

9pm
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September, 2021

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General Studies Paper - 2

General Studies - 2

1. Free and Open Source Software (FOSS) has great potential in government applications

Source: This post is based on the article “Free and Open Source Software has great potential in government applications” published in The Indian Express on 30th August 2021.

Syllabus: GS2 -E governance

Relevance: using open source technology to improve public services in India

Synopsis: India announced a policy to encourage open source in 2015. However, the true potential of this policy is yet to be realized, largely due to constraints in public procurement processes. A look at the misconceptions about FOSS and a roadmap for its optimum utilization.

What is FOSS?

Free and Open Source (FOSS) is a software that is licensed to be free to use, modify, and distribute. FOSS today presents an alternative model to build digital technologies for population scale. Unlike proprietary software, everyone has the freedom to edit, modify and reuse open-source code.

Benefits of FOSS

FOSS offers many advantages:

- Reduced costs
- No vendor lock-in
- The ability to customize for local context
- Greater innovation through wider collaboration

Usage of FOSS in India

Recognising its potential, in 2015, the Indian government announced a policy to encourage open source instead of proprietary technology for government applications. We have seen some great examples of public services being delivered through systems that use FOSS building blocks, including **Aadhaar**, **GSTN**, and the **DigiLocker**.

- Many other solutions launched by the government including **Digilocker**, **Diksha**, **Aarogya Setu**, the Covid-19 vaccination platform CoWIN have also been built on top of open-source digital platforms

Misconceptions about FOSS

1. **Lack of trust:** “Free” in FOSS is perceived to be “free of cost” and hence many think that the solutions based on FOSS are not good enough. For example, FOSS is often mistaken to be less trustworthy and more vulnerable, whereas FOSS can actually create more trust between the government and citizens.
2. **Absence of one clear owner:** Another important issue is that it can feel easier to deal with a proprietary software vendor who builds a customized software and can be held accountable for any failures. In the case of FOSS, there appears to be an absence of one clear “owner”, which makes it harder to identify who is responsible.

Suggestions/measures

1. **Incentivize uptake of FOSS in government:** The government's policy on the adoption of open-source software requires all tech suppliers to submit bids with open source options. Suppliers also need to justify in case they do not offer an open-source option, and sourcing departments are asked to weigh the lifetime costs and benefits of both alternatives before making a decision. The present policy can go a step further by **formally giving greater weightage to FOSS-specific metrics** in the evaluation criteria in RFPs, and offering recognition to departments that deploy FOSS initiatives, such as, a special category under the Digital India Awards.
2. **A repository of "GovTech ready" building blocks:** Off-the-shelf FOSS software is often not ready for direct deployment by government. Creating a repository of ready-to-use "GovTech-ised" building blocks, can help departments quickly identify and deploy FOSS solutions in their applications.
3. **FOSS innovations can be encouraged through "GovTech hackathons and challenges"**, bringing together the open-source community to design solutions for specific problem statements identified by government departments. The best innovations emerging from these challenges can be listed on government procurement platforms such as GeM.
 - a. One such challenge — a **#FOSS4Gov Innovation Challenge** — was recently launched to accelerate the adoption of Free and Open Source Software (FOSS) in government by harnessing innovation from the FOSS ecosystem.
4. **A national "FOSS Centre of Excellence":** Finally, a credible institutional anchor is needed to be a home for FOSS led innovation in India. Such an institution can bring together FOSS champions and communities that are scattered across India around a shared agenda for collective impact. Kerala's International Centre for Free & Open Source Software (ICFOSS) is a great example of such an institution that led to Kerala being a pioneering state in the adoption of FOSS. A national "FOSS Centre of Excellence" can create the much-needed momentum to build world-class "made in India" FOSS products.

2. Biofortified food can lead India from food security to nutrition security

Source: This post is based on the article "Biofortified food can lead India from food security to nutrition security" published in The Indian Express on 30th August 2021.

Syllabus: GS2 – Issues related to poverty and hunger

Relevance: Tackling malnutrition

Synopsis: Using science to address the complex challenge of malnutrition, particularly for low-income and vulnerable sections of the society, can be a good intervention. Bio-fortification of food can come handy to address the issue of malnutrition in India along with other measures.

Context

The Prime Minister recently announced that, by 2024, rice provided to the poor under any government scheme — PDS, mid-day-meal, Anganwadi — will be fortified.

Malnutrition in India

- 15.3% of the country's population is undernourished

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- India has the highest proportion of “stunted” (30%) and “wasted” children (17.3%) below five years of age as per ‘The State of Food Security and Nutrition in the World, 2021’ report.

Must Read: [Food fortification in India – Explained](#)

Recent developments

Work done by ICAR

- Scientists at the Indian Council of Agricultural Research (ICAR) have been developing biofortified crops in India with a view to eradicating malnutrition
- As per the ICAR website, they had developed 21 varieties of biofortified staples including wheat, rice, maize, millets, mustard, groundnut by 2019-20
- These biofortified crops have 1.5 to 3 times higher levels of protein, vitamins, minerals and amino acids compared to the traditional varieties
- These varieties are not genetically modified rather they have been developed through conventional crop breeding techniques

National Agri-Food Biotechnology Institute

- The National Agri-Food Biotechnology Institute in Mohali has also developed biofortified coloured wheat (black, blue, purple) that is rich in zinc and anthocyanins

The HarvestPlus programme

- The HarvestPlus programme of the Consultative Group for International Agricultural Research is working with ICAR, state agricultural universities (SAUs), the international centres of CGIAR, seed companies and farmer organisations.
- It aims to accelerate production and improve the access of the poor in India to iron-rich pearl millet and zinc-rich wheat.
- Malnutrition, is a multidimensional problem. Nutritious food is only a part of it. Hence, it requires a multipronged approach.

The correct approach

- Nutrition is just one part of malnutrition challenge. Poor access to safe drinking water and sanitation (especially toilets), low levels of immunization and education, especially of women are other determinants of nutrition
- About 50% of the rural population does not have safe and adequate drinking water within premises
- About 15% of schools still lack access to basic infrastructure (electricity, drinking water and sanitation)
- the average annual school dropout rate at the secondary level (Class 9-10) is still 18 percent (as per the Niti Aayog’s SDG Index for the year 2020)
- All this calls for a multipronged approach to address the pressing problem of malnutrition

Suggestions/Measures

- **Improving mother’s education**– There is a direct correlation between mothers’ education and the wellbeing of children. Children with mothers who have no education

have the least diversified diets and suffer from stunting and wasting and are anemic. Hence, **targeted programmes** for improving the educational status of girls and reducing the school dropout rates, particularly at the secondary and higher educational levels, need to be promoted.

- **Increasing expenditure on agri R&D**– Innovations in biofortified food can alleviate malnutrition only when they are scaled up with supporting policies. This would require steps like, increasing expenditure on agri-R&D, incentivizing farmers by linking their produce to lucrative markets through sustainable value chains and distribution channels etc.
- **Private participation**– The government can also rope in the private sector to create a market segment for premium-quality biofortified foods to cater to high-end consumers.
- **Creating awareness**– A national awareness drive on the lines of the “Salt Iodisation Programme” launched by the government in 1962 to replace ordinary salt with iodised salt, can play an important role at the individual and community levels.

Terms to know

- **Malnutrition, stunting, and wasting**

3. Time to bury Mudra ‘loan mela’ (On MUDRA loans)

Source: This post is based on the article “Time to bury Mudra ‘loan mela’” published in The Business Standard on 30th August 2021.

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

Relevance: MUDRA loans, Loan mela

Synopsis: Mudra loans have generated no jobs, resulting in misspending of trillions of taxpayers’ money. The loans were supposed to be for a three- to five-year period. The first cycle of the experiment is over, and the result has been disastrous.

Context

Recently, Chairman of State Bank of India (SBI), told that 20% in its loan portfolio under the **Pradhan Mantri Mudra Yojana (PMMY)** scheme had turned bad.

Background

Mudra loans were launched six years ago. They are collateral-free or unsecured loans of up to Rs 10 lakh extended to micro and tiny businesses. However, the idea of such “equitable lending” has been tried before and had failed miserably.

This very same desire to ensure fairness in lending drove the socialist Indira Gandhi to nationalise banks and **force them to lend to “priority sectors”**.

But government control over banks led to **large-scale corruption** and their **repeated recapitalisation** through taxpayers’ money. This further reduced the money available for small businesses.

Criticism of MUDRA

1. In 2018, when the economy was stagnating, Mudra was publicised as a **job-generation scheme**. However, since 90% of the loans were issued **under the Shishu category** (less than Rs 50,000), they could not have generated many jobs. Besides, the default rate for shishu category is the highest.

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2. Mudra was a **populist and political move** to give away money. Not surprisingly, almost immediately bad debts started piling up and so, the scheme has remained a headache for the Reserve Bank of India (RBI) and banks. From **4.35%** of Mudra advances in 2016-17, bad loans shot up to **9.3%** in FY19, as political parties organised camps to canvass Mudra loans for their supporters.
3. In July 2019, the RBI blamed the **poor credit-appraisal system of banks** for rising bad debts. The biggest bad loans (12.39 per cent) were in the smallest loan category (under Rs 50,000).
4. The **scheme emphasised more on cash flow-based lending** and not security-based lending. Collateral securities were avoided, and repayment obligations were kept flexible.
5. The staff at branches **focussed more on meeting the target**. Once the loan is given, there is virtually no effective mechanism that can be employed to get the repayment. Banks have recovery agents and business correspondents, but often they are local people and the borrowers don't take them seriously.

Way forward

Government should consider burying the scheme. More recent policies (renewable energy, production-linked incentives, timely tariff protection against dumping) where the government isn't giving any direct loan and **only helping the private sector**, would generate much more economic growth and employment.

Terms to know

- [MUDRA Scheme](#)

4. [Towards a more humane race](#)

Source: This post is based on the article "Towards a more humane police force" published in The Hindu on 30th August 2021.

Syllabus: GS-2 Police reforms

Relevance: To understand the requirements of police reforms

Synopsis: Efforts are on to improve the human rights protection regime in police stations

Context:

Recently, the Chief Justice of India expressed his concerns about the human rights violations in police stations. The violations happen despite various constitutional safeguards and guarantees. Unfortunately, the threat to human rights violation & bodily integrity is highest in police stations. Since the police are meant to protect human rights, efforts are needed to improve the situation in the police stations.

Findings of National crime Record Bureau:

According to NCRB, the number of deaths in police custody varies every year. The data reveals that:

- 100 custodial deaths have taken place every year between 2010 -2019
- Of these deaths,
 - 3.5% have been due to injuries caused by the police
 - 28.1 % because of suicide
 - 8.6 %, while escaping custody
 - Rest, due to other different reasons like illness etc.

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- A judicial enquiry is mandatory for suspicious deaths. It has been conducted only in 26.4 cases
- On average, about 47.2 criminal cases were registered annually against policemen in the last 10 years

When Arrest should not be made?

Read the following articles.

- [SC- Arrest should not be done as routine](#)
- [SC- Arrest is not always a must](#)
- [SC reminds lower courts, cops to avoid unnecessary arrests. But bureaucratic habits die hard](#)

Supreme court judgements to protect human rights:

The Supreme Court has pronounced many judgements to strengthen the human rights regime. For instance,

1. In **Arnesh Kumar v State of Bihar (2014)**: The SC held that **even though the offence is non-bailable, an arrest is not mandatory** as per Section 41 of the Code of Criminal Procedure (CrPC)
2. In **Special Action Forum v Union of India (2018)**: The SC held, the **police officer shall explain** to the magistrate **the reasons necessitated the arrest** for further detention of the accused.
3. In **Prakash Singh v Union of India (2006)**: The SC recommended **separating the investigating police from law and order police** to ensure better expertise in the investigation. Similar, recommendations have been given by the National Police Commission (1977-81), 154th Law Commission report (1996) & Malimath committee (2003).
 - a. Malimath committee also recommended that investigation officers should not investigate more than 10 cases a year.
4. In **DK Basu v State of Bengal (1996)**: The SC laid down the **guidelines to check custodial torture** and also mentioned steps to increase transparency & responsibility of police officers during an arrest.
5. In **Paramvir Singh v Baljit Singh (2020)**: The SC directed states to cover more areas of police stations under CCTV & to maintain a storage facility for audio-video recording for 18 months

What needs to be done?

- Training of police persons to sensitize and encourage them to adopt scientific tools of interrogation. For instance, Narco test, Lie detector test etc.
- As was mentioned by the Home ministry, India needs to link police modernization with police reforms to create a police force that can meet the demands of contemporary times.

Terms to know

- [Indian Penal Code](#)
- [Malimath Committee](#)

5. Guarding Democracy

Source: This post is based on the article “Guarding democracy” published in the Times of India on 30th August 2021.

Syllabus: GS 2 – Reforming the system to strengthen democracy

Relevance: To understand the significance of free speech

Synopsis: The governments seek to suppress free speech. However, no vibrant democracy can be formed if it lacks free speech.

Context

The article highlights the importance of democracy in the public sphere. The essence of which is in the participation of the public in the decision-making process.

But for that to happen, citizens should be adequately informed. The health of any democracy rests on the foundation of governments **being truthful** about the current state of affairs.

What is the role of citizens in ensuring a democratic process:

- They should ensure that media is free, especially when it is giving a critique of public institutions.

However, the government at times seeks to silence criticism. This is evident through recently introduced Information Technology Rules. It imposes Draconian restrictions on a digital medium that is fast growing. A consequence will be that fake news, which undermines the health of a democracy, will proliferate through other digital platforms.

How can we strengthen democracy?

- **Education:** Both the education system and democracy work well when children are allowed to develop a temperament that allows them to pose questions to power. **Thus, education is the key to strengthening a vibrant democracy.**
- **Elections:** Voting is a right in India, something that people in many other countries cannot take for granted. However, this right needs more involvement from India’s more privileged citizens.

Way Forward

The commitment to search for truth is a key aspiration of our society. The best way to realize this goal is to allow the plurality that characterizes Indian society free expression.

Thus, it can be said that democracy produces the best results when it creates a platform for multiple opinions.

6. The purpose of literature

Source: This post is based on the article “The purpose of literature” published in The Hindu on 30th August 2021.

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

Relevance: To understand the value of Indian literature

Synopsis: It is through inclusive and diverse writing that we get a socio-cultural understanding of the nation

Introduction

Recently, Delhi University dropped Mahasweta Devi’s renowned short story “Draupadi” & two Dalit writers “Bama & Sukirtharani” from their BA Hons syllabus

What should be the purpose of literature?

- To understand who we are, or ought to be, as people
- To understand where and how we live and the challenges that face our time and society
- To understand literature better, all over the world, the literature syllabus is being redrawn to ensure inclusion and diversity.

What is special about writings that have been removed?

1. Draupadi—it details the hardships of tribals, which still exist in today's world.
2. Bama's Karakku: It gives a brief about subjugation, caste oppression & exclusion from society.
3. Sukirtharani poems: It's about Dalit feminist politics.

These are the important writings that highlight concerns that help us in getting a socio-cultural understanding of the issues that plague Indian society. These kinds of writings help us to encourage critical questioning & thinking among young minds.

What should be done before removing any such writings?

- There should be proper scrutiny by the experts
- Proper reasoning why the particular text is chosen to be removed.
- Ensure that there is no political interference/pressure.

Previous instances

This is not the first time such incidents have happened. There are many examples where such writings have been dropped from the University syllabus. The prominent ones are,

- **AK Ramanujan's** Three hundred Ramayanas
- **Rohinton Mistry's** A fine balance

Way forward

- We should focus on Indian literature along with world literature.
- An introduction to Indian writing will go a long way in creating passionate learners and critical thinkers.

7. The broken promise of justice in rape cases

Source: This post is based on the following articles.

- "Rape & insensitivity" published in The Hindu on 30th August 2021
- "The broken promise of justice in rape cases" published in the Indian Express on 30th August 2021

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

Relevance: To understand crimes against women

Synopsis: Despite stringent laws, crimes against women continue. The problems go far beyond law and point to the legal and socio-political system.

Introduction

The issues of violence against women continue unabated in India. While the Nirbhaya case still lives in our collective memory, on August 24, an MBA student was gang-raped near Chamundi hills in Mysuru.

In such incidents, the Apex court has been viewed as a saviour by the weak and marginalized groups. This is also true because of power asymmetry in a society where often Police are seen to side with power holders.

Issues associated with the Indian legal and socio-political system

- **Legal system:** Our legal system records that rape survivors are routinely killed or kill themselves in protest. But the legal system does not take any action on the root cause.
- **Media:** Media discourse on rape is mostly spectacularised and sensationalized for TRP ratings.
- **Society** immediately starts focussing on anti-rape protests and not on the welfare of the victim. Further, society also **put restrictions on the women** movements to prevent that from happening.
- **State response** is focused on criminalizing anti-rape protests.
- **Victims** are counter cased are filed and victims are victimized further.
- **Judiciary:** There is no Judicial enquiry on why the victims are imprisoned on false counter cases?

Impact of the lockdown on rape survivors:

- Victims were subject to intimidation as the system was busy fighting Covid
- No moratorium was declared against arbitrary arrests of women and victims of violence
- Guidelines on how to treat rape survivors during the lockdown were not announced

Judicial observations to protect freedom of women:

- In June, the Supreme Court had to order police protection for a couple in a live-in relationship. As earlier they were denied relief by the Punjab and Haryana High Court.

What needs to be done?

- Recent rulings by the **Chhattisgarh High Court and the Kerala High Court**, reiterating that **any sexual act by a man against his wife**, even if it involved force, is **not rape**. This can be course-corrected.
- In the **Aparna Bhat & Ors vs. State of Madhya Pradesh case**, the Supreme Court accepted the “paternalistic and misogynistic attitudes that are regrettably reflected at times in judicial orders and judgments”. This has to be **course-corrected by the judiciary**.
- Instead of curbing the freedom of women, society and the state must ensure the protection of women both in public and private places.

8. Seize the opportunity to institutionalise accountability

Source: This post is based on the article “Seize the opportunity to institutionalise accountability” published in The Hindu on 30th August 2021.

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

Relevance: India’s vaccination program

Synopsis: India’s vaccine program is underperforming, and India should speed up vaccine acquisition from foreign manufacturers.

Context

India's vaccination drive, though in full swing, is underperforming given the size of the Indian population. India has granted approval to a few vaccines, while many are seeking approval. We should not let the delay in approval to jeopardize the vaccination drive.

What options does India have to boost vaccination?

The Drugs Controller General of India (DCGI) granted Emergency Use Authorisation (EUA) to the COVID-19 vaccines manufactured by Moderna and by Johnson & Johnson, at the end of June and early August 2021.

Further, India also has an opportunity to receive 5 to 10 crore doses of Pfizer-BioNTech's mRNA-based vaccine, including through the COVAX mechanism, before the end of 2021.

The government initiatives to boost vaccination

- The government had modified regulations like providing for fast track trials for Vaccines approved by UK, US, Japan etc.
- The government has done away with requirements like bridging trials and the mandatory batch testing for vaccines manufactured abroad.
- But a **key bottleneck has been the demand of manufacturers seeking indemnity.**

Must read: [What is "Indemnity" and why vaccine manufacturers are demanding that?](#)

Why India is not granting Indemnity?

Vaccines usually meet all safety parameters as immunobiological substances. But sometimes vaccines can be associated with rare and serious Adverse Events Following Immunisation (AEFIs).

For instance, vaccine-induced immune thrombotic thrombocytopenia (VIT) and Myocarditis are well known AEFIs. This is the major reason India is not granting indemnity.

The other reasons are,

- **First**, the supply from these manufacturers is likely to be a very small proportion of total vaccine availability in the country.
- **Second**, if foreign manufacturers are granted this indemnity, manufacturers currently supplying vaccines might make similar demands.
 - The manufacturers of the 3 vaccines currently being administered in India (Covishield, Covaxin, and Sputnik V) have not been granted indemnity.
- **Thirdly**, if indemnity is granted, in case of legal issues Government might have to pay the compensation.
- **Fourth**, the stand of manufacturers to not supply vaccines till indemnity is granted is too rigid.

What are the existing provisions for compensation in India for AEFIs?

- **If the person is a trial subject**, then the rules governing clinical trials in India specify that **compensation must be granted** in case of injury or death of a trial subject.
- If any problem **occurred in the government immunization programs**, then **no such compensation** mechanism exists.
- If any problem **occurred during private vaccinations**, then the legal responsibility for any vaccine-related injury lies with the manufacturers

Why do we need an urgent review of these procedures?

- India's Covid-19 vaccine drive is underperforming.
- As per the data, only 11% of the total population has been fully vaccinated, and 35.5% have received the first dose.
- One of the major reasons for this is the insufficient supply, which has consistently been less than the projected vaccine availability.

Other mechanisms in India to ensure the safety of vaccines

However, going beyond indemnity, India has mechanisms in the current legal framework to ensure safety and legal remedy for any harm.

- **First**, the Drugs Controller General of India, while granting registration certificates, is empowered to take action against companies found to be in violation of the Drugs and Cosmetics Act, 1940.
- **Second**, any individual seeking compensation can file petitions before consumer courts and the High Courts
- **Third**, recent amendments to the Consumer Protection Act, 1986 disallow individuals but permit the regulatory bodies to initiate class-action suits (cases representing groups of people who have suffered from the same loss)' based on individual complaints.

Way Forward

India's need to take a comprehensive view and not be rigid about indemnity alone:

- As long as citizens can redress the complaint, it makes little difference if compensation is paid by the Government or manufacturer.
- India should also examine the safeguards in place in other countries which have granted indemnity, like America's Countermeasures Injury Compensation Program (CICP).
- Given the needs of India's health, Government should work innovatively to speed up the vaccine supply to meet the demands of its vaccination program.

9. Soft power, India's strength in Afghanistan

Source: This post is based on the following articles:

- **The Hindu**
 - "Near and present" published on 28th August 2021
 - "Afghan situation uncertain, says India" published on 28th August 2021
 - "The Afghan theatre and judging India's responses" published on 30th August 2021
- **The Indian Express**
 - "Soft power, India's strength in Afghanistan" published on 28th August 2021
 - "India's limited options in Afghanistan" published on 28th August 2021
 - "India important, want to maintain ties: Taliban leadership in Qatar" published on 30th August 2021

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

Relevance: This article explains the recent developments in Afghanistan.

Context

Recently, the Taliban has declared that it will not allow any further evacuation of Afghan nationals. Following the announcement, a suicide bombing also took place in Kabul airport

which claimed close to 100 lives. This shattered any optimism that the world had to hand over Afghanistan to the Taliban.

But a member of the Taliban leadership in Qatar has said that India is “**very important for this subcontinent**” and that his group wants to continue Afghanistan’s “**cultural**”, “**economic**”, “**political**” and “**trade ties**” with India “**like in the past**”. This explains India’s soft power investments in Afghanistan is reaping benefits.

Background

Please read the following articles for a better understanding:

1. [The script of the new endgame in Afghanistan](#)
2. [Return of Taliban has implications for India](#)
3. [New Delhi’s Af-Pak: Old friends versus old foes: Should India accept Taliban, betray Afghans or support resistance movements like Saleh’s?](#)
4. [History over geography](#)
5. [Modi, Putin discuss Afghanistan; India flags terror concern at BRICS, UNHRC](#)
6. [Fourth evacuation from Kabul since 1992 & The legal challenges in recognising the Taliban](#)

Taliban leadership opinion on India

Recently, a member of the Taliban leadership has said that India is “very important for this subcontinent” and they wanted to continue relations like in the past. This is the **first categorical statement directed at India** by a senior leader of the Taliban.

The Taliban has also mentioned that they **will give due importance to Afghan’s political, economic and trade ties** with India. Further, he mentioned that **Trade with India through Pakistan is very important** for them.

Furthermore, he also mentioned that the Taliban would **address the issues holding up Turkmenistan-Afghanistan-Pakistan-India (TAPI) gas pipeline** project after the formation of the government.

India’s investment in Afghanistan

India is currently the fifth-largest donor in Afghanistan. Afghanistan is also among the top five recipients of India’s external assistance. India’s total development assistance over the years has been worth over \$3 billion.

Hard power investments:

- [Read this post to know about India’s Afghanistan investment.](#)

Soft power investments:

India’s soft power investments have helped India to build goodwill and greater people-to-people contact. It involves measures focusing on health, education, capacity development and food security, among others.

Many Indian projects have been community-driven, thus helping engage a large section of people in development efforts.

For instance, the **Afghan Women’s Empowerment Programme** is a collaboration between USAID and the Self-Employed Women’s Association (SEWA) for providing vocational education for Afghan women.

How India's development aid and cooperation distinguishes it from other donors?

1. India follows a demand-driven approach, which implies that the **sectors for investment are chosen by the recipient government.**
2. India's aid and investments come without any political trappings. For instance, the US and Germany invested funds with the condition to have peace talks.
3. In PPP terms, the value of the Indian rupee is often underestimated. This means with the rupee, one can buy substantially more goods and services at adjusted exchange rates.
 - o For example, a study by the Stimson Centre found out that even though **Indian aid in 2015-16 totalled \$1.36 billion, in PPP terms it could be pegged at over \$5 billion.**

Criticism against India's approach to Afghanistan

Despite India's achievement in soft power, India also faces criticisms like:

1. India **did not follow an independent or national interest-based policy** towards the events in that country. For example, India **blindly accepted the governments installed by the US.**
2. India's investment in Afghan earned goodwill among the people, but it did **not earn any role in the political consultations.**
3. Further, India also **did not engage or endorse the Taliban in the past.** This makes it **hard to begin negotiations at present.**

India's response to the condition in Afghanistan

Recently, the External Affairs Ministry has stated, "Currently, there is **no clarity on any entity forming a government in Kabul.** There has been a lot of stories going around about who will be represented in the government". He also mentioned that India is "monitoring the situation and are in touch with partner countries".

India's External Affairs Minister has mentioned that the Government is pursuing a "wait and watch" policy. India needs to establish itself as a neutral entity that is keen on the development of the region, but ready to work with all parties concerned. The recent statement of India's External Affairs Minister has affirmed that.

Terms to know:

- [Taliban](#)
- [e-Emergency X-Misc visa](#)
- [Turkmenistan-Afghanistan-Pakistan-India \(TAPI\) gas pipeline project](#)

10. Taliban has put geo-economics on top in India-US ties

Source: This post is based on the article "Taliban has put geo-economics on top in India-US ties" published in the Livemint on 30th August 2021.

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

Relevance: This article explains the issues surrounding developed countries vs developing and least developed countries.

Afghan issues mentioned in the article

Please read the following articles for the recent developments in Afghanistan:

1. [The script of the new endgame in Afghanistan](#)
2. [Return of Taliban has implications for India](#)
3. [New Delhi's Af-Pak: Old friends versus old foes: Should India accept Taliban, betray Afghans or support resistance movements like Saleh's?](#)
4. [History over geography](#)
5. [Modi, Putin discuss Afghanistan; India flags terror concern at BRICS, UNHRC](#)
6. [Fourth evacuation from Kabul since 1992 & The legal challenges in recognising the Taliban](#)

Context

There are two upcoming multilateral meetings over the next four months. These are,

1. The upcoming CoP-26 in Glasgow, scheduled to kick off on 31 October.
2. The World Trade Organization's (WTO) ministerial is scheduled this December.
3. Some key determinants are likely to emerge from the meetings. But, the fight between rich nations vs developing and poor nations will also get intensify.

What are the issues surrounding climate change negotiations?

1. Developed nations, led by the US, are **not yet willing to accept the developing bloc's principle of common but differentiated responsibilities**. Instead, they are focusing on net-zero targets.
2. Under the Paris Agreement, **rich countries had promised to provide \$100 billion every year to developing and poor nations**. This fund will primarily help them to cope with the effects of climate change and gradually shift from polluting factories to greener ones. So far, **the promise of \$100 billion has remained only on paper**.

Read more: [Net Zero Emissions Target for India – Explained, Pointwise](#)

What are the issues surrounding trade negotiations?

- **Agricultural trade** remains a bone of contention. Rich nations have consistently bullied developing countries at every trade negotiation. Rich nations tried to **restrict farm subsidies of developing countries while refusing to touch their own**.
 - The rich nations mention that there is an asymmetry in the 1995 agriculture agreement. But one has to remember that the rich nations only introduced the agreement during the morphing of the General Agreement on Tariffs and Trade into the WTO.
- Apart from that, the rich nations have also been trying to **shift the goal-post by questioning special and differential treatment provisions** for developing countries.
- The rich nations also **add new issues** to the agenda in which **they have a competitive advantage, such** as e-commerce and investment facilitation.
- A permanent solution to the **public stockholding for food security** has been pending since 2013. The pandemic has shown the importance of public stockholding by India and other poor nations. The issues with public stockholding are,
 - The formula is based on average crop prices of 1986-1988.
 - The developed countries are of the opinion that the minimum support price system in India is trade-distorting.

Read more: [WTO rules on domestic support and food security](#)

Terms to know:

- [The United Nations Climate Change Conference 2021 or the CoP 21](#)
- [World Trade Organization](#)
- [Common but differentiated responsibilities \(CBDR\)](#)
- [Agreement on Agriculture \(AoA\), Blue | Green | Amber Box, Peace clause](#)

11. Key priorities for employment policy

Source: This post is based on the article “Key priorities for employment policy” published in Business Standard on 30th August 2021.

Syllabus: GS2 – Welfare Schemes for Vulnerable Sections of the population by the Centre

Relevance: Employment Generation in India and Employment strategy for India.

Synopsis: Measures that generate income for the poor are more important than modifying the applicability threshold for labour laws.

Context

Several decades of relatively high growth has failed to generate enough quality employment for the majority of Indians. The consequences of this failure are visible in

- rising inequality of income,
- the social unrest and vigilante violence fuelled by unemployed youngsters,
- a growing politicization of the tension between locals and migrants from other parts of India,
- stagnation, and
- a decline in the living conditions of millions trapped in low-quality employment.

Hence, India needs to focus on **creating a sound employment strategy for youth** because out of the 22 million who are unemployed in terms of usual status, 18 million are workers in the 15-29 age group.

Employment strategy

It should be based on the following dimensions:

- **Employment** approach that strengthens the links between **growth and job creation**.
- Increase opportunities for educated youth.
- Improves substantially the conditions of work and remuneration for the millions at the bottom of the work pyramid.
- Increases substantially the participation of women in the workforce.

What needs to be done?

- First, improve the **quality of education** from pre-primary upwards and improved child nutrition. For example, the **new education policy includes a proposal for mandatory skill acquisition** programmes in schools.
- Second, **giving incentives to encourage school and college leavers** to participate in these skilling programmes. Provide all secondary school and college leavers with an **unemployment benefit** on the condition that they participate in an organised skill development course.
- Third, **connect the skill programmes and the institutions implementing them** to potential employers by involving them in the funding and management of skill development.

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- Fourth, provide every employed person with a **written contract and the strict enforcement** of minimum wage legislation.
- Fifth, **improving the conditions of work for the vast majority of workers.** In agriculture, the number of employers is so large that the best strategy is programmes like the Mahatma Gandhi National Rural Employment Guarantee Act that provide supplementary employment and underwrite statutory minimum wages in rural areas.
- Lastly, **raising the participation of women in the workforce.** At present, only 23% of women are in the labour force, as against 57% of men. There is a wide range in the Labour Force Participation Rate of women, from 6% in Bihar to 52% in Himachal Pradesh. This suggests that the differences are partly because of variations in the local pace of development and due to social practices.

Conclusion

If we improve the earnings for people at the bottom of the income pyramid, there will be substantial economic gain with a better connection between growth and job creation.

12. The vaccine's last mile problem

Source: This post is based on the article "The vaccine's last-mile problem" published in The Hindu on 31st August 2021.

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

Relevance: Universalisation of vaccination programme.

Synopsis: In vaccination programmes, which have complex delivery requirements, the last mile means to make or break.

Context

The article highlights the problem of increased inequalities in vaccination, which have been aggravated by the Covid pandemic. Now, as vaccines are becoming available, the next important task is to vaccinate the whole world.

This is especially true for the most vulnerable people or places like the mountains of Afghanistan and Amazon, nomadic populations etc. The debates **over vaccine nationalism, intellectual properties or technology transfer should not be allowed** to stifle the drive of vaccinating the entire world.

What are the issues that require immediate attention?

For vaccines, to be delivered to everyone, we need to address the following challenges:

1. **Logistical Issues:** There is a need to address logistical challenges like cold chain delivery requirements, supply chains etc.
2. **Infrastructure:** There is a need to provide proper transport infrastructure, electricity availability to store vaccines.
3. **Health system:** For the successful rollout of vaccines, there is a need to upgrade the health infrastructure with proper training to vaccinators to full availability of health staff.
4. **Communication:** Communities should be fully aware of the purpose of the vaccination drive.
5. **Sustainability:** There is a need to ensure sustainable methods to dispose of medical waste generated from the vaccination drives.

What are the long term benefits of extensive vaccination?

The extensive vaccination drive may also provide certain long term benefits. Such as:

- It provides the opportunity to build resilient health systems.
- If the infrastructure was created in a sustainable way at present, then it will serve the communities after the pandemic also. For instance, the solar water heaters, cold chain facilities, medical waste incinerators, etc can be used by the local community for the long term.

The pandemic revealed the inequalities and also the gaps in our health infrastructure. Thus, it should be seen as an opportunity to revitalize our health infrastructure and health systems.

13. Still hanging fire on transparency

Source: This post is based on the article “Still hanging fire on transparency” published in The Hindu on 31st August 2021.

Syllabus: GS -2 Structure, organization and functioning of the judiciary

Relevance: Understand issues of criminalization of politics.

Synopsis: Courts need to go beyond appealing to the fictional conscience of our lawmakers.

Context

Recently, the Supreme Court (SC) fined 8 political parties for being in contempt of the Court's decisions to inform citizens about criminal antecedents of their candidates.

Criminal cases against the politicians:

There has been an increase in criminal cases against politicians. In 2004, 24% of the Members of Parliament had criminal cases pending against them. This figure rose to an alarming 43% after the 2019 general elections.

Read more: [Functioning of Parliament: Challenges and way forward – Explained, pointwise](#)

Instructions by SC

In various judgements, the SC directed political parties to inform the electorates about:

- The criminal antecedents of candidates.
- Why the party found these candidates more suitable than those without criminal backgrounds?
- Party should give reasons for selections with reference to qualifications, achievements and other merits.
- Despite these clear directives, parties have not worked as per these directives.

There are many instances in the past where political parties have shown contempt to directives of court:

- In **Union of India vs ADR (2002)**: Court directed all candidates to file an affidavit declaring their educational, financial and criminal backgrounds. But, political parties amended the Representation of the People Act, 1951, to nullify the disclosure requirements. The Court later struck down the amendments.
- In 2013, the Central Information Commission (**CIC**) declared six national **political parties as 'public authorities'** under the Right to Information (RTI) Act, 2005. Parties were required to appoint Public Information Officers(PIO) and submit themselves to provisions of the transparency law.

