India:** Vigilant behaviour can be seen through incidents like beating couples on Valentine's Day, love jihad etc. It is considered anti-democratic. Law and order machinery takes punitive actions varying from police cases to arrest of the accused.

**In the USA:** The criticism is guarded and balanced. In fact, the laws in the USA make vigilantism respectable.

E.g. in the USA, “**Citizen Arrester**”(Vigilantee) enjoys the legal status and his/her actions are protected by law. Laws in the USA permit an individual to pursue and arrest a person accused of breaking the law.

### How the USA allows the practice of Citizen Arrester?

It is carried from the legal convention of 12<sup>th</sup> century Common Law, which was prevalent in England. This law allowed a Citizen arrester to physically arrest a person who has been accused of breaking a law. There are procedures to be followed, safeguards and risks involved for wrongful arrest. Given its potential for abuse, there are debates regarding the need to reduce its scope. However, recent legislation in the USA seems to encourage citizen arresters.

### USA's legislation to promote citizen arresters

Recently, Texas introduced the **Heartbeat Bill**, which prohibits abortion of any child after the foetus registers a heartbeat (about 6 weeks into pregnancy). Further, this bill provides an award of \$10,000 to anyone (including a Vigilantee) who can sue abortion providers. Thus, anyone who helped in the abortion process, from the taxi driver who drove the women to the hospital or the doctors and nurses etc. can be sued by any citizen.

In another incident in the USA, a bill had to be passed for voter reforms. In that, the experts pointed that the **representatives were more worried about citizen representatives than the officials** themselves.

### What needs to be done?

The oldest and the largest democracies, it seems, both have a vigilante problem today. So, the trend of the State asking citizens to do its duty – like arresting offenders, needs to be checked, given its potential of misuse.

## 27. Breaking the Glass Walls: On gender equality

**Source:** This post is based on the article “**Breaking the Glass Walls**” published in **Indian Express** on **18<sup>th</sup> September 2021**.

**Syllabus:** GS2 – Protection and Betterment of Vulnerable Sections.

**Relevance:** Gender equality in India

**Synopsis:** We need to foster diversity, equity, and inclusion in science. Barriers that these biases enforce for women must be knocked down at every level.

### Introduction

Gender equality is a **moral, business and an intellectual imperative**. It is non-negotiable and independent of profession or affiliation or gender. Gender equality benefits both men and women.

### What are the impacts of gender bias?

**Inequity:** Stereotypes related to gender brilliance or gender-based intrinsic aptitude generate inequity which remains unnoticed.

**Less opportunities:** Due to deep-rooted biases, it is difficult for women to access many experiences and networks that are easily accessible to men.

**Societal barriers and norms:** Personal barriers include notions of compromise and sacrifice that are ingrained in women. This feeds into how women present themselves. External barriers and cultural cues reinforce how men and women “ought” to behave.

**Less self-confidence:** Our socio-cultural constructs reflect absolute patriarchy causing even women to be sceptical about their abilities, to accept the roles set for them in the household.

**Gender segregation and glass walls:** more men in **strategic functions** and women in support functions.

These “glass walls” occur through a combination of **unconscious biases** in career and recruitment processes, benevolent sexism which prevent women from certain occupational choices.

### How the problem in India is different from the problem in the West?

**Higher enrollment in India:** many girls in India study STEM (science, technology, engineering and mathematics) subjects, but the number of women who stay on and pursue higher degrees and then go on to higher positions are fewer.

**No decision-making power:** a woman’s well-being and dignity are not necessarily in her hands.

**A strange paradox:** There are women in powerful positions in many fields but, at the same time, several women have minimal rights.

For instance, In New Delhi, there have been many powerful women. However, the high rate of crimes against women, including murder, rape, and female infanticide, in the nation’s capital shows that **political power and intellectual presence are not transferred**.

### What is the way forward?

**First**, it is essential to **create awareness of inherent injustice and biases**. There has been a very gradual change in the representation and the status of women globally. The rate of change definitely needs to increase by several orders of magnitude.

**Second**, fostering equality requires overcoming social, economic and cultural barriers, and implicit biases at the grassroots.

### 28. Explained: The AUKUS agreement to equip Australia with n-subs – About Nuclear Submarines

**Source:** This post is based on the article “**Explained: The AUKUS agreement to equip Australia with n-subs, and why it has upset France**” published in **The Indian Express** on **17th September 2021**.

**Syllabus:** GS 2 – Important international groupings.

**Relevance:** To Understand the difference between conventional and nuclear-powered submarines.

**Synopsis:** This article explains the difference between conventional and nuclear-powered submarines. Further also explains India’s nuclear-powered submarines.

#### Introduction

Recently a new Trilateral Security Partnership grouping has been formed between the **US, UK and Australia (AUKUS)** for the Indo-Pacific. As part of this, **Australia will acquire nuclear-powered submarines** with help from the U.K. and the US within 18 months.

Only a handful of countries possess nuclear-powered submarines. These include **the US, the UK, France, Russia, China, and India**. With the AUKUS partnership, Australia will also join these elite countries.

**Note:** India is the **only country outside the P-5** (US, UK, France, Russia, China) **to possess a nuclear-powered submarine**.

**Read more:** [US, UK, Australia form new partnership](#)

### What are the disadvantages of diesel-engine submarines?

**Conventional diesel-engine submarines** have batteries that keep and propel — though not very fast — the vessel underwater. The life of these batteries can vary from a few hours to a few days.

The newer **Air-Independent Propulsion (AIP) submarines** have additional fuel cells that allow them to stay underwater for longer and move faster than the conventional vessels. However, the fuel cells are used only at strategic times, when the endurance to remain submerged is required.

Both conventional and AIP subs need to **come to the surface to recharge their batteries** using the diesel engine. However, the **fuel cells of AIP can only be charged at on-land stations**, not while at sea.

### What makes nuclear submarines so important?

A nuclear-powered submarine is classified as an “SSN” under the US Navy hull classification system, wherein ‘**SS**’ is the symbol for **submarine**, and ‘**N**’ stands for **nuclear**. A nuclear-powered submarine that can **launch ballistic missiles is called Strategic Strike Nuclear Submarine or “SSBN”**.

The great advantage of a Nuclear-powered Submarine is that its nuclear-powered propulsion **gives the submarine a near-infinite capacity to stay dived**. Since it is propelled

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by a nuclear-powered engine rather than by batteries, it **does not have to emerge on the surface at all, except to replenish supplies** for the crew.

Further, They are also able to **move faster underwater than conventional submarines**. Added together, these advantages allow a navy to deploy these submarines quicker and at farther distances.

So, they can go long distances without being detected. This provides an option to the country **to protect its interests far from its shores**.

### **About the Nuclear-powered Submarines of India**

India has had this capacity since it got the Soviet-built K-43 Charlie-class SSN in 1987. It was commissioned with the Red Fleet of the USSR in 1967, and it was leased to the Indian Navy. In India, it was rechristened INS Chakra. The submarine was decommissioned in 1991.

In 2012 India got another Russian SSN on a 10-year lease, called INS Chakra 2.

In the meantime, India was working on **building its own SSN**, and the first Indian nuclear submarine, the **INS Arihant**, was commissioned in 2016.

A second Arihant-class submarine, **INS Arighat**, was secretly **launched in 2017**, and is **likely to be commissioned soon**.

India also **demonstrated the capability to launch nuclear weapons in 2018**, the **INS Arihant is now classified as a Strategic Strike Nuclear Submarine or SSBN**. This is significant, as INS Arihant completes **India's nuclear triad**.

**Note:** Nuclear Triad means that the country has the capacity to launch nuclear missiles from land, aircraft, and submarine.

### **29. Dominance by default: How China was handed East Asia on a platter**

**Source:** This post is based on the article "**Dominance by default: How China was handed East Asia on a platter**" published in the **Business Standard** on **18th September 2021**.

**Syllabus:** GS 2 – Effect of Policies & Politics of Developed & Developing Countries on India's interests.

**Relevance:** To understand China defence architecture in relation to other countries.

**Synopsis:** Anyone within range of China's expanding navy will have to build capabilities faster and/or work more closely with the US.

#### **Introduction**

The article highlights how China, over the years, has strengthened its military capabilities while other countries are lacking behind.

#### **What is the defence expenditure of various countries in comparison to China?**

**USA:** In 2000, China's defence expenditure **in relation to the US** outlay was 1:11. According to the **Stockholm International Peace Research Institute (SIPRI)**, by last year, that ratio had changed to 1:3.

**Japan:** China's defence outlay multiplied six-fold, while Japan's stayed where it was. It spends less than 1 per cent of its GDP on defence.

**Australia:** Its defence expenditure has increased, but spending is still less than doubled.

**Other East Asian Countries:** The smaller countries with whom China contests ownership of various islands in the South China Sea did better, roughly tripled their combined defence outlay. But none matched with China.

**European powers:** They have raised their defence outlays by less than 20% over 20 years.

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All these countries in the region, taken together, spent **only two-thirds of what China did on defence last year**. They mostly rely on the US for a security umbrella. But when the USA is non-committal on providing security cover to Taiwan, this support can no more be relied on.

### In context to navy

**China:** It took nearly 30 years to first upgrade its navy. Now it is undertaking an expansion of its fleet. Now it has the capability to deploy its entire navy in its regional waters and the Western Pacific in contrast to the USA, which can deploy only a part of its fleet in the area.

**India:** It has done better than others in increasing defence outlays. But the number of front-line ships and submarines has not increased much.

Chinese has developed advanced long-range missiles. They are a threat to the navy's surface ships. On the other hand, India struggles to develop even a mid-range, sub-sonic cruise missile — the Nirbhay.

**USA:** It has fewer front-line naval ships (under 300) than China. On the Ship to ship category, the US is still superior, but China has been commissioning new ones at twice the US rate.

This explains why the USA is looking for a limited goal of deterrence. It is in need of alliances to secure its dominance. This explains the recent announcement of **AUKUS**. The USA has strengthened its military hold over the region by providing nuclear submarines and technology to Australia. If Japan can take similar steps, the USA will have a formidable presence in the region.

### What is the way forward?

This is the time for hard choices. The USA needs to make hard choices to strengthen the military of its allies. And the neighbouring countries need to make hard choices of either aligning with the USA or increasing their defence expenditure to match China.

### 30. Act and Friction: On appointment to tribunals

**Source:** This post is based on the article “Act and Friction” published in **The Hindu** on **18th September 2021**.

**Syllabus:** GS 2 Statutory, regulatory and various quasi-judicial bodies.

**Relevance:** To understand the tussle between Judiciary and Parliament over the tribunals.

**Synopsis:** A national commission is essential to make appointments to tribunals.

#### Introduction

There is friction between government and judiciary over the powers and limitations of law-making on the recently passed **Tribunal Reforms Act**. It contained provisions that had been struck down by the Supreme Court earlier.

**Read more: [Supreme Court remarks on tribunal law is latest flashpoint between legislature, judiciary](#)**

### What did the government do?

**Cherry-picking of names:** Initially, there were delays by the Government in picking the names for judicial and administrative members. After the court's notice, the Government picked the names and SC noticed that names were picked on basis of favouritism rather than merit.

**Cut short of tenure:** The government cut short the **tenure of the Acting Chairperson of the National Company Law Appellate Tribunal (NCLAT)** by 10 days. The Government justified by saying that it was acting as per the latest law.

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This was strongly objected to by the SC, after which the government allowed the acting Judge of NCLAT to complete his tenure.

### **Issue of tribunals: Government vs courts**

Government and courts have often disagreed on numerous factors. They range from **eligibility criteria and conditions of service**. While the government has tried to alter conditions of service in its favour, the courts, on the other hand, has often struck them down under judicial review.

### **What should be done?**

While the reason for having tribunals is justified. They are small, manned by domain experts and not tied by cumbersome judicial process. But there is an urgent need to ensure the independence of tribunals so that they can effectively meet their desired goal. This can be done through a **separate national commission** which will make appointments to tribunals.



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# General Studies Paper - 3

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General Studies - 3

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**1. There's a major new risk in town and it's called crypto**

**Source:** This post is based on the article "There's a major new risk in town and it's called crypto" published in **Livemint** on **13<sup>th</sup> Sep 2021**.

**Syllabus:** GS3 – Science and Technology- Developments and their Applications and Effects in Everyday Life.

**Relevance:** Discussion on Cryptocurrency and related issues

**Synopsis:** Retail investors are the ones who'll most likely suffer in the high-yield, high-risk Crypto market. Government should come up with regulations before its too late.

**Introduction**

Crypto products are being mass marketed in India without the oversight needed for investor safety. The crypto marketing campaigns have now reached even tier-II and tier-III cities.

**How has discourse around Crypto evolved in India?**

**Role of RBI:** The Reserve Bank of India (RBI) has been warning the general public since 2013 about crypto-products, calling them virtual currencies (VCs) in its communication. RBI, through a circular dated 6 April 2018, directed banks and other financial intermediaries not to deal with entities, either individuals or institutions, dealing in VCs.

**Numerous government committees** also examined these products and were divided in their opinion: some advocated an outright ban while others were ambivalent.

**Supreme Court:** In its March 2020 judgement, the Supreme Court ruled that RBI cannot direct banks to withhold services to crypto-exchanges, primarily because the central bank was unable to show that the "interface" with crypto-products had resulted in either harm or adverse effects for these financial intermediaries. The court's three-member bench, though, refrained from either banning or endorsing crypto-products.

**What are the related issues/concerns?**

Crypto-exchanges have been aggressively advertising on all media platforms—print, television and the internet—without the necessary caveats or disclaimers. These exchanges must keep in mind the following issues:

**Crypto is not a currency:** Firstly, they must ask themselves whether it is proper to use the term 'currency' in their communication because crypto-products do not fit its classic definition. It is also dangerous because many investors might mistake it for legal tender backed by government, which it is definitely not. Public fiat monies fulfill the three functions of money: a store of value, unit of account, and medium of exchange. No single crypto asset, though, broadly fulfils all the functions of money.

**Crypto-products are not assets:** Secondly, in their rush for yields, retail investors might overlook the fact that crypto-products may not qualify as assets in the true sense of the term. Most crypto-products do not have any underlying commodity, product or cash-flows that can provide them with economic value; a crypto's value is derived primarily from its shortage because mining crypto-products is a specialized undertaking.

**High volatility and other risks:** Thirdly, crypto prices are extremely volatile and can change rapidly without any valid economic reason, as witnessed in recent months. What is more concerning, especially for individual customers, is that crypto-tokens are typically stored in digital wallets which can be hacked and robbed.

**Unregulated crypto market:** Lastly, crypto-activity is unregulated in India and any mishap will negatively impact investors. While crypto-products are legal in India, they are not

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answerable to any authority. Also, it is also relevant to ask whether fast-mushrooming crypto-exchanges can actually be called 'exchanges' at all. They are not supervised by SEBI and their trade matching processes or settlement mechanisms are not well known.

Hence, in light of the above risks and a potential huge impact on retail investors, government must step in to carve regulation for the Crypto market in India.

### 2. A step backward: On unemployment in India

**Source:** This post is based on the article "A step backward" published in **Business Standard** on 12<sup>th</sup> Sep 2021.

**Syllabus:** GS3 – Indian Economy and issues relating to Growth, Development and Employment

**Relevance:** Increasing unemployment

**Synopsis:** The periodic labour force survey (PLFS) indicates that India, far from modernising and formalising its economy, seems to be moving backwards in terms of the employment available.

#### Introduction

Recent PLF survey has stated that unemployment rate has declined by a percentage point to 4.8 per cent in 2019-20. The previous number, in the first PLFS in 2017-18, had been the highest recorded for over four decades.

However, a close look at the PLFS data reveals the dismal state of unemployment in India.

**Must Read:** [Periodic Labour Force Survey and unemployment in India – Explained, pointwise](#)

#### What is the present state of unemployment in India?

**Firstly**, PLFS data reveals that the unemployment rate is much unchanged, at almost 9 per cent, since 2017-18

**Secondly**, even more recent indicators, after the second wave, are more disturbing about the trend-line of unemployment. For instance, **the Centre for Monitoring Indian Economy (CMIE)** own survey suggests that unemployment in India rose to 8.3% in August 2021, an increase of over a percentage point from 7% in July.

**Thirdly**, even the industrial sector has apparently lost jobs, continuing a trend since the pandemic hit, which the CMIE says has cost 10 million jobs in manufacturing alone.

#### What does the PLFS data indicate?

PLFS data reveals that there has been a decline in good-quality employment opportunities since the last PLFS.

–Workers have been forced into less remunerative and less secure jobs.

–The share of regular salaried workers has been declining for some years, reflecting problems with the formalisation of the economy.

–The proportion of the non-agricultural workforce working in the informal sector rose to almost 70 per cent.

–There has also been a sharp rise in the proportion of people working in household enterprises who receive no compensation.

–Women are working more, but as unpaid family workers in agriculture.

The most worrying point is that there has been an increase in the share of workers in agriculture. The first time that this has happened in the modern statistical era.

### 3. **Winners and losers in shipping crisis**

**Source:** This post is based on the article “**Winners and losers in shipping crisis**” published in **Business Standard** on **13<sup>th</sup> Sep 2021**.

**Syllabus:** GS3 – Industry: Shipping and ports

**Relevance:** Issues related to Exports

**Synopsis:** Challenges faced by exporters due to steep rise in ocean freight rates and congestion in various ports of the world.

#### **Introduction**

There has been a steep rise in ocean freight rates and congestion in various ports of the world. Indian exporters have complained of increase in freight rates by 300% to 1000% for various destinations and additional charges like emergency revenue recovery charges, cargo declaration charges etc.,

#### **Why there's been an increase in freight charges?**

Increase in freight charges results from the uneven post-Covid economic recoveries of the world's largest importing and exporting countries. The primary pillars of the crisis are:

- significant fall in the availability of containers
- reduced workforce, fewer shipping vessels operating
- erratic movements in demand for various commodities.
- Additionally, a lag in the supply of timber to manufacture containers, a rise in the number of containers being scrapped than produced further increased the cost of the containers which surged from \$1600 in 2021 to \$2500 this year.

#### **Who has benefitted out of it?**

The obvious winners are the container shipping industry, which reported the best actual quarterly performance in its history for the second quarter of this year (2Q21). The 11 container lines that represent 64.5% of the TEU capacity made profits of \$18.44 billion.

#### **How increased freight rates is impacting Indian Exporters?**

It has to be noted that, some Indian products have become relatively more price competitive with regard to their competitors in East Asia and China due to increase in freight rates.

However, the exporters from China, Asia and India are getting less price-competitive with regard to the producers in West Europe and North America due to lower transportation costs from those locations.

#### **What are the complaints raised by exporters?**

Other than increased freight rates, the exporters also complain about **acute difficulties in getting shipping space**, getting containers.

**Shipping lines are being diverted** to more lucrative routes and giving fewer sailings from India.

**Bookings are not given at the contracted freight rates** and are forced by the shippers to give higher spot rates through freight forwarders.

**Delays in issue of mandated inspection certificates** for certain items from nominated agencies.

Some exporters allege **cartelisation by the shipping companies**.

#### **What are possible long-term implications?**

Exporters worry that, if the present trends in shipping continue, then we can see a move from globalisation to localisation or regionalisation for some items.

Also, consumer-led economies are likely to **look for alternative markets with shorter trade routes** to cut losses. This could severely harm SMEs who are already battling with the pandemic-led economic crisis.

#### **4. Organic farming should never be turned into an article of faith**

**Source:** This post is based on the article “**Organic farming should never be turned into an article of faith**” published in **Livemint** on **13th September 2021**. **Syllabus:** GS3 – Growth, Development and Employment. **Relevance:** Organic farming and issues related to it

**Synopsis:** Policies that respect the farmer’s economic freedom offer the best route to sustainable agriculture.

#### **Introduction**

Recently, the Sri Lankan government **imposed a state of emergency in Sri Lanka** after its mismanaged response to the foreign exchange crisis cascaded into food shortages.

The Sri Lankan government had imposed a range of import controls earlier this year. Banning the import of automobiles, toilet fixtures, Venetian blinds, toothbrush handles and turmeric is one thing, but a complete ban on chemical fertilizers is entirely another.

The fertilizer ban has left Sri Lanka both short of food and US dollars.

#### **How the ban has impacted Sri Lankan economy?**

**Ruined agriculture:** Domestic production is critical for any food-importing country facing a foreign exchange crisis. It is even more important for Sri Lanka because it is a major exporter of tea. The fertilizer ban has left Sri Lanka **both short of food and US dollars**.

It was being seen as a progressive policy aimed at making Sri Lanka the first country in the world to completely embrace organic agriculture. In a few short months it resulted in a disaster.

#### **What are the lessons from Sri Lanka’s unplanned push for organic agriculture?**

**No simple, universal case for organic agriculture:** Pushing organic farming as a **one-size-fits-all policy** will inevitably lead to the disaster. Like all dietary preferences, individuals are free to attach morality to what they consume, but public policy has to be justified using reason and empirical evidence.

**Leave cropping and farming decisions to the farmers:** Government and civil society should spread awareness and market knowledge. In India, farmers are demonstrating greater awareness about their profession than the people who are trying to raise it.

**Need policy support:** Estimates suggest that **organic yields are 20-30% lower** than their conventionally farmed counterparts. Hence, it is unethical to ask a family earning less than ₹10,000 a month to consider organic farming.

Hence, **organic farming is a luxury**. Those who prefer to remain into agriculture do it because they can.

This is one reason why organic farming is catching on in Western economies and among India’s richer cultivators.

### What are key takeaways for India?

**First**, we need massive improvements in yield, a massive reduction in the number of farmers, or both.

We need to make the **policy case for organic**, at the global, national and regional levels. Reckless abuse of pesticides, fertilizers and hormones need to be fixed through better public policies and technology.

**Second**, to increase organic output and income, we need more farmland and fewer farmers. More farmland means fewer forests. Fewer farmers would need more non-farm jobs. Hence, there is **need for creation of non-agricultural jobs**.

### 5. Cleaning the Yamuna a story of missed deadlines

**Source:** This post is based on the article "Cleaning the Yamuna a story of missed deadlines" published in **The Hindu** on **13<sup>th</sup> September 2021**.

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

**Relevance:** How can we improve the sorry state of River Yamuna?

**Synopsis:** The Yamuna, as it passes through Delhi, becomes extremely polluted. Immediate steps are needed to check this sorry state of the river.

#### Introduction

Recently, the draft **NCR Regional Plan-2041** was prepared by the **National Capital Region Planning Board (NCRPB)**. It has fixed **2026 as the new deadline** to ensure 'zero discharge of untreated sewage and industrial discharge into the Yamuna'.

#### About the Yamuna

The Yamuna **originates in the Yamunotri glacier** in the Himalayas. It travels through Himachal Pradesh, Uttar Pradesh, Uttarakhand, Haryana, Rajasthan and Delhi before its merger with the Ganga.

#### What are the earlier plans to clean the Yamuna?

**1<sup>st</sup> Yamuna Action Plan (YAP):** It was signed in 1992. It aims for the "improvement of water quality conservation in the river and hygiene environment in the cities in the river basin".

**3<sup>rd</sup> YAP (YAP-III):** It is presently underway. But the present condition of Yamuna does not even fit for bathing in the Delhi stretch, except for Palla. It is the point where the river enters Delhi.

#### What is the pollution concentration in the Yamuna?

Presently, levels of **faecal coliform** (microbes from human and animal excreta) is **beyond the desirable levels** in all points except for Palla. At some points, the concentration is **760 times the desirable level**.

**A committee by the National Green Tribunal (NGT)** states that Delhi accounts for 76% of the pollution load on the river.

#### What are the major causes of pollution in Delhi?

**Less water** in the river in Delhi.

**Sewage:** Drains dumping sewage and industrial effluents into the Yamuna.

Under YAP-III entire sewage load of Delhi is to be intercepted and treated. It is **the duty of the Delhi Jal Board (DJB) to treat the city's sewage**. The city generates 720 Million gallons per

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day(MGD) of Sewage of which 123 MGD remains untreated. DJB had informed NGT that it will increase its **sewage plant treatment** to 99%, but it **still remains at 86%**.

Similarly, the **interceptor sewer Project**, which has been in pipeline **since 2006 has been delayed** multiple times.

So, to address these issues, water flow should be increased. Also, there is a need to treat sewage waste.

### What are the court and tribunal judgments on the Yamuna?

**1994:** SC took cognizance of a newspaper article “**Quiet Flows Maily (dirty) Yamuna**” and summoned the **Central Pollution Control Board (CPCB)** to explain the issue. Later, various stakeholders, including the Delhi, UP and Haryana governments became part of the case.

**2015:** In this judgment, NGT formed the ‘**Maily Se Nirmal (from dirty to clean) Yamuna Revitalisation Plan, 2017**’, which was set to be completed by 2017. But that did not happen and the **NGT in 2018, formed a monitoring panel** to implement the 2015 judgment. The NGT dissolved the committee in January 2021 and directed the Chief Secretaries of various States to monitor the progress.

### What can be done to reduce pollution in the Yamuna?

The **immediate technological way forward** would be **Zero untreated discharge** into the Yamuna.

More water can dilute the pollutants, thereby reducing the relative pollution load. As per the study by **National Mission for Clean Ganga (NMCG)**, a **flow of 23 cusecs is needed in the lean season** for this. This flow is not easy to attain, as it is constrained by interstate river water treaties.