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- Political parties immediately introduced a bill in Parliament to amend the RTI law to exclude political parties from the ambit of the RTI legislation. It was only due to strong public opposition that the amendments were finally dropped. But still, Political parties have not appointed PIOs.

Introduction of Electoral Bonds

Political parties often oppose the scrutiny of political funding by the public. Further, they do not want any examination which may reveal the names of their donors (who give financial support to parties). So, the introduction of **electoral bonds has created a further blow** to people's right to know and consolidated the role of money in electoral politics.

Must read: [Electoral Bond and its challenges – Explained, Pointwise](#)

While **hearing the challenge to the instrument of electoral bonds, the Supreme Court in 2019 observed** that the transparency of electoral bonds is vital for the sanctity of the electoral process. Unfortunately, the case has not received the urgent attention that it requires, and the petition has been pending for nearly four years.

What should the courts do?

- It needs to urgently hear the matter of the electoral bond, along with the issue of the refusal of political parties to comply with the CIC's order.
- Judiciary needs to put in a mechanism that ensures that its directives are followed before the conduct of elections.
- It should debar candidates who violate its orders.

What further steps are needed to bring transparency in electoral funding?

The country can no longer afford courts to become mere spectators of the erosion of democracy.

In the public interest, the courts should intervene and not just limit themselves to appealing to lawmakers to formulate strict laws. The courts **need to make decisive judgements and lay down directions to enhance the transparency** in the matter of public funding.

Terms to know

- [Representation of people Act, 1951](#)
- [Right To Information Act, 2005](#)

14. Marital Rape: An indignity to women

Source: This post is based on the article “Marital Rape: An indignity to women” published in The Hindu on 31st August 2021.

Syllabus: GS-2 Mechanisms, Laws, Institutions and Bodies constituted for the protection and betterment of these vulnerable sections

Relevance: Understand the issue of Marital Rape.

Synopsis: The marital rape exception is antithetical to women's dignity, equality and autonomy.

Introduction

Recently, the High Court of Chhattisgarh decided a criminal revision petition. The charges were framed against the husband based on the allegations of his wife. The High Court upheld charges under Sections 498A (cruelty towards wife by husband or relatives) and Section 377(unnatural sex) but discharged the husband under Section 376 (rape).

Why the person has been discharged from Section 376?

This was done as an Exception 2 to Section 375 (the definition of rape). As this section provides that sexual intercourse by a man with his own wife (provided that wife is over the age of 18) would not amount to the offence of rape. This is based on the premise that all sex within marriage is consensual.

Earlier in the **Independent Thought vs Union of India (2017) case**, the government defended these provisions by stating that making marital rape a crime would destroy the institution of marriage.

However, there are many inconsistencies in this provision of the law:

- **First**, the husband may be tried for sexual offences like sexual harassment, molestation etc as they make no exception for the marriage.
- **Second**, a husband can be tried for unnatural sexual intercourse under section 377 instead of under section 376.
 - In **Navtej Singh Johar vs Union of India**, 2018, the SC ruled that Section 377 is applicable only when the intercourse is done without the consent of the other partner.
- **Third**, it is argued that marriage is a sexual relationship. So, determining the validity of allegations of marital rape is difficult. However, one should keep in mind that marriage does not grant permanent and perpetual consent.
- **Fourth**, this section goes against the constitutional goal of individual autonomy, individual

15. 7 years of PM Jan Dhan Yojana

Source: This post is based on the article “7 years of PM Jan Dhan Yojana” published in the PIB on 28th August 2021.

Syllabus: GS-2 Welfare Schemes for Vulnerable Sections of the population by the Centre and States and the Performance of these Schemes

Relevance: To Understand PMJDY

Recently, PM Jan Dhan Yojana (PM-JDY) has completed its 7 successful years of implementation.

What is PMJDY?

It is **National Mission for Financial Inclusion** to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner.

Read more: [PM Jan Dhan Yojana](#)

Impact of PMJDY:

- PMJDY has opened the gates of financial inclusion for poor and marginalized households. It brings the benefits of credit, insurance, remittances and government services through DBT.
- It has aided many government schemes as schemes like PM-KISAN, MGNREGA etc. are dependent on active bank accounts.

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- Not only that, but it has also been of great help during the lockdown as within 10 days of lockdown, 20 Crore women PMJDY accounts received the money in the form of government assistance.

Achievements of the scheme

1. **Accounts: More and more people are coming under financial inclusion through JDY.**
 - a. More than 43.04 crore beneficiaries were linked to the banking system.
 - b. It has also helped in social empowerment as no. of women account holders in total JDY accounts is 55.47%.
 - c. In fact, 66.69% of Jan Dhan accounts are in rural and semi-urban areas.
2. **Currency circulation through operative accounts:** Out of the total 43.04 crore PMJDY accounts, 36.86 crores (85.6%) are operative, which helps in reviving credit and currency flow in the economy.
3. **Deposits:** Deposits have increased about 6.38 times. This is another indicator of increasing usage of accounts and inculcation of saving habits among the account holders.
4. **Rupay Card:** The number of RuPay cards and their usage has increased over time.
5. **Jan Dhan Darshak App:** It was launched to provide a citizen-centric platform for locating banking touchpoints such as bank branches, ATMs, Bank Mitras, Post Offices, etc. This app is also being used for identifying villages that are not served by banking touchpoints.
6. **PM Garib Kalyan Package (PMGKP) for PMJDY women beneficiaries:** Under this, an amount of ₹500 (for 3 months) was transferred to women PMJDY account holders during Covid lockdown.
7. **Ensuring smooth DBT transactions:** Close monitoring by the government with banks and NPCI (national payment Corporation of India) has reduced the DBT failures. The share of DBT failures due to avoidable reasons as a percentage of total DBT failures has decreased from 13.5% (FY 19-20) to 5.7% (FY 20-21).

What should be further done?

1. We should endeavour to **ensure coverage of PMJDY account holders under micro-insurance schemes**, such as PMJJBY (PM Jeevan Jyoti Bima Yojana) and PMSBY (PM Suraksha Bima Yojana).
2. We should work for the promotion of digital payments including RuPay debit card usage among PMJDY account holders through the **creation of acceptance infrastructure** across India.
3. Furthermore, we should work towards improving access of PMJDY account holders to Micro-credit and micro-investment such as Flexi-recurring deposit etc.

Terms to know

- [National Payment Corporation of India](#)

16. Break the deadlock: Increase women's representation

Source: This post is based on the article "Break the deadlock: Increase women's representation" published in The Times of India on 31st August 2021.

Syllabus: GS-2 Representation of women in Indian Legislature.

Relevance: Reservation for women in the legislature.

Synopsis: Providing reservations for women in a way that makes the parliament gender equal.

Context:

With women performing excellently in sports, cinema & other fields, it is time that women get adequate representation in the legislature also. Despite consensus across all major political parties on increasing the representation of women in political parties, their numbers in the legislature are still disappointing.

Status of women in legislation:

In terms of numbers, presently there are **less than 15% women legislatures** in most state assemblies and Parliament. Most of these legislators happen to be from urban areas where there is good access to education. There are certain exceptions to this general rule, like:

- Women coming from political families and
- Women who received recognition in other fields (mostly films, TV)

What are the roadblocks which prevent women's entry into politics?

1. **Reservation Policy:** There is less support from male legislators because of the process of how reservation policy works.
 - If we decide 30% of seats to be reserved for women, then women alone are allowed to contest from those seats. This is not acceptable to many, as they may take decades to build their reputation in their constituency. If a constituency suddenly becomes reserved, it would bar them from contesting.
2. **Followers:** Political parties and leaders take years, even generations, to build followers. They would not like to hand over their constituency to anyone, as they are apprehensive of losing their followers. So, despite verbal support, political parties are not keen on reservation for women in the legislature.

What can be done to improve women legislators?

Given the reluctance of the political parties, following approaches we can adopt

- Introduce **phased increase in women representation** e.g. 20% in 2024 elections, 25% in 2029 elections
- Instead of constituency-wise reservation, India can ask the recognised political parties to reserve a required percentage of seats for women.
- India can also request all political parties to field the mandated percentage of women candidates in those constituencies where they have either won or have been runner-ups in previous elections.

How would the above approaches prove beneficial?

- With no particular constituency reserved for women, the fear of losing the male seats will be eliminated.
- Unlike sports, where men and women compete separately, here they can compete with each other. And as the process would be gradual, and would provide parties enough time to nurture the women candidates.

Thus, through this approach, the deadlock can be broken, and we can pave the way for increasing women's reservation in the Parliament.

17. The strategic signal of an Indian presence in the South China Sea

Source: This post is based on the article “The strategic signal of an Indian presence in the South China Sea” published in The Livemint on 31st August 2021.

Syllabus: GS2 – Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests

Relevance: This article explains India’s presence in the South China Sea.

Synopsis

India’s naval manoeuvres in the South China Sea annoy China, but such bold signalling plays a role in safeguarding national interests.

Context

The last year’s border clash and continuing tensions along the Line of Actual Control (LAC) have raised questions on India’s China policy. In a major message to China, the Indian Navy made its presence felt in the waters of the South China Sea.

This month, a task force of four warships sailed to the South China Sea. They performed last week’s Malabar 2021 naval exercises with India’s Quad partners. They will also conduct various bilateral exercises with naval forces from South China Sea littoral states, including Singapore, Vietnam, Indonesia and the Philippines.

Read more: [Explained: The Malabar Exercise of Quad nations, and why it matters to India](#)

What is the significance of the move?

1. India claimed that these maritime initiatives are **aimed at enhancing synergy and coordination between the Indian Navy and friendly countries.**
2. At a time when tensions with China are high along the LAC, India is signalling that it is **willing to challenge China in the maritime sphere** along with other like-minded nations.

How global countries are showing their presence in the South China Sea?

- The South China Sea is claimed by China as its sovereign territory almost in its entirety. The claims of other countries are tackled by China through artificial islands heavily fortified with missiles, runways and weapon systems.
- **Several ASEAN member countries**, including Vietnam, the Philippines and Brunei, **have counterclaims** on China.
- The US also mentioned, “nowhere is the **rules-based maritime order under greater threat than in the South China Sea**”.
- In recent weeks, a **British aircraft carrier strike group** and an **American surface action group** have marked their presence in the South China Sea region.

Read more: [Quad Summit and its relevance – Explained, Pointwise](#)

What is India’s interest in the South China Sea?

India has wider stakes in the South China Sea, as nearly **55% of India’s trade with the Indo-Pacific region** passes through these waters. So **India’s interest is primarily to keep the region’s trade routes safe and secure**, thereby helping uphold **regional stability and freedom of navigation.**

So, India has been **pushing for a rules-based order** in the region, including by means of upholding the United Nations Convention on the Law of the Sea. This is evident as in the recent meeting of the East Asia Summit, India stressed that **any Code of Conduct in the**

South China Sea should be fully consistent with the relevant UN convention and negotiations.

What India needs to do?

India is willing to reciprocate and play its role, as seen in its recent deployment of Indian Navy vessels. But China is gaining greater operational control over the disputed territories in the South China Sea. Thus, the challenge for India is rising by the day. So, **Greater activism**, both diplomatic and military, **is needed** and is beginning to shape up with the involvement of Quad and other military exercises.

India is waking up to the challenge by trying to increase its presence and influence in China's backyard. This will annoy China, but **rattling China is necessary if India** is to suitably **protect its interests from the Himalayas** to the maritime domain.

Terms to know:

- [United Nations Convention on the Law of the Sea \(UNCLOS\)](#)

18. Its time to build BRICS better

Source: This post is based on the article "Its time to build BRICS better" published in The Hindu on 1st September 2021.

Syllabus: GS-2 important International institutions.

Relevance: To study the importance of BRICS.

Synopsis: Although BRICS grouping succeeded up to a point, it now confronts multiple challenges.

Context:

The 13th BRICS summit is set to be held under India's chairmanship on 9th September. This meeting will be held in digital and virtual format.

What is BRICS?

- It is the acronym coined for an association of five major emerging national economies that have similar economic development. The five countries are Brazil, Russia, India, China and South Africa.
- The acronym was first used in 2001 by economist Jim O'Neill. Originally, the first four were grouped as "BRIC". In 2010, South Africa was officially admitted as a BRIC nation. Thus, making the current acronym BRICS.

Structure of BRICS

- The Chairmanship of the forum is rotated annually among the members, in accordance with the acronym BRICS.
- Currently, India is holding the chairmanship of the BRICS. India was the chair in 2012 and 2016 too.

What is the Importance of BRICS?

The BRICS nations collectively represent,

- 42% of the world's population,
- 30% of the land area
- 24% of global GDP

- 16% of international trade

Working of the BRICS

The grouping has gone through a reasonably productive journey.

- It attempts to serve as a bridge between the Global North and Global South.
- It developed a common perspective on a wide range of global and regional issues.
- Furthermore, the BRICS established the New Development Bank with the objective of financing infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries.
- It created a financial stability net in the form of Contingency Reserve Arrangement.
- It is about to set up a Vaccine Research and Development Virtual Center.

Read more: [BRICS Environment Ministers adopt the New Delhi Statement on Environment](#)

What are the immediate goals of the BRICS Group?

As India holds the current chair, it outlined four priorities:

- **Reform of multilateral institutions:** BRICS was founded on the desire to end the domination of the western world over institutions of global governance (IMF, World Bank, UN) and strengthen multilateralism.
- **Combat Terrorism:** Terrorism is an international phenomenon impacting all parts of the world. Recent developments in Afghanistan stressing the need to bridge the gap between rhetoric and action.
 - In this context, BRICS is attempting to shape its counter-terrorism strategy by crafting the BRICS Counter-Terrorism Action Plan. It contains specific measures to fight radicalisation, terrorist financing and misuse of the Internet by terrorist groups
- **Promoting technological and digital solutions for the Sustainable Development Goals:** This will help to improve governance and will also prove beneficial in the current situations e.g. Global pandemic response.
- **Expanding people-to-people cooperation:** This will improve gradually once all the travel restrictions are eased.

What are the challenges facing BRICS?

1. **Relations with other countries:** There are differences within BRICS and with other countries like:
 - a. There is a rift between India and China. This is because of various reasons like Chinese aggression in Eastern Ladakh.
 - b. China and Russia have strained relations with the west. On the other hand, the other BRICS member has a liberal approach with the west. This is also impacting the functioning
 - c. Internal challenges of Brazil and South Africa.
 - d. BRICS countries have not done enough to assist the Global South to win optimal support for their agenda
2. **Trade:** Though BRICS seeks to deepen trade ties, Chinese domination of trade creates apprehensions in the minds of other countries that the Chinese economy may threaten their economies.
3. **Maintaining Internal Balance:** Current pandemic exposed the over-dependence of value chains on China and their vulnerability. Thus, there is a need to deepen intra-

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BRICS cooperation in areas like agriculture, trade etc. But at the same time, the BRICS have to ensure there is no critical dependency on anyone partner country.

4. **China policies:** China's economic rise has created a serious imbalance within BRICS. Also, its aggressive policy, especially against India, puts BRICS solidarity under exceptional strain
5. It is necessary for leaders, officials and academics of this grouping to undertake serious soul-searching and find a way out of the present predicament.

What should be done?

BRICS should narrow down its goals and focus on areas of immediate concern. Tangible deliverables will help in strengthening the group and its global perception.

19. Making the Paralympics count

Source: This post is based on the article "Making the Paralympics count" published in The Hindu on 1st September 2021.

Syllabus: GS-2 Mechanisms, Laws, Institutions and Bodies constituted for the protection and betterment of vulnerable sections.

Relevance: Paralympics empowering disabled people

Synopsis: This is the chance to improve the conditions of the disabled pursuing sports and to refresh the way we view disability.

Context:

Indian athletes have given their best performance in Paralympics 2021. It gives a platform for disabled people to perform and shine. It also offers everyone the chance to watch them in action. Media attention ensures that athletes with disabilities capture the public imagination. Though they have made India proud, but they face numerous challenges in society which they have to overcome on a daily basis.

Read more: [Sports sector in India: Issues and challenges – Explained, Pointwise](#)

What are the problems disabled people are facing?

1. **Stereotypes:** In India, persons with disabilities find it difficult to live a life of equal dignity. The status of Divyang — persons with divine bodies — presents them as beings with supernatural powers. However, despite all efforts, stereotypes and unfounded biases about the disabled people's incompetence, inability to make informed choices and asexuality etc. continue.
2. **Access to Recreational activities:** Disabled people have to face multiple obstacles as most facilities do not provide a conducive environment for them, e.g. Parks, swimming pools etc.
3. **Unfriendly sports governance Framework:** Section 30 of the Rights of Persons with Disabilities Act, 2016, requires appropriate governments and sporting authorities to take measures to improve access to meaningful sporting opportunities for the disabled. These include redesigning infrastructural facilities and providing multisensory essentials and features in all sporting activities to make them more accessible.

What India should do?

1. There is need for proper introspection of all the existing rules/laws.
2. There is need to reorient the strategy/ plan as per the need of disabled people.

What Indian Government has done?

1. At the systemic level, India brought governance reforms to the Paralympic Committee of India.
2. The Union Ministry of Sports and Youth Affairs brought parity to the cash rewards structure for medal-winning Paralympians by placing them on equal footing with their able-bodied counterparts at the Olympics.

What more can we do?

1. **At the individual level:** We should view athletes with disabilities in a holistic sense, while also acknowledging their additional challenges. We should strive to create more opportunities for disabled people so that they can participate in all walks of life.
2. **Sports Broadcaster:** The government should take steps that enable disabled people to watch and participate in sporting activities.
3. **Media:** Pictures of the Paralympics in electronic media and on social media should be accompanied by image descriptions for the visually challenged.
4. It is easy to admire the courage of our para-athletes from far. But, with intent, resolve and action, we can make the Paralympics count for India, not just in the medals tally but in the lives of disabled people.

Terms to know

- [Right of persons with disabilities Act](#)

20. [The next step in democratic evolution is overdue](#)

Source: This post is based on the article “The next step in democratic evolution is overdue” published in The Hindu on 1st September 2021.

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

Relevance: The article highlights the importance of democracy and the base or structure on which it is built i.e constitutions and laws.

Synopsis: India must change, from an elected authoritarianism towards participative governance.

What is the difference between democratic and authoritarian regimes?

The democratic regime is different from the authoritarian regime due to,

- **Citizen Participation:** In a democracy, citizens participate effectively in shaping policies and laws by which they are governed.
- **Democratic constitutions** provide elected assemblies of citizen’s representatives to shape new policies and pass laws.

What are the problems with democracy?

- Inter and Intra Party politics
- Floor battles are often seen in Parliament
- Citizens being dissatisfied with the performance of their elected representatives

What is required for a healthy democracy?

- **Open-minded discussions:** These are necessary for a good democracy. It can provide an effective and acceptable solution to various problems like climate change, historical inequities, increasing economic inequalities etc from different perspectives.

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- **Democratic deliberations among citizens:** Democracies are not limited to elections alone. People from different walks of life, with different views and perceptions, must come together to deliberate and solve the problems.
- **Filling the gaps:** There is a huge divide between people like ‘us’ from ‘people not like us’ – especially in the Indian context. Majoritarian electoral systems of democracy further harden these divisions. Therefore, stronger processes are urgently required for democratic discourses among citizens to bind the fabric of the nation before it frays further.
- **Role of media:** The media used to provide space for diverse perspectives. But now, with fake news and paid news, the role of media itself is under the scanner. The media should regain its role as the 4th pillar of democracy.
- **Role of Technology:** Technology backed smart algorithms have created echo chambers of people who like each other. They do not listen to the opinion of those in other chambers. This blocks the other viewpoints and reinforces and hardens their own partisan beliefs. Technology should in fact act as an enabler for the open exchange of views.

What can be done?

Consent of the governed is about more than periodic elections. So we should go beyond period elections through widespread inclusion of people in the political arena.

A civil society movement, Citizens for Europe, has proposed a solution: a European Citizens’ Assembly — **a permanent transnational forum for citizens’ participation and deliberation.**

Read more: [Why the citizen assembly is an idea whose time has to come](#)

What is the significance of dialogues?

We need to understand that the debates have a broader purpose. The aim of the debate is not to listen to what the other person is saying, but to understand ‘why’ or his/her perspective on his/her view. India, which has had a diversity of views from its inception, should strengthen the culture of debates and discussions to strengthen democracy.

21. Where liberalism and nationalism are placed in Asia

Source: This post is based on the article “Where liberalism and nationalism are placed in Asia” published in **The Hindu** on **2nd September 2021.**

Syllabus: GS 2– Important aspects of governance

Relevance: This article explains India’s presence in the South China Sea.

Synopsis

Liberalism and nationalism mean different things to different people, and the two concepts are often considered mutually exclusive.

Introduction

Nationalism may take various forms but essentially, it is about collective identity, whereas liberalism implies the defence of individual freedom and self-determination.

The liberal tradition contributes the ideas such as free trade, international law, multilateralism, environmental protection and human rights. But the problems arise when such ideas become a doctrine for nation-building.

What is the difference between nationalism and liberalism?

Nationalism may take various forms but essentially, it is about collective identity, whereas **liberalism** implies the defence of **individual freedom and self-determination**.

Liberalism can underpin universal rights and Adam Smith's natural laws of economics. But its **appeal is mainly to the professional**, educated class and lacks nationalism's emotional appeal.

How was nationalism in India got shaped during independence?

Before Indian independence, nationalism was regarded with suspicion. For instance, **Rabindranath Tagore** had considered it a malign ideology and **supported the values of internationalism and universalism**. On the other hand, **VD Savarkar** supported **Hindutva nationalism with Buddha's universalism**.

On the other hand, **Jawaharlal Nehru** saw merit in nationalism. For instance, in 1953, he mentioned, "**nationalism has been and is a very good thing**. It has been a great liberating force in certain stages of a country's history". But he also feared that **extreme nationalism** could **degenerate into fascism and expansionism**.

How the Asian Democracy is different from Western Democracy?

Democracy in Asia is not shaped by the liberalism of the West. The **centrality of civil and political rights is less** and a **degree of state intervention** is considered acceptable when it comes to individual autonomy.

How will nationalism and liberalism be reflected in a future Asia?

Both India and China were at the **receiving end of western imperialism** and emerged as **supporters of principles of international society** reflected in the Panchsheel, namely sovereignty, territorial integrity and non-interference.

The two leading Asian nations, **India and China**, used the **present world system to their rise** while **protesting against the control of the United Nations** and world financial institutions.

But they both have not formulated any alternative based on Asian nationalism. Their current rivalry makes any such formulation an impossible one.

22. Better policing, please: Court observations on investigations in Delhi riots should be required reading for all major police forces

Source: This post is based on the article "**Better policing, please: Court observations on investigations in Delhi riots should be required reading for all major police forces**" published in **The Times of India** on **1st September 2021**.

Syllabus: GS 2 – Police reforms

Relevance: Understand lapses in the police investigation.

Synopsis: There are few major lapses in the police investigation. These can be corrected by paying heed to the advice of the Delhi court.

Introduction

Recently, the police investigation in the February 2020 riots case has come under the scanner of Delhi Trial Courts. These critical observations have to be considered seriously during the police investigations in the country.

What are the judicial observations about the police investigations?

Inconsistency: The courts noted many inconsistencies in witness statements, which should have been noted by police during their investigation.

Poor Evidence: In multiple bail orders, judges have cited poor evidence as to their reason for granting bail. For example, in the context of the Delhi High court's bail for three anti-CAA activists in June, despite they have been charged with the **UAPA (Unlawful Activities Prevention Act)**, the police were not able to produce strong convicting evidence.

Policing methods: Courts are also finding basic lapses in policing methods. E.g. In one case involving acid burn injuries to police personnel, police did not collect chemical samples from the crime scene for forensic analysis.

The behaviour of investigating officers: Investigating officers are not briefing prosecutors properly or answering their queries.

Methods of framing charges: In some cases, investigation appeared "inefficient" and "unproductive". Police are framing charges of vandalism without thinking how such evidence and the investigation will withstand a higher degree of scrutiny during trials. For example, in a riot victim's gunshot injury complaint, police had clubbed this case with incidents from other localities of some other day.

How can the investigation be improved?

If Police all over India pay close attention to the Delhi court's observations, investigation processes can be made efficient, which will help in the quick delivery of Justice.

Terms to know

- [Unlawful Activities Prevention Act \(UAPA\)](#)

23. The Paralympic paradox

Source: This post is based on the article "**The Paralympic paradox**" published in the **Business Standard** on **1st September 2021**.

Syllabus: GS-2 Mechanisms, Laws, Institutions and Bodies constituted for the protection and betterment of vulnerable sections

Relevance: Paralympics empowering disabled people.

Synopsis: Indians with disabilities need more attention.

Introduction

Indian athletes have given their best performance in Paralympics 2021. It gives a platform for disabled people to perform and shine. But, at the same time, it shows the embarrassing truth about Indian society that neglect disabled people.

Read more: [Making the Paralympics count](#)

India has been participating in the Paralympics since 1988, but their coverage has been rarely featured in India in any significant way. Rarely, people knew about their achievements. It is time that we understand the issues faced by disabled people and work on them.

What are the government's efforts to improve Paralympic athletes performance?

Khelo India Scheme: The government introduced this scheme in 2017. Three sports bodies were recognized under this, including a Paralympic Committee of India. Its aim is to provide differently-abled sportspeople access to more special facilities and coaching centres.

Read more: [Khelo India Scheme](#)

TOP (Target Olympic Podium) Scheme: The scheme offers support for high potential para-athletes.

Read more: [TOP Scheme](#)

What will be the impact of Private Sector Cooperation?

Greater interest from the private sector, which has been the driving factor behind the commercial success of sporting events.

There is positive momentum in this direction, as automobile makers have now decided to design special vehicles for two of the medal winners.

Apart from that, Toyota also signed a sponsorship with the Worldwide Paralympic Partner.

How should we start?

A government report recently pointed that **only half of the disabled people in India have a disability certificate**, effectively depriving the other half of all the government benefits. A good first step would be ensuring the **issuance of disability certificates to all**.

Terms to know

- [Rights of Person with Disability Act](#)

24. [Three doses not two: Israel sets new benchmark for full vaccination. It is on India's horizon as well](#)

Source: This post is based on the article **“Three doses not two: Israel sets new benchmark for full vaccination. It is on India's horizon as well”** published in the **Times of India** on **1st September 2021**.

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

Relevance: To understand the immunization process.

Synopsis: With Israel adopting a 3 dose policy, what should be India's policy going forward?

Introduction

Recently, Israel stated that every Israeli over 12 years is now entitled to a booster shot after the second dose. Other countries from the UK to Indonesia are also planning to offer booster doses to vulnerable groups.

Why has Israel adopted this Policy?

It is well known that antibody responses weaken over time, especially with new viruses rapidly mutating and producing new versions.

An Oxford University study of 3,391,645 test results found that – 92% and 69% efficacy is seen two weeks after the second Pfizer and AstraZeneca doses. However, after 90 days efficacy slips to 78% and 61% respectively.

What should India do?

With more than 65.26 crore vaccine doses administered, multiple studies will be helpful in getting an optimal handle on complex efficacy issues. For Covishield, India can take inputs on policymaking from international studies. For Covaxin, we have our own data.

Regarding the third dose, ICMR (Indian Council of Medical Research) must take the lead and conduct field-level studies.

What should be the priority of India?

For India, the first priority is giving two doses to all adults. India must ramp up the vaccine supply and vaccinating all eligible Indians with two doses before formulating a policy for 3 doses. To achieve that, large hospitals also need to step up vaccination drives.

Terms to know

- [Indian Council of Medical research](#)

25. [What the global flow of guns tell us about how states fail](#)

Source: This post is based on the article “[What the global flow of guns tell us about how states fail](#)” published in **Indian Express** on **2nd September 2021**.

Syllabus: GS 2- Effect of Policies & Politics of Developed & Developing Countries on India's Interests

Relevance: Understand the role of arms in society.

Synopsis: The supply of weapons matters. If not controlled, then the weapons guide the nation in a different direction. The Taliban takeover of Afghanistan is the latest example.

Introduction

The global flow of guns serves as a very useful indicator of the flow of power and money. This can be understood from numerous historical examples.

What are the historical examples of weapons flow and gun control?

Colonial countries: In Asia, colonial empires used guns for their own self-protection. But, the British **controlled colonies by disarming citizens**.

The British Empire in India not just dispossessed Indians of weapons, it also **disarmed them of indigenous knowledge in weapon-making** that had begun to emerge in the 17th century.

For instance, **the Arms Act 1878** tightly controlled arms ownership in India. It was an exercise of colonial and racial subordination that even Gandhi wanted to overturn.

The example of America: It has ensured that places it intervenes, are flooded with weapons. The US has a historical tradition of gun ownership to assert racial privilege. It also has a history of an armed militia winning a war of independence and becoming a modern state.

How do guns inflict violence in society?

Developed countries vs conflict zones: Afghanistan has a death rate of 59.8/1,00,000 resulting from violence and weapons use. Even in Pakistan, it is 5.9 but in countries like the USA and Japan, it is less than 1. This reflects that gun culture breeds violence and tends to persist in society.

India: India has followed the British policy of arms control, fearing rebellion by people. In 1959, India enacted restrictive arms laws to control lower-class rebellion.

What is the Small Arms Treaty?

It is the **Treaty adopted by UN General Assembly in 2013**. The Treaty aimed to establish the highest possible common standards for regulating conventional arms, and prevent their diversion and illicit trade.

US: has withdrawn from the Treaty because of an ideological commitment to exporting weapons.

India: India is not a member, as it thinks that the Treaty protects arms exporters more than importers.

This shows that major powerful countries are not keen on controlling the flow of weapons as it gives them economic benefits along with the power to influence other countries. Overall, the Treaty is not strong enough on arms transfers to non-state actors, which is where a significant part of the problem lies.

What do we learn from the history of weapons flow?

It is true that weapons are needed to control violence. But peaceful societies cannot be built by the indiscriminate proliferation of weapons.

26. Noble intentions: About the UNSC resolution on Taliban

Source: This post is based on the article “Noble intentions” published in **The Hindu** on **3rd September 2021**.

Syllabus: GS 2 – India and Neighbourhood relations

Relevance: This article is about the recent UNSC resolution on the Taliban.

Synopsis

The UN must ensure that the Taliban uphold human rights and give up terror tactics.

Introduction

Recently, the UN Security Council, under India’s Presidency, adopted Resolution 2593. The resolution was sponsored by France, UK and USA. Along with 13 other members, India voted in favour of the resolution and amongst permanent ‘members’ Russia and China both abstained from voting.

What are the key provisions of UN Resolution 2593?

Must Read: [India in chair, UNSC adopts resolution on Taliban; Russia and China abstain](#)

What are the issues associated with the UN resolution 2593?

Failed to provide countermeasures: The resolution does not contain any language that would hold the Taliban more accountable for their violation of the resolution.

Division amongst the P5 Members: Both Russia and China abstained from voting. This divide in the P-5 nations will only prove to be counterproductive if the UNSC wants to impose any sanctions in future.

Indirectly recognise Taliban: Further, the resolution **appears to accept the Taliban regime as the default force** in Afghanistan.

How to hold the Taliban accountable?

The **Taliban Sanctions Committee** is going to meet under India’s chairmanship. The committee needs to ensure that **no designated leader of the Taliban and their associates are given recourse to funds, arms or travel permission unless they show a commitment to international principles**.

The committee also has to **renew the UN Assistance Mission in Afghanistan (UNAMA)**.

Read more: [UN Assistance Mission in Afghanistan \(UNAMA\)](#)

27. India’s humanitarian missions are guided by Vasudhaiva Kutumbakam

Source: This post is based on the article “India’s humanitarian missions are guided by Vasudhaiva Kutumbakam” published in the **Indian Express** on **3rd September 2021**.

Syllabus: GS 2 – International Relations.

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Relevance: About India's recent evacuation missions.

Synopsis: The Indian government is coordinating and executing a round-the-clock evacuation of not just Indians but also nationals of other countries during various relief operations.

Introduction

India's humanitarian mission is guided by the principle of "**Vasudhaiva Kutumbakam**" (the world is one family). There are several stories of India's grit and successful diplomatic interventions during the crisis.

The recent example of India following "Vasudhaiva Kutumbakam":

The latest such example comes from Afghanistan. After the withdrawal of foreign troops, Afghanistan has plunged into a humanitarian crisis. By evaluating the situation there, the Indian government has launched,

Operation Devi Shakti: It is launched to evacuate Indian citizens and foreign nationals from war-torn Afghanistan. Also under this operation, the evacuation of three of the last six "Saroop" of the Sikh holy book has also been done.

Read more: [Operation Devi Shakti and other missions](#) and [The Saroop of Sikh Holy Book](#)

What are the earlier operations carried out by India to fulfil "Vasudhaiva Kutumbakam"?

Some of the missions conducted by India are:

Vande Bharat Mission: It brought back the Indian nationals stranded abroad due to COVID-19 and the resultant lockdowns.

Operation Sankat Mochan: Under this mission, 46 Indian nurses were rescued from a Tikrit hospital from the clutches of the Islamic State of Iraq and Syria (ISIS) in war-ravaged Iraq.

Operation Raahat: It was launched by the Indian Navy and Airforce, to evacuate Indian citizens and foreign nationals of 41 countries from Yemen during the 2015 Yemen Crisis.

In March 2016: India carried out the successful evacuation of 250 Indians following multiple bombings at Brussels airport in Belgium.

What does this signify?

Such massive and successful operations, boost the morale of the Indian diaspora and people around the world, that wherever they are, India will do all that is necessary to ensure their safety.

Terms to know

- [Vasudhaiva Kutumbakam](#)

28. CJI flags "Communal content" in media

Source: This post is based on the following articles:

- "YouTube channels, portals have no accountability: Supreme Court" published in **The Times of India** on 3rd September 2021.
- "CJI flags 'communal content' in media" published in **The Hindu** on 2nd September 2021.
- **Syllabus: GS 2** –Significant provisions of Indian Constitution: Fundamental rights, Free speech.

Relevance: Regulation of digital media

Synopsis: To understand how to balance free speech with accountability for digital media.

Introduction

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Recently, the Chief Justice of India has raised his concerns over the **fake information published on various web sources** like **Facebook, YouTube etc.** He also mentioned that it has the **potential to incite communal tensions** and can bring communal disharmony. This would ultimately result in giving the country a bad name.

What is the Supreme Court's view?

While hearing the petition highlighting how some media outlets aired communal content linking the spread of the coronavirus to a Tablighi Jamaat meet held at Nizamuddin in Delhi. In that petition, the SC said although the role of a free press in a democracy must be respected, the **rampant misuse of the Right to Speech should be controlled.**

The SC also asked the government, whether “there was **any regulatory mechanism**” in place for the web or against the people who are misusing their Right to Speech.