**Ministry of Jal Shakti** observed that the **1994 water-sharing agreement between Uttrakhand, HP, UP, Haryana is due for revision in 2025**. This can act as an **opportunity to divert more water towards the Delhi** stretch of Yamuna.

**The Experts** are of the view that the Yamuna can be cleaned only if the government takes it in a **mission mode approach**.

## 6. Cybersecurity can be made agile with zero-shot AI

**Source:** This post is based on the article “**Cybersecurity can be made agile with zero-shot AI**” published in **Livemint** on **14<sup>th</sup> Sep 2021**.

**Syllabus:** GS3 – Awareness in the fields of IT

**Relevance:** Role of AI in providing robust Cybersecurity

**Synopsis:** Zero shot AI model can help to develop a robust and adaptive cybersecurity defence against new attacks.

### What makes AI a reliable tool in cybersecurity?

The ability to learn from large volumes of data and find patterns of abnormal behaviour makes AI and particularly machine learning (ML) attractive in cybersecurity.

ML algorithms can be used to **find anomalies** in different parts of the enterprise like application logs, network flows, user activities and authentication logs.

As enterprises adopt models like zero-trust, augmenting these with ML algorithms to monitor user behaviour patterns becomes critical.

### How Zero shot AI is better than traditional systems?

**Traditional supervised approach:** The traditional approach to applying ML is supervised, where data points are used to train models to make predictions. While this is useful, these models can only learn from previously known attacks. So, a human would need to annotate the network flow for the attack data and feed it to build the model.

**Unsupervised approach:** The other approach becoming popular is unsupervised, where models learn to observe “normal” behaviour and flag any anomalies. This approach can highlight unknown attack patterns but only provide anomaly information to the security analyst.

One approach to tackle this is an upcoming research area in AI/ML called **Explainable AI (XAI)**. Here, the models are either redesigned or enhanced to provide an explanation along with the prediction. So, when the model predicts an anomaly, it will also mention which feature values made it make that decision.

**For example**, let's take an ML model that monitors network traffic in an office network. Say, it flags a data transmission above 100MB happening from a network computer to a Google drive account as an anomaly.

If we show the security operation centre analyst additional parameters that made us flag this as anomaly, like size of data files and destination domain, this information can save the analyst valuable time in classifying this as a data exfiltration attack.

The system can further take feedback from the analyst and start auto-labelling new such attacks as data exfiltration.

### What are its advantages?

Zero-shot learning can save hours of valuable time spent by analysts in searching.

Potential enough to detect new and novel tactics adopted by hackers.

XAI and zero-shot learning can be applied to different areas of a cybersecurity ecosystem.

### Terms to know:

- **Zero Shot AI**

## 7. Urban safety net: On urban-MGNREGA

**Source:** This post is based on the article “Urban safety net” published in **Business Standard** on 14<sup>th</sup> Sep 2021.

**Syllabus:** GS3 – Inclusive Growth and issues arising from it.

**Relevance:** MGNREGA for urban poor.

**Synopsis:** Instead of going forward with the ‘urban-MGNREGA’, the government needs to focus on coming up with new ideas to alleviate the condition of the urban poor.

### Introduction

Recent data from both the private and public sector has revealed that there is considerable distress within India’s labour force. This distress has manifested in an increase in the agricultural workforce.

This is also indicative of the distress faced by urban poor due to various blows to the urban sector compounded by the pandemic.

In this context, the **Parliamentary Standing Committee on labour**, has recommended for putting in place an employment guarantee programme for the urban workforce in line with the MGNREGA. This is the first time it has received such a backing.



### **What are the issues with employment guarantee prog for the urban workforce?**

According to various reports, it was judged to be both an unmanageable fiscal burden and to present severe implementation difficulties across regions.

**Substantive differences in the pattern of work and distress:** There are substantive differences in the pattern of work and distress across rural and urban areas of India that make designing a MGNREGA for urban areas difficult.

– **For example:** rural employment can often be seasonal. This means that there is scope for a 100-day supplement of seasonal wages in periods when there is no seed to be sown or harvest to be taken in. Whereas, Urban employment does not always exhibit this feature.

It is also true that many of those who are in distress due to the pandemic in urban areas may be in work that does not involve manual labour unlike, casual agricultural workers, the primary target of MGNREGA. Thus, the work in an urban job guarantee scheme may not find as many takers.

**Design of welfare programmes:** Too many welfare programmes are connected to specific locations, and in particular “home” villages. This leads to migrants to cities and towns experiencing an unusual problem of existence. The demand for “one nation, one ration card” during the pandemic revealed the need to design welfare systems that are transferable and mobile.

There are, in addition, other source of problems that need to be addressed, including the **shortage of affordable housing**. If daily wage earners need constant work in order to not be rendered homeless, then they will of course not be able to stay in towns and cities through crises of any sort.

### **What is the way forward?**

Some states have already started experimenting with urban wage support programmes. These should be examined for lessons, and new pilot programmes should be started to evaluate how an urban safety net can be designed and implemented.

Finally, like the MGNREGA itself, an urban safety net cannot be a permanent solution. Structural solutions like up-skilling and lifelong learning need to be put in place.

## **8. Criticism of the IBC's recovery record is unwarranted**

**Source:** This post is based on the article “**Criticism of the IBC's recovery record is unwarranted**” published in **Livemint** on **14<sup>th</sup> September 2021**.

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

**Relevance:** Success and failures of IBC.

**Synopsis:** The Insolvency and Bankruptcy Code (IBC), which was promoted as a panacea to the problem of bad loans, has been attacked as being ineffective at best and counterproductive at worst. It requires a more nuanced debate.

### **Introduction**

In recent months, a landmark economic reform of the last decade has come under criticism from various quarters.

However, a reform as radical and complex as this deserves a more objective and data-intensive evaluation.

### **Why the criticism of IBC is unwarranted?**

**Arbitrary assumptions:** In any bankruptcy process, recoveries are impacted by a host of macroeconomic and firm-specific factors. According to **Reserve Bank of India (RBI) data**, for

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the three years, recoveries **averaged around 45%**. Many have criticized the IBC by arbitrarily declaring this number as low.

**Biased opinions:** To truly evaluate the IBC on recoveries, one would require a **diversified data set** about several industries and business cycles. Since such data is not available yet, an evaluation of the IBC on recoveries is likely to be biased.

**Absolute numbers are meaningless:** Critics must be reminded that, every process can have a distribution of outcomes.

**Wide variation in recovery rates is true for any bankruptcy process:** Journal of Financial Economics, 2007, find that for US corporate bankruptcies between 1982 and 1999, the average recovery rate was 51.1% and the standard deviation of this rate was a large 36.6%.

A, special report by Moody's shows that the average recovery rate in US bankruptcies between 1982 and 2010 was 59.6% for first-lien bank loans, 37.4% for senior unsecured bonds and 25.3% for senior subordinated bonds.

**Poorly incentivized banking system:** Most loans in India are issued by uninformed and poorly incentivized 'sarkari' bankers, and the issuance of such loans often **based on political influence and corruption**.

### What is the way forward?

**Using benchmarks:** First, for robustness, we can use several benchmarks to evaluate recoveries under the IBC and arrive at a less biased estimate of its effectiveness.

Second, use **recovery proportion under alternate mechanisms as benchmark**. As RBI data shows, average recoveries for asset reconstruction companies (ARCs) under SARFAESI Act surpassed those under IBC just once in the 17-year period, and have largely languished under 30% during this period.

Therefore, to the extent that data is available, IBC recovery rates have not been abnormally low, but in fact higher than historical averages of alternate resolution mechanisms.

## 9. BRICS: 2021 vs 2013: About Taper Tantrum and Economy of BRICS nations

**Source:** This post is based on the article "BRICS: 2021 vs 2013" published in **Times of India** on **14<sup>th</sup> September 2021**.

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

**Synopsis:** The BRICS is better equipped to handle financial turbulence. Now, the focus must be on growth.

### Introduction:

For two years, the focus of the BRICS has largely been on the economic impact of Covid. The BRICS nations are also concerned about **when the US Fed will begin to taper its asset purchases again**.

**Read more:** [About BRICS and time to build BRICS better](#)

### What is a Taper Tantrum?

After the 2007-2009 global financial crisis and recession, the US Federal Reserve started a bond-buying programme (known as quantitative easing) to infuse liquidity. With these funds, the investors started investing in global bonds and stocks.

In 2013, the US Federal Reserve decided to reduce (taper) its quantum of a bond-buying programme that led to a sudden sell-off in global bonds and stocks.

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As a result, many emerging market economies, that received large capital inflows, suffered currency depreciation and outflows of capital. This is called globally as a **‘taper tantrum’**.

### How the BRICS countries faced ‘Taper Tantrum’ in 2013?

**China and Russia are Current Account Surplus(CAS) countries**, while **India, Brazil and South Africa are Current Account Deficit (CAD) economies**.

During the 2013 Taper Tantrum, **three of the “Fragile Five”** – Brazil, India, South Africa – were BRICS economies. They witness unsustainability in external imbalances, **“sudden stop” of capital inflows**, created a sharp **balance of payments pressures**, wreaked **havoc on the country’s currencies**, and forced an abrupt tightening that hurt growth.

The 2013 “Taper Tantrum” started a **multi-year trauma for these economies**, resulting in local bond returns contracting 33% peak-to-trough across three years.

### How things are different this time for BRICS countries?

**Exports:** Many BRICS economies are benefiting from strong exports.

**Domestic demand in BRICS nations** is also recovering slowly.

**Current account deficit:** It is estimated to be just 1% of GDP in 2021 as compared to 4.5% in 2013. Also, all BRICS-CAD (Brazil, India and South Africa) economies will be running “basic balance” (CAD+Foreign Direct Investment) surpluses in 2021 compared to large deficits in 2013.

**Inflation:** The BRICS nations were averaged 7% inflation for years when they were heading into 2013 taper. But, the Inflation is much lower than in 2013.

**Foreign Reserves:** Reserve Adequacy (foreign currency reserves to short-term debt and the current account) has improved in all BRICS-CAD economies compared to 2013.

**Fiscal Deficit:** In 2012, the fiscal deficit was 2% of GDP in BRICS economies. Before Covid, it was recorded almost 6% of GDP and then surged to 11% of GDP during the pandemic. So, there is a **need to address fiscal and public debt pressures**.

### Where should be the focus on?

There is a **need to focus on growth**. It was seen as a slow-down before the pandemic and further pressured low because of the pandemic.

**China** may have reached upper-middle-income status and **can broaden its macro objectives**.

**The other BRICS nations** should **prioritise lifting growth potentials**. There is a need to create jobs, improve livelihoods and secure debt sustainability in a post-pandemic world.

Thus, there is a need to **invest in infrastructure, health and education, financial sector, diversifying exports and increasing trade, exports** etc

## 10. India’s ‘early harvest’ trade deals could run into trouble

**Source:** This post is based on the article **“India’s ‘early harvest’ trade deals could run into trouble”** published in **The India Express** on **15<sup>th</sup> September 2021**.

**Syllabus:** GS3: Effects of Liberalization on the Economy

**Relevance:** Issues with Early harvest trade deals.

**Synopsis:** India should be mindful of legal requirements of arriving at an “early harvest” trade deal before signing a full FTA.

### Introduction

India wishes to fast-track its free trade agreement (FTA) negotiations with several countries like the UK, Australia, the European Union, and Canada.

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It is keen to conclude an “early harvest” trade deal with some of these countries. This marks a **departure from the trade protectionism** that India has been practising over the past few years.

**Must Read: Free Trade Agreements – Explained**

### How Early Harvest trade deals could run into trouble?

**WTO’s principle of most favoured nation (MFN):** An FTA where countries give preferential access to each other’s products at the cost of other countries is inconsistent with the MFN rule.

**Conditions associated with FTAs:** FTAs are subjected to certain conditions. For instance, eliminate customs duties and other trade barriers on “**substantially all the trade**” between the FTA member countries.

Although the meaning of “substantially all the trade” is not given in the agreement, it is evident that the FTA should cover a very high proportion of trade between the FTA member countries.

**Leading to disputes:** Any trade deal between WTO member countries that does not cover substantive trade between them will be vulnerable to a legal challenge at the WTO’s dispute settlement mechanism.

**Early Harvest deal:** An early harvest deal is a precursor to an FTA, in which the trading partners reduce tariff barriers on limited goods to promote trade.

**Most Favoured Nation** is a treatment accorded to a trade partner to ensure non-discriminatory trade between two countries vis-a-vis other trade partners. Under WTO rules, a member country cannot discriminate between its trade partners. If a special status is granted to a trade partner, it must be extended to all members of the WTO.

### What can be done to save the “early harvest” trade deals?

**Design and present as “interim agreements”.** GATT allow countries to sign interim agreements subject to certain conditions. Such as, India will have to show that it **will not be able to enter into an FTA** without the measure at issue, that is, without the “early harvest” trade deal.

**Schedule for FTA.** The interim agreement should include a plan or a schedule for the formation of an FTA within a reasonable period of time. It should be notified to WTO members, who can make recommendations if they believe that the interim agreement is not likely to lead to the formation of an FTA.

## 11. How banks can lose \$60 billion to cybercash highways

**Source:** This post is based on the article “**How banks can lose \$60 billion to cybercash highways**” published in **Business Standard** on **15<sup>th</sup> Sep 2021**.

**Syllabus:** GS3 – Issues related to banking sector

**Relevance:** Digital currencies and international banking

**Synopsis:** Cross-border transfers are going to be more faster and economical.

### Introduction

Currently, the cross-border transfers are both too slow and too expensive for retail customers. The monetary authorities of Australia, Singapore, Malaysia and South Africa have come together with the Bank for International Settlements on **Project Dunbar**.

It will explore the feasibility of a **Model 3 expressway** that can handle payments in multiple digital currencies. This is a cause of concern for banks as competing against a superior technology, lenders might lose traffic and \$60 billion in fees.

### **What is Model 3 expressway?**

Model 3 is a single distributed ledger, capable of handling multiple currencies, and settling the claims. It comes with inbuilt checks on money-laundering and a dedicated set of players jostling to offer foreign-exchange services at the best price.

Hong Kong and Thailand, together with China and the United Arab Emirates, are studying a bridging option for their digital currencies.

Once several such expressways are in place, banks' profit from opaquely priced currency conversions and fat fees may vanish from retail transfers.

### **What are the planned models for easing international money transfer using digital currencies?**

Officials are yet to decide on how their country's digital cash will interact with other nations' tokens in the future. The BIS sees three options.

**Firstly**, compatible standards, or Model 1

**Secondly**, interlinked Model 2 networks

**Thirdly**, a single Model 3 system handling multiple currencies. A money corridor with its own unified rulebook.

### **How the present system works?**

Presently, your bank most likely will not have presence in the country where you're trying to send money. Hence, it has to hold idle balances with a large institution that also has an account with the central bank of the recipient nation. The intermediary has to meet country-specific rules around money inflows and outflows.

This system is inefficient.

### **How Model 3 system shall work?**

The current inefficient system of correspondent banking will become redundant if your bank simply takes \$100 from your account, converts it into your home country's tokens, and cryptographically transfers them across the borders where they show up as \$100 worth of digital cash in that nation's currency.

In the background, the sender bank's account with its monetary authority is debited; the recipient bank's account, with a different central bank, gets credited.

### **How the Model 3 alternative may pose the biggest risk to the conventional money transfer business?**

Banks charge 6.4% on a \$200 outward remittance, on average, according to World Bank data. Nigerian, South African and Thai banks have some of the highest fees globally, according to Moody's. A wider adoption of central bank digital currencies might shrink these fees "and would be credit negative for banks.

### **What are the challenges involved?**

**High level of integration required:** It may require participating countries to jointly create a network operator.

**Cheap Alternative options do exist.** Banks are also considering a similar innovation for conventional electronic payments, which transfer liabilities of commercial banks and not IOUs of central monetary authorities.

In more than 60 countries, customers are now used to sending small sums at virtually zero cost from their bank accounts to one another and to merchants, knowing just a phone number or an email or after scanning a QR code.

Cross-border transfers are about to enter the fast lane, with or without digital currencies. If that plan progresses, remittances and e-commerce may become a lot cheaper than now.

### Terms to know:

- **Project Dunbar**

## 12. Big Lesson From Small Nation: On import substitution

**Source:** This post is based on the article “**Big Lesson From Small Nation**” published in **TOI** on **15<sup>th</sup> Sep 2021**.

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

**Relevance:** Import liberalisation vs. Import substitution

**Synopsis:** Import substitution cannot deliver “Make in India for the World”. Lessons from Vietnam.

### Introduction

In 2015, India decided to promote mobile phone industry through import substitution. The eventual goal was to make a success of “Make in India for the World”.

Though, there has been a significant expansion of domestic production of telephones since 2015, but the success is rather modest when measured against what Vietnam. Vietnam's electronic goods exports stood at \$122 billion in 2020 against India's \$12.8 billion.

### How has Vietnam achieved this success?

**Signing FTA's:** Indian leaders were constantly apprehensive of signing free trade agreements (FTAs) even with countries accounting for minuscule proportion of the country's trade.

Whereas Vietnam has boldly embraced such economic giants as China and the European Union in FTAs. It also has FTAs with every single Asian country of any significance.

**Reduced tariff due to FTA's.** For instance, consider the case of iPhone. The iPhone contains 1,600 components supplied by approximately 200 firms spread over 43 countries. Even small custom duties at each border-crossing can add up to large cost escalations. FTAs among countries playing host to suppliers eliminate this problem.

### What are the consequences of high tariff on imported components?

**i). Prices out consumers:** A rising tariff not only allows progressively less-efficient producers to add to supply, it also prices out more and more consumers.

For instance, take the case of “**Phased Manufacturing Programme**” (PMP) scheme where the basic customs duty on the imports were increased to develop domestic industry.

The tariff undoubtedly encouraged domestic production of components but it also raised the cost of components for producers assembling them into smartphones.

Therefore, most of those who had entered assembly activity would be rendered uncompetitive after the imposition of the original tariff.

**ii). Encourages smuggling:** Further, the high tariff brings smugglers into business who pocket custom duty due on legal imports as their profit.

**iii). Consumers lose:** The biggest losers are consumers who must now pay higher prices, with some of them priced out of the market or forced into switching to inferior-quality smartphones.

**iv). Encourages rentseekers:** Another major consequence is, producers that enter production activity in response to high protection are likely to be predominantly rentseekers rather than

risk-takers. It is a mistake to think that they would eventually turn into export powerhouses (*Rent seeking is the fact or practice of manipulating public policy or economic conditions as a strategy for increasing profits*)

#### **What are the benefits of lower tariffs?**

In the absence of increased tariffs **India could benefit from the competitiveness of Local manufacturers** who are involved in assembling the components.

Also, it allows manufacturers involved in assembly to **compete against imported smartphones**.

### **13. Can unicorns solve the country's youth unemployment problem?**

**Source:** This post is based on the article "**Can unicorns solve the country's youth unemployment problem?**" published in **Livemint** on **15th September 2021**.

**Syllabus:** GS3-Indian Economy and issues relating to Growth, Development and Employment.

**Relevance:** Unicorns are not a magical bullet for India's unemployment problems.

**Synopsis:** Unicorns can make some impact and lessen youth unemployment, especially in urban India, but they can't solve the country's problem of job scarcity.

#### **Introduction**

In August 2021, **India's unemployment rate stood at 8.32%**, worse than July's rate of 6.96%, but similar to the rates recorded in August 2020 and August 2019, which were at 8.35% and 8.19%, respectively.

The trouble is that these broad numbers hide some major issues.

#### **What are the hidden issues with the unemployment data?**

There are two major issues:

**i). India's labour participation rate has been falling over the years.** It was at 40.52% in August 2021. In August 2016, it had stood at 47.26%.

The **labour participation rate** is the size of India's labour force as a proportion of the population aged 15 or above.

As per the CMIE formula, the **labour force** consists of people who are aged 15 years or more and are employed, or are unemployed and actively looking for a job. Hence, to be counted as unemployed, just being unemployed isn't enough.

#### **What does a falling labour participation rate indicate?**

It shows that many individuals have stopped looking for a job and have simply dropped out of the labour force after not having been able to find one.

So, if the unemployment rate improves, it does so in the context of a labour force which isn't as big as it possibly could be.

**ii). Youth unemployment rate has risen:** The country's youth unemployment rate has risen rapidly in the last four years, from **15.66%** in 2016-17 to **28.26%** in 2020-21.

**Youth:** Individuals in the age-group of 15-29 are categorized as youth.

**Employment situation has grown worse:** The unemployment rate in August 2021 stood at 32.03%, which means almost every third youth in the country is unemployed. The rate for those in the 30-34 and 35-39 age brackets stood at 1.57% and 0.76%, respectively, which is as good as no unemployment.

The reason behind this phenomenon is that the state enrolment pays significantly better than the private sector at the lower and middle levels. Abhijit Banerjee and Esther Duflo observed in their 2019 book that in the poorest countries, public sector workers earn more than double the

average wage in the private sector and people may spend most of their working lives studying for those exams.

### **Why unicorns cannot solve the problem of unemployment?**

**Lower salaries than govt sector jobs:** They are in a position to generate low-skilled and semi-skilled jobs, which the country badly requires but these jobs are not going to offer salaries anywhere near the kind that various arms of the government offer.

**Huge demand for jobs.** The CMIE data shows that the number of individuals who crossed the age of 15 from 2016-17 to 2020-21 was around 19.1 million per year, on an average. Even if half of them enter labour force, it will amount to demand of some 10 million jobs a year. And that is a big number.

Hence, unicorns can make some impact and lessen youth unemployment, especially in urban India, but they can't solve the country's problem of job scarcity.

### **14. Powering ahead in the future**

**Source:** This post is based on the article “Powering ahead in the future” published in **The Hindu** on **15<sup>th</sup> September 2021**.

**Syllabus:** GS 3- Changes in Industrial Policy and their Effects on Industrial Growth.

**Relevance:** Problems and solutions regarding electric vehicles push in India.

**Synopsis:** Electric vehicles show great future. But the sellers of two-wheeler are showing reluctance in implementing electric vehicles module. We need to identify and overcome the problems.

#### **Introduction**

Regarding two-wheeler electrification in India, things are in the right direction. And their sales in India are likely to at least double in 2021 compared with 2020 levels.

But even if that happens, Electric 2-Wheelers (E2Ws) will account for less than 1% of new two-wheeler sales. This is due to the fact that most of the industry leaders in the two-wheeler segment are showing reluctance in offering electric vehicles.

#### **What is the present scenario wrt E2Ws in India?**

Presently, several things are going right for the electric two wheeler electrification in India.

**First**, the government has increased the FAME-II incentives for electric two-wheelers (E2W) to ₹15,000/kWh.

**Second**, more States such as Gujarat and Maharashtra have announced State-level electric vehicle incentives as part of their state policies.

**Third**, many startups are launching new electric two-wheeler models.

Despite all that, two wheeler manufacturers are displaying hesitance in pushing E2Ws in the market.

#### **How we can overcome reluctance?**

We can overcome this problem in two ways.

**Establish a zero emission vehicles (ZEV) credit programme.** This requires manufacturers of vehicles to ensure that either a certain fraction of their sales are ZEVs or that they purchase ZEV credits from manufacturers who have sold more ZEVs than required by the credit programme. India can set up such programme through regulatory approaches. California and several U.S. States as well as China have used such an approach.

**Stringent standards:** If CO<sub>2</sub> standards are sufficiently stringent, mainstream manufacturers can introduce electric vehicles in meaningful numbers.



### What are the advantages of using E2Ws?

E2W are **cost effective** on total cost of ownership basis today, and likely to reach upfront cost parity later this decade.

E2W will **reduce greenhouse gas emissions**.

It will also **pave the way for India to transition completely to E2W** across all two-wheeler segments by 2035.

### 15. Partnership with US could help India meet renewable energy targets

**Source:** This post is based on the article "Partnership with US could help India meet renewable energy targets" published in **The Indian Express** on **15th September 2021** and "Positive Climate" published in **The Hindu** on **15th September 2021**.

**Syllabus:** GS 3- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

**Relevance:** meeting India's renewable energy targets

**Synopsis:** India can achieve renewable energy targets efficiently by strengthening its partnership with US. The problems and challenges associated are discussed.

#### Introduction

India's front-line position as third highest emitter of greenhouse gases has sharpened focus on its future policy course to mitigate carbon emissions under the Paris Agreement.

There is escalating pressure for India to commit itself to a date when it can achieve net zero on the lines of the goal set by the U.S. and the European Union for mid-century, and 2060 by China.

US offer of assistance to help India meet its renewable energy-related targets is a significant step towards defining the contours of this partnership.

#### How Indo-US partnership can help India achieve its renewable energy goals?

The **Partnership to Advance Clean Energy** inked by the Barack Obama Administration and India in 2009 mobilised more than Rs 18,000 crore for clean energy initiatives in India.

In 2018, the two countries had launched an **energy partnership** that emphasised renewables and sustainable growth.

The **Climate Action and Finance Mobilisation Dialogue (CAFMD)** was recently launched by the US Special Envoy and Union environment minister. CAFMD departs from the earlier initiatives in its link with timebound climate-related goals. The US will give financial and technological assistance to India to achieve its target of deploying 450 GW of renewable energy by 2030.

The US Special Envoy has, in the past, indicated his country's inclination to **mobilise a consortium of international investors to fund India's ambitious renewable energy transition**.

#### What are the challenges associated with achieving renewable energy targets?

**Adaptation framework:** The immediate challenge lies in coming up with an adaptation framework to help the millions living in the path of annual cyclones, including residents of populous coastal cities.