Why does the misuse happen in web sources?

No accountability: There is no accountability from web-based platforms like Twitter, Facebook etc.

No regulatory control: No presence of regulatory control over the publishing of fake news. For e.g., various channels on YouTube publish the news without verifying the facts.

Misuse of social media by criminals: Anti-social elements exploit it to run weapons, drugs, contraband and pornography. Hate and violence are shared and spread through these virtual platforms.

What actions have been taken by the Government?

To control the spread of fake information, the government introduced:

Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021: It tends to strike a balance between the media's right to Free speech and citizen's Right to correct information. Its objective is to stop the circulation of fake news and hold web portals and channels accountable for who published the fake news.

The government also requested to transfer cases challenging the Information Technology Rules of 2021 from the various High Courts to the SC for quick resolution of the cases.

For complaints against broadcasters: The government introduced **Cable Television Networks (Amendment) Rules of 2021.** The Rules provide for a three-level grievance Redressal mechanism.

What needs to be done?

There is an urgent need for a “properly framed regime” to establish accountability. The first step can be the ability to trace the “originators” of messages on social media platforms.

Terms to know

- [IT Rules, 2021](#)
- [Cable Television Network Amendment Rules 2021](#)

29. Why a Caste Census is needed-and why it may not see light of the day

Source: This post is based on the article” **Why a Caste Census is needed-and why it may not see light of the day**” published in the **Indian Express** on **4th September 2021.**

Syllabus: **GS 2 – Fundamental Rights**

Relevance: To understand the reservation policy.

Synopsis: Although caste-based census would provide up-to-date data to calibrate reservation, it also threatens social justice as it can roll back the discrimination regime.

Introduction

Recently, the Indian Parliament passed the 127th Constitution Amendment Bill, 2021. It overrides the Supreme Court's (SC) interpretation of the 102nd Constitutional Amendment. SC judgment in the Maratha case had concluded that the 102nd Constitution Amendment curtailed the state government's power to identify backward classes.

Read more:

- [Maratha reservations and Reservation policy in India](#)
- [Cabinet passes bill restoring power of states to make their own OBC lists](#)

What are the limitations of this Statute?

Firstly, A 50% limit on caste-based quotas ([Indra Sawhney Judgment](#)) imposes a serious limitation on states' power to expand the composition of backward class beneficiaries. This is because in most States the existing quotas for SC, ST, OBC and SBC already breach this benchmark.

Secondly, The rise of the private sector coupled with the privatisation of Public Sector Undertakings has led to the erosion of the public sector jobs. This also impacted the reservation framework.

For instance, between 2011-12 and 2017-18, due to a fall in employment of 2.2 lakh jobs in Central Public Sector Enterprises, the reduction in employment of SCs amounted to 33,000 jobs.

Thirdly, the introduction of a 10% quota in 2019 for economically weaker sections (EWS) has altered the standard definition of backwardness. By setting an income limit of ₹8,00,000 per annum, the government has made this quota accessible to about 99% of the upper castes – not just the poor.

This issue is further compounded by the reluctance of the Government to enumerate OBCs in the Caste Census.

What is the need for a caste-based census?

This would help in analysing the accomplishments and limitations of reservation policies. It would show the gap between economic and social capital holdings within and between the general category as well as the reserved sections. It would also help in revising the benchmark for social, economic and educational backwardness. Further, it would help in authenticating the findings and recommendations of Union and state-level backward caste commissions.

Read more: [Caste based census in India](#)

Lastly, a caste census would facilitate compliance with recent court decisions. For example, **Chebrolu L Prasad v State of AP (2020)** case: The court directed the Centre to periodically revise the list of reservation beneficiaries based on sound data and evidence.

Davinder Singh v State of Punjab (2020) case: The judgment opened the question of sub-classification within the SC category. Thus, raising the need for credible data on internal differentiation and sophisticated educational and occupational profiles.

Thus, the move of passing the power to enumerate OBC's to State's may not solve the problem of affirmative action for the backward classes. The larger need is for evidence-based policymaking backed by caste census data.

30. To tackle nutrition challenges, we must also address sanitation issues

Source: This post is based on the article “**To tackle nutrition challenges, we must also address sanitation issues**” published in the **Indian Express** on **6th September 2021**

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

Relevance: To understand the dimension of Nutrition

Synopsis: Understand how the interplay of food and hygiene are important for complete nutrition.

Introduction

Of all the problems confronting the youth, nutritional insecurity is the worst. It has the power to cripple the future of an entire generation. Numerous reports have pointed to the dismal state of nutritional status of the children in India.

What are the findings of national/International Organisations?

UNICEF Report: It indicated that nearly **12 lakh children could die** in low and middle-income countries **in the next six months** due to a decrease in routine health services and an increase in wasting. About three lakh such children would be from India.

National Food Health survey (NFHS 5): It indicated that ever since the onset of the pandemic, acute undernourishment in children below the age of five has worsened, with one in every three children below the age of five suffering from chronic malnourishment.

According to the latest data, 37.9% of children under five are stunted, and 20.8% are wasted — a form of malnutrition in which children are too thin for their height. This is much higher than in other developing countries where, on average, 25% of children suffer from stunting and 8.9% are wasted

NFHS 4: It said that approximately 9 percent of children under five years of age in India experience diarrheal disease.

World Health Organisation (WHO): It said that 50% of all mal- and under-nutrition can be traced to diarrhoea and intestinal worm infections, which are a direct result of poor water, sanitation and hygiene (WASH). WHO has estimated that access to proper water, hygiene and sanitation can prevent the deaths of at least 8,60,000 children a year caused by undernutrition.

Studies about linkage of malnutrition with hygiene

WASH and nutrition must be addressed together through a lens of holistic, sustainable community engagement to enable long-term impact. This is because the linkage between nutrition and hygiene is now well established.

It was first highlighted in the **Convention on the Rights of the Child in 1989**. Under this, the states were urged to ensure “adequate nutritious foods and clean drinking water” to combat disease and malnutrition.

Another research in **2015 (Jean H. Humphrey from the Johns Hopkins Bloomberg School of Public Health):** Study highlighted that poor hygiene and sanitation in developing countries leads to a sub-clinical condition called “environmental enteropathy” in children. It causes nutritional malabsorption and is the source of a variety of problems, including diarrhoea, retarded growth and stunting.

What should be the Indian strategy to counter diarrhoea and malnutrition?

In the Indian, scenario, a **simultaneous approach to nutrition and WASH** should be adopted. It will not only aid India's fight against malnutrition but also bolster Covid resilience amongst the most vulnerable sections of society.

A **coordinated, multi-sectoral approach** amongst the health, water, sanitation, and hygiene bodies, along with **strong community engagement** can help India achieve the goal of a safe and healthy population.

Terms to know

- [What is the National Family Health Survey \(NFHS\)?](#)
- [World Health Organization \(WHO\)](#)

31. The judicial role in improving law making: The key to revitalising India's reservation system

Source: This post is based on the article "**The judicial role in improving law-making**" published in **The Hindu** on **6th September 2021**.

Syllabus: GS 2: Structure, organization and functioning of the judiciary.

Relevance: Judiciary's role in deliberative legislation.

Synopsis: Rushed laws sacrifice core ideals of constitutional democracy, the judiciary can play a crucial role in course-correcting the Parliament.

Introduction

Deterioration in the quality of debate has prompted demands for reform of legislative procedures. Speaking on the matter, while CJI suggested that intellectuals enter politics, the Judiciary itself can play a positive role in this regard.

Read more: [Functioning of Parliament: Challenges and way forward – Explained, pointwise](#)

How can one measure the legislative efficiency of the Parliament?

Often, **reports cite the volume of legislation** as a measure of legislative **efficiency**. However, **the quality** of deliberation by public representatives is **equally important**. One method of doing it is by ensuring that Parliament adheres to the letter and spirit of the constitution.

How can the Judiciary improve law-making?

Firstly, the Constitution contains certain detailed provisions laying out how laws are to be passed by Parliament and the State Legislative Assemblies. Unfortunately, these are often undermined.

For example, even when the result through voice votes is not clear, bills are still passed without securing the majority vote required under **Article 100**. This was evident in the controversial farm laws, which were reportedly rushed and passed by voice vote in the Rajya Sabha despite objections by Opposition members. The Judiciary can make such legislation unconstitutional and void.

Secondly, checking improper use of Money Bill: Similarly, bills have been certified as Money bills to bypass the Rajya Sabha using the provisions of **Article 110**.

In the Aadhar case, the Supreme Court recognized its power to check that such procedural provisions are complied with. However, the judiciary does not address their violations in a timely manner. This only strengthens the resolve of violators of the constitutional spirit.

Thirdly, to ensure **constitutional reasonableness of law**: Judiciary can make deliberation a factor in evaluating the constitutional validity of laws. Courts can call on the State to provide justifications explaining why the law is reasonable and valid.

The court can also examine whether and to what extent the legislature deliberated the reasonableness of a measure.

The Supreme Court adopted this approach in the Indian **Hotel and Restaurants Association(2013) case**. The court invalidated a law prohibiting dance performances only in hotels with less than three stars as rooted in class prejudice and, therefore, violative of equality.

What should Judiciary do next?

Judiciary has demonstrated that it is **possible to reform institutions by addressing their dysfunctions**. So, Judiciary can nudge the legislature for internal reforms to safeguard democracy.

32. The key to revitalising India's reservation system

Source: This post is based on the article **"The key to revitalising India's reservation system"** published in **The Hindu** on **6th 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: To understand the need for caste census in India.

Synopsis: A Socio-economic caste-based census becomes a necessary precondition to initiate any meaningful reform.

Introduction

Recently, the central government's decision to introduce reservations for Other Backward Classes (OBCs) in the National Eligibility cum Entrance Test (NEET) examinations has been appreciated. This ignited the debate on caste census once again and brought the debate on affirmative action into the limelight.

Affirmative action programme: It was envisaged during the founding moments of the republic. It has enunciated the principle of justice in a deeply unequal and oppressive Indian society.

What is the problem with the current system?

Inequitable: Reservation, despite seven decades, has not translated into an equitable distribution of benefits for many groups in our heterogeneous society.

Consequently, many groups have been left out. There is a strong demand from those who have not been able to get the benefits of reservations, from within the marginalized sections. This calls for a need to devise some policy option that may be able to supplement the existing system of reservation. To study this in detail, the **Justice Rohini commission** was constituted.

What are the observations of Justice G. Rohini Commission?

The data given by the committee on the sub-categorization of OBC provide some crucial observations.

Key findings of the committee

Based on the last five years data the commission concluded that **97% of central OBC quota benefits go to just under 25% of its castes.**

As many as **983 OBC communities** — 37% of the total — **have zero representation** in both central government jobs and admissions to central universities.

Also, the report states that **just 10% of the OBC have accrued 24.95% of jobs and admissions.**

How does insufficiency of data impact policymaking?

The Rohini committee data was based only on the institutions that come under the purview of the central government. The committee hardly has any legible data on the socio-economic conditions of varied social groups at more local levels of State and society.

There is a need for accurate data pertaining to the socio-economic condition of different social groups. Caste-based reservations are important to study upward mobility in society.

Read more: [Caste based census in India – Explained, pointwise](#)

What needs to be done?

There is an urgent requirement for a mechanism to address this lacuna and make the system more accountable and sensitive to intra-group demands. So the following actions can be taken:

First, there is a need to develop a **wide variety of context-sensitive, evidence-based policy options** that can be tailored to meet specific requirements of specific groups.

Second, we need an institution like the **‘Equal Opportunities Commission’** of the United States or the United Kingdom which can:

1. **Make a deprivation index** correlating data from the socio-economic-based census of different communities including caste, gender, religion and rank them to make tailor-made policies.
2. Undertake an **audit on the performance of employers and educational institutions** on non-discrimination and equal opportunity, and **issue codes of good practice in different sectors.**

What can be the way ahead?

Socio-economic caste-based census becomes a necessary precondition to initiate any meaningful reform in the affirmative action regime in India. So, that can act as a good first step.

33. The world is changing rapidly and teachers must meet its challenges

Source: This post is based on the article **“The world is changing rapidly and teachers must meet its challenges”** published in the **Indian Express** on **6th September 2021.**

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

Relevance: This article explains the challenges that can be addressed by the Teachers.

Synopsis: Teachers need to address few present-day challenges of students.

Introduction

Teachers often feel they are not in power and yet in a position of great responsibility. So, the life of a teacher is always challenging, complex and unbelievably demanding. The world is changing so rapidly, so teachers must embrace change and make necessary adjustments.

What about the teachers of the past?

The greatest teachers, whether the Buddha, Christ, Rama-Krishna, Aurobindo, Yogananda or Nanak, never taught in classrooms. They had **no blackboards, maps or charts**. They used **no subject outlines**, kept no records, gave no grades.

Their **methods were the same for all** who came to hear and learn. Their minds were **laboratories of compassion, empathy and reflective thinking**. They were **stoic and equanimous**.

How do teachers need to change?

Individualistic approach: The prevailing **standardised education** policies and practices have to be **replaced with more individualised holistic approaches** that prepare children to live productively.

Autonomy of students: The teachers need to **implement processes that foster student autonomy** and leadership, encourage inventive learners with skills, maximise liberty to make meaningful decisions and develop global partnerships.

Partnership and alliances: In order to **avoid distances between communities and people**, teachers need to **emphasise partnerships and alliances** that facilitate the students to coexist, interact and collaborate with others. This will enable children to live together in mutual empowerment.

The teachers have to **give greater attention to the happiness and health of children**.

Inward and outward-looking: The teachers **must look inward and outward** to explore new ideas and different ways, clarify a shared vision with students, become aware of the realities, etc.

34. Inside the unfolding healthtech revolution

Source: This post is based on the article **“INSIDE THE UNFOLDING HEALTHTECH REVOLUTION”** published in the **Live Mint** on **7th September 2021**.

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

Relevance: Digitalization in health services

Synopsis: Growth of Digitalisation in India is catalysing the growth of innovative Healthtech startups and this gives India an opportunity to address the issues plaguing India's Public health care.

What are the issues plaguing India's public health care?

COVID has put the focus back on India's inadequate healthcare infrastructure, which has been affected by issues of accessibility, affordability and availability.

Inadequate spending: At 1.26% of the gross domestic product (GDP), the government's spending on healthcare has been very low.

Poor quality of services: When it comes to the quality and accessibility of healthcare, India's rank is poor (145 out of 195 countries), according to the Lancet's global disease burden study.

Issues related to health resources: Besides low public investment, there are also issues of efficiency, absenteeism, and availability of specialists in government facilities. Further, there are both manpower and infrastructure shortages.

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Lack of accountability: The biggest bottleneck the Government health centres face are attitudinal issues. There is an accountability crisis. There are very limited implications for poor performance and outcomes

Narrow outlook: Government healthcare, focused on women and children in primary care, must also accord attention to other areas that deserve attention, such as diabetes.

Lack of coordination: Entire machinery is fragmented and works in silos. There are different programmes for different diseases, from HIV to TB. And there are two parallel systems, one funded by the state governments and the other centrally funded under the National Health Mission, which often do not coordinate with each other.

Note: Digitization means **to convert something into a digital format**, and usually refers to encoding of data and documents. Digitalization means **to convert business processes over to use digital technologies**, instead of analogue or offline systems such as paper or whiteboards.

How growing digitalisation is helping revolutionise health sector?

Health is being prioritized: COVID has **accelerated the digitization** wave everywhere, including in health. And state governments as well as the Centre are finally prioritizing the health sector.

Unified Health Interface (UHI): Plans are underway to build a digital backbone for healthcare. The National Health Authority is building a unified health interface or UHI as part of the National Digital Health Mission (NDHM). UHI will **help connect patients and healthcare service providers**, aiding them in discovery, payments and access to health services across applications. It is also working to digitize and standardize patient health records to ensure easy access and interoperability.

Increased use of digital platforms: The government is increasingly using digital (platforms/services) to act as a force multiplier. This is catalyzing the growth of healthtech startups and venture capital investments in healthtech startups.

With over 5,000 healthtech startups, health industry is estimated to grow at a compound annual growth rate (CAGR) of 39% to touch \$5 billion by 2023.

Case study: [How Bidar in K'tka handled 2nd COVID wave with the help of a healthtech startup?](#)

What is the way forward?

First, intent and investments, must increase sharply to help millions of poor people access better healthcare services.

Second, instead of one size fits all, policies and models must be customized to specific geographies to make it more effective.

Third, at a policy level, India needs a more flexible, practical and modular approach to train and upskill healthcare professionals. In Ethiopia, nurses can train to upgrade themselves to become surgeons. India could do the same with ASHA workers.

35. Data regulation is undergoing a significant revolution

Source: This post is based on the article "**Data regulation is undergoing a significant revolution**" published in **Livemint** on **7th September 2021**.

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

Relevance: Techno-legal approach to data regulation.

Synopsis: Technology businesses are most effectively regulated through a judicious mix of law and technology. To regulating technology, we cannot have one without the other.

Introduction

At a high-level ministerial meeting recently, seven countries came together **to endorse a techno-legal approach to data regulation.**

The participating delegates committed to exploring how technical frameworks such as [Data Empowerment and Protection Architecture \(DEPA\)](#) could be incorporated into the EU's Data Act and Australia's Consumer Data Rights policy to enable more effective outcomes.

Must Read: [Positives and inadequacies of DEPA](#)

How a revolution is going on in data regulation?

Data sovereignty: A number of countries have been looking to extend their existing data protection frameworks to ensure that users have more effective control over their data.

Free flow of data: In Australia, **Consumer Data Right**, is shaping up. It will allow consumers in Australia to require any business with which they have a commercial relationship to transfer that data to any other business of their choice.

The **European Union (EU)** has begun to put in place a series of legislative proposals that allow users more efficiently transfer data from one data business to another.

Data Governance: The EU's proposed **Data Act** is intended to implement measures that will create a fairer data economy by ensuring better access to and use of data.

The EU has also drafted a **Data Governance Act**, which when enacted will govern the data exchanges and platforms that will form the infrastructure through which data holders will be connected to data users.

What do these initiatives imply?

Efficient utilization of data: The range of regulatory initiatives of different countries seems to suggest that it is not enough to protect data if you cannot also ensure that this data is effectively utilized either for the benefit of the person to whom it pertains or society as a whole.

Need of tech-based regulations: laws and regulation simply cannot keep pace with changes in technology. If the only weapon we are using to regulate technology is the law, we will be doomed.

What is India's approach on data regulation?

DEPA: It is being implemented sector-wise through a set of open, interoperable protocols. This framework, better known as the **Data Empowerment and Protection Architecture (DEPA).**

Technology-based solution: allowing users to transfer their data from data businesses that currently hold them to those that want to use them. For example, Account Aggregator framework.

However, India still **does not have a data protection regulation** and implementing a technological solution for data transfers in the absence of a legal framework could bring problems.

36. A Taliban-led Afghanistan and the Chinese conundrum

Source: This post is based on the following articles

- **“A Taliban-led Afghanistan and the Chinese conundrum”** published in **The Hindu** on **7th September 2021.**

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- **“From fighters to rulers”** published in **The Hindu** on **7th September 2021**.
- **“Pakistan has opened the Pandora’s box in Kabul”** published in **The Indian Express** on **7th September 2021**.

Syllabus: GS 2 – India and Neighbourhood relations.

Relevance: To understand the recent development in Afghanistan.

Synopsis: This article explains the impact of US exit from Afghanistan on Pakistan and China.

Introduction

After postponing the announcement twice, **Taliban spokesmen have said** that they expect to have a **new government in Afghanistan this week**. The Taliban announced this after they captured the Afghan capital Kabul more than three weeks ago.

The real reason for the delay appears to be **differences within various Taliban factions** over the **government’s structure, composition and cabinet portfolios**.

How Pakistan impacted from the US exit?

Pakistan has to **deal with an enormous refugee crisis**.

Due to the poor fiscal condition of Afghanistan, the key assistance that Afghans will expect in terms of food, fuel and power will have to come from Iran and Pakistan. **Iran** has already signed a deal and is **allowing export of its oil in exchange for cash**.

Pakistan is facing **awful economic situations due to restrictive IMF conditions**. So, the Pakistan will find it exceedingly **difficult to send supplies to Afghanistan**.

Pakistan was already in FATF grey list. So, any activity of Pakistan to promote terror could **jeopardise its attempts to exit the FATF grey list**.

Read more: [Afghan immigrants and India’s refugee policy – Explained, pointwise](#)

How Chinese benefitted from the US exit?

The Chinese have the **technology to extract the rare-earth metals** and huge deposits of **copper** in Afghanistan.

China is also engaging with the Taliban, to complete the new **Belt and Road Initiative (BRI)** investment.

Why does China make huge investments in South East Asia and Africa?

First, the **cost of production is lower** in Southeast Asia. So, the Chinese firms could gain more by shifting their production bases outside China.

Second, investing in these regions meant **access to bigger markets** for Chinese firms and **more uniform regional development**. For instance, the relatively underdeveloped Kunming region in Yunnan province became a commercial hub due to these investments.

Third, Chinese firms **could evade protectionist measures** targeted at their exports. For instance, by investing and start exporting from Africa and South East Asia to other developed nations the Chinese companies can evade protectionist measures on Chinese goods and services.

Fourth, reduce some of China’s energy requirements: Investments in these countries enable China to access cheaper foreign energy (oil and power) and minerals. For example, Chinese firms have constructed hydropower plants and a thermal power station in Myanmar, invested in copper processing activities in Vietnam.

Read more: [Implications of the rise of Taliban for India – Explained, pointwise](#)

How Afghanistan is different from South East Asian countries?

Afghanistan and Pakistan are not comparable to the economic potential of the Association of Southeast Asian Nations (ASEAN) countries. For instance, **Pakistan is unable to repay a China-funded energy project**, built under the BRI. **Business decisions in Pakistan** are not economically driven but are **motivated by vested interests with the army**.

The **Taliban** are known to have a **soft corner for the East Turkestan Islamic Movement** — a militant group active in the Uighur province of China.

The **Taliban ruling groups are far from united**, making it **impossible to make any reliable domestic and international policy** predictions.

Further, The **dependence on opium export makes Afghanistan vulnerable** to world mafias and corruption.

Hence, the **Chinese investments in Afghanistan and Pakistan will constantly face a risk of interruption**.

37. Karbi Anglong peace deal points the importance of addressing small insurgencies that scar Northeast landscape

Source: This post is based on the article “**Karbi Anglong peace deal points the importance of addressing small insurgencies that scar Northeast landscape**” published in the “**Indian Express**” on **7th September 2021**.

Syllabus: GS 3 – Internal security.

Relevance: To understand the Karbi-Anglong deal.

Synopsis: The recent Karbi Anglong agreement gives hope for peace in the northeast. But we need to look beyond peace deals for long-term peace in the region.

Introduction

The Government of India has signed a tripartite Karbi Anglong agreement with five insurgent groups to put an end to years of violence and bring peace and prosperity in the state of Assam.

Read more: [Karbi Agreement – another milestone in PM’s vision](#)

What is the background of these insurgencies?

The Northeast has numerous insurgent groups spread across many states. The Naga insurgency has acted as an inspiration for all the separatist movements in this region. ULFA (United Liberation Front of Asom) was guided by the desire for Assamese nationalism. Similarly, many smaller groups have fought to protect their distinct ethnic, linguistic and cultural identity from being subsumed within a broader Assamese identity.

Read more: [Naga Peace Accord and Naga Insurgency](#)

How do these groups work and operate?

They make wide-ranging demands, ranging from a separate nation-state to statehood within the Indian Constitution and autonomy under the state government. This has forced the center to adopt various policies to counter the insurgency.

What is the centre’s approach?

The centre adopted a **double-barrelled approach**: First, it **offers autonomy under the Constitution**. Second, it **uses security forces to crush the militancy**.

Center beings with by accommodating insurgents who negotiate for peace. They are accommodated in state legislatures or Autonomous Councils. This approach has had varying degrees of success, in Mizoram, Tripura, the Bodo areas.

How Assam's case is different?

In Assam's hill districts of Dima Hasao and Karbi Anglong, **separatist movements** have **rejected Sixth Schedule status**. This transformed into a demand for an autonomous state under Article 244(a) of the Constitution.

Thus, it can be said that the Karbi Anglong agreement promises more autonomy than currently enjoyed by the Autonomous Council under the Sixth Schedule of the Constitution.

What should be the way forward?

The peace deal alone cannot ensure peace, as Autonomous councils are often captured by ex-militants who use fear and intimidation to assert themselves. So we must look beyond peace deals towards transitioning society into a democratic construct.

Terms to know [Article 244\(a\)](#)

38. Grow up, states: CMs should know central resource transfer won't go up. They must fix their own finances

Source: This post is based on the article "**Grow up, states: CMs should know central resource transfer won't go up. They must fix their own finances**" published in **Times of India on 7th September 2021**.

Syllabus: GS 2 Government Budgeting: Fiscal resources.

Relevance: Improving the financing of the States.

Synopsis: States have no option but to be fiscally aatmanirbhar.

Introduction

Recently, TN released a white paper that talked about the state fiscal condition is not good and the state is in deep debt. This document blamed the Central government and previous state government policies for the present condition.

How has Fiscal federalism changed over time?

States are at a disadvantage as they **face challenges in raising revenue** to match their expenditure needs. The entire scheme of centre transfer to states is premised on correcting that imbalance. Importantly, the resource transfer to states, and in the matter of autonomy of their use, has over time shifted substantially in the favor of states.

Eg In the **original constitution**: States only got a share of two central taxes i.e **Personal Income Tax and Union excise duties**. Later, this was changed through the constitution amendment in 2000 where states got a share in total taxes collected by the centre.

With the **abolition of the Planning Commission**, the state's autonomy has increased. Earlier, the Centre decides how much money to transfer to the states and for what purpose. Now States get that money as part of statutory transfers with full discretion over where they want to spend it.

What is the issue between Centre and States?

Centrally Sponsored Schemes (CSS): States see CSS as an assault on their autonomy. The state wishes to have full autonomy on finances and how it is used, as they know the local needs better.

GST: It is a central initiative. It is argued that the State compromised its power under it. But it is to be noted that Centre also did the same.

Cess and Surcharge: Centre is increasingly resorting to these instead of raising the taxes. This is advantageous to the centre as this amount is not shared with the States.

What should be the way forward for the states?

The reality is that States will not get much financial help from the centre in future. So they have to set their finances right if they are to achieve the goal of fiscal autonomy.

39. Spirit of federalism lies in the constitution

Source: This post is based on the article “**Spirit of federalism lies in the constitution**” published in **The Hindu on 7th September 2021**

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

Relevance: To understand the issues related to the Concurrent list.

Synopsis Legislation in a federal setup needs careful consideration while dealing with laws in the concurrent list.

Introduction

Recently, various State governments raised concerns about Central unilateralism in the enactment of critical laws on subjects in the Concurrent List of the Seventh Schedule of the Constitution. This may undermine federal principles in India.

What are the issues raised by various state ministers?

Kerala Chief Minister: He stated that unilateral legislation on the subjects in the Concurrent List is **not in the essence of federalism**.

Tamil Nadu Chief Minister: He also raised the issue by calling on other Chief Ministers against the Union government usurping powers under the State and Concurrent Lists.

What laws were made by the Union government without the consent of states?

Farm Laws: Parliament passed the farm laws without consulting the States. The laws, essentially, relate to Entry 14 (agriculture clause) and belong to the State List. Parliament passed these laws without proper consultation by citing Entry 33 (trade and commerce clause) in the Concurrent List. This has led to massive farmer protests in India.

Read more: [Farmers protesting on Farm bills](#)

Major Ports Authorities Act, 2021: Goa objected to the law, stating that it would lead to the redundancy of the local laws, including the Goa Town and Country Planning Act, the Goa Municipalities Act, the Goa Panchayat Raj Act and various other local laws.

Draft Indian Ports Bill, 2021: It proposes to change the status quo by transferring the powers related to planning, developing and regulating the non-major ports to the Maritime State Development Council (MSDC), which is controlled by the Union government. **Various coastal States** like Odisha, Andhra Pradesh and others have **objected to the Bill** as it proposes to **seize the power of the State government** with respect to non-major ports.

According to the **Indian Ports Act, 1908**, which presently governs the field related to non-major ports, the power to regulate and control the minor ports remained with the State governments.

Electricity (Amendment) Bill, 2020: The field related to electricity is traceable to Entry 38 of the Concurrent List. The power to regulate the sector was vested with the State Electricity

Regulatory Commissions (SERCs). However, the proposed amendment seeks to change the regulatory regime.

Read more: [Draft Electricity Act \(Amendment\) Bill 2020](#)

About the Center's power to enact laws under the Concurrent list

Under the **Government of India Act, 1935**, certain subjects were put in the Concurrent List by giving the Union and the State Legislatures concurrent powers regarding them. State's power to legislate on these subjects was to be shared with the Union so that there is uniformity in laws across the country.

What is the Supreme Court (SC) judgement?

State of Bombay vs F.N. Balsara case: The SC ordered in case of conflict between centre and state, after employing the doctrine of "**pith and substance**", the laws of the State Legislature must prevail.

S.R. Bommai vs Union of India case: The SC told that the States are not mere appendages of the Union. The Union government should ensure that the **power of the States is not trampled with**.

What are the commission/committee recommendations?

Sarkaria Commission: It recommended that there should be **mutual consultation**, guided by **coordination in all areas of concurrent or overlapping jurisdiction**.

It was further recommended that the **Union government**, while exercising powers under the Concurrent list, **should limit itself to the purpose of ensuring uniformity** in basic issues of national policy **and not more**.

National Commission to Review the Working of the Constitution (NCRWC), or the Venkatachaliah Commission: It recommended that individual and collective consultation with the States should be undertaken through the **Inter-State Council** established under Article 263 of the Constitution.

So, the essence of cooperative federalism lies in consultation and dialogue, and not in unilateral legislation.

40. [Its time for national conservation on how to live with the virus](#)

Source: This post is based on the article "**It's time for a national conversation on how to live with the virus**" published in the **Indian Express** on 7th **September 2021**.

Syllabus: GS -2 Health.

Relevance: Understand the role of vaccines.

Synopsis: The goal is not to eliminate the infection, but to reduce sickness and mortality.

Introduction

This article highlights the impact of Covid on people's lives and what can be expected in the future. Given that virus is constantly evolving, how we shape our policies is crucial for a healthy society.

What are the limitations of the vaccination process?

Not properly immune: Vaccination does not eliminate our chance of being infected. The current regime of vaccination offers neither "herd immunity" nor long-term protection.

Variants with the vaccinated and non-vaccinated person: Even after the vaccination, it was found that a person affected with delta variant has similar viral loads as persons who are not vaccinated.

The threat of further transmission and mutation: New study shows that delta variant can spread even in the absence of symptoms. And so, vaccination will not stop further transmission and there will be the threat of new mutations taking place.

Waning immunity with time: It now appears that vaccine-induced immunity wanes with time. A recent example is of Israel, which was once lauded for achieving very high levels of vaccination coverage, but is now experiencing another wave.

What will be the way forward?

Prioritize public resources for vaccinating only the vulnerable, such as the elderly and those with co-morbidities, and all frontline workers

Investment: Government should invest in infectious disease surveillance, community-based supportive care and peripheral hospital critical care.

It is time for collective and collaborative action where all the stakeholders/experts like social scientists, political leaders, representatives of civil society etc should come up together to find the right path towards fully reopening our society.

41. Non Binary genders need more visibility in India's Census 2021

Source: This post is based on the article "**Non-binary genders need more visibility in India's Census 2021**" published in the **Down to Earth** on **7th September 2021**.

Syllabus: **GS 2** – Protection & Betterment of Vulnerable Sections.

Relevance: To understand the gender dimensions in Census data.

Synopsis: Separating sex and gender in the country's biggest socio-economic survey is necessary.

Introduction

Census data is important as it acts as a base for many other surveys in the country. This is because the census data is a better enumeration of categories of gender. But still, the Census is far from perfect.

About the Census 2011

It was the **first census to incorporate the number of 'trans' population** of the country. The survey provides sex-related data in a binary male / female format. It **tagged the rest as 'other'** and assumed them to be 'trans'. Those with transgender, intersex and other non-binary identities are **excluded from the representation**.

What were the findings of this report?

The report estimated that 4.8 million Indians were identified as transgender.

Who is considered a transgender and non-binary person?

Transgender: It is an umbrella term that includes transmen and transwomen. It refers to someone who does not identify with their sex assigned at birth.

Non-Binary: It is a diverse term of expression. For example, it may refer to transgender, intersex people, demi gender, mulitigender and others.

What are the problems associated with transgenders/Non-Binary people?

Access to toilets: They face problems in accessing public spaces like toilets according to their choice as the existing infrastructures mostly recognise 'male' and 'female'.

In 2017, the Centre issued guidelines under the [Swachh Bharat Mission \(Gramin\)](#), making it mandatory for transgender people to be allowed into public toilets designated for both men and women, depending on their choice. But still, access has been denied to them or they are often bullied.

Inadequate amount of data: We only have data on "others". There is a **need to have data on every subgroup** for providing solutions.

Sex is biologically determined, but gender is a social construct. **Data collection has been sex-focused and not gender-focused.**

According to a **private report India for the Big Data for Development Network, Gender-disaggregated data does not reflect the reality** of all gender minorities. So, the report mentioned that these types of data cannot be used to make development decisions, especially for the inclusion of transgender and intersex persons, who are often misrepresented or absent in this data.

Scarcity of information: We do not have proper information on how many intersex people live with their families, the percentage of Trans people who are homeless, their education and employment structures, types of housing they live in, migration rates and others.

What will be the solution to these problems?

To follow a non-binary approach: Government should clearly segregate data between gender and sexualities. First, the respective options for gender could be man, woman, transman, transwoman, non-binary or other. This will give much more clear information as compared to before.

Redress the existing used terminologies: Male and female (which stands for sex) also need to be replaced with terminologies like man, woman (which stands for gender).

Awareness: It was found out that during the 2011 Census, much of the population was not even aware of this third category in options to gender.

E.g. Delhi, alone had 30,000 hijras (transwomen) in 2005, according to the All India Hijra Kalyan Sabha in 2005. This contradicts the 2011 Census data which mentioned that Delhi has 4,213 Trans people.

Add categories: Census should also include a 'doesn't want to disclose' category for those who don't want to associate with any gender trait or doesn't want to divulge gender information.

Gender is not a binary construct, like human emotions it has many shades. So, our census or data collection should reflect this reality.

42. Needed: A tribunal for CAPF

Source: This post is based on the article "**Needed: A tribunal for CAPF**" published in **The Hindu** on **8th September 2021**

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

Relevance: To understand the need for a new tribunal for CAPFs.

Synopsis: CAPF needs a tribunal to provide faster resolution for numerous pending cases.