**Raising the ability of city administrations** to handle tens of millions of litres of water regularly dumped in just a few days requires planning, funding and political commitment.

**Making low-cost insurance available** for houses against climate related losses will raise resilience, and lead to audits, encouraging governments to reduce risks.

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These are growing problems, but they also represent an opportunity to steer post-COVID-19 policies towards benign, green development. For a low-emissions future, policies must put nature at the centre.

### **What India needs to do to achieve renewable energy targets?**

Declaring a net zero plan under the Paris pact would impose expensive choices, particularly in energy production.

**Specific areas of cooperation** to bring down emissions — in the expansion of transport, buildings and industry — and facilitating funding for 450 GW of renewable energy by 2030 can advance the India-U.S. Climate and Clean Energy Agenda 2030 Partnership.

**India needs to get all States to mitigate emissions** and help them adapt to climate-linked extreme weather and atmospheric pollution caused by fossil fuels. For that, the US will give financial and technological assistance to India to achieve its target of deploying 450 GW of renewable energy by 2030.

### **16. Faltering on privatisation**

**Source:** This post is based on the article "**Faltering on privatisation**" published in the **Business Standard** on **14th September 2021**.

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

**Relevance:** pushing disinvestment through proper policy incentives.

**Synopsis:** Despite ambitious disinvestment targets, the pace on this front has been slow. Govt has tweaked tax laws to change that, but the government needs to approach disinvestment more strategically. Just modifying tax laws would not be enough.

#### **Introduction**

Recently government released new policy on strategic disinvestment in central public sector enterprises (CPSEs). The policy intends to keep a bare minimum presence of CPSEs in strategic sectors and privatise the rest or shut down.

The government classified sectors such as atomic energy, defence and space, transport, power and minerals, and financial services as strategic. A disinvestment target of Rs 1.75 trillion has been set.

### **What has been the status of disinvestment?**

The government has raised about Rs 8,300 crore from disinvestment so far in 2021-22. The pace of disinvestment is slow and has not picked up.

### **What changes have been proposed?**

Govt has now modified the tax law to make privatisation easier. According to a recent clarification issued by the Central Board of Direct Taxes, subject to conditions, Section 79 of the Income-Tax Act **will not apply** to CPSEs undergoing strategic disinvestment.

Consequently, the buyer of a loss-making CPSE will be able to carry forward accumulated losses and unabsorbed depreciation. This will allow the new owner to offset these against future profits.

**Benefits:** The change will make loss-making CPSEs on the block **comparatively attractive**. A profitable company would be able to save taxes after acquiring a loss-making CPSE. There are two issues worth highlighting here.

### What are the issues in making recent changes?

**First**, although the option of tax adjustment against accumulated losses of CPSEs might increase their valuation, the exchequer will lose out in terms of future tax flows. Thus, a higher valuation may only be optical and eventually result in little or no fiscal gains.

**Second**, creating special provisions for CPSEs distorts the market and is against the basic idea of a functioning market economy. For instance, the government recently decided to exempt listed CPSEs from the shareholding norms.

### On what lines government should make policy on privatization?

The government needs to ensure that privatisation programme is not suffering because of tax rules. The government needs conviction and **a road map to proceed on the privatization path**.

It needs a clear and **transparent mechanism** to value loss-making unlisted CPSEs.

Further, it needs to have a **clear plan for the employees of CPSEs** as their terms of employment may change radically after privatisation.

There should be a **ready list of CPSEs to be privatised** over the medium term, which will allow addressing potential problems in different firms well in advance.

### 17. Behind the Great Indian Internet Shutdown

**Source:** This post is based on the article "Behind the Great Indian Internet Shutdown" published in **The Hindu** on **15<sup>th</sup> September 2021**.

**Syllabus:** GS 3 – role of media and social networking sites in internal security challenges.

**Relevance:** To understand how internet shutdowns impact India.

**Synopsis:** Despite the laws and Supreme Court guidelines, internet shutdowns are common in India. Let us see their impact and the means to handle them properly.

#### Introduction:

This article highlights the unjudicial use of Internet lockdown by the government. India's Internet restrictions also accounted for **more than 70% of the total loss to the global economy** in 2020. India is also infamous as the Internet shutdown capital of the world.

### What is the court judgement?

**Anuradha Bhasin vs union of India:** SC ruled that **access to information via the Internet is a fundamental right** under the Indian Constitution. It held that restriction on Internet access by the Government must be temporary, limited in scope, lawful, necessary and proportionate. The Court stated that the Government's orders restricting Internet access are subject to review by courts.

The guiding principle behind this was that the ban should be **used as an emergency measure and a short-term measure**.

### What are the recent Restrictions imposed by the government?

**Internet shutdowns in Jammu and Kashmir:** According to an **Internet shutdown tracker maintained by the Software Freedom Law Centre**, the government of J&K suspended Internet services on five other separate occasions. The suspension orders for the same were not uploaded on the government's websites

**Internet shutdowns in Haryana:** Internet was shut down due to the ongoing farmer protests. In this case, the governments have published the orders restricting access to the internet. Haryana's orders are on social media but have not been uploaded on government websites.

### How does Government justify the Internet shutdown?

Internet restrictions are often justified on the ground that they are limited to mobile data services. According to a **2019 Telecom Regulatory Authority of India (TRAI) report on Indian Telecom Services Performance Indicators**, mobile device users constitute 97.02% of total Internet users and only 3% of users have access to broadband Internet. Thus, internet restrictions adversely **affect those from lower socio-economic backgrounds more**, as they primarily use mobile as source for accessing the internet.

### How did it erode the public trust?

**Non-publication of orders:** Aggrieved person cannot approach a court of law to question an order's legality in the absence of the order. At best, courts may direct the Government to produce the order. This enables the Government to get away with illegal restrictions.

**Statutory recognition:** Union Government has also not done enough to give statutory recognition to the directions provided by the Anuradha Bhasin case. In 2020, it amended the **Telecom Suspension Rules, 2017** to limit Internet suspension orders to a maximum of 15 days. However, the **amendment did not include an obligation on the Government to publish orders** nor did it include the Supreme Court's direction to undertake periodic review of these orders.

### What is the impact of Internet Lockdown?

**Loss of economy:** Indian economy suffered losses to the tune of \$2.8 billion due to 129 separate instances of Internet suspension, which affected 10.3 million individuals.

The **social-economic-psychological harm** from the ban far outweighs its benefits.

Moreover, the **free flow of information** is in fact vital to check and curb any rumours.

### What should be the way forward?

Thus, the Supreme Court, in *Anuradha Bhasin case*, permitted the Government to restrict Internet access only in limited circumstances. So, faithful compliance with the Supreme Court is needed to get rid ourselves of the tag of the "internet shutdown capital" of the world and fulfil Digital India's potential.

### Terms to know

- Telecom Regulatory Authority of India (TRAI)

### 18. Should Facebook let the Taliban post

**Source:** This post is based on the article "**Should Facebook let the Taliban post?**" published in **Indian Express** on **15<sup>th</sup> September 2021**.

**Syllabus:** GS-3- Security Issues – the role of media and social networking sites in internal security challenges.

**Relevance:** How policies of global media giants impact the world.

**Synopsis:** With the Taliban coming to power in Afghanistan, it raised many issues, including how the digital media giants will handle their communication and posts.

### Introduction

Recently, a Pakistani blog Hum Sab was banned by Facebook for posting comments on the Taliban. Given that the Taliban is now in power in Afghanistan, can Facebook ban an entire government and its functionaries from using the platform?

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### **What are the factors that complicate how media houses will handle the Taliban?**

Some confusion comes from US policy itself. **Many of the Afghan Taliban are on the US Sanctions list under the Global Terrorism Sanctions Regulation.** But they are **not designated as a Foreign Terrorist Organization** by the State Department's Bureau of Counterterrorism.

This was done for political reasons, as the USA wanted to keep the communication channels open with the powerful Taliban group. These designations affect how social media platforms approach the Taliban differently.

### **How different platforms are handling the issue?**

**Facebook** divides its Community Standards related to **"Dangerous Individuals and Organizations"** into three tiers, with the first being the most stringent. The section of Tier 1 relevant to the Afghan Taliban states: "including terrorist organizations, including entities and individuals designated by the United States government as Foreign Terrorist Organizations (FTOs) or Specially Designated Global Terrorists (SDGTs)." Thus, Facebook is very stringent on the Taliban.

**Twitter** has **allowed more freedom to the Taliban.** Twitter's **"Violent Organizations Policy"** moderates content **on a post-by-post basis rather than a blanket ban** on the organization. In the past, Twitter has been under fire regarding its policies toward the Palestinian group Hamas and the Lebanese group Hezbollah. Twitter responded by saying that it respected US law, but it made an exception for **"groups with representatives who have been elected to public office** through elections, as is the case with parts of Hamas and Hezbollah."

However, at times the policies turn out to be contradictory.

### **What are the challenges posed by the policies of media platforms?**

At times, the **policies can backfire.** For example, Twitter banned Nigerian President Muhammadu Buhari for using abusive language. The president then banned Twitter from Nigeria itself. This was bad news for people as the platform was used by various human rights groups to highlight their cause in Nigeria.

Another threat posed by these platforms is that **they are USA-based.** They work based on US Foreign Terrorist Organization and sanctions lists that are by definition intended to achieve US foreign policy interests. As a result, **people in politically contested areas,** such as Palestine, **end up being silenced.**

There are also **double standards toward content** in the global south as opposed to in the West. This was pointed out by the Digital Media Alliance of Pakistan in a recent letter to Facebook. Facebook is quick to take action against posts about the Afghan Taliban in Pakistan. But the same content is allowed for users in the United States.

### **What should be the way forward?**

Given the complexity of global standards, the media platforms should seek to provide fair and equal rules for all members of the global community and should give up their double standards.

### **19. 'Know the enemy, know self' is sound professional advice**

**Source:** This post is based on the article **"Know the enemy, know self is sound professional advice"** published in **The Hindu** on **16<sup>th</sup> Sep 2021.**

**Syllabus:** GS3 – Various Security Forces and Agencies and their Mandate.

**Relevance:** Regarding Professional Military Education (PME)

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**Synopsis:** India needs to up its game when it comes to Professional Military Education. We need professionals who are domain specialists having both academic and field experience.

### Introduction

Sun Tzu, Chinese general, military strategist, writer, and philosopher, famously said, “If you know the enemy and know yourself, you need not fear the result of a hundred battles... if you know neither the enemy nor yourself, you will succumb in every battle.”

Considering the recent events in military circles, this needs examination, and certain facets of Professional Military Education (PME) in the Indian armed forces evaluated.

**Must Read: Why Indian Military doctrine Should include both Sun Tzu & Kautilya?**

### What is the present scenario wrt PME institutions in India?

In our PME institutions most, if not all, instructors are service officers posted-in from field/staff appointments who do their two/three-year tenure and move on; there is no time to become an ‘expert’.

There are **no subject-matter experts** on staff doing full-time teaching.

But, things are changing in some institutions.

**The Naval War College in Goa** invites an eminent academic from abroad to run capsules on operational art. The college also has an adjunct faculty of tri-Service retired officers acting as mentors in specialised areas of learning.

**National Defence College at Delhi** set-up a President’s Chair of Excellence teneted by a retired scholar warrior; and, this is how it should be elsewhere too.

### What more needs to be done?

**Subject-matter experts:** The Defence Services Staff College should have permanent chairs for subject-matter experts teaching military history, strategy, geo-politics. Service officers would be the links to field realities. It is a joint institution and hence the Commandant should be a reputed scholar warrior from any of the three services, and not just from the Army as has been till now.

The Army War College, College of Air Warfare, College of Defence Management, etc. should take similar action.

**Implement IDU project:** Indian Defence University (IDU) project (earlier INDU — Indian National Defence University) has failed to make progress after its foundation stone was laid in 2013 near Gurgaon. While the Ministry of Home Affairs has set up the Rashtriya Raksha University (RRU) in Gujarat, the Ministry of Defence should speed up implementation of IDU project.

**National Security Council Secretariat (NSCS) and National Security Advisory Board (NSAB):** Each body must have domain specialists from important fields and when one considers the NSCS and the NSAB, the three arms of the armed forces should be represented at the senior advisory level. These apex bodies conduct long-term analyses and provide perspectives on issues of national importance to India’s political leadership. These bodies need sound academic presence and military professionals from all three services.

## 20. India’s revamped FTA strategy

**Source:** This post is based on the article “India’s revamped FTA strategy” published in **Business standard** on **16th September 2021**.

**Syllabus:** GS-3 – Effects of Liberalization on the Economy

**Relevance:** Trade liberalisation, FTA’s, Early Harvest Schemes

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**Synopsis:** Early Harvest Schemes (EHS) as an FTA strategy is misaligned with India's immediate requirement of an employment-promoting trade policy.