Introduction

There have been numerous cases of Central Reserve Police Force (CRPF) officers overstaying leave. To curb that, the Ministry of Home Affairs (MHA) recently issued orders to “**include the provisions of Security Force Court (SFC)** as available in the Acts and Rules of other CAPFs (Central Armed Police Forces), so that such cases are finalised within minimum time.”

How departmental inquiries are conducted in CRPF?

For non-gazetted ranks: CRPF rules lay down the **procedure for the conduct of departmental inquiries** against non-gazetted ranks. In normal circumstances, the departmental inquiries are completed within three to six months.

For gazetted ranks: The time taken to order the inquiries is longer as other institutions like the Union Public Service Commission, the Central Vigilance Commission, the Department of Personnel and Training, and the MHA are also tied in for their views and legal opinion.

When personnel overstays their leave: The delinquent officers must be directed to appear before the inquiring authority along with the presenting officer and the defence assistant of the charged official. Even if one of them fails to appear for the hearing, the conduct of inquiry must be postponed.

Since most officers are busy with operational matters, the inquiries take a backseat.

How departmental inquiries are different from Security Force Court(SFC)?

SFC: It is a **purely judicial process** where the **guilt must be proved beyond reasonable doubt** and the **charged official is at liberty to engage a legal practitioner** to defend him.

Departmental inquiry: It is a **quasi-judicial proceeding** where the mere element of a preponderance of probability is enough to determine guilt. Hence, the conduct of a departmental inquiry is the better option.

How to solve the pendency in CAPF?

Appointing retired officers for inquiry: Most departments of the government appoint retired officers for enquiry. CAPF can also appoint retired officials.

Set up Tribunals: With increasing cases being filed in the High Courts across the country in service matters, it is high time the government considered the setting up of tribunals for the CAPFs **on the lines of the Armed Forces Tribunal** for defence services.

43. Making them pay: About the regulation of Big techs

Source: This post is based on the article “**Making them pay**” published in **The Hindu** on 8th **September 2021**.

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

Relevance: To know about regulating App Operators.

Synopsis: A law to regulate app store operators is key to check Big Tech’s monopolising nature.

Introduction

Recently, South Korea made an amendment to its Telecommunications Business Act. The Act aims to **prevent app store operators**, such as Google and Apple, from **forcing app developers to use their in-store payment systems**. It will also check the unfair use of their market position.

Why South Korea made this amendment?

This has happened because of the case involving Apple and Epic games. Here, Apple ousted Epic from its platform, for putting up its own payment system, which bypassed Apple's payment systems.

Same laws/ initiatives by other countries

Australia: Recently made a law to make Internet platforms, pay media companies for displaying their content. Now the government is in the process of bringing digital payment services such as Apple Pay, Google Pay and WeChat Pay under its regulatory ambit.

European Union: EU draft law seeks to make large platform companies as gatekeepers". The EU want the gatekeepers to comply with a set of dos and don'ts. This will give the smaller companies a fair chance to compete in the market. This draft law is also aimed at giving more choices to the customers.

USA: Introduced a bill to promote competition and reduce the gatekeeper power in the app economy. The bill aims to increase choice, improve quality, and reduce costs for consumers.

In Indian context

Apple is facing an **antitrust challenge in India** from a Rajasthan-based non-profit organization called 'Together We Fight Society' on this issue. Last year, CCI (Competition Commission of India) also started investigations into similar allegations against Google.

Read more: [Regulating tech giants in India- Explained](#)

What should India do?

India can also enact such a law. As such a law cannot be called as radical. Further, the Government had recently **set up Open Network for Digital Commerce** to "democratise e-commerce" and "to provide alternatives to proprietary e-commerce sites". So such laws are the need of the hour, given the challenge of protecting and encouraging the smaller players.

Terms to know

- [Competition Commission of India](#)

44. Redefining the reservation policy

Source: This post is based on the article "**Redefining the Reservation Policy**" published in **The Hindu** on 7th 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 reservation policy.

Synopsis: Political parties should consider making substantive changes to the way reservation is implemented.

Introduction

Recently, Tamil Nadu adopted a bill to provide 10.5% reservation for Vanniyakula Kshatriyas within the quota of MBC (Most Backward Class) and DNC (Denotified Communities)

With the **105th Constitutional Amendment**, center empowered the states/ UTs to prepare their own list of Socio-Economic Backward Class (SEBC).

Read more: [Centre to allow states to make their own OBC list](#)

From this year onwards, 27% of all India quota for admissions for medical and dental courses will be reserved for Other Backward Classes (OBC).

Why there is a demand for Caste Based Census?

Read here: [Caste based census in India – Explained, pointwise](#)

What are the constitutional provisions?

Article 15(4) (5), Article 16 (4): Scheme of reservation for SEBC is permissible but meant for only those OBC which are not adequately presented.

What are the court judgements?

Indira Sawhney Case (1992): There must be extraordinary circumstances justifying the quantum to exceed the cap.

Maratha case: [Maratha Reservation Case Judgment and Federalism](#)

Why sub categorization is required?

Reservation has not translated into an equitable distribution of benefits for many groups in our heterogeneous society. This has generated the need for sub categorization.

NCBC (National Commission for Backward Classes) in 2015: It emphasized on the need for “**Classification of OBC**” than on streamlining the provisions on creamy layers to ensure free implementation of reservation policy.

Rohini Commission: It was constituted in 2017 for purpose of sub-categorization of communities in the Central list of OBC.

What are the important issues that need to be addressed?

All these call for an objective definition of Creamy Layer. For example, **Tamil Nadu’s First Backward Classes Commission recommended** that the “affluent sections” or the “creamy layer” in the backward classes should be excluded from reservation.

The annual income limit is one of the parameters that determine the creamy layer. But we observe that since September 1993, this was revised only five times against the norm of revision every three years. Moreover, the norms like GDP inflation, per capita income and a rise in the cost of living should also be considered.

We also see that **income from salary and agriculture are not considered**, but “income from other sources” is taken into account. The differentiation is unfair.

We should also work to quickly fill the posts of OBC’s. The **parliamentary committee highlighted OBC employees in 78 ministries constituted only 21.75%, against the stipulated quota of 27%.**

What we need to do next?

Instead of fighting over abstract issues, we should focus on concrete issues that can bring tangible results.

Terms to know

- [Article 16](#)

45. Politics vs governance (On Urban Cooperative Banks)

Source: This post is based on the article “**Politics vs governance**” published in **Business Standard** on **9th September 2021**.

Syllabus: GS2 – Governance

Relevance: Separation of power, Cooperative sector in India

Synopsis: The Madhya Pradesh High Court's decision to stay the Reserve Bank of India's circular may delay the shift towards better governance in Urban Cooperative Banks (UCBs).

Introduction

The RBI had in June this year said that Members of Parliament, Assemblies, municipal corporations, municipalities, or other local bodies could not hold the corner-room post, or be a whole-time director on UCBs. Thus, the circular **barred elected representatives** from being appointed to the boards of urban co-operative banks (UCBs).

The persons engaged in any other business or vocation; directors of companies and partners of firms that carry on any trade, business or industry, having a substantial interest in any company or working as director, manager, managing agent, partner or proprietor of any trading, commercial or industrial concern will not be eligible to be on the board of a UCB.

Why such circular by RBI?

Prevent misuse: This was done to prevent political interference in banks and the possible abuse of governance standards. It has extracted a heavy cost. For example, Punjab and Maharashtra Urban Co-operative Bank.

To cut down the room for regulatory arbitrage: The amendment to the Banking Regulation Act, notified was to give **more muscle to the banking regulator** for the oversight of UCBs.

What are some associated issues?

Friction between Centre and states: The states have held the view that some of the RBI's moves were in conflict with the provisions of State Co-operative Societies Act.

Concentration of power: The powers bestowed on the RBI to deal with matters pertaining to the issuance and refund of share capital, appointment, or disqualification of directors, constitution of the board of management, appointment of CEOs, and audit obligations were excessive in nature.

46. India's presidency of the UNSC fortified our role in world affairs

Source: This post is based on the article "India's presidency of the UNSC fortified our role in world affairs" published in **Livemint** on **9th September 2021**.

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

Relevance: To understand India's performance as a UNSC President.

Synopsis: With the month-long UNSC presidency, India showcased our role in world affairs.

Introduction

India has just concluded its presidency of the **United Nations Security Council (UNSC)** for August. India managed to achieve almost all of what we set out for, and also successfully handled the expected and unexpected challenges that came our way.

Initiatives of UNSC under India's Presidency

During India's presidency, we had **14 'outcome documents', five of which were UNSC resolutions**. Three signature events were held by India on priority issues. These include maritime security, UN peacekeeping and counter-terrorism.

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About the signature events

Maritime security event: It was chaired by the Prime Minister himself which saw participation from several world leaders, including Russian President Vladimir Putin. This was also the first Security Council (SC) meeting chaired by an Indian PM.

Event on UN peacekeeping: During this event, a **resolution on Protecting the Protectors** was adopted, which seeks to safeguard UN Peacekeepers. It was the **first UNSC resolution piloted by India in over four decades**, and it had the co-sponsorship of all 15 members. During this event, India also **signed an MoU with the UN Peacekeeping Institute in Entebbe, Uganda**.

Event on counter-terrorism: In this event, the threat posed by the Islamic State/Daesh. The UNSC members **agreed on a press statement** highlighting, inter alia, **threats posed by the IS-Khorasan and other regional groups to Asia and parts of Africa**.

About the developments in Afghanistan

This was the important highlight of India's presidency at UNSC. The UNSC held **three meetings** on it, issued **three press statements** and **adopted one resolution** (UNSC Resolution 2593).

Read more: [About the UNSC Resolution 2593](#) and [Noble intentions: About the UNSC resolution on Taliban](#)

Other initiatives of UNSC under India's Presidency

Regarding Palestine: India's Foreign secretary chaired a session on the Palestine Question, which has been a priority focus of the UNSC's work.

Africa-related issues: An unscheduled meeting on Ethiopia has occurred. Apart from that, **Resolutions on the UN assistance mission** in Somalia and **sanctions on Mali** were also adopted.

There is **no doubt that our presidency of the UNSC** has once again **reinforced** the fact that **India continues to play an important role in world affairs**.

Terms to know:

- [United Nations Security Council \(UNSC\)](#)

47. [A questionable quota policy](#)

Source: This post is based on the article **"A questionable quota policy"** published in **The Hindu** on **9th September 2021**.

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

Relevance: To understand the reservation policy.

Synopsis: Instead of providing reservations for government school students, the government should improve the quality of government schools.

Introduction

Recently, the **Odisha** government has proposed a **15% reservation for government school students in medical and engineering colleges**. The aim is to reduce "inequity arising" from the lack of physical and economic access to coaching institutions.

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What does this proposal imply?

This looks like an admission of the government that it has **failed in providing quality education in schools**. This shows that **instead of focusing on improving the schools**, the government is adopting the policy of reservation.

Read more: [Maratha Reservation and the Reservation Policy in India – Explained, Pointwise](#)

What do the statistics say?

About 62% of students attend government and government-aided schools in India.

38% goes to private institutions, some of which belong to the elite category.

Thus, it can be argued that these 38% may have access to better teachers, tuitions and classes. This, according to the government, it creates inequality.

How can the quality of education in government schools be improved?

Capacity building Programmes: Introduce programmes for teachers to implement new pedagogic practices. There should be an emphasis on language learning.

Fill vacant Posts: Teachers and staff vacancies should be filled as soon as possible.

Mindset: Change in the mindset among people and policymakers that government schools are typically backward and inferior to private schools.

Change in policies: The policy of automatically promoting the students to higher classes without passing examinations should be scrapped.

State responsibility: The state should take responsibility for improving education in government schools.

What can be the way forward?

Government should address the root cause, which is focused on school education. It should focus on improving education as part of affirmative action.

48. Practice of reserving cadre posts for certain services is exclusionary, must be reconsidered

Source: This post is based on the article **“Practice of reserving cadre posts for certain services is exclusionary, must be reconsidered”** published in the **Indian Express on 9th September 2021**.

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

Relevance: To understand the drawbacks of the cadre system.

Synopsis: The cadre system, part of British legacy systems, needs to be reformed if we are working towards good governance.

Introduction

Recently, the Haryana government issued an order, appointing an IPS officer as principal secretary (transport) — a cadre post of the IAS. This opened up the debate of cadre posts in the Indian Administration System.

What is the present Indian system?

Certain posts, both at the Centre and in states, are reserved for certain services by declaring them as cadre posts. For example, a collector in any district has to be from the IAS. Similarly, a superintendent of police will always be from the IPS. The same procedure has been adopted for the state administrative services.

What is the demerit of the present system?

Glass ceiling Effect: It acts as a glass ceiling for all the members of the service. For most of the officers, the top post will remain out of reach. This acts as a de-motivator.

Fewer choices: Since officers from a particular service have to be posted to a particular post, the selection pool is smaller.

Promotion based on service: It creates anomalies as batch mates from the same examination are promoted slower or faster just because they belong to different services, not because they are less or more competent.

Less use of talent: It prevents the government from optimally utilizing the talent it possesses. This has also compelled the Government to fill the gap by hiring from the private sector.

Skill limitation: Every service has a core role for which it has been trained. For example, a customs officer is trained differently than a police or income tax officer. However, some people may grow beyond their core functional areas and pick up new skills. But the cadre system ensures that they cannot fully express the skills that they may have developed.

Poor Human Resource Management: It does not seem to be good human resource management (HRM) practice, as it reduces the available choices.

What do we need to do?

It is time to examine whether the concept of cadre posts has benefitted the nation or has been counter-productive. We can adapt the practices like:

Training: It may not be advisable to completely do away with the cadre system. We need **specialized and trained departmental officers** at lower and middle levels to keep the governance running.

Cadre Neutral posts: We can make the posts cadre-neutral. Or we can at least make multiple services with relevant experience eligible for the posts. This will lead to **widening the talent pool** available for the cadre post.

India needs to realize that such archaic, rigid and limiting governance models have outlived their utility. In the light of new and emerging HRM policies, we should also review our governance models, guided by the notion of good governance.

49. Ideas of propriety must not be used by courts to control and silence lawyers

Source: This post is based on the article “**Ideas of propriety must not be used by courts to control and silence lawyers**” published in the **Indian Express** on **9th September 2021**.

Syllabus: GS 2 Structure, organization and functioning of the judiciary.

Relevance: To understand the Ideas of propriety and its impact on the Judiciary.

Synopsis: The relationship between the bar and bench has gone from one of mutual respect and equality to the one between ruler and ruled.

Introduction

Propriety or conformity to established norms can be very dangerous. **In the past**, it led to evils like child marriage, slavery and the holocaust. Now this propriety has reached the Judiciary, with the relation between them turning from that of mutual respect to one between ruler and ruled.

How can one know that the Ideas of propriety exist in Judiciary?

In Judiciary, practices like **improper roster management**, **unfair collegium recommendations**, blatant **bias in favour of select counsels** and **conflict of interest in**

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hearings fall in the zone of propriety. It affects the dispensation of justice, but it does not have a formal mechanism of redressal.

They are **not challenged because** the legal profession is largely regulated by norms of propriety, and these **norms are often controlled by the bar**. It **prevents the bar from challenging any actions** of the bench.

So, in the present system, **obedience is rewarded**. While **independent thought is seen as a threat** to the system. This is a bad example to the next generation of lawyers.

Why lawyers are accepting the Ideas of propriety?

They accept due to the significant control on a lawyer. As a lawyer's license can be denied due to "**ungentlemanly conduct**" under the **Bar Council rules**.

A lawyer can also be **denied designation as a senior advocate**, despite merit and integrity.

Even the **recognition can be withdrawn** from those lawyers that have been designated as a senior.

How does this constitute misuse of power?

There have been instances of the **use of criminal contempt against members of the bar**. This may vary from something as small as a tweet to actions as big as strikes. All these are clubbed with conduct that is considered scandalizing or that **lowers the authority of any court**.

This is **done without scrutinising** whether the authority of the court was being exercised within the confines of legality and whether the intent of the members of the bar was to scandalise or lower the authority of the court.

How does the Judiciary can course-correct it?

The Ideas of propriety **do not improve the perception of the Judiciary** amongst the people, because respect cannot be demanded; it must be commanded.

The Court's authority is built by its judgements, and this cannot be lowered by critics. So the Judiciary **should allow an open exchange of views** and **function more democratically**.

50. [A reality check for higher education dreams](#)

Source: This post is based on the article "**A reality check for higher education dreams**" published in the **Indian Express on 9th September 2021**.

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

Relevance: To understand the challenges of flexibility in the present education system.

Synopsis: The proposed academic bank of credits, multiple entry-exit options will require infrastructure, manpower and budget that the Indian education system simply does not possess

Introduction

The article highlights the changes that are required in National Education Policy (NEP) to make our present education system more effective.

What are the observations of the National Education Policy (NEP)?

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NEP observes that the education delivery system in India is too structured, rigid and expensive. The main reasons for student's dropout are lack of relevance, inability to sustain interest and affordability.

Read more: [National Education Policy](#)

How this could be removed?

The government released the following initiatives to remove the student dropout.

Academic Bank of Credits: It adopts an interdisciplinary approach and provides a flexible curriculum framework.

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

Multiple Entry and Exit: It facilitates students to choose their learning path to their respective degrees with multiple entry-multiple exit options.

What are the lacunae in the system?

Select the courses: It would be **difficult for young students to select the best courses or combination** of courses which will be beneficial for their future. Even if the student opts for the best courses, the **control** of the degree **rests solely with UGC** (University Grants Commission).

Flexibility: Students have **little flexibility in choosing the subjects** of their choice as 50 percent of the curriculum is carried out within the degree-granting institute.

A similar concept of a **"Meta University"** was attempted **in 2012**. This project **failed** to take off despite a UGC regulation, due to the reluctance and ego hassles of the heads of institutions.

Multiple Entry/Exit: Although it is a great concept but **difficult to implement**. If a student chooses to drop a year or two into a degree programme, the **issue of his employability** remains unresolved.

Limited Courses: There is a **limited course** available on the portals like SWAYAM, NPTEL, V-Lab, etc, **for credit transfer and credit accumulation**. This defeats the purpose of offering quality education to everyone.

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

Use of technology: Technology and proper infrastructure is required to authenticate and store digital records in a distributed system.

As our present academic is already struggling in fulfilling demands like providing migration certificates from one university to another, giving transcripts etc. there is a need to upgrade the system.

Budgetary allocations: **Huge budgetary allocations** are required in terms of improving the **teacher-student ratio** from the present 1:30 to 1:5. Along with manpower, **funds are required for the IT infrastructure** for various activities like record maintenance, transfer of credits, credit assessment and others.

What needs to be done?

To achieve the objectives of NEP, there is a need for holistic development with the help of various stakeholders like teachers, non-faculty and others. It is time we implement the **concept of Virtual University**, where universities and other institutions in India become collaborators, creating their own or sourcing content from SWAYAM, EdX other similar providers.

Terms to know

- [University Grants Commission \(UGC\)](#)

51. [A new Vajpayee moment for the troubled Indian telecom sector](#)

Source: This post is based on the article “**A new Vajpayee moment for the troubled Indian telecom sector**” published in **Livemint** on **9th September 2021**.

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

Relevance: Issues associated with telecom sector and way forward

Synopsis: There is a need to maintain a robust telecom sector for country-wide access to citizens and for accelerating economic growth.

Introduction

India opened up the telecom sector to private investment in 1994. But, aggressive bidding by companies to get licences led to **financial stress, including defaults**.

Reforms introduced in 1999 by the A.B. Vajpayee government show that the policy interventions can have a **multiplier effect across the economy**.

What reforms were brought by Vajpayee govt in telecom sector?

New Telecom Policy: The government allowed telecom companies that held licences under the earlier auction **to exit the contracts** they had signed.

The New Telecom Policy sought to transform in a time-bound manner the telecommunications sector to a greater competitive environment in both urban and rural areas providing equal opportunities and level-playing field for all players.

Steps taken in that direction were easing of entry restrictions and strengthening the Telecom Regulatory Authority of India.

Adjusted gross revenues (AGR): Companies were allowed to shift from paying fixed licence fees to paying the government a share of their adjusted gross revenues (AGR).

Telecom companies also agreed to withdraw the multiple cases that had led the entire telecom sector into a legal mess.

What is the present scenario in telecom sector?

Present state of affairs in the telecom sector require govt's intervention.

Interventions by SC: The Supreme Court instructed telecom companies to share core telecom revenues with the government, and also take into account promotional offers to consumers, income from the sale of assets, bad debts and dealer commissions.

SC has asked to pay excess AGR dues to the government in ten annual installments to ease their immediate burden, raising concerns about the financial stability of Bharti Airtel and Vodafone Idea.

Inability to charge customers: Tariff hikes to generate extra revenues to meet AGR commitments will hurt consumer access. It means that the three-player telecom market becomes a duopoly, through either a firm's failure or acquisition.

What steps should govt take?

Govt must issue zero-coupon telecom bonds

-No immediate interest costs to telecom companies: It would ease pressure on cash flows without tariff increases, and telecom companies will have **no immediate interest costs**.

-Tradable instruments: These zero-coupon telecom bonds should be **tradable instruments**, so that the government does not necessarily have to hold on to them till maturity.

-Accompanying voucher: The zero-coupon bonds should be **accompanied by a voucher** which gives the government an option to get a 10% equity stake in the issuing companies.

Set up an independent committee:

The government should **also set up an independent committee** of experts to calculate the excess AGR dues to be paid based on a transparent formula.

52. The national security discourse is changing

Source: This post is based on the article “**The national security discourse is changing**” published in **The Hindu** on **10th Sep 2021**.

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

Relevance: impact of various factors on the national security and domestic policy of countries

Synopsis: National security has long been viewed through a narrow perspective of just war-fighting. In the present scenario being shaped up by multiple factors like climate change, a rising China and the COVID pandemic, national security and domestic policy are to be seen as two sides of the same coin. This new understanding is gaining ground.

Introduction

Aspects surrounding global and national security discourse are undergoing transformational change. The old order is collapsing much faster than the ability of nations to create the foundations of a new one.

The idea that foreign and domestic policy are two sides of the same coin is gaining prominence. Also, there’s a greater recognition of the challenges on national security originating from domestic vulnerabilities.

How India’s policy and view on national security is evolving?

Dependence on overseas supply chains is a national security challenge: COVID pandemic revealed how deeply India has been dependent on Chinese manufacturing for critical supplies. At a time when Indian armed forces were facing the People’s Liberation Army across the Line of Actual Line, this exposed India to a new realization that dependence on overseas supply chains is a national security challenge. India has since moved towards building up domestic capacities in critical areas and also started looking at free trade.

Views of the military leadership in India are also evolving. The national security comprises not only warfare and defence but also financial security, health security, food security, energy security and environment security apart from information security. Instead of viewing national security primarily from the perspective of an armed conflict, there is a need to take a whole-of-government approach towards security.



How US policy is evolving wrt its views on foreign policy and national security?

USA: For the US, its foreign policy is now integrated with its domestic policy. It is based around this simple question: Will it make life better, easier, safer, for working families across the USA?. Discourse around national security in the US is centered around the following factors: Building up the domestic industrial base, maintaining pre-eminence in critical technologies, making supply chains for critical goods more resilient, protecting critical infrastructure from cyberattacks, and responding with a sense of urgency to climate change.

How Indian policymakers should strategize resource allocation post-COVID pandemic?

In the post-pandemic world with a serious strain on national resources, it will be important for policymakers

to underline areas of **close cooperation between the civilian and the military spheres.**

This idea is again based on the understanding that national security policy is invariably linked with domestic policy and vice-versa.

For example: Here are some tangible and intangible ways in which investment in the armed forces contributes to the national economy such as indigenisation of defence procurement, providing an impetus to indigenous industries, aid to civil authorities or Humanitarian Assistance and Disaster Relief (HADR) operations protecting infrastructure, demand for hi-tech military products by the armed forces spurring entire industries, and transportation and logistics capacities of the armed forces acting as force enablers for the Government in times of emergencies.

53. How India and Germany can work together to tackle climate change

Source: This post is based on the article “**How India and Germany can work together to tackle climate change**” published in **Indian Express** on **10th September 2021**.

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

Relevance: India and Germany relations, climate change

Synopsis: India and Germany have innovative economies and many highly-trained people. There is a need to harness this potential, especially to fight climate change.

Introduction

The Covid-19 pandemic has left no country untouched. It is safe to say, we will either beat Covid-19 worldwide or not at all. The virus briefly drew attention away from another crisis — climate change and its impact.

Climate change could even stop the world from achieving the Sustainable Development Goals (SDGs).

Why India can play greater role in the fight against climate change?

Low per capita emission: India is set to deliver on the national goals it set itself as part of the Paris Agreement. Compared to other G20 countries, its per capita emissions are very low.

Development interests of large population: India now has the opportunity to make its massive investments in infrastructure over the next 15 years climate-smart and climate-resilient.

Leading international role to play: Without India, the world will not be able to fight climate change and achieve SDGs.

How India and Germany collaboration can beat climate change?

Germany recently adopted laws to achieve climate neutrality by 2045 and stopping the use of coal for electricity production by 2038.

Indo-German development cooperation focuses on three areas:

- 1). The transition to renewable energies.
- 2). Sustainable urban development
- 3). Sustainable management of natural resources.

India-Germany cooperation: Germany and India can collaborate for greening their own economy and also support other countries.

In 2015, India’s Prime Minister and Germany’s Federal Chancellor agreed to further strengthen the two countries’ strategic partnership.

Knowledge sharing technology transfer and financial solutions: Over half the Indian population will live in cities by 2050. These cooperation efforts support Indian policies in the face of limited urban resources and climate change.

Self-reliance: The pandemic has shown global supply chains are vulnerable. There are smart solutions in **agriculture and natural resources that are being tested in India and Germany** including agro-ecological approaches and sustainable management of forests, soils and water.

One Health approach: India and Germany can help tackle the challenges posed by population growth, increased mobility, shrinking habitats, industrialised farming and intensive animal husbandry.

54. Terra pharma: A new drugs legislation must keep the pharma sector growing while safeguarding consumer interest

Source: This post is based on the article “**Terra pharma: A new drugs legislation must keep the pharma sector growing while safeguarding consumer interest**” published in **The Times of India** on **9th September 2021**.

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

Relevance: Introduce new law for drugs, medical devices, cosmetics and e-pharmacies.

Synopsis: Pharma ecosystem is rapidly evolving and needs proper monitoring and regulation.
Introduction

The Union government has constituted a committee for framing draft legislation regarding new drugs, cosmetics and medical devices.

Read more: [Panel set up to draft Bill on drugs, cosmetics and medical devices](#)

What is the performance of Indian Pharma at global level?

Indian Pharma industry is ranked as the **second-largest in terms of workforce**. It is ranked as **third in terms of production volumes**. Furthermore, It is also ranked as **14th in terms of global value**.

The **Economic Survey 2020-21** also estimated a threefold growth for the pharma industry from its \$40 billion current market size by the end of this decade.

What is expected in the new law?

Consultation: It will have to be framed after **consulting all the leading industry voices and health experts**.

Uniform standards: It will seek to address one of the major flaws of the present regime is the **dual regulation by CDSCO** (Central Drugs Standard Control Organization) **and the states**. The new law will enforce uniform standards to prevent malpractices in the system.

Uncertain Regulatory environment: E-pharmacies are adjusting and evolving after the recent regulatory and judicial declarations. Still, the risks like forged prescriptions continue.

Even in Brick and mortar shops, the risks like the **sale of over-the-counter antibiotics and Schedule H drugs** continue. The new law has to properly regulate these instances.

India needs a mature pharma ecosystem where the entire chain from prescription to sale of drugs is monitored. The new law must streamline manufacturing rules, quality control and R&D norms to help Indian companies meet new challenges.

55. 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.

56. 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.

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](#)

57. 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 **13th 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**.

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.

58. A selective nuclear policy

Source: This post is based on the article "**A selective nuclear policy**" published in **The Hindu** on **13th 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)

59. 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 **13th 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.

60. 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 **13th 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.

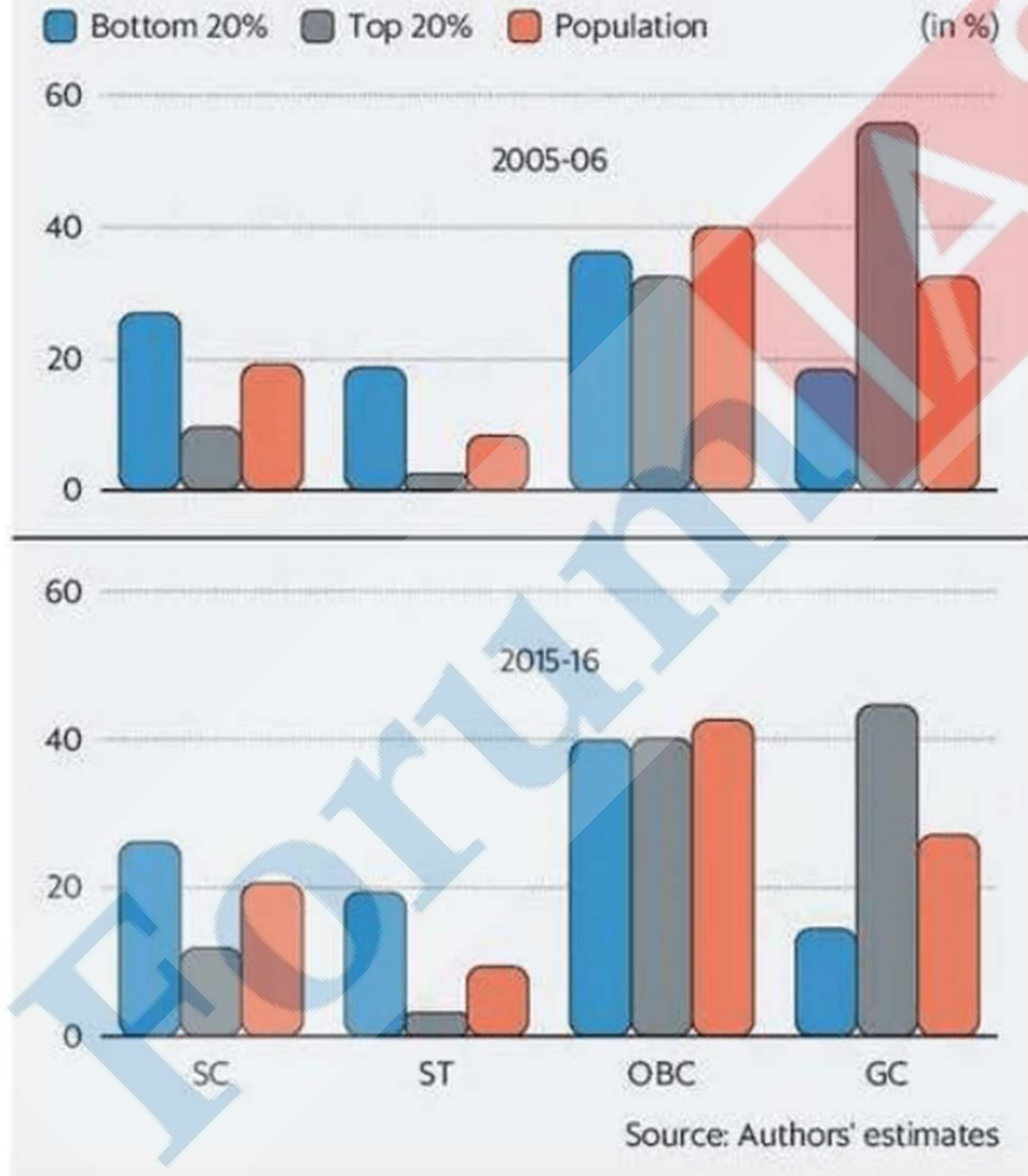
Asset-rich: Those who hold more movable or immovable assets as compared to others.

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.



Source:

Livemint

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 Sur

61. 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 **13th 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.

62. 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.

63. 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 **13th 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-SHGs

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

64. 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 14th September 2021.

9 PM Compilation for the Month of 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.

65. 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 **14th 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.

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

67. 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 **14th 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**.

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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.

68. 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 **15th 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.

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

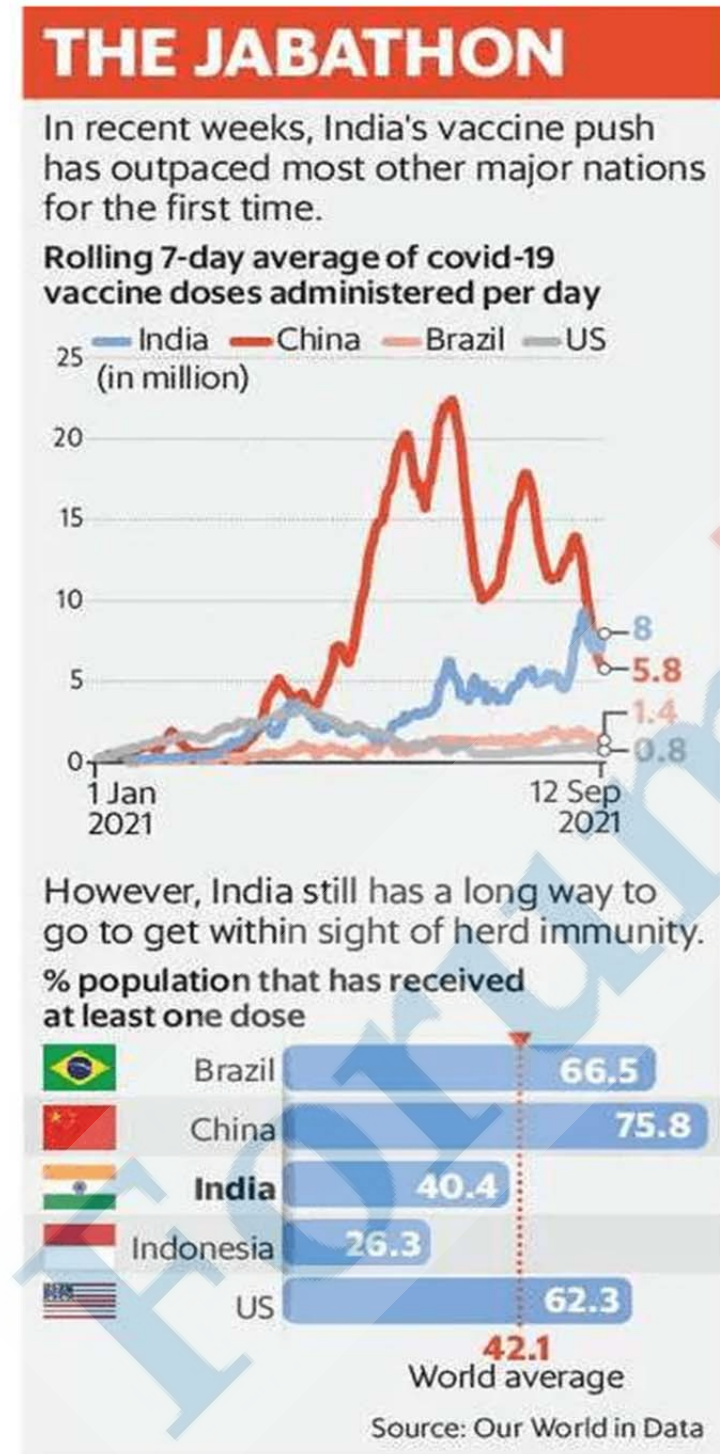
India’s health infrastructure was put under severe stress by the 2nd COVID wave. The best remedy to prevent recurrence is to complete the vaccination drive. However, Vaccination faces a great challenge of social hesitancy, with people running away from the vaccine and vaccination drives.

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.

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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.

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.

69. **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 **15th 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.**

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.

70. Partners in the Indo Pacific

Source: This post is based on the article **"Partners in the Indo-Pacific"** published in **The Hindu** on **15th 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**.

71. 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 **15th 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.

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.

72. 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.

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.

73. 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

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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](#)

74. 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 **16th September 2021**.

- **“NEP Schools: The Future”** published in **The Hindu** on **16th 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.

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.

75. 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 **16th 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.

75. 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.

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.

76. 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.

77. **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.

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.

78. 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

79. 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 Arrestor?

It is carried from the legal convention of 12th century Common Law, which was prevalent in England. This law allowed a Citizen arrestor 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 arrestors.

USA's legislation to promote citizen arrestors

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 Vigilante) 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.

80. Breaking the Glass Walls: On gender equality

Source: This post is based on the article “**Breaking the Glass Walls**” published in **Indian Express** on **18th 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.

9 PM Compilation for the Month of September, 2021

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.

81. 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 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.

82. 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**.

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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.

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.

83. **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.

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.

84. **Who is the hollow CAA really meant to protect?**

Source: This post is based on the article “**Who is the hollow CAA really meant to protect?**” published in the **Indian Express** on **20th September 2021**.

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

Relevance: Understanding the recent issue of Afghan refugees in India.

Synopsis: The CAA was never meant to help asylum seekers and protect persecuted people.

Introduction

The government evacuated many of its citizens and Afghan nationals from the Hindu and Sikh minorities after the Taliban takeover. But these people would **not be given Indian**

nationality under **Citizenship Amendment Act** because of the provisions mentioned in it. It provides **citizenship only for those who have been in India since before December 2014**.

How Indian refugee policy is handled?

India had hosted several refugees in the past like **Tibetans**, Tamil refugees from **Sri Lanka**, persecuted Chin and Afghan refugees and the minority Chakmas from the **Chittagong Hill Tracts (CHT)**. India also had received worldwide admiration for refugees who fled from then East Pakistan in 1970-71.

But still, India **doesn't have any refugee-specific legislation**. It is conditioned by ad hoc policies adopted by the government to deal with specific circumstances.

How persecution (under the CAA) definition is different from United Nations?

United Nations Convention on the Status of Refugees, 1951: Under **Article 1A (2)**, it defines a **refugee** as 'people who are **unable to avail the protection of their state and are forced to flee outside their country** due to "**fear of persecution**" based on their "**race, religion, nationality, membership of a particular social group or political opinion**". It adopts a non-discriminatory approach.

India: It is **discriminatory** and adopts a **narrow interpretation of persecution**. It gives protection to **persecuted minority communities** — Hindus, Buddhists, Christians, Sikhs, Jains and Parsis — from **Bangladesh, Pakistan and Afghanistan** and **not to the Muslims**.

The government gave the reason that since the three countries named are dominated by Muslims, it would not be necessary to consider Muslims as being persecuted in these countries.

What is the intention of CAA?

The intention of the citizenship amendment act is to **confirm citizenship**. It is **not meant to provide protection for Asylum** to the people belonging to other countries. This was evident when the **government did not grant Asylum to Rohingyas from Myanmar or Hazara from Afghanistan**.

This does not mean that they can not seek protection in India. They are governed by many laws and can seek visas in India and apply for citizenship in due course.

85. A spike – India must prioritise vaccines to States and districts that are at greatest infection risk

Source: This post is based on the article "**A Spike**" published in **The Hindu** on **20th September 2021**.

Syllabus: GS 2 Health.

Relevance: Understanding India's vaccination challenges.

Synopsis: Given the Indian population, vaccinating all adults itself is a challenge in India, given that supply challenges still persist.

Introduction

Recently, India administered a **record 2.5 crore vaccine shots in a day** to mark the celebration of the Prime Minister's birthday. It is equivalent to the populations of the whole of Australia, two-thirds of Canada and five times that of New Zealand. It is also near to China's pace of vaccination of 2.47 crore shots on a single day.

Till now, **62% of Indian adults have now got at least one dose**, and **one in five fully are vaccinated**.

What are the problems with vaccination drives?

Vaccine Hesitancy: People, owing to various reasons, hesitate in taking vaccines. Like in the USA, where vaccine availability is good, but people are hesitant.

Shortage of vaccines: In India, there is a supply shortage even when vaccine production continues. This would make it difficult for India to achieve its target to immunize its adult population (about 94 crores) by the year-end, as it will require over 185 crore doses, or close to one crore immunisations a day. India has till now crossed the 80 crore mark.

What should the government do?

India's caseload is reducing, with about 30,000 cases per day. India has also faced the delta variant, and chances of new variants coming up still exist. So vaccination cannot be ignored.

As schools would reopen in winter, the load to vaccinate children would also rise. So, it is a must for India to raise its supplies to meet the upcoming demand. For this government should:

Prioritize the vaccines process: Government should first provide vaccines to those States and districts that are at greatest infection risk.

Speed up: Proper follow-up with vaccine makers to speed up the process.

86. Empathy through Education

Source: This post is based on the article "**Empathy through Education**" published in **The Hindu** on **20th September 2021**.

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

Relevance: To understand the importance of Social and Emotional Learning.

Synopsis: Social and Emotional Learning is not fluff; it is an important goal in education.

Introduction

The article highlights the importance of **Social and Emotional Learning (SEL)** as an important tool of education. India's recent [National Education Policy](#) also highlights its importance in children's development.

What is SEL?

It forms the **foundation of human development**, for building healthy relationships, academic learning, manages emotions and much more things more effectively. The following are the key elements of SEL:

Empathy: It is the ability to understand another person's emotions. It is also the awareness of why they might be feeling those emotions.

Theory of mind: It is the ability to understand others' intentions, knowledge and beliefs and recognize that those might be different from your own.

Neurobiologically **different regions of the brain** such as the prefrontal and frontal cortices and others are **involved in the cognitive mechanisms of SEL**. Thus, it is vital to consider that the learning process is a social as well as an emotional experience.

How pandemic brought challenges for SEL?

The pandemic has brought numerous challenges for SEL as school closures reduced opportunities for students to deepen social relationships and learn in shared physical spaces.

What practices can we adopt?

Individuals from underprivileged backgrounds have faced immense learning losses during the pandemic. We need to prioritize “**inclusive and equitable quality education and promote lifelong learning opportunities** for all.” We can start with the following strategies:

Practices: SEL practices should be based on students’ socioeconomic backgrounds.

Strategies: SEL strategies of caretakers and educators must align with one another.

Scientific use: Long-term success requires SEL to be based on scientific evidence.

As can be seen that such comprehensive learning involves all the stakeholders, including parents and teachers. This onus lies on all of us to bring the changes.

87. Nutrition through biofortification

Source: This post is based on the article “**Nutrition through biofortification**” published in **Business Standard** on **20th Sep 2021**.

Syllabus: GS2 – Issues relating to Poverty and Hunger

Relevance: Significance of biofortification in fighting malnutrition

Synopsis: Malnutrition is a serious problem for India. Biofortification can help us address it

Introduction

Malnutrition is still rampant in India despite it being the world’s top or second-largest producer of most food items, such as staple cereals, pulses, fruit, vegetables, and milk.

Biofortification can be a helpful tool in alleviating this problem.

What is the present scenario of malnutrition in India?

Nutritionally-deficient diet: The diet of a sizable section of the population is neither sufficient nor nutritionally balanced. The deficiency of protein, vitamins, minerals, or other major or micro-nutrients is widely prevalent.

India was ranked 94th among 107 countries on the **Global Hunger Index 2020**, falling behind its smaller neighbours like Nepal, Pakistan, and Bangladesh.

Particularly worrisome is the **lack of nutrients like iron and zinc, and vitamins like A and C**, which are vital for growth and tissue repair, and preventing diseases.

This nutritional inadequacy had, in fact, been highlighted even earlier by the **National Family Health Survey-4, conducted in 2016**.

– It had found that as many as 38.4% kids below five were stunted and about 21% had low weight for their height (dubbed as “wasted”) and more than half of all women (nearly 53%) were **anaemic**.

What is the problem with govt initiatives?

The government is attempting to combat undernourishment by offering **highly subsidised or free foodgrains to the poor** and the needy through various welfare programmes.

The month of September is observed as the “**Poshan Mah**” (nutrition month) and its first week as the “**Poshan week**” every year.

India’s **mid-day meal scheme** for school children, is one of the world’s largest programmes of its kind.

But these initiatives target the consumption of belly-filling staples rather than wholesome foods.

They **lack the required emphasis on balanced nourishment**. As a result, these initiatives have reduced the incidence of underfeeding but without denting malnutrition, which can be curbed only by boosting the intake of wholesome food.

What is the reason behind increased incidence of malnutrition?

Low nutrition foods: The poor nutritional profile of average Indians can, in fact, partly be attributed to the fact that **most of the available and mass-consumed foods are inherently low in nutrition**.

Focus on yield: Most of the crop varieties developed by the country's vast farm research network in the past were bred with an eye on enhancing yield and resistance against diseases and pests, then upgrading their nutrient content.

This problem is now sought to be rectified by biofortification.

What is biofortification?

Biofortification means incorporating nutrient-enriching genes in select crop varieties, using conventional or modern plant-breeding tools.

Such genetically altered and nutrition-augmented crops, termed aptly as **“biologically fortified” or “biofortified”** crops, differ from the commercially available fortified foods as these have genetically ingrained, rather than artificially added, additional nutrients.

What are the advantages of biofortification?

As per experts, Biofortification is the most **sustainable and cost-effective** means to provide the needed nutrition through food rather than food supplements.

The nutrient-doped varieties, developed under the all-India coordinated research programmes for different crops, **provide enough calories, as also essential nutrients, for healthy growth**.

More than 70 biofortified food crops have already been evolved and released for cultivation.

What is the way forward?

The greater use of biofortified foods can go a long way in meeting the universally agreed and United Nations-backed goal of zero hunger by 2030.

This would require a **big push to the consumption of biofortified crops**.

Besides, it would also need **incentivising farmers to grow biofortified crops** and making consumers **aware** of their health benefits.

The most important thing is to ensure that **biofortified produce is traded separately in mandis** and growers get premium prices for that. Once these products get the label of healthy foods, their production as well as consumption would inc automatically.

88. Inequity and injustice writ large – Regarding NEET

Source: This post is based on the article **“Inequity and injustice writ large”** published in **The Indian Express** on **20th Sep 2021**.

Syllabus: GS2 – Issues relating to development and management of Social Sector/Services relating to Education

Relevance: On the uncertain theory of “merit”, NEET is heralding an era of great inequity and injustice.

Synopsis: This article explains the journey of Education and issues surrounding NEET.

Introduction

Historically, states had established medical colleges and allowed private persons to establish medical colleges. States regulated the admission of students to these colleges. Standards and quality of education improved over time. But, the NEET is creating an era of great inequity and injustice.

About the journey of education in India

The Constitution of India was a compact between the states. The central pillar of the Constitution consists of the Three Lists — Union List, State List and Concurrent List.

List II (**State List**), **Entry 11**, as originally enacted, read: **Education, including universities**, subject to the provisions of entries 63, 64, 65 and 66 of List I and entry 25 of List III.

List III (**Concurrent List**), Entry 25, as originally enacted, read: **Vocational and technical training of labour**.

Entries 63 to 66 posed no problem at all because **they dealt with some named institutions, institutions of scientific and technical education funded by the Central government**, training institutions and laying down of standards.

During the emergency, by **42nd amendment**, the Parliament **deleted Entry 11 of the State List** instead added it into **Entry 25 of the Concurrent List**. Entry 25 was re-written as: **Education, including technical education, medical education and universities**.

The **44th Constitution Amendment did not restore** the original entries concerning 'education'.

What are the reasons to run State medical colleges?

State government medical colleges are established using the money of the people of the state. They are intended, by and large, **to admit the children of the people of that state and teach them medicine** in English and, in course of time, in the state's official language.

The **graduating doctors are expected, by and large, to serve the people of that state**, especially in the rural areas where healthcare was/is woefully inadequate. They are expected, by and large, to **speak and prescribe and counsel the patients in their language**.

State governments **encouraged admission of rural students**, students who studied in government schools, children from poor families, children belonging to disadvantaged sections and first-generation learners.

There were **grave issues that needed to be addressed** such as **capitation fees, excessive fees, poor quality of equipment**, inadequately attached hospitals, inadequate laboratory, library, hostel and playground facilities and so on. **These problems are continuing problems** irrespective of whether the state regulates the admission of students or some Central authority does so.

How NEET evolved?

The National Eligibility cum Entrance Test (NEET) is acclaimed as merit has to be the sole criteria for admission at all India level. The Supreme Court also in **Modern Dental College vs State of MP case**, held that, "When it comes to higher education, that too in professional institutions, merit has to be the sole criteria". Only a common entrance test will ensure merit-based admissions, fairness, transparency and non-exploitation.

Why NEET is creating inequity and injustice?

9 PM Compilation for the Month of September, 2021

Justice A K Rajan Committee on the impact of NEET on the admission process in medical colleges in Tamil Nadu highlighted the inequity and injustice in the NEET.

	Pre-NEET (2016-17)	Post-NEET (2020-21)
Number of State Board students admitted	98.23	59.41
CBSE students	0.97	38.84
Rural students in Govt Medical colleges	65.17	49.91
in Pvt Medical colleges	68.49	47.14
Students of Tamil medium	14.88	1.99

Source: Indian Express

Students who study in state board schools and take the state board exam are at disadvantageous in NEET. Further, the **relevance of the State board itself will come into question**, as there is a common syllabus for NEET.

With NEET, state governments **shy away to spend the state's tax-payers' money and set up government medical colleges.**

Urban students **might not serve in the PHCs and taluk-level hospitals.**

Must read: [National Entrance cum Eligibility Test \(NEET\) – Issues and Significance- Explained, pointwise](#)

89. [Our Courts are Infra Vires](#)

Source: This post is based on the article “**Our Courts are Infra Vires**” published in the **Times of India** on **20th September 2021**.

Syllabus: GS 2 Issues related to the development and management of court infrastructure.

Relevance: Understanding the issue of judicial infrastructure.

Synopsis: To ensure that justice is never delayed, there is a need to urgently upgrade the judicial infrastructure to meet the load of the cases.

Introduction

This article highlights the **state of judicial infrastructure** in our country. In this regard, the statement of the **Chief Justice of India** that he will be championing the creation of a **National Judicial Infrastructure Corporation (NJIC)** is a welcome move.

What is the status of Indian Judicial infrastructure?

Infrastructure: At least **1/6th of district courts** have **no running water in women's washrooms** in court premises. For **wheelchair-bound**, only 27% of district courts have a ramp for barrier-free access. For the **blind**, only 2% of district courts provide access to tactile pavements

Building: Our courtrooms are **not built to deal with large volumes of cases**, nor were they built keeping in mind the convenience of the native Indian population. Even newer courts do not have sufficient space and basic amenities for citizens

What the courtrooms should be like?

Physical Infrastructure: It should be citizen-centric. **Srishti Institute of Art, Design and Technology and the Vidhi Centre for Legal Policy** has presented their report. It has demonstrated how the **citizen should be the central focus** of a redesigned court layout. This includes well-planned seating space for litigants, minimal distance between them and the judges and the use of simple sound absorbent material on the walls to facilitate hearing.

Digital Infrastructure: The coronavirus pandemic allowed the judiciary to take big steps towards digital courts with mandatory virtual hearings. This now needs to be integrated with existing systems by creating a **National Digital Courts Platform Infrastructure**.

Such infrastructure should include secure connectivity and data storage at the **base level**. It should also have interoperable digital registries of cases, lawyers and litigants at the **system level**. Finally, a range of digital services such as e-filing, e-payments of courts fees and digital summons are required at the **application level**.

What about the Finances allotted for judicial infrastructure?

Research shows that the existing **centrally sponsored scheme on judicial infrastructure** has so far led to disbursements of Rs 7,460 crore from the Union government to the judiciary. At the same time, the **15th Finance Commission** has sanctioned an additional Rs 10,425 crore to build special courts over five years. Besides, the **e-courts Mission Mode Project** has been allocated Rs 1,670 crore for technological enablement.

What should be the way forward?

As India's experience with GST shows, that once enabled, India's power of IT can transform any government sector. The big challenge there is to ensure that the needed amount of funds are available. There has to be a mechanism to **use these funds efficiently, backed by strong political will**.

90. Fund and Faculty count in higher education rankings

Source: This post is based on "**Fund and Faculty count in higher education rankings**" published in **The Hindu** on **21st August 2021**.

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

9 PM Compilation for the Month of September, 2021

Relevance: Understanding the National Institutional Ranking Framework(NIRF).

Synopsis: The new edition of the National Institutional Ranking Framework highlights the huge gap between the best and the rest.

Introduction

[National Institutional Ranking Framework \(NIRF\)](#) has recently released its sixth edition of ranking for Higher Education.

Read more: [Union Education Minister releases India Rankings 2021](#)

What are the advantages of the ranking?

Choice of Institution: It helps students to choose institutions for admission. It helps colleges to secure research funding. It enables teachers to choose the right colleges and employers to target campuses for hirings.

Competition: It identifies areas of improvement and also the measures to overcome those deficiencies. It promotes competition, which further promotes the quality of the institution.

Privileges: Good ranking opens the gate of other privileges to institutions like more autonomy, power to offer open and distance mode programmes, and permission to enter into collaboration with foreign universities etc.

How Universities are ranked?

Universities are ranked on various parameters like research, publications, innovations, patents etc. Different standards are adopted by various organizations to rank the universities. For instance,

Academic Ranking of World Universities (ARWU): It ranks universities solely on the basis of their research performance.

Times Higher Education (THE): It gives 60% weightage to research.

Quacquarelli Symonds (QS): It gives only 20% weightage to research.

NIRF: It accords 30% weightage to **Research Performance and Professional Practices (RPP)**.

What did NIRF data reveal?

Research Performance: NIRF reveals that the **best university scored 92.6%** in the research category. This score declined to **60.52% for university that got the 10th spot**. This number further declined to 50.32%, 28.69% for 20th and 50th best universities respectively. For the **100th university, the score is only 4.35%**.

Research scholars: Data reveals that the **larger the number of research scholars, the higher the ranks of the universities in terms of RPP**. Data shows top 10 universities in NIRF had an average of 2,627 research scholars, whereas universities ranked in the bottom 10 had no more than 165 research scholars.

Salaries: The data revealed another interesting fact, **the higher the institution spends on salaries of the staff, the higher is the ranking** of the university. For example, the average annual expenditure on salaries for the top 10 universities is ₹391.72 crores. While the universities, ranked between 91-100, spent only ₹79.26 crores.

Thus, one can conclude that the **funds and faculty** are the two most important factors that **improve the performance of any educational institution**.

91. NRC is final, rules Assam Foreigners' Tribunal

Source: This post is based on the following articles

- “Done and Dusted” published in **The Hindu** on **21st September 2021**.
- “NRC is final, rules Assam Foreigners' Tribunal” published in **The Hindu** on **20th September 2021**.

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

Relevance: Understanding the latest developments in NRC issues.

Synopsis: Recently Foreigner's tribunal in NRC issues a notice stating that the NRC list is final.

Introduction

While the **Registrar General of India** has **not yet issued a notification** on Assam's [National Register of Citizens](#) (NRC) to make it a legal document, a **Foreigners' Tribunal (FT)** has gone ahead and **recorded it as the “final NRC”**.

The FT also held that “there is no doubt that this **NRC Assam published in 2019** is nothing but Final NRC.”

About the NRC

The SC had mandated the NRC, after which the centre and state government of Assam had taken it up. The **first draft in 2018 had left 4 Million people out**, and the June **2019 list left 1Lakh** more.

Another draft was released in August 2019. The final draft absorbed 2.2 million of those left out in the previous drafts. Of the **total population of 33 Million, around 1.9 Million were left out**. The **fate of those left-out persons was to be decided by Foreigners Tribunals (FT's)**.

This created an issue as different segments claimed that this exercise is biased towards Bengali Hindus or Bengali Muslims.

Revision of NRC

Considering all these, the Assam government and even the New NRC coordinator, have made repeated requests for a re-verification of 20% of the list, especially for the area's bordering Bangladesh. **With FT declares the list to be final, the questions of revision become doubtful**. Even if the revision is taken up, it has its own set of problems.

What are the other issues associated with NRC?

There have been many other issues creating delays in the revision process. The new NRC **coordinator's petition is still pending** in court. On the administrative side, the **issuance of rejection slips is pending**. The rejection slips are **necessary to file appeals in the FTs**.

What should be the way forward?

Considering all these, the next logical step should be that the **Registrar General of India** confers his stamp on NRC. The **rejection slips have to be provided immediately for facilitating appeals to FTs**.

92. Tackling Hate Speech

Source: This post is based on “Tackling Hate Speech” published in **The Hindu** on **21st August 2021**.

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

Relevance: Understand the meaning of hate speech.

Synopsis: There are no laws on hate speech as such, so India needs a political and pedagogical solution to control the menace.

Introduction

Recently, a Bishop from Kerala in his speech coined the term **Narcotic Jihad** and criticised few members of the Muslim religion. But the speech aimed at a particular religion has a divisive tone.

What does Hate Speech signify?

Though the precise definition would be difficult, but a lot can be inferred from various rulings of the courts around the world and also from the views of the experts.

In Chaplinsky v. New Hampshire (1942): The U.S. Supreme Court held that their Constitution does not protect “**insulting or ‘fighting’ words** — those which may **incite an immediate breach of the peace.**”

Lord Bhikhu Parekh, a British academic, said that hate speech views members of the target group as an enemy within. It creates hostility and breeds mistrust between individuals and groups.

In Pravasi Bhalai Sangathan v. Union of India (2014) case: The Supreme Court **quoted** from **the Canadian Supreme Court’s decision in Saskatchewan v. Whatcott (2013)**. It held that “**hate speech puts a serious barrier to the full participation of minority in our democracy.**”

What are the challenges associated with hate speech in India?

This idea of hate speech resonates well in India’s political context. Being a minority in a Hindu majoritarian nation, the other religions at times feel defenceless when hatred is directed against them. This leads to a climate of fear amongst them. It has also led to violence against them based on their identity. And **even genuine concerns** like the social and economic backwardness of **the minority community are ignored.**

How India is tackling hate speech?

There are legal protections against hate speech in India. **Section 153-A of IPC** prohibits speech promoting enmity between groups based on religion, race, place of birth etc.

However, **the law seems to suffer from misuse and disuse.** While remarks against the minority are ignored, even vague references against the majority trigger the legal action and state machinery.

What should be the way ahead?

Given the challenges, a precise and accurate definition of law for hate speech is difficult. So a well-negotiated political and social solution is the best way forward.

93. [With AUKUS dividing the Western bloc, is there a role for India?](#)

Source: This post is based on the following articles

- “**With AUKUS dividing the Western bloc, is there a role for India?**“ published in the **Indian Express** on **21st September 2021**.
- “**The new AUKUS alliance holds some lessons for India**“ published in the **Indian Express** on **21st September 2021**.

Syllabus: GS 2 – Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests.

Relevance: Understanding India’s role in strengthening the Western bloc.

Synopsis: This article explains India’s relationship with Western Countries and India’s role in strengthening their relations.

Introduction

C. Raja Mohan is of the view that **AUKUS could leave a deep scar on US-EU relations and the North Atlantic Treaty Organisation, and weaken the international coalition in the Indo-Pacific**. According to him, India has an indispensable role in strengthening the international coalition in the Indo-Pacific.

Must read: [AUKUS Security Alliance – Explained, pointwise](#)

What are the recent developments in the India-US security relationship?

Some major milestones in the Indo-US security relationship have been:

The signing of the path-breaking **Indo-US Civil Nuclear Agreement, in 2008; launching of the Defence Technology and Trade Initiative in 2012**.

The US Congress also accorded the **status of “Major Defence Partner” to India in 2016**; The US also **granted Tier 1 status to India**, enabling export of high-technology items; and **institution of “2+2 talks”** in 2018.

The **signing of the fourth and last of the key “foundational agreements” in 2020**, was supposed to have eliminated the final impediment to closer defence cooperation.

How India is maintaining its relations with Europe?

The Indian government has also stepped up on the political engagement with Europe as a collective as well as its sub-regions — **from the Baltics to the Balkans and from Iberia to Mitteleuropa (Middle Europe)**.

India now discovered that **every European nation**, from tiny Luxembourg to a rising Poland, **has something to offer**. At present, Europe has become a thriving hub of India’s international relations.

How India is maintaining its relations with Britain?

India has also made a **determined effort to build a new partnership with Britain**, which is the fifth-largest economy in the world, a leading financial hub.

The **UK and its settler colonies** have long been the **preferred destination for the Indian diaspora** (besides the US). While the diaspora tends to connect the domestic politics of the Anglosphere (English-speaking nations) with that of India, India is figuring out that the diaspora politics can be played both ways.

What India needs to do to strengthen the Western bloc?

India's interests lie in deeper strategic cooperation with France and Europe as well as the Quad and the Anglosphere. India's diverse relationships in the West must be deployed in full measure to prevent a split in the Indo-Pacific coalition.

Read more: [Quad Summit and its relevance – Explained, Pointwise](#)

Further, to attain India's full potential, India needs a political collaboration that helps to **restore its economy to its earlier buoyant trajectory**. Further, If realpolitik so demands, India must **break old customs and strike new partnerships** — wherever there is a **convergence of interests**.

94. [A new water policy for India](#)

Source: This post is based on the article “**A new water policy for India**” published in the **Business Standard** on **20th September 2021**.

Syllabus: GS2 – Governance.

Relevance: To understand the need for the new water policy.

Synopsis: Article discusses the need of new water policy in India while listing some directions based on which water policy can be drafted.

Introduction

In 2019, the Ministry of Jal Shakti set up a committee to draft a new National Water Policy (NWP). The earlier NWPs of 1987, 2002 and 2012 were drafted entirely within the government system based on “command-and-control” approach towards nature.

This is the first time that the government decided to set up a **committee of independent experts** to draft the policy.

The committee received suggestions from various experts, academics, practitioners and stakeholders. It found consensus in the various consensus received. It clearly shows that we need a new paradigm of water management and governance to deal with the water crisis in the 21st century.

What does the water crisis teach us?

It's teaching us that we need to **respect the nature** and think equally of others.

Nature is reminding us to acknowledge, with humility, our quintessential equality and inter-dependency. We need to protect Mother Nature, re-orient the development models and consumerism-driven lifestyles.

We are living in an inter-connected world. Furthermore, we **cannot continue with business-as-usual approach** in the search for development and modernisation as every action impacts the environment.

Till now, we failed to recognize that the economy is a small part of the larger ecosystem. This is the time we need to **acknowledge the inter-connectedness and inter-dependence of the world** where we live in.

For that, we need to be humble in our approach to natural systems. We also need to recognize that **prakriti rakshati rakshita (Nature protects those who protect her)**.

What are the five water reforms that are guiding the NWP?

The five key water reforms enunciated by the prime minister are:

First, the need to break down the silos into which we have divided water;

Second, respect for the immense diversity of India while planning for water;

Third, greater focus on management and distribution of water;

Fourth, higher priority to recycling and reuse of water; and
Fifth, raising people's awareness and people's participation in management of water.
Final approval of the NWP rests with the National Water Resources Council, which is chaired by the prime minister and includes all chief ministers as members.

95. [What counts is seldom counted: About Census](#)

Source: This post is based on “**What counts is seldom counted**” published in **The Indian Express** on **22nd August 2021**.

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

Relevance: Understand the issue of census and caste census

Synopsis: The census in India has been postponed due to the pandemic. Such events are rare. This also opens up the opportunity to discuss utility and changes to the census.

Introduction

It is surprising that while India is debating the caste census, the regular census has not been conducted yet. In fact, it is the **first time since the exercise started** that a census has **not been conducted**.

Why census is essential?

The census provides a lot of useful information. It categorizes the data into the residence, age, gender etc. It also provides two units or levels of analysis – individual level and household level. So, the census has great utility as the data generated can be used for evidence-based policymaking.

What are the factors leading to the under or non-utilization of census data?

To begin with we need to **improve the design** of the census and **add more collection points** than just name, age, gender etc. The census can be further **digitized**, which will help in ensuring better quality, coverage and quick results for the survey data.

Its importance is diminished when various ministries carry out their own large-scale surveys. Moreover, all these suffer from the same fundamental flaw that **data is not made available in the public domain in time**. For example, data on internal migration which was collected in 2011 was only released in 2016-17.

Even after all this, there **is a lack of interest by the scientific community in exploring and using this data**.

What is the challenge of enumerating caste in the census?

Adding caste to census data will cement caste as an identity in India. This can lead to politicians using the data to patronize the electorate and created/deepen the social divides.

Read more: [Caste based census in India – Explained, pointwise](#)

What should be the way forward?

We have to ensure that the **data collected has wide acceptability** in society, and the issues like having caste data in the census have to be well debated. Further, we should take steps to **increase the utilization of census data** for evidence-based policymaking.

96. Creating citizen centric police

Source: This post is based on “**Creating citizen-centric police**” published in **The Indian Express** on **22nd August 2021**.

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

Relevance: Understand the issue of police reforms.

Synopsis: Despite Prakash Singh’s judgement on police reforms, the reforms largely remain on paper. Thus, this demands a closer and deeper analysis.

Introduction

On September 22, 2006, in the historic Judgement in the **Prakash Singh case**, the Supreme Court gave significant direction for police reforms. If implemented, these can have a transformative effect on the functioning of the police in India. It is for this reason that **September 22 needs to be celebrated as “Police Reforms Day”**.

What are the challenges facing police reforms?

The biggest challenge is the **public awareness** of the issue. While there is huge public uproar for crimes like Rape, but soon the issue dies down and the root cause is never addressed. And if any attempts are made they are thwarted by the **nexus of police bureaucrats politicians**. Considering all these, SC in the Prakash Singh case had issued directions for police reforms.

What were the recommendations given by the Supreme Court?

Policy formulation: Security commissions at center and states for policy-making at both levels. This would protect police from political pressures.

Workload: The ‘**Status of Police in India Report 2019**’ (SPIR) by **Common Cause, Lokniti** pointed that police are overworked with average working hours of 14 hours per day. To reduce this burden, the SC recommended the **separation of police and investigation functions**.

Postings: Establishment Boards for unbiased postings, transfers, promotions and other matters regarding police officers. It involved UPSC for the selection of heads of state police forces.

Complaint authorities: “complaint authorities” has to be established at district and state levels for an impartial and independent inquiry into complaints of misconduct against police officers.

Despite such reforms coming directly from the Supreme Court, their implementation has been slow.

Must read: [Challenges associated with the functioning of Police – Explained, pointwise](#)

What should be the way forward?

The politicians seek to maintain their hold on Police and also patronize the criminals. Thus, the best way forward would be to **create public awareness** to hold the elected representatives accountable for the implementation of police reforms.

97. India warns of reciprocal measures if UK doesn't recognise COVISHIELD

Source: This post is based on the following articles

- “**Small minded Great Britain: UK’s refusal to recognise Covishield is inexplicable and a terrible signal**” published in **Times of India** on **21st September 2021**.
- “**India warns of ‘reciprocal measures’ if UK doesn’t recognise Covishield**” published in **Times of India** on **22nd September 2021**.
- “**UK’s restrictions on travellers inoculated with Covishield are ill-informed. India must use diplomacy to clear impasse**” published in **Indian Express** on **22nd September 2021**.

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

Relevance: To understand the issue of vaccine discrimination.

Synopsis: The UK seems to have adopted a discriminatory policy towards Indian manufactured Covishield. This has not gone down well within India.

Introduction

Recently, UK released new post-Covid travel rules. According to the new rules, fully vaccinated (Covishield vaccinated) individuals will be considered ‘unvaccinated’ and will have to undergo mandatory self-isolation.

Why new UK rules are considered discriminatory?

Under the new rules, UK did not recognise the Indian Covishield vaccine even though it recognises the Oxford AstraZeneca shots manufactured under a different brand name, **Vaxzevria**.

We need to understand that the Indian manufactured Covishield vaccine is the same as the Oxford AstraZeneca vaccine. It is a variant of the Oxford-AstraZeneca jab. The **only difference** between the AstraZeneca-Oxford vaccine and Covishield is the **place where the vaccine was manufactured and administered**. In fact, India also supplied 5 million doses of Covishield to the UK at its request.

Apart from this, Covishield has been recognised by [World Health Organisation\(WHO\)](#) as safe. In fact, it meets the vaccine requirement of 18 EU countries.

What is the impact of the new UK policy?

This move will impact India and other developing nations that have been administering the Covishield vaccine. This might even fuel vaccine-hesitancy, as people would wait for the vaccines that are globally approved.

What should be the way forward?

The best way forward is to **push the UK diplomatically** to reverse its ill-informed rule. Else, India might be forced to take retaliatory and reciprocal action.

98. [Let’s rework incentive structures to boost IBC recovery](#)

Source: This post is based on the article “**Let’s rework incentive structures to boost IBC recovery**” published in **Livemint** on **23rd September 2021**.

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

Relevance: Reforms needed in Insolvency and bankruptcy code

Synopsis: IBC is a landmark reform and its efficiency can be further enhanced by adopting incentive structure.

Introduction

Despite value erosion at disbursal due to poor credit discipline, the IBC has yielded impressive recoveries so far. However, the Code has also been criticized on several other grounds, many of which are questionable.

Why IBC 's criticism is not justified?

Number of liquidations: The purpose of any resolution mechanism is not to minimize liquidations, but to maximize recovery.

Bankruptcy laws: IBC is not designed to save companies from liquidation, but to maximize value using market mechanisms.

Global comparison: So far, close to half of all cases under the IBC have ended up in liquidation. This is an abnormally large number that implies its failure. However, according to data from US Courts, twice as many US firms file for liquidation than they do for reorganization. Hence, the proportion of liquidations (50%) under the IBC is not a cause for concern or criticism.

Long resolution times under IBC: For a new bankruptcy law, a lead time of 400 days is not unusual. Till 2005, the average duration in the US was 480 days.