### **Introduction**

Recent statements from the commerce ministry have indicated that India is going to revamp its Free Trade Agreement (FTA) strategy and that FTA negotiations would be expedited towards early conclusion.

The revamped FTA strategy is welcomed. However, its immediate agenda of **Early Harvest Schemes** (EHS) with Australia and the UK is misaligned with India's immediate imperatives for an employment-promoting trade policy.

### **How India has progressed in signing FTAs?**

India has not signed any major FTA in the last 10 years, when the cumulative number of regional trade agreements in force globally has increased from 224 to 350.

India signed its last trade agreement, a **Comprehensive Economic Cooperation Agreement (CECA)** with Malaysia, in 2011. Since then, only a comprehensive economic cooperation and partnership agreement, covering a few commodities, was signed with Mauritius in 2021.

Not long ago, India withdrew from the Regional Comprehensive Economic Partnership (RCEP) in 2019 after seven years of protracted negotiations. Whereas the FTA and CECA with Asean and Korea, respectively, are under review.

**Must Read: [Free Trade Agreements – Challenges and opportunities](#)**

### **Why signing EHS is not the right strategy?**

**EHS lacks comprehensive coverage:** EHS as a trade liberalisation mechanism contradicts with the global trend of developing and developed countries actively pursuing membership of deeper FTAs.

**Global Value chains:** Global trade over the last two decades has been dominated by global value chain (GVC) activity. FTAs are therefore being **designed with a comprehensive coverage**, motivated by trade and investment linkages that are integral to GVCs. An EHS, on the other hand, is only a limited trade initiative that will undertake liberalisation of trade in a small set of commodities.

**FTAs with the UK or even Australia will not offer India the opportunity to integrate with low-skill, labour-intensive supply chains:** Australia is not at the centre of the Asian regional value chain production network. The UK is seeking to expand its value chain linkages with the East/ South-East Asian region through the CPTPP.

Both countries have value chains that are technology and knowledge intensive. Integration with these segments will not yield India the benefits that it should be seeking, i.e., employment generation.

**Lastly**, India's success in converting EHS in to full-fledged FTA is poor.

### **What are the reasons for India's poor success in converting EHS in to full-fledged FTAs?**

**Higher domestic tariffs:** India has higher domestic tariffs in some of the most trade dynamic sectors, relative to other developing countries.

**India hesitates to offer "more" preferential tariff lines** in its FTAs.

**Industrial lobby from domestic sectors limits the potential of trade liberalisation:** For example, this has been India's experience of the EHS with Thailand wherein 83 commodities,

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including from the electronics and automobiles sector, were delineated for preferential liberalisation in 2004.

Effective opposition from the protected industry in these sectors has not allowed, in the last 17 years, for the EHS to graduate to an FTA with Thailand.

**Persisting Issues in the negotiations of trade:** For example, liberalisation of the dairy sector, that most recently, in 2019, was among the major contributory factors for India's withdrawal from the **RCEP**.

Similarly, issues around liberalisation in the auto sector and alcoholic beverages that have been difficult to resolve in the India-EU trade negotiations could continue to be sore points in the **India-UK trade pact**.

### What is the way forward?

If the underlying idea of getting into FTAs is to enhance exports, then **concluding reviews and increasing depth of FTAs with the GVC-intensive East Asia and ASEAN member economies** should be the way forward.

### 21. There finally seems to be a path forward for GST. Centre and states must strike bargain

**Source:** This post is based on the article **"There finally seems to be a path forward for GST. Centre and states must strike bargain"** published in **Indian express** on **16th September 2021**.

**Syllabus:** GS-3 – Issues related to mobilisation of resources

**Relevance:** GST reforms

**Synopsis:** After one and a half years of dispute, and with the economy showing signs of recovery, a path forward for the GST finally seems visible. This opportunity needs to be seized

### What has set back the GST for the past year and a half?

**Lack of revenues:** In 2016-17 the various taxes that were folded into the GST yielded revenues of Rs 9.7 lakh crore (Economic Survey, 2017-18). But in 2019-20, the growth rate decelerated sharply. And in 2020-21, collections actually fell. As a result, there have not been enough resources to satisfy the needs of the Centre or the states.

**Future collections have become uncertain:** A gap opened up between the amount that the Centre felt it could afford to promise and the minimum that the states felt they needed and were entitled to.

### Why, the path forward for the GST finally seems visible?

More recently, **confidence in GST has improved**. Collections have revived, averaging Rs 1.1 lakh crore in the first five months of the current fiscal year, exceeding even pre-pandemic levels.

Even more important, the **GST's past performance now seems much better** than it once did. The weak revenue performance of the GST now seems attributable to wider economic difficulties and policy actions, rather than problems with the tax itself.

Consequently, most of the ingredients for a compromise are now in place. A sense that the country is in this together and confidence that sufficient resources will be available.

### What can be done to seize the opportunity?

Three key changes are necessary: Re-casting compensation, simplifying the rate structure, and improving governance.



**First, the principle of compensation must be re-cast** because the original needs have vanished, and new ones have taken their place. The GST has reached maturity and well understood by producers, consumers, and tax officials. The states should give up their demand for an extension of the compensation mechanism, while the Centre should offer a new counter-cyclical buffer. That is, the compensation guarantee should be converted into revenue insurance.

The shift to revenue insurance, in turn, should allow the compensation cess to be abolished. Once it is gone, all payments could again be made from the consolidated fund of India.

**Second, the GST structure needs to be simplified and rationalised**, as recommended by the Fifteenth Finance Commission and the Revenue Neutral Rate report: To achieve the promised Good and Simple Tax, a new structure should have one low rate (between 8 and 10 per cent), one standard rate (between 16 and 18%) and one rate for all demerit goods.

The single rate on demerit goods also requires eliminating the cesses with all their complexity. For example, taxes/cesses based on the length of cigarettes are an absurdity deserving immediate abolition.

**Finally, the GST Council's working needs reform.** Currently, all GST decisions were taken by consensus. But that can be sustained only if there is a shared sense of participatory and inclusive governance.

To make GST council **more inclusive and participatory**, the following changes can be implemented. For example, discussions in the Council could be steered by the central Finance Minister (Chair), aided by a finance minister (Vice-chair) from an Opposition state, rotating periodically.

The agenda-setting and technical work could be done jointly by these two, and they could even take turns chairing council meetings. The council secretariat would report to both officials.

### 22. Transient easing: On inflation

**Source:** This post is based on the article “**Transient easing**” published in **the Hindu** on **16th September 2021**.

**Syllabus:** GS3 – Indian Economy and issues relating to planning

**Relevance:** Inflation in Indian economy

**Synopsis:** Cutting fuel taxes is a sure-shot way to address a major component of price pressures.

#### Introduction

The latest retail inflation data suggest, that price pressures have begun to moderate in the economy, with CPI showing inflation having slowed for a second month to 5.3%, after July's 5.59%.

However, price trends among the **constituents of the Consumer Price Index and the Wholesale Price Index-based inflation**, show that it would be premature to drop the guard on price gains.

#### Why it is necessary to control price gains?

**Contradictory inference of softening inflation:** the year-earlier inflation reading was elevated which passed a favourable base effect. However, the CPI nudged up 0.25% from July, contradict the inference of softening inflation.

**Price gains of essential food items:** In at least three essential food components price speeded up from the preceding month, with meat and fish, dairy and oils and fats posting significant rise.

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Same scenario is with edible oils and an earlier round of cuts in import duties have had little impact in cooling their prices.

**Inflation in vital protein sources:** price rise of eggs and pulses also continued to remain a cause for concern. However, a wider deflation in vegetable prices was the main positive contributor to the easing in overall food and beverages inflation last month.

**Higher transportation costs:** The pace of inflation in **fuel and light**, clothing and footwear, health as well as household goods and services all saw a contraction last month.

Transport and communication, which includes pump prices of the main automotive fuels of petrol and diesel, stayed stuck in double digits at 10.2%.

The WPI data show higher transportation costs combined with input price pressures ignite faster inflation in manufactured products as well.

**PMI survey:** the **outlook for inflation is far from positive** for services, as the input costs rose in August at the fastest rate in four months. Also, as per a recent CII poll of CEOs, a majority 67% expect average retail inflation this year to **exceed the RBI's mandated monetary policy** upper threshold of 6%.

### What is the way forward?

First, policymakers need to be well aware that inflation is not just about a point reading, but about **consumers' and businesses' expectations** of the trend in prices. Fears of future high inflation dampen sentiment and thus retard economic activity.

Second, government need to consider cutting fuel taxes to address a major component of price pressures.

### 23. Cabinet approves major Reforms in Telecom Sector

**Source:** This post is based on the following articles –

“**Cabinet approves major Reforms in Telecom Sector**“ published in **PIB** on **15th Sep 2021**.

“**Centre rolls out lifeline for debt-ridden telecom sector & A relief package to lift India's telecom gloom**“ published in **Livemint** on **16th Sep 2021**.

“**4-year moratorium on AGR dues will give relief for now to telcos, but may not stop balance sheet bleed**“ published in **Indian Express** on **16th Sep 2021**.

“**Lifeline for telcos as govt. offers four-year moratorium on dues**“ published in **The Hindu** on **16th Sep 21**.

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

**Relevance:** Reforms in telecom sector

**Synopsis:** Govt has introduced a range of reforms for improving the ailing telecom sector. These reforms were much needed in light of the recent Vodafone Idea crisis resulting in a likely duopoly of Airtel and Jio in India's telecom space.

#### Introduction

The Union Cabinet approved a number of structural and process reforms to rescue the ailing telecom sector. The package is also expected to boost 4G proliferation, infuse liquidity and create an enabling environment for investment in 5G networks.

### What are the major reforms that have been announced?

Nine structural reforms and Five procedural reforms plus relief measures for the Telecom Service Providers have been announced.

#### Structural reforms:-

**i). Rationalization of Adjusted Gross Revenue:** Non-telecom revenue will be excluded on prospective basis from the definition of AGR. To protect government revenues, companies

availing of the moratorium will have to pay interest. This would be at the rate of marginal cost of funds based lending rate (MCLR) plus 2%.

**ii).** For auctions held henceforth, **no Bank Guarantees (BGs)** will be required to secure installment payments. Industry has matured and the past practice of BG is no longer required.

**iii).** To encourage investment, **100% Foreign Direct Investment (FDI)** under automatic route permitted in Telecom Sector. All safeguards will apply. Currently, 100% FDI is allowed in the sector, but only 49% was on the automatic route, and any investment above that limit required government approval.

**Respite for telcos** | A look at some of the relief measures announced by the Union government for telecom companies

- Four-year moratorium for dues of telecom service providers. However, they will have to pay interest
- 100% foreign direct investment through automatic route in the sector, from the existing limit of 49%
- For customers, shifting from prepaid to postpaid and vice-versa will not require fresh KYC
- Spectrum auctions to be normally held in the last quarter of every financial year
- Further measures will be added when the 5G spectrum is auctioned, said Telecom Minister Ashwini Vaishnaw

#### Procedural Reforms:-

**i). Ease of doing business promoted:** cumbersome requirement of licenses under 1953 Customs Notification for wireless equipment removed. Replaced with self-declaration.

**ii). Know Your Customers (KYC) reforms:** Self-KYC (App based) permitted. E-KYC rate revised to only One Rupee. Shifting from Prepaid to Post-paid and vice-versa will not require fresh KYC.

#### Addressing Liquidity requirements of Telecom Service Providers:-

**i).** 4-year Moratorium/Deferment of dues arising out of the AGR judgement and the dues arising out of the spectrum purchased in past auctions.

**ii).** Option to the TSPs to pay the interest amount arising due to the said deferment of payment by way of equity.

**iii).** At the end of the moratorium period, the government will provide an option to the telecom player to pay the interest amount arising out of the deferment of payment by way of equity, and at the option of the government, to convert the entire due into equity.

## 24. How green is my central bank

Source: This post is based on the article “How green is my central bank” published in **Business standard** on 17<sup>th</sup> Sep 2021.

**Syllabus:** GS3 – Issues related to climate change

**Relevance:** Climate financing

**Synopsis:** Green climate and other bonds, and fixed-income assets, cannot guarantee carbon neutrality.

### Introduction

The Bank of Finland has announced that its investment portfolio will be carbon-neutral by 2050. Also, many western central banks are making similar announcements.

However, the author of this article states that resorting to green climate financing by central bank (RBI) will not solve the problem of climate change.

Besides, he also points out that ensuring carbon neutral investment through green financing is an uphill task.

### Why green climate financing by central bank is not the solution?

**Firstly, green financing completely misses basic principles of government finance.**

Government revenues are not directly linked to expenditures. Governments do not spend to maximize tax revenue. This is equally true of debt-financed government spending. Even if such debt-financed spending is only used for capital expenditure, the portfolio of capital spending cannot be judged according to its carbon impact, since a large chunk of such investment is financial investment. Nor do they generate revenues solely to spend them on acquiring goods and services, like households do.