What are the issues still pending?

Lack of focus on efficiency: IBC does not adequately address the fact that the ability to reorganize a business during bankruptcy is a vital driver of recovery values. Corporate bankruptcies are an opportunity for businesses to become leaner and more efficient. In the US, many firms employ bankruptcies strategically and use it to renegotiate contracts and streamline fixed costs.

Management: Unlike the USA where debtors retain management control of the bankrupt firm, firms under IBC are managed by resolution professionals.

Why USA's debtor in possession model can not work in India?

Debtor-in-possession provisions: Experts have suggested to introduced it to allow the management to retain control of the bankrupt firm and incentivize them to streamline operations and maximize recovery. However, most firms in India are owned and operated by promoter families, hence debtor-in-possession is a recipe for disaster.

This will also substantially increase the duration of bankruptcies, since promoters with management control will have no incentive for a quick resolution.

What is the way forward?

Firstly, incentivize resolution professionals, since they take charge of a bankrupt firm's management under the IBC. An incentive fee structure based on a percentage of recovery will also attract talented managers, thereby boosting IBC resolution quality.

Secondly, authorities need to take a broader economic approach to incentivizing reorganization for maximizing recovery.

99. Citizen scorecards for better accountability

Source: This post is based on the article “**Citizen scorecards for better accountability**” published in **Business Standard** on **22nd September 2021**.

Syllabus: GS 2 Power, Functions and responsibilities of CAG and PAC.

Relevance: To understand the working of the Public accounts Committee and its Citizen Scorecards.

Synopsis: The CAG’s auditing standards highlight the importance of performance audits for promoting transparency and evaluating outcomes.

Introduction

Soon, Parliament is going to celebrate 100 years of establishment of the Public Account Committee in December.

What is the Public accounts Committee (PAC)?

It was set up in 1921 under the **Montagu-Chelmsford reforms** to conduct audits of the Government or the executive. It is thus the **oldest parliamentary committee** in India. Post-independence, PAC was **established through the Rules of Procedure and Conduct of Business in the Lok Sabha**. Similarly, the state PACs are established through their respective Vidhan Sabhas.

It is **constituted every year with 15 members from Lok Sabha and 7 members from the Rajya Sabha**. Since 1967, a convention has developed that PAC will be **headed by an Opposition member from the Lok Sabha**.

What is the work of PAC?

Review: It **reviews the financial and performance audits** which have been conducted by the **Comptroller and Auditor General (CAG)**. The review reports are then presented to the Parliament.

Performance Scorecards: Soon, it is going to develop citizen-centric performance scorecards for various ministries. This will ensure better delivery of public services to citizens. Citizen scorecards developed by PAC can be standardized by the CAG, and can also be replicated by the PACs in state Assemblies.

What are the citizen scorecards?

All government departments and agencies are responsible for providing certain citizen-centric services to the public. These services can be tracked quantitatively through well-defined performance metrics. Using these metrics, a report card or scorecard will be developed.

Example: Civil Aviation Ministry provides information on passengers flown, flight punctuality, passenger grievances, seat utilisation, pilot licences issued, and so on. These are released on a monthly basis to the public and are tracked closely by the media.

How can the scorecards be made?

The CAG could sign MoUs with various ministries and agencies to establish well-defined citizen scorecards. Once these citizen-facing output metrics are ready, they can be used to conduct high-quality performance audits for each government entity within the CAG’s purview. These citizen scorecards can then be replicated in the state CAGs. The citizen scorecards could be reconciled with the SDGs as well.

How these scorecards will prove beneficial?

These scorecards will bring accountability. Our bureaucracy has become used to putting facts and figures that do not directly relate to citizen's lives. This scorecard thus reverses the trend and can make the executive more accountable.

100. Judiciary must reexamine how it has viewed citizenship questions in Assam

Source: This post is based on the article "Judiciary must re-examine how it has viewed citizenship question in Assam" published in **Indian Express** on **23rd September 2021**.

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

Relevance: Understanding the Foreigners Acts in India.

Synopsis: NRC was designed to filter out the foreigners in India. However, this seems to be impacting the very right of citizenship of Indians residing in Assam.

Introduction

Recently, Gauhati High Court, while hearing the case of Asor Uddin, gave its view on citizenship. Ason was declared to be a "foreigner" by a Foreigners Tribunal through an ex parte order.

The HC said **citizenship**, being an important right of a person, **should be decided based on merit**. It should consider the material evidence that is produced by the person concerned. It should not be cancelled ex-parte or by default.

Why Foreigners Tribunal is in news?

In Assam, any person, including decorated army officers, can be accused of being a "non-citizen". The **Ministry of Home Affairs** revealed in Parliament, that from 1985 to February 28, 2019, 63,959 people have been declared "foreigners" through ex parte orders by the Foreigners Tribunal in Assam.

Read more: [NRC is final, rules Assam Foreigners' Tribunal](#)

So, effectively 62% of the total people, who have been challenged as foreigners, have been declared as "foreigners" in the state.

What is the Foreigner Act (FA)?

Its roots lie in the **Foreigners Ordinance**, which was **promulgated in 1939** to **meet the emergency created by the Second World War**. The ordinance was never meant to deal with persons who are considered citizens. Section 2(a) of the 1946 Act defines "foreigner" as a person who is not a citizen of India.

Foreigners Act, 1940: It replaced the said ordinance. Section 7 of the 1940 Act vested the **burden of proof upon the foreigner**.

Foreigners Act, 1946: It repealed the 1940 Act. But, the **burden of proof remained the same**. Under it, a person can be stripped of his citizenship if he/she failed to appear before FT when called. He will then be declared a "foreigner" through an ex parte order.

What was the Supreme Court's judgement?

The "burden of proof" has been validated by the Supreme Court in the **Sarbananda Sonowal case**. Sonowal challenged the **Illegal Migration (Determination by Tribunals) Act, 1983**,

(henceforth IMDT), before the SC. IMDT emphasized procedural fairness and the **burden of proof was on the state**. But IMDT was declared unconstitutional as the apex court found these procedures “extremely difficult, cumbersome and time-consuming”.

Moreover, Supreme Court, based on a **1998 report by former Assam Governor S K Sinha** has stated that there are “millions of illegal Bangladeshi nationals in Assam”. But the report was not based on any scientific and empirical data. To add to the complexity, Assam started detaining “declared foreigners” since 2010 to deport to the “country of origin”. But the failure to deport created a situation of indefinite detention.

What should be the way forward?

Given the fact that Citizenship is an important right, it should be given due importance.

101. [The importance of Quad meeting amidst current geopolitical flux](#)

Source: This post is based on the following articles

- **“Improving the economic game”** published in **The Hindu** on **23rd September 2021**.
- **“The importance of Quad meeting amidst current geopolitical flux”** published in **Indian Express** on **23rd September 2021**.
- **“Understanding the American enthusiasm for the Quad”** published in **Indian Express** on **23rd September 2021**.

Syllabus: GS 2 – Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests.

Relevance: To understand the recent developments in Quad and suggestions to improve the Quad performance.

Synopsis: This article explains the previous Quad summit and the performance of Working groups and suggestions to improve Quad further.

Introduction

The leaders of **Australia, India, Japan, and the United States** will meet for the **first-ever in-person** Quadrilateral (“Quad”) summit. It is especially significant as it is set against the backdrop of few important recent events.

Such as the [withdrawal of the US from Afghanistan](#), the formation of the [AUKUS security alliance](#) and following the release of the [European Union’s Indo-Pacific strategy](#).

About the Development of Quad

Must Read: [Quad Summit and its relevance – Explained, Pointwise](#)

The four nations are vibrant democracies and open economies. Three are developed countries and one is an emerging market.

About the previous meeting and its outcome

The Quad leaders met formally but virtually for the first time in March this year, and the joint statement captured the **“spirit of the Quad”**, stressing democratic values while pledging to strengthen cooperation on the “defining challenges” of the times. **Working groups** were set up on **vaccines, critical and emerging technologies, and climate action**.

Read more: [“3rd Quad meeting” Focussed on rules-based world order](#)

What is the progress of working groups?

The Working groups (WG) fulfilling the past commitments of Quad countries. For instance,

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Progress of WG on Vaccines: The joint vaccine production programme seems to be on track and their **distribution first to needy Indo-Pacific countries will begin in early 2022.**

Progress of WG on emerging and critical technologies: This group is reporting progress. A principal endeavour of this WG is to leverage the **Open Radio Access Network (O-RAN)** to derive benefits of interoperability of the 5G technologies offered by different vendors in the west.

Progress of WG on Climate Change: Cooperation on multiple dimensions of the climate challenge is proposed, including finance, emissions reduction, technology and capacity-building.

However, some key issues remain unresolved within this group as **India**, being a developing nation, is unable to show “more ambitions” regarding its climate goals. But efforts are underway to finalise technology-sharing and other cooperation to meet the challenges of climate change.

What is the significance of Quad for India?

For India, **each of the other three countries is a strategic partner**, and bilateral and multilateral initiatives have been taken across multiple areas in different fora with each. The Quad syncs with India’s other regional programmes such as the [Indo-Pacific Oceans’ Initiative](#) and the [Supply Chain Resilience Initiative \(SCRI\)](#).

What the Quad should focus upon?

Devise a matching strategy against China: With the China challenge now recognised as being both multi-faceted and long-term, the Quad needs to devise a matching strategy.

So, the Quad should **consider practical recommendations** like, ‘**The Quad Economy & Technology Task Force Report: A Time for Concerted Action**’ crafted by international experts and published by think tank Gateway House.

Strengthen the economic partnership further: To advance their goals for a free, open and inclusive Indo-Pacific, the Quad must activate business partnerships. This can be done in the following ways.

Joint efforts can be made by all Quad countries to **establish alternative manufacturing hubs**. This will not only aid SCRI but also make regional supply chains more diversified.

The Quad could **consider adding a trade ministers’ interaction** to its agenda which may engage in lowering trade barriers and boosting trade linkages

Ensure Quality infrastructure investment: Innovative financing and public-private partnership models between Quad nations can enlarge the space for private industry and support public funds in the endeavour.

India should be cautious: India’s has to consider the initiatives of Quad with a strategic perspective as it is the **only Quad power with land borders with China** and have **proximity to Afghanistan**.

102. A disease surveillance system, for the future

Source: This post is based on the following articles “**A disease surveillance system, for the future**” published in **The Hindu** on **24th September 2021**.

Syllabus: GS2- Issues relating to development and management of Social Sector/Services relating to Health.

Relevance: To study the disease surveillance system.

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Synopsis Diseases and outbreaks are realities and a well-functioning system can help reduce their impact.

Introduction

The article highlights the importance of epidemiology in preventing and controlling infectious diseases.

What is epidemiology and disease surveillance?

Epidemiology is the study and analysis of the distribution, patterns and determinants of health and disease conditions in defined populations. This is done either to prevent or stop the further spread, a process termed as disease surveillance.

However, in the last 19th or early 20th Century, with the advancement of medical science and discovery of antibiotics, the focus on disease surveillance system has been shifted especially in development countries.

It is again in the late 20th Century, with focus on eradicating smallpox and tackling re-emerging diseases, countries started to strengthen their disease surveillance system.

What is the status of disease surveillance in India?

India launched the **National Surveillance Programme for Communicable Diseases** in 1997. This programme was launched in the purview of the Delhi cholera outbreak and Surat Plague outbreak in 1988 and 1994 respectively.

Integrated Disease Surveillance Project (IDSP): It was launched in 2004. The focus of this programme was to increase government funding, strengthen laboratory capacity, train the health workforce and have at least one trained epidemiologist in every district of India.

It was on IDSP foundation that India tracked all the Covid related activity from deploying a team of epidemiologists to contact tracing, rapid testing etc.

What are the challenges?

The **key tools in epidemiology** are **disease surveillance system and health data**. However, in the [ICMR Serological Survey](#), it was found that **states have performed variably**.

In a good disease surveillance system, any increase in the case of diseases can be identified quickly. For eg: Kerala, one of the best Disease surveillance systems in identifying covid and recently Nipah Cases in India.

Whereas states like UP and MP cases of dengue, malaria, leptospirosis etc received attention only when more than three dozen deaths were reported.

What should be done?

Ministry of Health and Family Welfare, the Government of India and World Health Organization jointly reviewed IDSP in 2015. They jointly gave the following recommendations to strengthen the disease surveillance system in India:

Financial resource allocation: Focus should be on promoting health services and disease surveillance. For this, required resources should be allocated to the concerned department.

Trained human resources: Proper training should be given to the workforce in the primary healthcare system in both rural and urban areas.

Strengthening laboratories: Labs should be strengthened to increase the ability to conduct testing for public health challenges and infections. A system should be designed where samples collected are quickly transported and tested, and the reports are available in real-time.

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Emerging Outbreaks: Study of animal and human health should be linked to control the outbreak of various diseases like Nipah, avian flu etc. For this “One Health Policy” approach should be implemented.

Strengthening the system: Focus should be on strengthening the **civil registration and vital statistics (CRVS) systems** and **medical certification of cause of deaths (MCCD)**.

Coordination: Proper collaboration should be there between the Centre, State government and Municipal Corporation to develop joint action plans.

Although, we cannot avoid the emergence of new and old diseases, but with the well-designed surveillance system we can control the impact of these diseases.

103. Make departments smart, first

Source: This post is based on the following articles “**Make departments smart, first**” published in **The Hindu** on **24th September 2021**.

Syllabus: GS2 – Important aspects of governance, transparency and accountability.

Relevance: To analyze how the smart city should be like.

Synopsis: E-governance holds the promise of improving local governance, but only if we pay attention to the basics.

Introduction

To have a smart city, there is a need to **make all the departments of the city smart**. In such cities, **good governance is dependent on good service delivery**. This requires good availability of data.

Thus, we need to develop ‘smart systems’ that generate data by default.

How departments can be made smart and efficient?

To make the departments work more smartly and efficiently, there is a need to use digital technologies across all three domains — **processes, human resources, and citizen-centricity**. We need to work on:

E Governance: There is a need to **shift the work from regular copy pen format to digital format**. This will also help us to save time, reduce errors and reduce manipulation in the system. For Example in Andhra Pradesh, ULB employees reported saving an average of 11 hours every week after a digital system was adopted.

Transition period: Administration should adopt phased targets to adopt new tools. It should also provide training to the employees for their effective use.

Citizen Centric: Changes should be done keeping the citizens in mind. It should be citizen-centric.

Collaboration: Collaboration should be there between various government departments and with non-governmental partners as well — to create a virtuous cycle of co-creation, learning, and efficiency.

This is how smart cities emerge, not from the top-down, but **from an organic collaboration** between departments, employees, and citizens, who are simply looking to do their own jobs more effectively.

104. How Poshan vaticas can help bridge the nutrition

Source: This post is based on the following articles “**How Poshan vaticas can help bridge the nutrition**” published in **Indian Express** on **24th September 2021**.

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Syllabus: GS2 – Mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

Relevance: About the Poshan Vatikas.

Synopsis: Self-reliance and the adoption of sustainable food systems to address nutrition security amongst women and children is needed to address the challenge of nutrition.

Introduction

In the backdrop of Poshan Maah in September 2021, the **Ministry of Women and Child Development** is keen to promote the establishment of “**Poshan Vatikas**” across the country.

What are Poshan Vatikas?

These are the Nutri-gardens which aim to provide a fresh supply of fruits, vegetables and even medicinal plants.

Nutri-gardens represent a **global best practice** that has the potential to address the multiple goals of diet diversity, nutrition security, agri-food cultivation, local livelihood generation and environmental sustainability.

What are the **Integrated Child Development Services (ICDS)** guidelines regarding it?

The main objective of introducing them is to **encourage community members to grow local food crops** in their backyards.

This will provide an inexpensive, regular and handy supply of fresh fruits and vegetables. This will also help in **addressing the micro-nutrient deficiencies** through access to diverse and nutritious diets. Moreover, it would also help in the generation of economic activity for local cultivators and village industries.

Land Space: It will identify land spaces used to set up vaticas including anganwadi centres, panchayat areas, government schools, vacant lands or any other patch of community/government land available in the locality.

It also mandates **retrofitting of these gardens** with backyard poultry and fishing as per the prevalent food culture. This can be particularly useful in addressing the protein requirements.

What are the benefits of the Nutri gardens?

Promote dietary behaviors: Educate children about the need for the consumption of fresh food produce and promote messaging for healthy dietary behaviors amongst women. For example, the government has been incentivizing a drive for the plantation of moringa at all anganwadi centres. Moringa or drumstick, is a native Indian plant, rich in beta carotene, iron, vitamins A, B2, B6 and C5.

Global Scientific research: A review of global evidence from USA and South Africa shows that setting up of nutri-gardens can significantly improve awareness about dietary diversity and a preference for the consumption of fresh food produce. In India, **the MS Swaminathan Research Foundation** has taken various steps for this like seed kits for growing green leafy vegetables, roots and saplings of fruit trees etc.

What should be the way forward?

The success of the national strategy depends on how the Poshan Vatika programme is implemented.

There is need to overcome the barriers like that availability of cultivable land, water, the skill of farmers etc. If all this can be implemented then Poshan Vatikas would become an opportunity to increase convergence between agriculture and nutrition policy for India.

105. Ex Gratia: Why GOI should pay, Compensating Death

Source: This post is based on the following articles:

“The court mediated decision for COVID 19 death compensation will help the poorest”: published in the **Times of India** on **23rd September 2021**

“Vital Relief” published in the **Hindu** on **24th September 2021**.

“Ex Gratia: Why GoI should pay”: published in the **Times of India** on **23rd September 2021**.

Syllabus: GS2 – Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes.

Relevance: To understand the impact of the loss of lives due to Covid.

Synopsis: The court mediated decision for COVID 19 death compensation will help the poorest.
Introduction

Recently, Centre on the suggestions of the Supreme Court has agreed to provide financial relief of ₹50,000 per deceased individual to families of those who died of COVID-19. It will also include those who were involved in relief operations or associated with preparedness activities. The assistance will be subject to the cause of death being certified as Covid'. They will get the amount within 30 days of submitting the necessary documents.

Who will provide the relief amount?

The relief amount, proposed by the [National Disaster Management Authority \(NDMA\)](#), is to be paid out of the [State Disaster Response Fund](#).

SDRF represents a dedicated facility to deal with notified disasters, including COVID-19.

Read more: [Covid deaths: Centre okays ex-gratia, state funds to cover it](#)

GoI will contribute 75% to each state's SDRF except for hill states and NE states, where its share is 90%.

What is the concern?

Identification of beneficiaries: Given that many deaths during the covid wave were not certified as COVID deaths, identification of beneficiaries is a challenge in itself. Poorer citizens were most often the victims of this process. Ex gratia payments will most likely leave them out.

Financial Challenges: Though the government has provided Rs 29,983 crore corpus in addition to SDRF, the financial challenge will still remain. For example, we need to keep in mind that expenses related to recurring notified disasters such as droughts and floods will also have to be met.

Clarity: There is no clarity whether ex gratia should have been limited to poorer citizens like the other welfare benefits are. Or should extend to the richer section also.

Non-inclusion of other diseases: There's also the question of why other disease-related deaths should not attract ex gratia payments. In a country with poor public health and extremely unequal access to quality private healthcare, Covid wasn't the first and won't be the last disease that can cause deaths on a large scale.

State finances: It is also important to recognise that states have been at the forefront in fighting the pandemic. But States also face severe funding crunch due to declining revenues.

Therefore, pushing states to fund the ex gratia could severely dent resources for other disaster-related expenditures.

Already compensated: More than half of the states have already compensated beneficiaries even before the announcement of NDMA. They provided relief ranging from Rs 10 thousand to Rs 1 lakh. But that compensation was done from CM Relief Fund and not from SDRF.

What should be the way forward?

It is true that on its part, GoI has been proactive with various pandemic-related measures, and it has also allocated Rs 35,000 crore for vaccination. GoI should now work to cover the entire ex gratia cost.

This can be done through two ways. Either GoI can increase its share in SDRFs or it can pay directly through the Consolidated Fund of India.

106. Building more inclusive, welcoming schools for LGBTQ+ children

Source: This post is based on the article “**Building more inclusive, welcoming schools for LGBTQ+ children**” published in **Indian Express** on **25th 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 inclusive education structure for transgender.

Synopsis: Not just infrastructure and process revamp, we also need reforms in curriculum and teacher education.

Introduction

This article highlights the discrimination faced by the non-binary gender. Recently, during the [Shiksha Parv conclave](#), PM also emphasized the need for inclusive and equitable education.

Recently, Kerala High Court brought attention to medical textbooks that described non-binary gender identities as “offensive perversions” and “mental disorders”. This is despite the fact that Kerala was the first state to adopt a transgender policy six years ago.

What is the status of the transgender community?

As per the **2011 Census**, there are 4.8 million transgender persons in India. They have a literacy rate of just 46%, compared to 74% of the general population.

A study by the [National Human Rights Commission \(NHRC\) in 2017](#) found that over two-thirds of transgender children drop out of school before completing class 10 in Delhi and Uttar Pradesh.

In **2020**, there were only 19 transgender candidates among the 18 lakh students appearing for the class 10 board exams.

What are the problems faced by the transgender community in the schools?

Discrimination by teachers and students: Children belonging to the transgender community often face problems of bullying, humiliation, sexual harassment. For example, in 2018, a reputed Kolkata school forced 10 of its female students to write a confession letter stating “I am a lesbian”. The consequences of such bullying and intimidation were often severe in terms of mental health as well as academic outcomes.

UNESCO survey 2018 in India: It revealed that 60% of transgender reported experiencing physical harassment in high school; 43% were sexually harassed in elementary school. Only 18% reported incidents of abuse and harassment attributed to school authorities.

What initiatives have been taken by Government to address the problem?

National Education Policy 2020: It recognizes transgender children as educationally disadvantaged. It recommended widening their educational access through a **Gender Inclusion Fund**.

However, all the initiatives are just limited to conditional cash transfers, distribution of bicycles, provision for sanitation and toilets and countering barriers of access. These steps cannot ensure inclusive classrooms and schools.

Read more: [Non Binary genders need more visibility in India's Census 2021](#)

What can be done to remove the stigma?

Awareness and Acceptability: Focus should be on enhancing awareness and acceptability of the LGBTQ+ community through education. India can learn from **Scotland, which became the first country to have an LGBTQ+ inclusive school curriculum in 2021.**

Inspirational Stories: Stories of notable persons who identified themselves as LGBTQ+ should be included in the curriculum. Eg Story of Heather who had 'Two Mommies'

Inclusive language: Focus should also be on inclusive language like using "partner" instead of "husband/wife" or "them" instead of "him/her".

Teacher Participation: Teachers should play an important role to model inclusive behaviour and confirm that schools are safe, supporting places for LGBTQ+ students.

Comprehensive Sex Education: Comprehensive sex education must support young lives in exploring sexualities rather than viewing sexual minorities as a disease or disorder.

107. Complex count: On caste census

Source: This post is based on the following articles "**Complex count: On caste census**" published in **The Hindu** on **25th September 2021.**

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

Relevance: Understanding caste census.

Synopsis: A precise caste census is difficult, but the data will be useful to drive social policy.

Introduction

This article talks about the complexities that are inherent in the caste census. There are challenges in conducting a caste census, but given the merit of such a census, should we go ahead with the census?

What are the challenges in the caste census?

India, which seeks to construct a casteless society, **a caste census can deepen the caste divide.** Further, such a census can be **used by politicians to further their caste agenda.** Some may intensify the **demand for reservation,** while others may **justify the need to abolish caste reservation.**

Apart from all this, there is a genuine **administrative difficulty,** which was also cited recently by the Government as the cause for not going ahead with the caste census. For example, in the 1931 census, there were a total of 46 Lakh caste names. And if we add the sub-castes, the

number will rise exponentially. So, at present, it is hard to include all caste and sub-castes in the caste census. This challenge was also cited by the Government when 2011 SECC data was not released, citing “several infirmities”.

Given all these, the exercise may seem futile. But we also need to consider the benefits that may accrue from this.

How can we make the caste census data useful?

The data can be used for making **evidence-based policies to strengthen affirmative action**. This will further the goal of creating equitable opportunities in society. This will also confirm legal requirements, as courts had mandated quantifiable data for affirmative action and reservation policy.

Read more: [Caste based census in India – Explained, pointwise](#)

What should be the way forward?

We can begin with a preliminary socio-anthropological study that can be done at the State and district levels. This exercise can act as a pilot for other large-level exercises.

108. India dithered over projecting naval power. Now it's been pushed to the sidelines of the Indo-Pacific

Source: This post is based on the following articles

- **“India dithered over projecting naval power. Now it's been pushed to the sidelines of the Indo-Pacific”** published in **Indian Express** on **24th September 2021**.
- **“India is not a bystander in the AUKUS saga”** published in **The Hindu** on **25th September 2021**.

Syllabus: GS2 – Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

Relevance: To know about India's missed opportunities to improve international cooperation.

Synopsis

This article explains the opportunities that India missed, which ultimately led to the formation of the AUKUS alliance.

Introduction

Recently, the US, UK, and Australia announced a **new trilateral security partnership** for the Indo-Pacific named the AUKUS. Recently, the US has clarified that India or Japan would not be added to the AUKUS alliance.

Must Read: [AUKUS Security Alliance – Explained, pointwise](#)

What are the opportunities India missed which led to the formation of the AUKUS alliance?

Raja Menon is of the view that **India's missed opportunities led to the formation of the AUKUS Alliance**. He mentions the following reasons to support that view.

India did not push the US to provide nuclear technology to India: One should remember that Australia is not the only country to seek nuclear technology from the US.

Indian efforts to expand nuclear submarines have been crippled by a **lack of funding** and the **inability to access highly enriched uranium cores** for the propulsion reactor.

Many Indian naval veterans have, on their visits to Washington, approached key figures in the US establishment about nuclear submarine technology for the Indian Navy. But the **PMO and MEA did not support the naval veterans**.

So the US rejected Indian requests that the US Navy is **against transferring the technology to a non-aligned state**.

India failed to materialise Quad: With the introduction of the Quad, India had an opportunity to operationalise the coalition and set up a Quad secretariat in India.

India **could have easily pushed the Quad to focus on the maritime domain**. But, **India** so far did not take the Quad beyond diplomatic talks and **failed to push Quad into the areas of common interest**. This led to the formation of **AUKUS** focusing on the maritime domain.

What is the result of India's inaction?

India will not be a frontline state to tackle China: With nuclear submarine technology, Australia has now been catapulted into a frontline state against Chinese aggression, not India.

Erode India's regional presence in the Indian Ocean: At present, the Indian Navy presently dominates the **Indian Ocean**, but its conventional underwater capability has been shrinking. The AUKUS alliance could eventually lead to **crowding of nuclear attack submarines** (SSNs/submersible ship nuclear) in the **Eastern Indian Ocean**, eroding India's regional pre-eminence.

What are the available options with India?

Documenting India's strategic needs: the **US office's Net Assessment** defines the evolving scenario every four years in a docket entitled "**Global Futures**" as a guide to government. At present, India has no such document, so **India should document the evolving scenarios** to understand our strategic needs better.

Focus on Navy: India will have to **provide more attention on improving its naval capabilities**, as this is the only instrument that gives us punitive capability against China.

Signing a nuclear submarine deal with France: With the formation of the AUKUS, France lost a billion dollars worth of submarine projects with Australia. So, India can use this opportunity and sign a **technology transfer deal for Nuclear submarines** like **Project 75 'Scorpene'**.

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General Studies - 3

1. Genetically changed mosquitoes could transform Africa's long fight against malaria

Source: This post is based on the article "Genetically changed mosquitoes could transform Africa's long fight against malaria" published in The Down to Earth on 29th August 2021.

Syllabus: GS3 – Awareness in the fields of IT, Space, Computers, Robotics, Nanotechnology, Bio-technology and issues relating to Intellectual Property Rights

Relevance: Tackling Malaria via genetic programming of Mosquitoes

Synopsis: Genetic programming of mosquitoes along with traditional methods of Malaria prevention could help us reduce the increasing cases of Malaria globally and help reduce associated mortality.

Context

For Malaria prevention, some countries heavily depend on using insecticide treated bed nets and house spraying. These efforts, together with effective treatment, have greatly reduced the malaria burden across the continent. But lately, some countries, in Africa, have been reporting increases in cases because of resistance to insecticides.

Malaria control must, therefore, move away from relying too much on insecticides to **more sustainable options**.

A World Health Organisation (WHO) panel in 2016, concluded that even with the best use of current approaches, there would still be 11 million malaria cases in 2050. It called for long term strategies to complement current methods.

One of the solution is the release of **genetically programmed mosquitoes**.

About gene drive

In nature, there's a phenomenon called **gene drive** which operates in the process of reproduction. This is when a genetic element is able to increase the chance that it will be inherited by offspring

- The general underlying principle of all gene drives is an organism that will produce offspring similar to themselves.
- Some characteristics are randomly passed on from parents to the next generation. However, gene drive forces a different type of inheritance that ensures a specific characteristic is always present in the next generation. Scientists engineer gene drive using various molecular tools.
- Gene drive is not just a human invention; some occur naturally in insects
- Unlike traditional genetic modification, **gene drives enable extremely rapid spread of the desired characteristics**

Genetically-programmed mosquitoes

- The genetically programmed mosquitoes, are also called as "**protector mosquitoes**".
- Upon mating with wild mosquitoes they produce offspring that are either incapable of any further reproduction or unable to transmit malaria parasites
- Researchers are using **gene-editing tools** to modify what certain mosquitoes are capable of, and make sure these capabilities are passed on to the next generation
- The genetically programmed mosquitoes could take over wild populations of disease-carrying mosquitoes in just a few generations.

Concerns/Issues

- **Ethical concerns** about gene drive are often motivated by larger issues, such as how to stop gene drive from being used in biological weapons by engineering insects that are more dangerous. Then there is the question of who should decide which gene drive projects move forward and what types of insects with gene drive can be released into the environment.
- **Ecological concerns**– Gene drive might cause unintended consequences in the ecosystem. What will happen to the natural ecosystem if a population, even of mosquitoes that make people sick, is driven to extinction? Potential threats to natural biodiversity and the security of food? etc, are some serious questions that need answering.

Way forward

More education and risk assessments are needed to inform further development of the technology. Regulatory and accountability systems are required so that regulations are adhered to and public safety is protected.

2. Infrastructure development and eco-conservation should go hand-in-hand

Source: This post is based on the article “Infrastructure development and eco-conservation should go hand-in-hand” published in The Hindu on 30th August 2021.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment

Relevance: Balancing economic development with environmental conservation

Synopsis: Infrastructural development, though necessary, must be rooted in regional ecological and environmental realities.

Context

Infrastructure development in the Himalayan region such as Hydropower is disturbing fragile ecosystem and leading to issues such as landslips, avalanches and the loss of lives and property.

The avalanche in Chamoli this February, that destroyed two power projects and killed at least 200, was only the latest reminder. It has brought attention back to development and conservation dilemma.

Background

- In the aftermath of the devastating Kedarnath floods of 2013, the Supreme Court ordered a halt to hydroprojects in the Alaknanda and Bhagirathi river basins pending a review on whether they exacerbated the damage.
- The future of hydroprojects is closely linked to the National Mission for Clean Ganga (NMCG) programme. For the health of the river, it must be allowed to flow unimpeded, and hydropower projects are an obstacle

Present scenario

Division of views b/w ministries: The Water Resources Ministry, which manages the NMCG, is opposed to hydropower projects while the Ministry of Power supports for them. Whenever a group of experts has recommended a cessation of infrastructure development, there is always another group of experts that differ and recommend the opposite.

Way forward

Uttarakhand, like all other States, is not immune from the demands for reliable power and infrastructure from its people. Along with better dialogue, power companies and the Centre must inspire greater trust in the residents of the region.

Infrastructure development will have to necessarily account for the region's constraints.

Terms to know:

- [NMCG](#)

3. It makes sense to extract value from underutilized public assets (On Asset monetisation)

Source: This post is based on the article "It makes sense to extract value from underutilized public assets (On Asset monetisation)" published in The Live Mint on 30th August 2021.

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

Relevance: Resource Mobilisation

Synopsis: National Monetisation Pipeline (NMP), should be welcomed.

Background

- **Read here:** <https://blog.forumias.com/national-monetization-pipeline-explained-pointwise/>

Rationale behind Asset Monetisation

- **Additional Fiscal resource for states:** Public assets like roadside parking slots, municipal grounds and advertising surfaces and parade grounds of police and defence services remain unused for most part of the year. Revenue-starved governments across the country could find new resources to finance higher demands on public expenditure.
 - For instance, imposing parking charges on a mere 1.5% of Bengaluru city roads could add 5% to its annual budget
- **Improved Governance and Public services:** Corruption and inefficiency are often blamed for the poor state of public services like policing, health, education, transport and so on. However, cash-strapped governments are the single biggest reason for the poor public delivery of services. With increase in public finances governance and public services will improve substantially.

Suggestions/measures

- To control corruption and cronyism (*giving undue favors to friends and associates*), **policy design should be corruption-resistant**, insist on transparency, promote market competition and punish wrong-doers.
- NMP implementation should allocate assets in a way that the lessee has a **natural incentive to maintain public assets**.
- **Recommendations by NITI Aayog:** NITI Aayog has made the following recommendations to make NMP a success,
 - First, government should give **income tax breaks to attract retail investors** into instruments such as Infrastructure Investment Trusts (InvITs). More **tax-efficient and user-friendly mechanisms** like allowing tax

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benefits in InvITs as eligible security to invest under Section 54EC of the Income Tax Act, 1961, are important for **initiating retail participation** in the instruments.

- Second, it also suggested bringing **policy and regulatory changes** to scale up monetisation instruments such as InvITs and Real Estate Investment Trusts (REITs). Section 54EC allows taxpayers to **offset long-term capital gains** from transactions in immovable properties through investments in bonds issued by some government-backed infrastructure firms.
- Third, it suggested expanding the investor base, which is a critical element for the NMP.
- Fourth, it also called for bringing such trusts **within the ambit of the Insolvency and Bankruptcy Code (IBC)** to provide greater comfort to investors.

4. GoI Plus India Inc (On lack of trust b/w govt & businesses)

Source: This post is based on the article “GoI Plus India Inc (On lack of trust b/w govt & businesses)” published in the Times of India on 30th August 2021.

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

Relevance: Industry-Government partnership

Synopsis: No nation became prosperous without trust between government and business. A look at some such events that indicate lack of trust.

Context

In the past few weeks, a series of events have raised the question of trust between government and business. It brought back unhappy memories of the Licence Raj.

What are those events?