**Secondly, a large chunk of government expenditures are transfers,** which seek to influence the allocation and distribution of resources in an economy. **For eg:** Unemployment benefit used to buy fossil fuels is bad for carbon, but that does not make it carbon-positive.

**Thirdly,** even if domestic debt is used to finance a high-carbon investment, there is no way any central bank can refuse to issue such debt as – **i).** It is not part of the mandate of a central bank to tell the government how to spend its money, **ii).** Specific sovereign bonds cannot be reserved to a specific investment activity, as these are issued to finance a fiscal deficit and are therefore neutral.

**Fourthly,** the reasons why central banks acquire foreign debt have absolutely nothing to do with the purpose of issuance.

**Finally,** Green climate and other bonds, and fixed-income assets do offer an explicit and potential guarantee of carbon neutrality. However, there are two problems with this: **i).** The first is that it takes away from the sovereign’s absolute power to receive resources (whether tax or debt) **ii).** The second is that green financing does not guarantee carbon neutral green procurement or utilization. For instance, if a green bond is used to finance a railway project but the steel and electricity used to produce and run the railway are dirty, then can it be said to be carbon-neutral?

### What is the way forward?

The problem, as the world has carbonized, is that a minority of people have been consuming too much and a majority too little. Hence, unless the negative impacts of the consumption of the affluent are recognized and discouraged, the climate change issue will not be effectively addressed.

## 25. Clean energy prospects beyond the 100GW milestone

**Source:** This post is based on the article “Clean energy prospects beyond the 100GW milestone” published in Livemint on 17th September 2021.

**Syllabus:** GS3 – Infrastructure, Conservation

**Relevance:** Initiatives taken by the government to push clean energy

**Synopsis:** Regular policy interventions by the government, an investment push and fiscal stimuli over the years have helped India emerge as a global front runner in the clean energy ecosystem.

### Introduction

Despite the covid pandemic, steady growth has helped India **cross the 100-gigawatt (GW) target of installed capacity**. Today, we stand 4<sup>th</sup> in the world in terms of installed renewables capacity (fifth in solar and fourth in wind).

### What is the reason behind growth of renewable energy sector in India?

**Dedicated efforts by the government:** India had set up the ministry of non-conventional energy sources in 1992 and renamed it ministry of new and renewable energy (MNRE) in 2006.

**Policy reforms:** such as **transparent bidding**, waiving of inter-state transmission system charges and losses for the inter-state sale of solar and wind power for projects, and creating **renewable purchase obligations**. Also, government has given ‘**must-run**’ status to renewable energy projects, crafting liquidity packages for distribution companies.

**Global-scale initiatives:** such as setting up of the International Solar Alliance on the side-lines of the Paris Climate Conference along with ambitious target of achieving 450GW of renewable energy capacity by 2030.

**Energy ecosystem potential :** Estimates suggest India has over 1,050GW of renewables potential in wind and solar power alone, with wind potential at 300GW and solar at 750GW.

**Newer means of power generation** such as floating solar and offshore wind projects have been introduced, storage-based systems to provide round-the-clock energy are coming into play.

Efforts to **digitize power grid** are also underway. Battery costs have been falling consistently. Bloomberg estimates that it will fall by 8% every year to reach \$60 by 2030.

**Grid connectivity:** New renewable capacity can ensure 100% renewable energy generation for stable power to the grid. ReNew Power currently has a project under development that envisages the use of wind, solar and batteries for the **stable supply** of renewable energy.

### How India can ensure development in renewable energy sector?

**Foster the development of an end-to-end clean energy ecosystem:** it will help India to become a global champion.

**Creating demand and providing supportive policies** such as wind equipment-making and electrolyzer and fuel-cell manufacturing. According to the International Labour Organization, around 330,000 new jobs could be created in the renewables sector by 2022 and more than 24 million new jobs by 2030.

## 26. The PLI plan for our automotive sector can accelerate its success

**Source:** This post is based on the article “The PLI plan for our automotive sector can accelerate its success” published in Livemint & “Another industrial policy misstep” published in Business Standard on 17<sup>th</sup> Sep 2021.

**Syllabus:** GS3 – Automotive Industry

**Relevance:** PLI scheme for Automotive Industry

## 9 PM Compilation for the Month of September (Third Week), 2021

**Synopsis:** The new PLI scheme will incentivize the industry to move into higher-value-added technologies and thus spur sectoral growth

### **Introduction**

The Union Cabinet has decided on a major new production-linked incentive (PLI) scheme aimed at reviving and transforming the automotive sector in India.

The planned outlay of government funds for the scheme is in excess of Rs 26,000 crore.

There are two aspects to the scheme. One targeted at original equipment manufacturers and the other at the component's ecosystem. The OEM scheme focuses in particular on electric vehicles and those powered by hydrogen fuel cells.

### **What are the issues and challenges of the automotive industry?**

**Reduced demand due to the Pandemic:** Like with other sectors, covid has caused immense damage to the automotive sector. Besides, factors like a cyclical downturn, Bharat Stage VI transition and supply-chain disruptions having made conditions even more severe.

**Geopolitical issues:** Although signs of recovery are now clearly visible, ongoing global supply disruptions, particularly of semiconductors, threaten to dampen the revival of this sector.

**Low export growth:** While India's automotive exports are about \$27 billion, or about 8% of total exports, in the context of global automotive trade, there exists vast room for growth. India's current auto-component exports comprise a mere 1% of their global trade.

**Dependence on Imports:** There remain technologies and parts that are either not made in India or for which we haven't matched the global scale, prices or quality needed. For instance, of our top 12 import categories, drive transmission and steering units, engines, electricals and electronics account for 62%, with most imports from China.

**Low levels of localization in evolving technologies:** such as e-vehicles, unless we act now, the Indian industry would be at threat of losing competitiveness and lagging rivals.

**Cost disadvantages in various automotive technologies:** hampering our Industry to be globally competitive.

### **How the PLI scheme will help the Indian automotive industry?**

**Focus on Startups:** Given the role of startups and new technology players in the automotive space, this scheme covers not only existing auto original equipment and component makers, but also new non-auto investors.

**Inclusivity:** The PLI criteria for eligibility, offers all companies an equal opportunity, irrespective of their size, area of operation or country of incorporation.

**Reduce Import dependence:** The approach adopted is to target advanced-tech components that currently show high import intensity with usage across all vehicles. Further, it has also built-in flexibility for the inclusion of more technologies.

**Pollution mitigation:** The OEM scheme attempts to mobilise demand in the direction of zero-emission vehicles, especially the FAME-II scheme. This will help in transformation of the automotive sector towards zero-emission vehicles

### **What are the changes needed in the PLI schemes to make it more effective?**

**Firstly**, the PLI schemes thrust towards zero-emission sector has not attracted support from automotive industry. Perhaps the government must once again revisit its timetable for the tighter regulation of emissions if market conditions are to be changed sufficiently to induce additional investment.

**Secondly**, the PLI scheme focuses on advanced component manufacturing. However, there is an issue of the availability of skilled labour that needs to be addressed.

**Thirdly**, using taxes to provide incentives for the private sector in order to minimise imports is but steps away from the full-fledged licence-permit raj. The purpose of industrial and trade policy must be to integrate further with global value chains, not to dissociate from them. Dissociation from global supply chains will leave the private sector unproductive, drain the public exchequer, hurt consumer welfare.

#### **What is the way forward?**

Now the automotive industry must step up and invest in future technologies, advanced manufacturing and improving their processes as well as skilling their workforce, to bolster India's integration with global value chains.

#### **27. Bringing woolly mammoths back from extinction might not be such a bad idea — ethicists explain**

**Source:** This post is based on the article “**Bringing woolly mammoths back from extinction might not be such a bad idea — ethicists explain**” published in **Down to Earth** on **17<sup>th</sup> Sep 2021**.

**Syllabus:** GS3 – Biodiversity and Conservation

**Relevance:** Regarding restoring ecosystem via de-extinction methods

**Synopsis:** There's a strong case for trying out novel methods to restore lost species and damaged ecosystems. A look at the related issues.

#### **Introduction**

The United States startup Colossal Biosciences has announced plans to bring woolly mammoths, or animals like them, back from extinction and into the frosty landscape of the Siberian tundra.

Colossal proposes to use **CRISPR gene editing** technology to modify Asian elephant embryos (the mammoth's closest living relative) so their genomes resemble those of woolly mammoths. These embryos could then theoretically develop into elephant-mammoth hybrids (**mammophants**), with the appearance and behaviour of extinct mammoths.



### **What is the objective?**

The ultimate aim is to release herds of these mammoth-like creatures into the Arctic, where they will fill the ecological niche mammoths once occupied.

**Restoration of ecosystem:** When mammoths disappeared from the Arctic some 4,000 years ago, shrubs overtook what was previously grassland. Mammoth-like creatures could help restore this ecosystem by trampling shrubs, knocking over trees, and fertilising grasses with their faeces.

**Impact on climate change:** Theoretically, this restoration could help reduce climate change. If the current Siberian permafrost melts, it will release potent greenhouse gases. Compared to tundra, grassland might reflect more light and keep the ground cooler, which Colossal hopes will prevent the permafrost from melting.

The proposed project is exciting, with laudable ambitions — but whether it is a practical strategy for conservation remains unclear.

### **Global example**

A well-known example is the reintroduction of wolves to Yellowstone National Park in the 1990s, which started a cascade of positive changes for local flora and fauna.

### **What are the associated issues and ethical concerns?**

Two major concerns associated with De-extinction are:

**Firstly, de-extinction could distract from more cost-effective efforts to protect biodiversity or mitigate climate change:** Some critics of de-extinction projects hold that while de-extinction may be an admirable goal, in practice it constitutes a waste of resources.



Even if newly engineered mammoth hybrids contain mammoth DNA, there is no guarantee these hybrids will adopt the behaviours of ancient mammoths.

Also, important are the behaviours animals learn from observing other members of their species. The first mammoth hybrids will have no such counterparts to learn from.

And even if de-extinction programs are successful, they will **likely cost more** than saving existing species from extinction. The programs might be a poor use of resources, especially if they attract funding that could have otherwise gone to more promising projects.

**Secondly, the possible moral hazards that may arise if people start believing extinction is not forever:** Some environmentalists argue once de-extinction becomes possible, the need to protect species from extinction will seem less urgent.

### What is the way forward?

**We shouldn't rule out de-extinction technologies altogether.** The costs will eventually come down. In the meantime, some highly expensive projects might be worth considering.

**De-extinction is not the only conservation strategy** that seeks to undo otherwise irreversible losses. For example, "rewilding" involves reintroducing locally-extinct species into an ecosystem it once inhabited. If we welcome these efforts then we should also welcome novel strategies to restore lost species and damaged ecosystems.

Furthermore, **climate change is one of the great moral challenges of our time.** The melting of the Siberian permafrost is expected to accelerate climate change and exacerbate ecological disaster. This is such a serious problem that even ambitious projects with a low probability of success can be ethically justified.

## 28. National Monetisation Pipeline shows promise — and limits

**Source:** This post is based on the article "National Monetisation Pipeline shows promise — and limits" published in **The Indian Express** on **18<sup>th</sup> Sep 2021**.

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

**Relevance:** various issues related to National Monetisation Pipeline project.

**Synopsis:** Article focuses on two issues – How much should the government expect to raise from the Asset Monetisation plan? And, whether the plan likely to increase the efficiency of the economy?

### Background

– Read here: [National Monetisation Pipeline – Explained, pointwise](#)

### How much should the government expect to raise from the Asset Monetisation plan?

The amount of money raised shall depend on the bidding amount.

And the biggest uncertainty in the calculation of bidding amount is regarding the cash flow on these public assets.

Estimates of Rate of return on public capital in the US have been estimated to be upwards of 15%.

However, in India with its **various uncertainties** regarding pricing, bill collection, asset quality, regulatory framework as well as policy reversals **the returns are likely to be lower** than the US estimates.

Even in the most optimistic scenario, revenue generated by the plan is unlikely to exceed 5% of the government's overall infrastructure investment target of Rs 111 trillion.

Hence, its **revenue potential is limited**.

### Will the plan enhance the efficiency of the economy?

The NITI Aayog believes that the private sector is better at managing and operating the identified public assets than the public sector. There is certainly scope for efficiency gains. However, there are significant efficiency barriers too.

**Usage fees:** One set of efficiency issues involve usage fees. Can the lessee freely choose the price of the services from the asset? If so, could we end up seeing significant increases in prices?

**Cartelisation and concentration of ownership:** A second factor related to efficiency is the effect of the plan on competition. Could the plan induce the cartelisation of key segments of the infrastructure landscape?