1. Present signs of distrust came in late July with the **failure of the Indian Railways to attract a single private player to run 150 trains**. The reform failed because of a lack of trust. Bidders had repeatedly insisted on an independent regulator to create a level playing field, flexibility in timings, routes and a fair exit. They didn't trust the current regulator. However, the railways were not ready to heed to their demands.
2. Second, **govt released draft e-commerce rules** and created uncertainty among foreign and Indian investors. E-commerce offers such hope to thousands of India's small businesses of entering the world market via global e-commerce. It is India's ticket to massive exports and millions of jobs.
3. Third, **differences** came out in the open between **India's outward looking businesses**, who want to integrate with global chains, versus the **government's inward looking atmanirbhar policy**. In an intervention at a CII forum, the commerce minister reportedly said Indian industry doesn't always act in national interest. He reportedly censured businesspersons of structuring foreign investments against the spirit of the rules.
4. Fourth, the commerce ministry announced an online essay competition for students. One of the two topics was **'Import substitution: Atmanirbhar ki Aur'**. Surely, it was a mistake to revive a discredited policy of the 1960s that did so much harm to India's exports.

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5. Fifth, **Infosys was “summoned” by the finance ministry** to explain failures with income tax e-filing. It could have been sorted out quietly. The vendor could be penalised for its faults without public messaging.
6. Other issues that hamper Industry-Government connect
 - **Criminalising short spending on CSR philanthropy.**
 - **Draconian amendments to the Foreign Contribution (Regulation) Act** brought mistrust and panic among NGOs

Implications of distrust

The prosperity of Germany, United States and Japan has been attributed to high levels of trust between business and the state.

In India, however, low trust has led to **over-regulation, complicated laws, higher costs** and **making the nation uncompetitive.**

Business was thus skeptical of Rs 6 trillion monetisation plan announced recently. Although its brownfield projects are free of risks of land acquisition, environment clearance, **industry fears hassles at each stage** of execution, from unfair PPP contracts to lack of justice from weak regulators.

Reforms of 1991 ushered in a new age of trust and prosperity. As tax rates came down, compliance rose, taxes collected went up. When a government weakens trust, it harms itself. People do not want a pro- or anti-business government. They want one open to new ideas.

5. Getting finance onside for climate

Source: This post is based on the article “Getting finance onside for climate” published in Business Standard on 30th August 2021.

Syllabus: GS3 – Environment

Relevance: Role of finance in alleviating climate crisis.

Synopsis: Climate crisis demands enormous economic and societal changes. The challenge is manageable. But if it is to be managed well, finance must play its part.

Context

The world has finally awoken to the need of securing a rapid transition to a green economy. Finance will play a pivotal role in that process. But while some financial institutions have done their part, far too many continue to provide capital to the fossil-fuel industry and support other parts of the economy that are incompatible with a green transition.

Such type of financing activity is irresponsible.

Creation of stranded assets

Many of the investments currently being financed in the fossil fuel industry are long-lived. **For example:** Discovering, developing, and fully exploiting a new oil field takes decades. This means they stretch well beyond the time in which the world must become carbon-neutral. As such, these projects almost certainly will become “stranded assets”.

- **Stranded assets** are holdings that have lost their value and usefulness amid the fight to save the planet.

Impact of creation of stranded assets

Losses suffered in the form of stranded assets pose a risk to the investor and, potentially, to the economic system and the planet.

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- **Lobbies to fight green transition:** Most owners of stranded assets will selfishly fight to exploit their holdings no matter what, hence, financing for these investments creates an adverse political dynamic. Powerful lobbies, heavily invested in such projects, will fight the green transition, because otherwise they'll be the ones left with stranded assets.
- **Demands for compensation:** Moreover, if the transition succeeds, these same groups will demand compensation.

Suggestions/measures

- **Deploy regulatory tools:** Since markets are short-sighted and often fail to account fully for key risks, the obligation to ensure financial stability lies with those overseeing the economy, including central banks.
- **Disclosure of climate risk:** It should be obligatory to disclose the full climate risk of any fossil fuel-based project to the regulator. Risk must include not just physical dangers, but also direct and indirect financial risks based on various scenarios listed in the IPCC reports.
- **Smooth transition:** We need a smooth, efficient transition to carbon neutrality, with gradual adjustments in asset prices. For this to happen, finance must not only stop providing funds for investments that destroy our environment but also provide funds for the investments needed to move us in the right direction.
- **No subsidization:** Those investors who continue to make investments in fossil fuels should not effectively be subsidized by the public through the deductibility of losses.
- **Compensation guarantee:** To encourage investments that are based on a high carbon price, governments could issue “guarantees” that if the price of carbon turns out to be lower than expected in, say, 20 years, the investor will be compensated. This would function as a kind of insurance policy, pressing governments around the world to uphold their commitments under the Paris climate agreement.

Green development banks

These and other similar policies will assist the green transition. But even then, the private financial sector is unlikely to do enough on its own. Hence, to help fill the gap, **green development banks** have already been created in many jurisdictions, including the state of New York. In some other countries, existing development banks' mandates have been broadened to include green development.

These institutions are making an important contribution not just in providing finance, but also in assisting with the design and structuring of the green projects themselves.

6. Banks could end up beholden to online platforms with reach

Source: This post is based on the article “**Banks could end up beholden to online platforms with reach**” published in Livemint on 30th August 2021.

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

Relevance: Disruption in the banking sector by tech giants.

Synopsis: Deposit mobilization through Big Tech apps might weaken banks.

What has happened?

According to a press release, Equitas Small Finance Bank will now offer Google Pay customers up to 6.85% interest on one-year funds.

Alphabet's Google already provides one of the two most popular payment wallets (Google Pay) in the country. But now, Google Pay wants to push time-deposit products (fixed deposits) of small Indian banks.

Significance

- It exposes the **weak nature** of the financial institutions on a core operation like deposit-taking, and their **vulnerability** to an assault from an online search, social media and e-com giants.
- Alphabet, Facebook and [Amazon.com](https://www.amazon.com) may pose a **far bigger challenge to brick-and-mortar lenders** than fintech startups that don't have the scale of platform businesses.
- In India, banks short on deposits might face problems as tech intermediaries have hundreds of millions of active users. Once these giants enter the sector, even larger banks will lose control of banking.

Implications

- **Consumers will gain:** Equitas doesn't have a pre-existing relationship with the Google Pay customer, and even after getting the money, the lender might not get to build one. Once the deposit matures, the money will simply go back into whichever bank's account it came from, [And] if another lender offers a better deal, idle funds might go there next. Customer loyalty, which is often just inertia, will no longer ensure stickiness. Savers will gain.
- If the move is successful, the likes of PhonePe and WhatsApp Pay might also want to copy it. For a fee, platforms can easily extend their insights into consumer behaviour and payment flows to influence deposit mobilization. The higher the commission, the lower the banks' profit.

Global examples

China's tech giants have already shown how easy it is to dislodge traditional lenders. In a growing network of users, real-time non-financial data can be a more powerful predictive tool than credit scores relied upon by banks. Adding a layer of financial activity to an online platform brings in yet more information. Before Beijing stepped in, **Jack Ma's Ant Group** pursued this advantage to its maximum.

The present scenario in India

Silicon Valley never had a chance in China. However, it's in a stronger position in India.

- **Traditional bank strongholds are being challenged by tech innovation:** For instance, the government's digital identification system [Aadhaar] has made paper trails and physical presence redundant. A wallet can establish a customer identity as easily as a bank and manage the process of seeking her consent. This has turned the cumbersome KYC procedure into a simpler process.
- **Customers prefer to use other apps/wallets:** Even in the case of retail money, India's banks have no special advantage. They still hold the accounts for sending or receiving funds but rather than transacting on their bank apps or cards, customers prefer to use

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Google Pay or Walmart's PhonePe to pay one another and merchants. The two wallets were used to transfer ₹5 trillion in July 2021, giving the duo an 85% share of a market that has more than 50 apps, including from banks.

What must Indian PSBs do?

India's state-run lenders will need to become more efficient. Or they'll have to lobby regulators to rein in tech giants. Amazon, Google and Facebook were all competing to build a new payment network in India, but the central bank put the licence on hold because of data safety concerns.

Conclusion

Regulated banks may hold licences to take deposits, but platforms will decide if their offers are displayed prominently or put in a corner. What happened to print media after publishers lost their influence over readers may be waiting to happen with the banking too.

7. World freed from toxic leaded petrol: A global win

Source: This post is based on the article "**World freed from toxic leaded petrol: A global win**" published in the Down to Earth on 31st August 2021.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: removal of lead from petrol

Synopsis: It is a remarkable achievement for the global community to remove lead from petrol across the world. It will have positive impact on human health, especially on children and vehicle system. Let's have a brief look into the topic.

Context

Globally, automotive fuel is completely lead-free now. Not a single fuel outlet sells leaded petrol any more anywhere.

It was announced formally by the **United Nations Programme on Environment (UNEP)** at a press event August 30, 2021. It has taken 100 years to stop the use of leaded fuel finally. Furthermore, it is one of the most consistent, persuasive and aggressive global campaigns to fight the poison to protect public health, especially the brain health of children.

Background

- The practice of adding **tetraethyl lead** to petrol had spread widely to all countries soon after its **anti-knock and octane-boosting properties** were discovered. This deadly **neurotoxin** has already done a great deal of harm since then.
- While all countries have followed different timelines for the lead phaseout, developing countries, especially those in Africa and a few in Asia, have taken the longest time.
- **Algeria** was the last country to phaseout lead from petrol.
- The campaign was led and supported by **the UNEP** and its **Partnership for Clean Fuels and Vehicles (PCFV)** in accomplishing the global objective.

What led to this success?

- Setting of clear objectives agreed by all partners representing major target groups.
- Adoption of a voluntary approach

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- Early attention given to high level political commitment such as the **Dakar Declaration** for sub-Saharan Africa

Effects of lead

- **On Human health**– Fumes from petrol vehicles using leaded petrol has been a significant source of lead exposures. According to the WHO, lead is **toxic**. It affects multiple body systems and is particularly harmful to young children. It affects the **brain, liver, kidneys** and **bones**. Lead in bone is released into blood during pregnancy and becomes a source of exposure to the developing foetus.
 - According to WHO, **there is no safe level for lead exposure**.
- **On emission control system of vehicles**– The lead has damaging impact on the emissions control systems of vehicles. Evidence suggest that lead in petrol damages the catalytic converters.

Efforts by India

- India was among those countries that took early action to phase out leaded petrol.
- Initially, **low-leaded petrol** was introduced in Delhi, Mumbai, Calcutta and Madras in 1994, followed by unleaded petrol in 1995.
- The entire country got low-leaded petrol in **1997** while leaded fuel was banned in the National Capital Territory of Delhi.
- The final introduction of unleaded petrol in the entire country was **mandated in April 2000**.
- India's experience has also highlighted the **importance of regulatory vigil** on other harmful octane enhancers that could potentially replace lead in petrol.
- After the lead phaseout, Indian refineries took voluntary steps to not use **MMT (Methylcyclopentadienyl manganese tricarbonyl)**. It is a dangerous neurotoxin which several developed countries have virtually banned by setting an exceptionally low permissible limit for its use.

Conclusion

There is a great learning from this experience for future clean air action. This is relevant for similar and ongoing campaigns like reducing sulphur in fuels to enable application of advanced emissions control systems. It is also important to achieve much cleaner emissions worldwide.

Terms to know:

- [Partnership for Clean Fuels and Vehicles](#)
- [UNEP](#)

8. [Making NMP work](#)

Source: This post is based on the following articles published on 31st August 2021:

- Asset monetization mustn't end up as a Potemkin show – Livemint
- A monetization move that doesn't tick most boxes – The Hindu
- Making NMP work – Business standard

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

Relevance: Resource Mobilisation

Synopsis: Challenges in the Implementation of National Monetisation Pipeline (NMP) and suggestions to overcome those challenges.

Is asset monetization new to India?

Asset monetization is not a new concept in India. The **Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act of 2002** introduced the concept of monetization of stressed assets to turn the illiquid ones among them fungible and create a market for non-performing assets.

Must Read: [National Monetisation Pipeline \(NMP\) project – Explained](#)

Issues/Challenges

1. **India's Poor record in contract enforcement:** India ranks No. 163 among 190 countries on the World Bank's index for contract enforcement, and not much progress has been made on this. The case of India's insolvency code shows how weak judicial infrastructure and a poor debt market can pose a challenge to the success of a well-designed law.
2. **Asset recycling is not a silver bullet that always works well for the public or eases the sovereign debt:** For instance, In Chicago, the US, where 36,000 parking slots were handed over to a private consortium, asset recycling only made parking more expensive. In the case of Transport of London, which was being operated by a private operator, it had to be bailed out twice by the UK government from near bankruptcy.
3. **Risks involved in the prescribed modes of implementing the monetisation:** The main instruments proposed for implementing the NMP are public-private partnerships and a stock market-based investment trust (InvIT). Both have serious shortcomings, as experience demonstrates.
4. **Issues in PPP:** PPP in infrastructure has been a financial disaster in India. After the 2008 financial crisis, as the world economy and trade plummeted, and as India's GDP growth rate slowed down, many PPP projects failed to repay bank loans.
5. **Issues in Infrastructure Investment Trust (InvIT):** An Infrastructure Investment Trust (InvIT) is being mooted as an alternative means of raising finance from the stock market. The idea is based on the current stock market boom. However, the current high stock prices seem like a bubble with heightened uncertainties in the global financial market. With the U.S. Fed committed to reducing its assets purchase programme, it may cause financial instability.
6. **External Instability:** Rising external debt by foreign portfolio investors carries a greater risk to external instability. Foreign portfolio investment has skyrocketed by 6,800% in 2020-21, over the previous year, to \$38 billion as per RBI data. This, perhaps, poses a greater financial hazard as portfolio investment is risky.

Suggestions/measures

1. **Asset Monetisation Plus Privatisation:** The government could adopt both measures of selling and leasing assets, depending on the nature of each asset and also the associated risk and return, etc. The centre should retain its ownership only of those assets that have a chance of offering the Centre higher returns in the future.
2. **Resource Mobilisation:** Government should also cash in the other two methods of raising resources;
 - o Setting up of a development finance institution (DFI).

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- Raising the share of infrastructure investment in the central and State Budgets.
- 3. **Trust building measures by the government:** In order to make the NMP work, the government will have to make matching investments of its own i.e., In institutional and regulatory capacity.
- 4. **Independent Regulators:** If the NMP is to work, each sector in which assets are to be monetised will need an independent, empowered regulator with no connections to the bureaucracy.
- 5. **Participatory governance:** In a democracy, policymaking must be done through public consultation. This is especially so for any project that has wide ramifications and could affect the lives of citizens at large.

9. How private businesses imperil our health as well as prosperity

Source: This post is based on the article “How private businesses imperil our health as well as prosperity” published in Livemint on 31st August 2021.

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

Relevance: Corporate Responsibilities, Indian Industries and growth.

Synopsis: Private sector receives so much from the government such as tax breaks and subsidies but offers very less in return to the citizens of India. It considers consumers more as a source of profit than the reason for its existence.

Problems with India's private sector

- The so-called excellent companies, **treat customers in an indifferent manner, and** they end up cheating not just their consumers but the **entire economy**. This culture that employees imbibe seeps into their psyche. Even if some of them step out to become entrepreneurs, they practice the **art they had learned while employed**.
- Some of these firms **conceal data** regarding healthy foods or drinks. For example, former head of the **Food Safety Standards Authority of India (FSSAI)** revealed the difficulties that the statutory body has faced in trying to announce standards. On one hand, processed and packaged food manufacturers have been stalling efforts on labelling their products with color codes for their fat, salt and sugar content. And on the other hand, Indian children suffer **from obesity and malnutrition** because food products do not carry adequate information on their sugar content.
- **Self-governance is all but rare**. These industry bodies implore the government to **remove red tape, lower tax rates, provide tax breaks and offer subsidies**. They want interest rates to go down, which serves business borrowers well, but they have not stepped up and offered something in return.
- **Lastly**, industry organizations do not spearhead a campaign on any issue of national significance such as supporting MSMEs by making large firms pay their bills on time.

Conclusion

The private sector should be held accountable for matters of national importance as it receives a tiny fraction of the scrutiny that governments face for their acts of omission and commission.

10. India is indeed walking the green talk

Source: This post is based on article “India is indeed walking the green talk” published in The Hindu on 31st August 2021.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: India’s effort to mitigate climate change

Synopsis: India is doing its part to fulfill its Nationally Determined Contributions (NDCs) under Paris Agreement. When compared with other countries, India is doing better than its capacity.

Context

Global pressure is intensifying on India to commit more towards climate change at the Conference of the Parties (COP26) meeting, scheduled for November 2021 in Glasgow.

India’s achievements

- India is the only G20 nation compliant with the Paris Agreement.
- It has been ranked within the top 10 for two years consecutively in the Climate Change Performance Index released by Germanwatch.
- The Unnat Jyoti by Affordable LEDs for All (UJALA) scheme is the world’s largest zero-subsidy LED bulb programme for domestic consumers.

Comparison of India with other countries

- **With China**– According to World Bank data for CO₂ emissions (metric tons per capita) over two decades, both China and the U.S. could emit five times more than India in 2030. China is aiming to peak CO₂ emissions by 2030 for bending the emissions curve. China remains committed to supporting the coal industry while the rest of the world experiences a decline.
- **With USA**– the U.S. rejoined the Paris Agreement and committed to reducing emissions by 50%-52% in 2030 and reaching net-zero emissions economy-wide by 2050. It will require much more near-term investment than even the U.S. President Joe Biden’s \$2.3 trillion infrastructure package.
- **With France**– Despite French government’s efforts to make aviation industry green, the analysts say that no baseline for reducing emissions from domestic flights has been fixed.
- **With Australia**– Domestic politics in Australia is keeping it away from fulfilling its commitment towards climate change.

Progress made by India

- **India is on track** (as reports/documents show) to meet and exceed the NDC commitment to achieve 40% electric power installed capacity from non-fossil fuel-based sources by 2030
- Similarly, against the voluntary declaration for reducing the emission intensity of GDP by 20%-25% by 2020, **India has reduced it by 24%** between 2005-2016.
- India is implementing one of the **most extensive renewable energy expansion programmes** to achieve 175 GW of renewable energy capacity by 2022 and 450 GW by 2030.
- As part of the fiscal stimulus, the Government has announced several green measures. It includes a \$26.5-billion investment in **biogas** and **cleaner fuels**. Further, \$3.5 billion

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in incentives for producing efficient solar photovoltaic (PV) and advanced chemistry cell battery, and \$780 million towards an afforestation programme.

- India provided leadership for setting up the **International Solar Alliance**, a coalition of solar-resource-rich countries.
- India is also at the forefront of the **Coalition for Disaster Resilient Infrastructure**, a partnership of governments, United Nations agencies, multilateral development banks, the private sector, and knowledge institutions.

Conclusion

India has indeed walked the talk. Other countries must deliver on their promises early and demonstrate tangible results ahead of COP26. The responsibility of sustaining the entire planet does not rest on a few countries; everyone has to act.

Terms to know:

- [Climate change performance index \(CCPI\)](#)
- [ISA](#)
- [Coalition for Disaster Resilient Infrastructure \(CDRI\)](#)

11. Conserving groundwater: Role of women crucial in bringing about significant change

Source: This post is based on article “**Conserving groundwater: Role of women crucial in bringing about significant change**” published in Down to Earth on 31st August 2021.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: Role of women to address the water crisis of India.

Synopsis: Increased women participation in groundwater management will shift the intended objectives from technology to governance, demand management, efficiency, improved crop choices and enhancing soil moisture.

Context

India is facing one of the worst water crisis. India is entirely dependent on groundwater and is pumping out the lion’s share of the global volume. Moreover, women, who have a limited say in groundwater governance, are the ones who suffer the most from the water crisis.

This needs to change.

Why women are at the forefront of the issue?

- Women, who have no decision-making role in investments on such wells, are forced by authorities to take over the liabilities.
- They are the first respondents to the crisis and are responsible for repayment, overcoming drinking water shortages, finding alternative livelihoods and running the farm and family.

Need for women led approach

- Women prefer for crops with a lower water footprint.
- They do farming integrated with animals, which reduces their vulnerability.
- They have easy market access for vegetables / flowers / fruits.
- Women have strong desire for use of green water (rainwater that collects in soil) over blue water.

Benefits of women participation

- Women's judgement on crop plans, water demand and footprint of crops is different from that of men. For example: In Chipko movement, women settled for nothing short of a complete ban on the felling of trees to help protect the environment, while their male counterparts conceded to controlled logging in exchange for livelihood.
- The **scope of reducing irrigation is immense** when Gram Panchayat-level governance seriously acknowledges recommendations by women.

Alternative models

Any solution to groundwater distress need women collectives and non-profits to focus on alternative models that are based on:

- regulated pumping
- enforcement of local governance and
- adoption of sustainable cropping systems.

Suggestions/Measures

Any future approach to groundwater conservation needs to be centered around:

- **Organising small farmers in villages into registered bodies**, federated at the district with equal participation of women responsible for managing the entire value chain
- **Technical tools and skills for women** to monitor distress
- **Displaying daily technical data** at the village centre, bringing value to data through sales to government as well as commercial agencies
- **Creating barefoot groundwater experts** with a diploma through year-long farmer water schools
- **Conducting annual groundwater audits** at different units scaled up to river basin
- **Capping groundwater pumping** for each farm based on approved crop plan. This will increase water availability for future generations.
- **Imposing local governance** through Gram Panchayat, with penalties for offenders
- **Linking crop outputs to markets** through dedicated marketing channels
- The yardstick of success will be the volume safeguarded within the aquifer, instead of what is pumped out. Appropriate incentivisation on water savings will accrue to the collectives.
- Following this approach will also lead to reinventing of grass-root democracy, strengthening local institutions and exercising local governance on natural resources.

Terms to know:

- [Blue water](#)

12. A Power Cut For India

Source: This post is based on the article "A Power Cut For India" published in The Times of India on 31st August 2021.

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

Relevance: This article explains the link between India's economic performance and geopolitical developments.

Synopsis:

The setback in Afghanistan highlights a recent decline in the country's geopolitical & economic weight.

Context

India's external environment and domestic foundations have facilitated India's rise as a major power in the post-Cold War period. But the geopolitical setback in Afghanistan and prolonged economic underperformance at home have raised questions about the government's policy, priorities and strategic objectives in the near term.

What is the state of India's economic performance?

After three decades of annual average growth of national income of around 3.5%, during 1950-80, the economy grew at 5.5% during 1980-2000 and 7.5% thereafter. During the 'golden era' of growth, 2003-10, the economy grew at over 8.5%.

This acceleration of economic growth enabled a **decline in poverty, a rise in employment and urbanisation, a doubling of the share of external trade** in national income and more than a doubling of the share of Indian exports in world exports. The **emergence of globally competitive Indian firms and professionals defined the 'rising India' narrative.**

How economic performance helped to increase India's geopolitical performance?

A report of the Indian National Security Advisory Board (NSAB) (chaired by the late K Subrahmanyam) was observed in 2000, "**Economic power is the cornerstone of a nation's power in the contemporary world.**" India has so far lived up to the point. For example,

1. The **global countries, especially the US, Japan and Australia, imposed sanctions** on India after the Pokhran-II nuclear weapons test in 1998.
 - o But the ability of the Indian economy to withstand the impact of economic sanctions attracted global countries for Indian markets.
 - o Now, **India is a part of the Quad with the same countries that imposed sanctions.**
2. Economic prosperity helped India to address two key geopolitical challenges.
 - o India is able to withstand the economic rise of an authoritarian China.
 - o India is able to control the cross-border terrorism fuelled by 'global jihad'.
3. Further, India's economic rise has also made the global environment more conducive. For instance,
 - o India's sustained economic rise and its **ability to weather** storms such as the **2008-09 trans-Atlantic financial crisis reinforced positive perceptions** about its rise.
 - o **After the signing of the 'strategic partnership' agreement** between India and the US, the **international community began to adopt a benign approach** towards India.
4. Based on the above points, it is clear that India's rise in the post-Cold War period has been defined principally by its economic performance.

What is the status of India's economic performance at present?

- The slowdown of the Indian economy was initially viewed as a temporary blip. But the slowdown now appears as longer term. The Covid-19 pandemic has only made matters worse but is not the starting point of the slowdown.

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- Despite several policy interventions aimed at jumpstarting growth, there is no evidence yet that the economy will return to the 7.5% trajectory of the 2000-14 phase.
- This has already **imposed fiscal limits on domestic public investment and on external soft and hard power capabilities**. In this situation, the rise of the Taliban can only further hurt India's national security environment.
- So, to restore the momentum to the economy, India **requires a stable domestic and regional environment**. A new and honest strategic dialogue is needed between India and the US to secure an objective reassessment of their partnership.

13. Sand and dust storms impact over 500 million in India: Study

Source: This post is based on article **"Sand and dust storms impact over 500 million in India: Study"** published in Down to Earth on 1st September 2021.

Syllabus: GS3 – Disaster and Disaster Management.

Relevance: Impact of sand and dust storm.

Synopsis: More than 500 million people in India and more than 80 per cent of the populations of Turkmenistan, Pakistan, Uzbekistan, Tajikistan and Iran are exposed to medium and high levels of poor air quality due to sand and dust storm. It also impacts agriculture, energy, environment, aviation, human health and cities.

Context: A recent report titled **"Sand and Dust Storms Risk Assessment in Asia and the Pacific"** is released by the **Asian and Pacific Centre for the Development of Disaster Information Management (APDIM)**. The report highlighted various concerns both positive and negative associated with sand and dust storm.

Findings of the report:

- Sand and dust storms contribute significantly to **poor air quality** in Karachi, Lahore and Delhi in 'southwest Asia'. Nearly 60 million people in these places experienced more than 170 dusty days a year in 2019.
- The situation is much worse for six million residents of eight cities across the region. Out of these three in China, two in Iran, two in Pakistan and one in Uzbekistan. These places had **unhealthy concentrations of particulate matter** in the air every day for at least ten months in 2019.
- It identified 'east and northeast Asia', 'south and southwest Asia', 'central Asia' and the 'Pacific' as the four main sand and dust storm corridors of Asia-Pacific. The region is the second-largest emitter of mineral dust.
- **Impact on energy**– India, China and Pakistan lost 1,584 gigawatt-hours (gWh), 679 gWh and 555 gWh of **energy loss**, respectively, due to sand and dust storms in 2019.
- **Impact on agriculture**– Dust deposition impacted large portions of farmland in Turkmenistan (71%), Pakistan (49%) and Uzbekistan (44%). The dust has high salt content which is toxic for the plants.
- **Impact on the environment**– The deposition of dust on glaciers induces a warming effect, **increasing the melting of ice**.
- The risk of impacts from sand and dust storms is projected to increase in the 2030s due to more extreme drought conditions in parts of Western Australia, south-eastern Turkey, Iran and Afghanistan.

The positive impacts of sand and dust storm:

- It can **increase the nutrient content** in the areas of deposition and benefit vegetation.

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- Dust deposited on water bodies can alter their chemical characteristics, triggering both positive as well as adverse outcomes.
- Dust particles that carry iron can enrich parts of oceans, **improving the phytoplankton balance** and impacting marine food webs.

Correlation with SDG:

Sand and dust storms directly affect 11 of the 17 United Nations-mandated sustainable development goals (SDG):

- Ending poverty in all forms
- Ending hunger
- Good health and well-being
- Safe water and sanitation
- Affordable and clean energy
- Decent work and economic growth
- Industry innovation and infrastructure
- Sustainable cities and communities
- Climate action
- Life below water
- Life on land

Terms to know: Asian and Pacific Centre for the Development of Disaster Information Management (APDIM)

14. Land, freshwater species in Asia-Pacific impacted by plastic pollution: UN Study

Source: This post is based on article “**Land, freshwater species in Asia-Pacific impacted by plastic pollution: UN Study**” published in Down to Earth on 1st September 2021.

What is the news?

Recently a study titled “**Impacts of Plastic Pollution on Freshwater Aquatic, Terrestrial and Avian Migratory Species in the Asia and Pacific Region**” was conducted by CMS (**Convention on the Conservation of Migratory Species of Wild Animals**) secretariat. The study looked at species in the Ganga and Mekong basins that together contributed an estimated 200,000 tonnes of plastic pollution to the Indian Ocean and the Pacific Ocean every year.

Findings of the study

- Both **Ganges and Irrawaddy dolphin** species faced threats due to entanglement in plastic waste such as fishing nets and lines. This could prevent them from coming up to the surface to breathe and thus drown them.
- **The dugong or sea cow** also faced threats of entanglement in plastic gear as well as ingestion of plastic.
- Migratory birds such as the **Black-faced Spoonbill and the Osprey** had been observed making nests out of plastics, using fishing lines and shipping debris, often resulting in the entanglement of their chicks.
- Terrestrial and avian species in addition to freshwater ones had been reported getting entangled in **discarded fishing gear** as well as **kite strings** in the Mekong basin.

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- Protected under CMS since the 13th Conference of the Parties in 2020, the **Asian Elephant has been observed scavenging on rubbish dumps** in Sri Lanka and ingesting plastic in Thailand.
- The study highlighted that the **problem of plastic pollution is only going to get worse**. Some 53 million tonnes of plastic could enter aquatic systems annually by 2030, which could eventually increase to 90 million tonnes.

Recommendations

The report calls for

- More effective waste management
- Recycling
- Design of products
- Preventing plastic pollution at the source.

It also cites the **need for increased research efforts** to understand the negative effects of plastic pollution on organisms and ecosystems, particularly on terrestrial species that have been poorly studied.

Terms to know:

- [CMS](#)
- [Dugong](#)
- [Gangetic Dolphin](#)
- [Irrawaddy Dolphin](#)
- [Black-faced Spoonbill](#)

15. Substantial Investment Subsidies for Solar Power

Source: This post is based on article “**Substantial Investment Subsidies for Solar Power**” published in Down to Earth on 1st September 2021.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: solar power’s role in addressing the issues of groundwater exploitation and DISCOM distress.

Synopsis: Substantial investment subsidies on solar pump has the potential to address the irrigation-energy nexus in Indian agriculture sector. Along with its potential, it is also necessary to check its viability, drawbacks etc.

Context

The Government of India (GoI) has been promoting solar irrigation pumps (SIPs) by offering substantial investment subsidies. These SIPs promise a low carbon footprint, consistent energy availability, zero fuel costs and low operational costs.

Background

- The **west-south corridor** spanning from Punjab to Tamil Nadu has **lower groundwater availability** than the Ganga-Brahmaputra belt. **Electric water pumps for irrigation dominate** this corridor. This domination of electric water pump led to severe depletion of the water table, along with leading to the DISCOMs crisis.
 - Farmers in this corridor also face **frequent power cuts**, low voltage and receive stable electricity only at night.

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- The **Ganga-Brahmaputra basin** in the eastern corridor is a water-rich and flood-prone area dominated by diesel water pumps.

Potential of SIPs

West-South corridor:

- **Benefit to farmers of west-south corridor:** The west-south corridor will benefit significantly from introducing SIPs since the region has many solar hotspots and receives peak sunlight hours.
 - This ensures a **regular and efficient supply of electricity** to farmers.
- It will also help relieve the DISCOM's subsidy burden from Rs 30,000-35,000 per year per SIP.
- SIPs will help move towards a **zero-carbon footprint** in the groundwater economy by decreasing reliability on fossil fuel-based electricity production.

Eastern corridor:

- The recent rise in diesel prices has naturally increased the costs of irrigation. Therefore, introducing SIPs in this region may **boost agricultural growth**.
- However, this region **receives lesser sunlight** than the West-south corridor, making it a less viable option.
- Despite these reservations, SIPs are being viewed as the answer to erratic power supplies, the DISCOMs crisis and a more sustainable source of irrigation by the government.

Drawbacks

- There is **risk of over-exploitation of groundwater** since on-demand cheap power will always be available after introduction of SIPs.
- However, the govt has introduced several solar irrigation schemes, such as **PM-KUSUM** and **SKY**.
- Another programme called **Solar Power as a Remunerative Crop [SPaRC]** was initiated in Gujarat by the International Water Management Institute.
- In these schemes, **preference is given to farmers who are already using water-saving micro-irrigation systems** or are open to doing so.
- The criteria for availing subsidies may **benefit only medium- and large-scale farmers**, as they are more likely to have a micro-irrigation system in place.
- **High initial capital investments**– Despite subsidies, the initial capital investment remains high, raising questions about the viability of SIPs.
- **High operational and maintenance cost**– The operation and maintenance of solar PV systems require trained professionals and machine components, which may be hard to find in rural areas. However, to overcome the obstacle, the Union Ministry of New and Renewable Energy aims to **upskill youth** for employment opportunities in the growing Solar Energy Power Project in India and abroad under its **the Suryamitra Skill Development Programme**.

About SPaRC programme:

- Under it, the International Water Management Institute had proposed **incentivising farmers to sell solar power as a remunerative crop** to curb the usage of diesel pumps in the west-south corridor.

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- Farmers can sell surplus solar power by feeding into the grid. This alternative will **incentivise farmers to conserve groundwater and energy**.
- It could also **increase farmer income** and enable more efficient irrigation by encouraging farmers to adopt crops with high returns to irrigation.
- The programme includes a balanced incentive, comprising a capital cost subsidy and feed-in tariff [FiT] paid to farmers for the energy they sell back through grid-connected solar pumps.

Conclusion

While SIPs hold immense potential to mitigate groundwater depletion and power subsidy burden on DISCOM, steps are required to improve its adoption, viability and benefits.

Terms to know:

- [PM-KUSUM](#)
- [Suryamitra Skill Development Programme](#)

16. The truth about asset monetisation

Source: This post is based on the article “**The truth about asset monetisation**” published in Indian Express on 1st September 2021.

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

Relevance: Resource mobilisation and Investment in Infrastructure.

Synopsis: Criticism of the government’s plans to lease out assets to private players, raise resources for public investment, is baseless

Criticism of NMP is baseless

Arguments have been offered against the criticism of asset monetisation.

- **On crony capitalism:** Assets under the National Monetisation Pipeline (NMP) project are going to be leased out to private partners through an open and transparent bidding process on terms which more than safeguard the public interest.
- **Ensures Public participation:** The Infrastructure Investment Trusts (InvIT) and Real Estate Investment Trusts (REIT), are like mutual funds, pool investments, which then flow to infrastructure and real estate. This will allow the people of India and prominent financial investors to invest in our national assets. Some InvITs and REITs are already listed on stock markets.
- **On anti-competitive practices:** India has institutions that deal with issues related to uncompetitive practices. There are sector specific regulators. For instance, the Competition Commission of India, consumer courts. All of these have the authority, quite independent of the Government of India, to come down heavily on any anti-competitive practices.
- **On Monopoly:** The government is also committed to market competition and will design processes in a way that minimize the probability of any concentration of market power. In some areas, like Railway tracks, where there is a natural monopoly, there will be no asset monetisation.
- **Generates Positive multiplier effect:** In addition to an increase in jobs in the assets being monetised, an entire new set of jobs will be created when the government reinvests its revenue proceeds.