The identified assets belong to core sectors of the economy including transport, energy and communication. Sectors like telecoms and ports have already seen **rising concentration of ownership** in recent years. An acceleration and extension of this trend to other segments of the infrastructure landscape would be seriously worrying.

**Financing of lease bids:** A third set of efficiency-related issues surrounds the financing of the lease bids. If bidders finance their bids using domestic savings, there is a clear opportunity cost of the plan, since these savings would otherwise have been invested in alternative projects. The way around this is to welcome foreign investors to bid for the assets. But this will require serious political will since entrenching foreign influence on Indian public assets will generate controversy. On this aspect too, the announced plan is low on details.

### What is the way forward?

The NITI Aayog should come up with a white paper that addresses some of these efficiency-related issues. Without that, the monetisation plan, while intriguing, is incomplete.

## 29. Private 5G networks: The next battle call

**Source:** This post is based on the article “**Private 5G networks: The next battle call**” published in **Business Standard** on **18<sup>th</sup> Sep 2021**.

**Syllabus:** GS3 – Science and Technology- Developments and their Applications and Effects in Everyday Life.

**Relevance:** regarding private 5G networks.

**Synopsis:** Should India enable the private 5G networks? A brief look at the issues involved.

### Introduction

**Private 5G networks**, where the infrastructure is used exclusively by devices authorized by the end-use organization, such as those within factory premises, are becoming a growing business in the global telecom landscape.

Last year, Germany issued 5G private licences to over 33 companies to run exclusive networks. In France, airport operator ADP Group and French electricity company EDF have joined the same bandwagon.

And the UK, the US and Australia are putting in place policies to enable private 5G networks. So can India, which is expected to roll out 5G sometime next year, be far behind?

### What is the present situation in India?

A battle has already begun over government policy to permit such networks.

**Telcos want 5G private networks to operate on the same terms** as they do. This means operators of 5G private networks should buy spectrum through auctions and pay for licences.

**Technology players, on the other hand, want spectrum to be offered at an administrative price**, as Germany has done.

### Should govt auction spectrum for private 5G networks?

Let's have both sides of the argument:

#### No. Spectrum should not be auctioned:-

- A private network with limited coverage is of interest only to that enterprise.
- **Spectrum required is also small**, between 50 and 100 MHz, and it is a closed user group not connected to any external public network with no commercial communication services involved. So there is no reason to auction spectrum, administrative allocation is the way.
- Moreover, **a lack of interconnection with external public networks** precludes the need for a licensing regime similar to that of commercial telecom service providers.
- A **light-touch licensing regime** would work just as well.

#### Yes. Govt should auction the spectrum:-

- Telecom companies vehemently oppose any suggestion that spectrum should not be auctioned.
- **One** reason is that **they want a level playing field**. If they pay for spectrum for 5G, how can private networks get it free?
  - **Two**, private networks should also get a universal access service licence to operate the same services just like they do and pay the same price.

### Why there's a difference of opinion?

**Telcos:** Currently, enterprise accounts for less than 10% of telco revenues. This is expected to go up to over 40% with the advent of 5G since the use of 5G increases in factories and other premises.

**Tech players**, like Fb, Google, Microsoft etc., on the other hand, will have an expanded market; they can offer network as well as end-to-end enterprise solutions to corporate customers directly. Currently, they have to tie up with operators to serve their customers. Hence, everyone wants a share in the 5G enterprise services sector, which will be far bigger than 4G.

### Should India enable private 5G networks?

#### Arguments in favor:

It would be detrimental for enterprises to wait for the roll-out of large public networks of 5G, with early roll-outs expected only in 2023 and that too in a few cities. The process has already been delayed by two or three years. But that should not mean that Indian enterprises should lose valuable time modernising their operations. Hence, private 5G networks should be permitted to be deployed immediately to garner wide benefits and kick-start manufacturing and industry 4.0.

#### Arguments against:

**Lack of expertise:** Many small and medium-sized enterprises lack the expertise or resources for their own network deployment.

**Security issues:** Also, in many countries, unlicensed spectrum earmarked for private networks is raising serious security issues.

**Cost:** Telcos say the new technology enables them to provide a company an equally robust and secure private network at a lower cost. Obtaining these services from telcos and focusing on their core business is much more cost-effective for companies.

### 30. A Job to do: On unemployment in India

**Source:** This post is based on the article "A Job to do" published in **The Indian Express** on 18<sup>th</sup> September 2021.

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

**Relevance:** Unemployment in India

**Synopsis:** Employment opportunities need to expand in areas where labour is deployed to deliver higher productivity for enterprise and higher returns to labour.

### **Introduction**

India's unemployment rate in August was 8.3 per cent and, it signifies **very high unemployment rates**.

### **What are some concerns regarding unemployment in India?**

**High unemployment rate:** Periodic Labour Force Survey (PLFS) highlighted a 45-year-high unemployment rate of **6.1%** in 2017-18 (July to June). Today, an unemployment rate of **7-8%** seems to be the norm.

India still provides 9.2 million jobs less than it provided before the pandemic. It fell by nearly 2 million from 399.7 million in July 2021.

**Unemployment rate is not an input into policymaking:** Between inflation and unemployment, it is inflation that wields political power.

High inflation rates can upset financial markets, that in turn exert pressure on regulators to keep inflation in control. The **unemployment rate does not have such an influence**.

**Unemployment directly impacts only the unemployed:** A 7% unemployment rate impacts less than 3% of the population. The society perceives being unemployed as an individual shortcoming, and not an outcome of a macroeconomic malaise.

### **What is the impact of rising unemployment?**

**Demands for jobs reservations:** The dearth of employment opportunities lends potency to reservations as a political tool.

**Low labour force participation rate (LFPR):** In India, very often people do not look for jobs in the belief that none are available. Hence, India's LFPR is at around 40% when the global rate is close to 60%.

**Poor quality formal jobs:** In a country of over a billion adults, there are less than 80 million salaried jobs. So, questions arise that where would the remaining 920 million go to find employment?

**Reverse-migration:** In August, even the farms could not absorb the excess labour spilling out from factories and offices. Labour moved to providing odd services to the household sector and into retail trade presumably as delivery boys.

### **What is the way forward?**

**Definitions of employment:** We should not reduce its meaning into a relaxed definition, as the official system does. For instance, India uses CMIE's definition of employment that requires a person to be employed for a better part of a day to qualify.

**Increasing investments:** the investment climate needs to be business-friendly and government interventions must shift away from supply-side support to spurring demand.

### **31. Bad bank will help clean up balance sheets, but credit culture must change for healthier financial system**

**Source:** This post is based on the article "**Bad bank will help clean up balance sheets, but credit culture must change for healthier financial system**" published in **Indian Express** & "**Focus now on faster NPA resolution to ensure NARCL's success**" published in **Business Standard** on 18<sup>th</sup> Sep 2021.

## 9 PM Compilation for the Month of September (Third Week), 2021

**Syllabus:** GS3 – Issues related to Banking sector

**Relevance:** IBC, resolution of stressed assets, bad banks and NPA's

**Synopsis:** Issues and challenges that may impact the performance of the National Asset Reconstruction Company Ltd.

### Introduction

The balance sheets of banks show stressed loans worth Rs 2 lakh crore.

To address this problem the government had envisaged the formation of **National Asset Reconstruction Company Ltd** (NARCL) referred to as the bad bank within a period of five years.

Cabinet recently cleared a ₹30,600-crore guarantee programme for securities to be issued by the National Asset Reconstruction Company Limited (NARCL) for taking over and resolving non-performing assets (NPAs).

### How the NARCL will function?

As the buyer of these bad loans, NARCL, through its operational entity, **India Debt Resolution Company**, will be tasked with the resolution of these assets.

The NARCL will acquire stressed assets of about Rs 2 trillion in phases, and these soured loans would be transferred by paying 15 per cent cash to lenders and the remaining 85 per cent would be paid through security receipts.

These security receipts issued by the NARCL would be backed by a government guarantee of up to Rs 30,600 crore.

### How it will be beneficial?

**Faster resolution of stressed assets:** this may lead to better outcomes as consolidating loans from multiple banks into a single entity may lead to a more effective, and timely resolution process.

**Provide Liquidity for banks:** the upfront cash payment will aid cash flows of banks.

### What are the issues and challenges involved?

**Price discovery:** the price at which NARCL buys the stressed loans from the banks might prove to be challenging, even though the transaction involves the public sector as both buyer and seller.

**Uncertainty over the Response from secondary market:** Banks though will have the freedom to sell the security receipts. But to what extent a secondary market for such securities evolves is debatable.

**Uncertainty over the yield:** Considering that these loans have been written down by banks, it is difficult to gauge what this will yield. For instance, Historically, banks see about 10 per cent recovery from written-off loans.

**Lack of Buyers:** The absence of buyers as reflected in the IBC process, the extent to which financial creditors have had to take haircuts on their admitted claims, all raise questions over the market appetite on both sides of the transaction.

**NARCL may become another repository for bad loans:** The creation of a bad bank could help clean up bank balance sheets though in the absence of a successful resolution it may end up being a repository for bad loans.

**Net impact on NPA's is negligible:** While it will reduce gross non-performing asset (GNPA) ratios of public sector banks (PSBs), the reduction in net NPA (NNPA) will be limited to the extent of un-provided exposure.

**Does not address the underlying cause of the bad loan problem in India:** Only by reforming the banking system in India, especially the public sector banks, can the financial system be made more efficient.

**Delays in resolution:** Resolution of NPAs is a long-drawn process in India as it is difficult to find buyers and any delay will only lead to value destruction.

**May incur losses for banks in the longer run:** Upon extinguishment of government guarantee on Security receipts (after five years), banks will have to bear the loss on the un-redeemed Security receipts.

#### **What is the way forward?**

NARCL will have to be equipped with talented and passionate management and will require government and regulatory oversight to succeed.

### **32. Thailand's approach for sustainable development and building back better**

**Source:** This post is based on the article “Thailand's approach for sustainable development and building back better” published in **The Hindu** on **15<sup>th</sup> September 2021**.

**Syllabus:** GS 3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

**Relevance:** Understanding Thailand's SEP approach

**Synopsis:** Thailand's SEP offers a practical path towards achieving sustainable development in the post-pandemic world.

#### **Introduction**

The COVID-19 pandemic caused severe social and economic disruption and also changed the living standards of the people. It has also slowed down the global effort to drive forward sustainable development and achieve the United Nations' Sustainable Development Goals (SDGs).

To achieve global sustainability, Thailand came with homegrown development approach of “*Sufficiency Economy Philosophy*” (SEP). This approach can serve as an alternative approach to achieve the SDGs and building back better without leaving no one behind in the Covid-19 pandemic.

#### **What is Sufficiency Economy Philosophy (SEP)?**

SEP is a philosophy that guides one's inner thinking to immunize oneself from external shocks. Under sufficiency economy, one can consider going beyond one basic need as long as one's existing means and capacity are not exceeded.

#### **What is the purpose of SEP?**

The purpose of SEP is to encourage oneself to be sensible and realistic. SEP can be applied to any sectors and any areas of operations and at all levels, i.e. family, local community, business and public organizations.

SEP serves as a foundation, and compass for sustainability, **based on three principles and two pillars.**

**First**, moderation, which entails producing and consuming within one's capacity and avoiding overindulgence.

**Second**, reasonableness, which is using one's mental faculties to examine the causes and consequences of actions on one's well-being, household and community.

**Third**, prudence, which refers to risk management in order to be prepared for impacts from any disruptions.

### What are the two pillars?

The two pillars are:

**First**, knowledge. It enables effective planning and execution of developmental activities.

**Second**, ethics and values. It enhances human development by emphasizing honesty, altruism, and perseverance, with creating active, engaged citizens, and promoting good governance as the ultimate goal.

### What is New Theory Agriculture?

To strengthen development efforts based on SEP, in the rural areas the “New Theory Agriculture” has been introduced. The initiative is to divide the land into sections for multiple purposes such as crops cultivation, livestock farming, fisheries, and water resources.

**Advantages:** This ensures sufficient resources for household consumption and reducing reliance on food imports. It has increased agricultural productivity, income generation, and living standards. It has improved the livelihoods of communities nationwide.

### What are the applications of SEP in times of COVID-19?

SEP has succeeded in alleviating Thailand to overcome many crises in the past and during COVID-19. Many people were able to continue their way of lives in unprecedented times through self-immunity.

SEP has inspired numerous projects around the world. Thailand’s SEP-based development models are designed to **assist developing countries to tackle the issue of excessive dependence on foreign aid**. The objective is to build resilient communities by enhancing productivity in income and resources.

### What is the way forward?

Thailand used SEP to overcome the effects of COVID-19 pandemic and achieve the SDGs. Hence, SEP provides a practical and worthy development path that other nations can adapt to their specific contexts.

Thailand is ready to work with partners worldwide on cooperation for development and share the benefits of the application of the SEP as Thailand’s gift to the world.