- **On lack of public consultation:** The asset monetisation was announced several months ago in the Union Budget in February 2021. Several rounds of webinars and national-level consultations were also organised.

17. Social Stock Exchanges: A Chance to Invest into Our Future

Source: This post is based on the article “**Social Stock Exchanges: A Chance to Invest into Our Future**” published in Livemint on 1st September 2021.

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

Relevance: Social Stock Exchange

Synopsis: The concept of a Social Stock Exchange is a worthy idea, but still needs deliberation and consultations with all stakeholders.

Context

The **Securities and Exchange Board of India (SEBI)** constituted a 15-member **working group** on a social stock exchange (SSE) in September 2019.

Need for a Social Stock Exchange

1. To **enable Non-Profit Organizations to raise money** from the market by registering and listing on the SSE.
2. It would **enable the use of market instruments** for investing in social endeavors.
3. The SSE would boost both **corporate and individual investments in social and ecological projects**.

Proposals by working group

- **First**, the working group has proposed that **first-time retail investors be allowed to avail a 100% tax exemption** on a maximum investment of ₹1 lakh in an SSE mutual fund.
- **Second**, it has proposed **doing away with the 10% cap on income eligible for deduction** for donations to NPOs that benefit from the SSE.
- **Third**, the SSE is also meant to **aid for-profit social enterprises (FPEs)**. The working group has **not defined an FPE, and** it has left it to enterprises to choose whether they want to be categorised as a social enterprise and consequently commit to additional reporting on social impact.
- **Fourth**, the SSE technical group notes that an **FPE can list on the stock exchange** provided it is a company registered under the **Companies Act 1956/2013**.
- Lastly, to enhance transparency the working group’s proposals ask that NPOs furnish **more rigorous assessments of the social impact and** shift towards **outcomes-oriented measurement**. It also places emphasis on the role of **social auditors for the independent verification**.

Issues/concerns

1. First, since the working group has proposed a **five-year tax holiday** for FPEs listed on the SSE, it could be **potentially misused** and used as **tax-saving vehicle**.
2. Second, the SSE seeks to give the NPO sector **transparency by mandating increased reporting**. However, it leaves out smaller NPOs from the SSE’s ambit.

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3. Third, it also **risks alienating organizations** whose or impact may not be amenable to adequate **data-capture**. For instance, NPOs involved in **environmental justice, digital rights** where the existing systems and processes are stacked against them.
4. Fourth, the SSE technical group **lays down protocols for social auditors**, but the worry is that **middlemen agencies might emerge**. They may gain unchecked influence over the SSE-NPO-donor ecosystem due to lack of checks and balances.

Conclusion

Fund-raisers such as social stock exchanges that go beyond a narrow set of quickly measurable outcomes need a proper plan.

18. Policy harmonization will help our MSMEs create jobs

Source: This post is based on the article “**Policy harmonization will help our MSMEs create jobs**” published in Business standard on 1st September 2021. **Syllabus:** GS3- Government’s Fiscal policy and its impact

Relevance: e-commerce in India, Flaws in GST structure, challenges faced by MSMEs

Synopsis: India’s **indirect taxation needs immediate harmonization** to put offline and online business transactions on par.

Context

Only 27% of online small and medium businesses were using e-commerce channels in 2015. After the pandemic, customer behaviour across the globe has shifted towards **purchases through e-commerce platforms**, irrespective of product category.

To make the most of this trend, India must reverse all policies that disincentivizes MSMEs.

Problems posed by GST

GST is creating problems for adoption of e-commerce platforms by MSMEs.

- **First**, we have no regulatory clarity on recognizing part-time workers, and this hinders quick expansion.
- **Second**, a **reduced GST of 1% on turnover applies to offline sellers** that are selling their wares within a city or state, but no such provision is available for MSMEs using e-com platforms.
- **Third**, there is a new 1% tax-deducted-at-source levy on e-com transactions, over and above GST’s 1% tax-collected-at-source, that businesses using e-com platforms are subject to. Thus, a straight **2% upfront tax deduction on sales disincentivizes use of online avenues** to expand market reach.
- **Tax refunds** can take up to two years, which affects their cash flows for operations.

Other issues

1. Heavy compliance burden and contradictory provisions in **Income Tax Act** and **labour laws, foreign direct investment (FDI) norms**, Drugs and Cosmetics Act of 1940.
2. There are also concerns over **India’s draft foreign trade policy**, which is inadequately geared for an online export thrust that would offer MSMEs a significant opportunity.
3. **FDI 2018 rules stopped online platforms** from offering products made by entities in which they had a significant direct stake. This stalled investments that would have ensured the standardization of quality and packaging, apart from other such market enablers.

Suggestions/Measures

1. Need a **proper understanding of term wages** for extended work hours.
2. Allow for **collective discussions with managements** in case of any violation of these rights.
3. Address the need of part time workers in labour codes.
4. The industrial relations code also needs to be harmonized to **ease the adaptation of MSMEs to automation-rich business realities.**

Conclusion:

To sustain and encourage growth, the entire ecosystem needs to be changed so that MSMEs achieve their potential. It will help shape a new Indian growth story in terms of both GDP and jobs.

19. Does the economy need more people?

Source: This post is based on the article “Does the economy need more people?” published in Business Standard on 1st September 2021. **Syllabus:** GS3- Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment

Relevance: Technological advancement and its impact on Demography

Synopsis: In the age of technological disruptions and climate change, the case for a young and fast-growing population driving India's economy is growing weaker

Is Demographic dividend needed for economic growth?

Not always. Growth no longer requires large labour resources. Higher youth populations are not always needed to drive growth. This has happened for two main reasons.

1. One is the **increasing contribution of capital and technology** to growth. Now, we can grow and generate wealth and income without that many people. Technology can even substitute for a young population, as a society grows greyer.
2. **Rapid “dematerialization”** of most things produced. The term dematerialization means that most physical products made today use less and less materials and energy than they did before. Dematerialization, along with decreasing population trend in the richer parts of the world, means that even **demand for raw materials will not remain that strong** in the future.
 - For instance, Cars use less steel and aluminium than they did a few decades ago.

Global examples

Countries with a falling population are coping without the so-called demographic dividend aiding them.

- Japan, China, South Korea, Singapore, Taiwan, and some parts of Northern Europe are facing population declines in the future since their total fertility rates (TFRs) are well below replacement levels.
- But even with a rapidly ageing population, most countries are able to get what they want done without excess immigration or higher birth rates.

Impact of tech advancement on employment generation

As the world has become more and more dependent on sophisticated technologies, the market for skills has polarized.

- **Demand for middle functions is decreasing:** There is a **huge need for highly skilled people** and also for low-skilled people. But demand for middle-skilled, middle-class, middle-income professions is shrinking. Technology weakens the middle functions earlier done by humans. **For example**, today banking has become easy by using a mobile phone with no need for the people manning bank branches. The current situation implies that you can hold on to your middle-income job only if you upskill, which may not be an easy thing to do for mid-career slower learners.
- **Problems for India:** The real problem is for countries like India, where too TFRs are reaching replacement levels but the **working population numbers are so huge** as to make it near impossible to find them jobs.
- **Continuous learning challenge:** Further, in a world of skill polarization, staying on top is a continuous learning challenge, and only those who have resources can achieve this. In this context, having a huge youth demography is hardly an advantage, especially when the skills you can learn are always the next ones to be automated.

Way forward

There is a significant threat if populations continue to bulge in the most vulnerable parts of the world. Dealing with the existential crises (Climate change and a deteriorating environment) needs us to moderate consumption, and that means a slower growth in population. Young people need more resources than older people, and the planet cannot afford a rapidly rising rate of consumption in its poorest countries.

20. India must commit to net zero emissions

Source: This post is based on the article “**India must commit to net zero emissions**” posted in **The Hindu** on **2nd September 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: Need for India to commit to net zero emissions.

Synopsis: While all the major economies and big corporates are shifting towards net zero emissions, India is yet to commit to the same. It offers India an opportunity to scale up its efforts for mitigation and adaptation to climate change.

Introduction

With over 50% of the global economy already committed to net zero emissions by 2050 — and China committing to be so before 2060, India is at the risk of being cast globally as an outlier on climate action. The pace and scale of climate action is only set to increase, with the recent Intergovernmental Panel on Climate Change (IPCC) report calling for urgent and stronger responses.

A transition towards net zero emissions offers various opportunities for India, as highlighted below.

What are the opportunities for India?

Large scale investment– Last year, investors injected over \$500 billion into climate transition.

Being part of the global community– Over 100 countries have already committed to net zero emissions by 2050, with more expected at COP26.

Must Read: [Net Zero Emissions target for India – Explained](#)

Why India must commit to net zero emissions?

Vulnerability to climate change– India is among the most vulnerable countries to climate change and, therefore, should be among the more active against the threats. It faces harmful impacts related to sea level rise, heat stress, drought, water stress and flooding, biodiversity and natural disasters.

Responsibility as rising power– As a rising power, India naturally seeks stronger influence globally. India is already the third-largest emitter in the world, which calls for more commitment.

Affect India's international diplomacy– India's lack of commitment to net zero emissions will cast a negative shadow on its international diplomacy. This applies not just to key relationships like with the U.S., but also with much of the Group of 77 (G77) states.

Boosting economic growth– There is no longer a trade-off between reducing emissions and economic growth. The U.K. has reduced emissions over 40% and grown its economy over 70% since 1990.

Increasing agricultural productivity– Agricultural policy needs to consider adaptive approaches to maximize productivity in light of increased flooding and drought due to climate change.

Gaining advantage in the technologies– The transition of the global economy to net zero emissions is the biggest commercial opportunity in history. Investing heavily thus helps to gain an advantage in the technologies of the new economy, like renewable energy & storage, electric and hydrogen transport, low emissions industry, green cities or sustainable agriculture. However, India is doing exceptionally well to adapt to climate change, which is evident as below.

India's efforts to adapt to climate change

Firstly, India is set to significantly exceed its Paris Agreement commitment of reducing the emission intensity of its GDP by 33-35% below 2005 levels by 2030.

Secondly, India is leading with the roll-out of renewable energy and an expanded target for 450GW by 2030.

Thirdly, It is taking leadership on the International Solar Alliance and recent national hydrogen strategy.

Fourthly, Indian corporates are also stepping up, with the Tata Group winning awards on sustainability, Mahindra committing to net zero by 2040 and Reliance by 2035.

Terms to know:

- [IPCC](#)
- [International Solar Alliance](#)

21. How Israel's expertise in climate innovation can help India

Source: This post is based on article **“How Israel's expertise in climate innovation can help India”** posted in **The Indian Express** on **2nd September 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment

Relevance: Lessons from Israel could be used to drive India's climate actions.

Synopsis: In the backdrop of emerging threats from climate change such as floods, forest fires, torrential rains, giant hailstones etc. our efforts to mitigate and adapt to climate change seems slow. However, Israel's actions could help us move faster to achieve net zero emission.

Introduction

The average global temperature rise in 2021 is projected to be about 1.2 degrees Celsius above that of the pre-industrial period. The Intergovernmental Panel on Climate Change 2021 analysis shows that the window of opportunity to limit temperature rise to 1.5 degrees Celsius to avoid the worst impacts of climate change is closing. The report is a warning for us.

We need a lifestyle and economy that supports, not disrupts the planet's climate, nature and environment.

What are potential threats to India?

Melting of glaciers– The Himalayan glaciers, the source of major rivers and aquifers supplying water to hundreds of millions of Indians, are disappearing at an alarming rate.

Risk to low lying areas– Climate change will increase the risks in low-lying coastal zones due to cyclones and coastal and inland flooding, storm surges and sea-level rise.

Impact on Indian agriculture and water resources– The increased frequency of extreme events such as floods and droughts will have a severe impact on India's agriculture and water resources, food security and the prosperity of rural communities.

India has made enormous investments in renewable energy sources, to increase the use of solar, wind, biomass, waste, and hydropower energies. But there are still enormous challenges in meeting Indian demands for energy, food, and water sustainably. Israel offers lessons for us.

What can we learn from Israel?

In agriculture– Israel has learned to establish agriculture in the desert and arid areas.

In water use– It recycles 90% of its wastewater, and use desalinate drinking water.

In energy– Israel has developed solutions for energy storage, energy efficiency, and renewable energy. It also promotes energy generation from sea waves, the use of advanced computing tools for energy management.

Animal protein substitutes– it has cultivated a groundbreaking industry of animal protein substitutes. Products such as poultry, milk, eggs and more are being produced in laboratories using methods that emit **almost no greenhouse gases**. This allows huge swathes of agricultural land currently being used for livestock purposes to be freed up for ecological restoration and reforestation.

Way forward

We need to harness all of humanity's abilities in order to steer the planet towards a safe position. The only way to do this is by working together, sharing information and experience, and providing mutual support. **Israel and India** can lead the way to establish state-of-the-art solutions for the developing world in order to mitigate the impacts of climate change.

22. Let's talk land sinks: Are they enough to beat global warming

Source: This post is based on article "Let's talk land sinks: Are they enough to beat global warming" published in **Down to Earth** on **2nd September 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: Protecting land is important in the fight against global warming.

Synopsis: The world is not on track to reduce GHG emissions at the scale needed to avert a temperature rise of 1.5 °C over pre-industrial levels. The solution, then, is to find ways in which emissions can be removed from the atmosphere and growing trees becomes part of this package.

Introduction

About 56% of the carbon dioxide (CO₂) emitted by humans is absorbed by the oceans and land out of which 30% is removed by land alone. Forests, grasslands and wetlands act as sinks and remove a part of the CO₂ emitted through human activities like burning fossil fuels.

On the other hand, land is also a source of emissions —burning of forests and other disturbances add CO₂ to the atmosphere.

How does land help in reducing GHG emissions?

According to the **Special Report on Climate Change and Land 2019** (SRCCL) by the IPCC, land use accounted for 13% of anthropogenic CO₂ emissions during 2007-2016. But it also provided a net sink of around 11.2 gigatons of carbon dioxide per year, equivalent to 29% of the total CO₂ emissions in the same period. This means 29-30% human-driven CO₂ emissions have been soaked up by the **world's land sinks** during the past three decades.

Thus, adding to forests and restoring land can **benefit local communities** as environmental degradation impacts their livelihoods and impoverishes communities. It highlights the importance of land to mitigate the ill effects of GHG emission.

What are the challenges to the existing forest cover?

Increased heat levels: Increased heat adds to the moisture stress in forests and leading to widespread burning.

Large scale cutting of forests: Forests are being cut for different economic activities, reducing their role as sinks for the CO₂ released from fossil fuel burning.

All these concerns and challenges calls for greater international collaboration which is evident from the following.

What are the global efforts to mitigate the challenges?

UNFCCC: The role of land (forests and agricultural land) as a mitigation pathway to reduce CO₂ emissions was recognized by the **United Nations Framework Convention on Climate Change (UNFCCC)** in 1992.

The Kyoto Protocol: In 1997, Kyoto protocol, called on government to enhance the land carbon sink capacities of their territories and to reduce emissions from fossil fuel consumption.

Bonn Challenge: In 2011, the IUCN launched the Bonn Challenge to restore 150 million hectares of the world's degraded and deforested lands by 2020 and 350 million hectares by 2030.

UN Decade on Ecosystem Restoration: In March 2019, the UN General Assembly declared 2021-2030 as the UN Decade on Ecosystem Restoration to prevent, halt and reverse the degradation of ecosystems worldwide.

One trillion tree initiative: In January 2020, the World Economic Forum in Davos, Switzerland, launched ‘one trillion tree’ initiative to plant a trillion trees by 2030 and “accelerate nature-based solutions in support of the UN Decade on Ecosystem Restoration (2021-2030)”.

LEAF Coalition: In April 2021, the LEAF (Lowering Emissions by Accelerating Forest Finance) Coalition was announced as a public-private effort led by the US, the UK and Norway. The initiative aims to mobilize at least \$1 billion for financing countries committed to protecting their tropical forests. It is supported by corporations like Unilever plc, [Amazon.com](https://www.amazon.com), Nestle and Airbnb.

In May 2021, **the G7 countries** pledged to conserve or protect “at least 30% of the global land and at least 30% of the global oceans by 2030 to halt and reverse biodiversity loss and address climate change.”.

Terms to know:

- [World Economic Forum](#)
- [IUCN](#)
- [G7](#)

23. Integrity of insolvency processes: A tough ask

Source: This post is based on the article “**Integrity of insolvency processes: A tough ask**” published in **Live Mint** on **2nd September 2021**.

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

Relevance: Role of Insolvency bankruptcy code in maintaining the health of financial institutions

Synopsis: Issues hampering the effective implementation of IBC and suggested reforms

Background

There is wide apprehension that the IBC might become a failed attempt to comprehensively tackle corporate sickness or resolve the NPA’s in banking sector

What are the issues hampering the effective implementation of IBC?

Huge delays in special courts

Lack of court capacity

Dubious decisions by resolution professionals

Asymmetrical information on the state of assets shared with different parties

Defaulters trying to control the system for favourable resolutions and steep haircuts

What reforms are needed?

PSBs need to improve their credit appraisal and asset valuation skills: The entire IBC process seems designed primarily to help banks, mainly state-owned, recover their dues. This is well intended design because loan recovery lets banks extend fresh credit that gives economic growth an impetus. Yet, designing a large part of the IBC process for this alone has created structural flaws. Because many public sector banks (PSBs) have carried over their **flawed credit appraisal practices** to the Committee of Creditors (CoCs) that take charge of insolvent firms for resolution, which tends to impair outcomes.

The issue of frequent legislative amendments and rule changes needs to be addressed: The role of unstable government is another issue impacting resolution process. For

instance, sectors such as power, road, telecom and mining projects took on debt on the basis of government policy. But when the state went back on a commitment or changed a policy overnight or failed to pay up on project completion, these sectors were rendered incompetent.

Diversion of Funds needs to be regulated: Many Indian industrial houses have over-borrowed relative to project costs and diverted those proceeds to either finance their own equity contribution or fund something else. With economic slowdown, many of these projects were unable to generate adequate cash flows to service these irrational debts.

Way forward

While reducing concentrations of authority, as the IBBI proposes, could help in several ways, there's a lot more that ails our system. As a regulator, the IBBI may need to intensify its coordination with other regulators to strengthen its processes. are unlikely to solve some of these deep-seated problems.

24. Fleeting cheer (On impact of COVID on GDP and the future scenario)

Source: This post is based on the article “Fleeting cheer” published in **The Hindu** on **2nd September 2021**.

Syllabus: GS3- Indian Economy and issues relating

Relevance: Impact of pandemic on growth

Synopsis: The latest GDP estimates show that **national output rebounded in Quarter 1**. However, the numbers show a different picture when compared with the pre-pandemic first quarter of fiscal 2019-20.

Introduction

National Statistical Office data shows GDP expanded 20.1% from a year earlier. All the eight industries spanning the broad agriculture, manufacturing and services categories posted positive growth. Also, the gross value added grew by 18.8%.

How second wave has impacted the economy?

First, GDP at constant prices was estimated at ₹32.38-lakh crore, a 16.9% contraction from January-March's ₹38.96-lakh crore and more than 9% of the ₹35.66-lakh crore in April-June 2019.

Second, with the exceptions of electricity and other utility services and the non-contact intensive services grouping of financial, real estate and professional services, all other six industries posted double-digit quarter-on-quarter contractions.

Third, private consumption spending showed year-on-year growth of 19.3% but still shrinking by 17.4% from the preceding three months.

Fourth, government consumption expenditure which has helped shore up the economy in past, contracted 4.8% from a year earlier and 7.6% from the previous quarter.

What opportunities lie ahead for the economy?

Most States have gradually eased their localized second wave restrictions.

Exports have been one of the bright spots as the U.S. and other western economies have posted economic recoveries.

Manufacturing has surged almost 50% year-on-year. As per Manufacturing Purchasing Managers' Index, the manufacturing sector experienced a second straight month of increase in production.

What are some future challenges?

Rising raw material costs: as per PMI survey, **rising raw material costs** have been forcing manufacturers to either absorb the impact or raise prices. It is risking the prospect of an already weak demand.

Freeze on hiring: According to IHS Markit, **uncertainty has led companies to freeze hiring.** With monsoon rains in deficit, agricultural output and wider rural consumption also face a likely downturn.

25. Gauging household income key for microfinance clients

Source: This post is based on the article “**Gauging household income key for microfinance clients**” published in **The Hindu** on **2nd September 2021**.

Syllabus: GS3– Mobilization of Resources, Growth, Development

Relevance: Credit growth, Micro-Finance

Synopsis: An accurate assessment of household-level incomes would avoid instances of over-indebtedness and ensure long-term stability of the ecosystem.

Introduction

Recently released, **Consultative Document on Regulation of Microfinance** in June 2021, shows that the microfinance movement in India is set to receive momentum.

Following the Malegam Committee Report, the current **Consultative Document on Regulation of Microfinance** looks to reassess the priorities of the microfinance sector.

What are some key recommendations?

First, some of the key regulatory changes proposed in the document takes **household income as a critical variable** for loan assessment.

Second, the **definition of microfinance itself is proposed to mean collateral-free** loans to households with annual household incomes of up to ₹1,25,000 and ₹2,00,000 for rural and urban areas respectively.

Third, it suggested all Regulated Entities to have a **board-approved policy** for household income assessment. It caps loan repayment for all outstanding loans of the household at 50% of household income.

Why measuring household income is complex?

First, with a **high degree of informality** in our economy, income tends to be **unpredictable** in time and volatile in volume.

Second, Low-Income Households (LIHs), who form the customer base for Microfinance Institutions (MFIs) have **seasonal and volatile income flows**. For instance, households with migrant workers who migrate to the city for certain months of the year see an income peak during those months.

Third, the **highs are also contrasted by lows during certain lean seasons** when remunerative work is unavailable, such as drought and during growing season. There have been attempts to **understand their inflows by measuring their expenditure**. But, due to rotational debts, expenditure also does not truly reflect the household's income.

Fourth, for most LIHs, their expenditure on income-related activity is not separate from their personal expenses. It is **difficult to separate the household's personal expenses** from their occupational pursuits.

How household income can be measured?

Structured survey-based approach: It could be used by Financial Service Providers (FSPs) to assess a household's expenses, debt position and income from various sources of occupation. However, attention must be paid while designing such a questionnaire so that it captures seasonality and volatility in cash flows.

Template-based approach: It could be used wherein FSPs could create various templates for different categories of households (as per location, occupation type, family characteristics, etc.).

Household templates could be defined based on publicly available data sets that contain State/district-level information about household cash flows and occupation types. These templates could then be used to gauge the household income of a client matching a particular template.

Centralised database: FSPs could collect and maintain household income data through a centralised database. This would allow for uniformity in data collection across all FSPs.

Technology Service providers could play a crucial role in this exercise and create customised digital architecture for FSPs depending on their specific needs. Creating new technology to document and analyse cash flows of LIHs would facilitate innovation in the standard microcredit contracts through customised repayment schedule and risk-based pricing, depending on a household's cash flows.

26. Our banks are mispricing capital and this is simply unsustainable

Source: This post is based on the article “Our banks are mispricing capital and this is simply unsustainable” published in **Live Mint** on **2nd September 2021**.

Syllabus: GS3-Issues related to Banking sector

Relevance: Monetary policy and Economic stability

Synopsis: Below-cost lending in India could have economic repercussions beyond the financial burden imposed on bank shareholders.

Background

We have a situation in India today where the policy repo rate has been kept low, which is reflected in the cost of deposits and consequently lending rates.

Also, there is talk of loan melas, where credit must be given. The question that arises is whether we are pricing capital adequately.

The mispricing math

We have very low lending rates right now that do not adequately reflect the actual costs borne by banks.

Cost head	Criteria	Value
Deposits	10% demand deposits @ 0 cost 30% savings deposits @ 3% 60% term deposits @ 5.2%	4.02%
Provisions	RBI base case of 9.8% NPA ratio Provisions made average 30% of this ratio	3%
Return on assets	Ideally should be 1%	1%
Carry cost of CRR	4% impounded at 0 return. Hence opportunity cost is x% of 4, where x is the final cost	$0.04x=0.36\%$
Carry cost of SLR	SLR at 18% where average return is 6%. Opportunity cost is (x-6)% of 18	$((x-6)/100)*18=0.52\%$
		Final cost: X=8.9%

Source: Author's calculation

What is the cost borne by the banks?

For instance, for every ₹100 of deposits that enter the banking system, there are accompanying costs for the system.

These are **deposit costs, provisioning for NPAs, return on assets (ROA or minimum profit), and the regulatory cost of cash reserve and statutory liquidity ratio balances (CRR and SLR).**

Adding these components, the basic cost works out to **8.9%**, which should be the rate at which incremental lending should take place.

Hence, by offering loans at a much lower rate of 7.23%, the **banking system is actually mispricing the capital.**

Other issues: As NPAs increase, ideally banks should load this cost onto their borrowers. But that rarely happens in India. Instead, it is taken on banks' books and gets reflected in their balance sheets.

How does mispricing capital impact the economy?

Deposit costs have been driven down as savers don't have a choice. Deposit-holders are subsidizing borrowers quite significantly.

Loss to bank shareholders: Banks have been placing funds costing them 8.9% with the central bank through its reverse repo window, which gives them just 3.35%. This loss is eventually borne by bank shareholders.

More lending to small businesses: With rigid policies on corporate lending to avert possible NPAs, banks have preferred lending to the retail segment, which is less risky, and small businesses, backed by the Centre's credit guarantee.

27. Douse the farm fire – “Stubble burning Issue”

Source: This post is based on the article “Douse the farm fire” published in Business Standard on **3rd September 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution, and Degradation, Environmental Impact Assessment.

Relevance: Addressing the issue of stubble burning.

Synopsis: Despite various measures taken by both, state governments and central government, the issue of stubble burning continue to add to the air pollution in the North India and NCR region. It calls for a fresh relook at the issue.

Introduction

The stubble burning incidents are expected to increase this time compared to last year, when the farm fires played havoc. Neither the threat of **punitive action** nor the incentives for safe management of the leftover crop biomass had deterred the farmers from torching their fields. Since **Punjab and Uttar Pradesh (UP)** are now heading for polls and the farmers’ agitation is continuing unabated, **stringent measures** to curb this recurring menace are **unlikely**. The Union government, too, has not come up with any concrete proposal or strategy to combat this practice.

Why do farmers prefer stubble burning?

Firstly, it is essentially the result of **the need to clear the land quick** enough for the timely planting of the next wheat crop.

Secondly, despite government subsidies, **alternative methods** are costly, which makes farmers reluctant to adopt them.

Thirdly, the alternative method takes time to get rid of stubble, which delays the sowing season of wheat. The use of the stubble decomposer produced by the New Delhi-based Indian Agricultural Research Institute has also failed to attract farmers’ fancy, despite its usefulness, because of the time factor.

Finally, the **absence of a lucrative market** for wheat straw, compels farmers to go for stubble burning.

All this calls to relook at the issue and adopt a suitable way forward.

Way forward

There is a need to **create a market for paddy biomass** by converting it into an economic good to generate additional income for the farmers. Some start-ups have also come up to procure biomass from the farmers for producing manure and biofuel. **The Haryana government** has announced **plans to offer Rs 1,000** an acre to farmers who, instead of burning the residue, give it to the industrial units for various uses. **The Punjab government** has suggested a premium of Rs 100 per quintal on the minimum support price of paddy for those farmers who do not torch their fields.

Despite all these, the best solution would be to wean the farmers of northern states away from paddy cultivation by incentivizing the growth of alternative shorter-duration crops that would vacate the land in time for wheat sowing.

28. Long-feared space junk has become an imminent threat

Source: This post is based on the article “**Long-feared space junk has become an imminent threat**” published in Mint on **3rd September 2021**.

Syllabus: GS3 – Awareness in the fields of IT, Space, Computers, Robotics, Nanotechnology, Biotechnology, and issues relating to Intellectual Property Rights.

Relevance: Solution to address the issue of space debris.

Synopsis: With the increasing cost-effectiveness in rocket and satellite technologies, more countries and companies are planning more missions to orbit than ever before. This will ultimately result in more space debris that could trigger a mass collision in the future. This calls for countries and corporates to collaborate on the issue.

Introduction:

In March, a Chinese military satellite collapsed in the orbit. It left a trail of debris high above the Earth. **Yunhai 1-02**, as the satellite is known, collided with a piece of junk leftover from a Russian rocket launched in 1996. It was the first major collision in Earth orbit since 2009. However, it won't be the last.

What is space junk?

The dead and unwanted craft (rockets or satellites) left behind in the finite space of Earth orbit is referred to as space junk. As this junk increases, so would collisions; each collision would in turn produce debris that would make further collisions more likely. The result could be a belt of space junk so dense that it would make certain low-Earth orbits unusable. More than 100 million pieces of space junk are now orbiting the Earth.

Recent instances: In 2007, **China** launched a ballistic missile at one of its old weather satellites, producing the **largest cloud of space debris** ever tracked. In 2009, a non-functional **Russian communications orbiter** collided with a functioning one operated by an Iridium Satellite, producing almost 2,000 pieces of debris measuring at least 4 inches in diameter.

What are the initiatives taken to manage space junk?

Firstly, in 1995, **NASA** issued the world's first set of debris-mitigation guidelines. It proposed that satellites should be designed to re-enter Earth's atmosphere within 25 years of mission completion.

Secondly, other space-faring countries and the United Nations follow their own guidelines. But urgency and compliance were lacking, partly because the world had not yet experienced a destructive collision between spacecraft and debris.

Way forward:

Firstly, updating the **1967 Outer Space Treaty** is the need of the hour. In particular, provisions that give countries permanent property rights to their objects in space may complicate efforts to clean up debris.

Secondly, there is a need for greater clarity on common issues is required to boost trust and cooperation.

Thirdly, NASA should fund research into debris-removal technologies—such as those recently demonstrated by Astroscale, a Japanese startup, which hold promise.

Finally, The US should also seek to expand **the Artemis Accords**, a framework for space cooperation that includes (so far) 11 other countries.

Terms to know: [Artemis accord](#)

29. Credit Where It's Due – “on credit growth”

Source: This post is based on the article “Credit Where It's Due” published in ToI on 3rd September 2021.

Syllabus: GS3– Issues related to the Banking sector

Relevance: Linkage between credit growth and economic growth.

Synopsis: Lack of Credit growth has lagged economic recovery. Here's why that's about to change.

Introduction

April-June GDP estimates show that there is strong evidence of a sharp recovery in the economy after second-wave lockdowns. Although broad-based indicators of real economic activity like mobility, energy demand, and GST e-way bill generation are now substantially higher than pre-Covid levels, the credit to GDP ratio is still lagging behind. Lack of credit growth is a drag on economic growth.

Why India's Credit to GDP ratio is lower?

Firstly, an important reason is the inability of the financial system to profitably extend credit to smaller enterprises. The cost of loan evaluation could not be reduced below a certain level if processes were manual. For the loan to be profitable to the bank, the loan size had to be large. That meant borrowers who only needed smaller loans could not be serviced.

Secondly, the reasons for weak loan growth suggest that large businesses have been reducing their short-term loans. This has two main reasons:

- One, the fear of further restrictions due to a possible third wave has meant every business is trying to keep its inventories low.
- Two, in an economic contraction larger firms squeeze smaller suppliers and customers, reducing advances paid to suppliers and goods sold on credit to customers.

Thirdly, it has to be understood that credit growth is not weak because of the weak balance sheets of either borrowers or lenders. Corporate leverage levels are at decade lows. Among lenders, banks as well as non-banking finance companies (NBFCs), leverage is at all-time lows.

Why credit growth is going to increase in the future?

With the “account aggregator” model now underway. It will allow users to share digital data about their financial and economic transactions with potential lenders, penetration should rise further. That means an increase in the Credit to GDP ratio.

30. Is monetising public assets a good idea?

Source: This post is based on the article “Is monetising public assets a good idea?” published in The Hindu on 3rd Sep 2021.

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

Relevance: Regarding Asset Monetisation programme launched recently by the govt.

Synopsis: Two experts, viz. Montek Singh Ahluwalia (MS) and Professor Ajay Shah (AS), share their views over Asset Monetisation programme of the government.

Background

- Read here: [National Monetisation Pipeline \(NMP\) project – Explained](#)

How can govt go about monetising operational assets?

Both experts mention ways in which govt can pursue monetisation of assets:

MS	AS
<p>We need more infrastructure, but the public sector simply doesn't have the resources to build it. Also, we have huge value embedded in existing infrastructure. So, why not realize that value and let the public sector use the resources to build the infrastructure we need. There are two possible responses.</p> <p>Let pvt sector build: One, for new infrastructure, one can think of bringing in the private sector, set up a contractual framework for what it has to do, and then let it bring its own resources.</p> <p>Govt builds the asset and then the asset is sold: The second is to recognize that there are more risks in the construction stage, and it is perhaps better to let the public sector build the asset and then sell it off to private players or if not an outright sale, let the private sector manage it.</p>	<p>The government does not have the capacity to enter into contracts and deal with contract negotiations and difficulties. Similarly, many parts of the development process are difficult for private sector people to solve. Here's a way out:</p> <p>Early development by the govt and then asset is sold: Government should do the early development of infrastructure, which is the high-risk phase, create an operating asset, and then sell the asset off to private people. So, the asset goes off the public balance sheet and into the private balance sheet.</p> <p>The money collected by the government can go back into developing new assets. There is merit in this thought process given the constraints of state capacity in India.</p>

Why the govt chose asset monetisation over outright privatisation?

MS	AS
<p>We should do both monetisation and privatisation because we don't know what's best. One reason that the government might not want to do outright privatisation is if it involves the transfer of a scarce resource like land. It's easier to justify a 30-year lease because at the end of that lease the land stays with the government. In another context, if the land is of no great value, you could simply hand it over.</p>	<p>Sale of an asset is much more practical rather than a reduced state domination</p> <p>Ownership of an infra asset means private sector will take more care of it and put efforts to make it a high-quality asset.</p> <p>Entering into a complex contract with a govt involves great risk because the Indian state is not a great party to have a contract with. So, a clean asset sale puts an end to the complexity of government interference.</p>

Can we ensure that there's no asset stripping by pvt investors?

Asset stripping means selling assets at a profit without regard for the company's future. In this case, it means that after the contract period is over (let's say 30 years), then the incentive for a

pvt sector player to put money into the asset, to ensure that it remains productive even after the contract period ((in 31st, 32nd and 33rd year) goes down. This doesn't happen when the asset is owned by the private sector player.

MS	AS
Preventing asset stripping can be done via: Renewal of lease before it ends: One option would be that you allow a renewal of the lease even before the lease ends. But then we need a competitive process there.	The question is how much complexity you want to build into a contract. Private sector is not comfortable entering into complex contracts with the Indian state. Now, that doesn't mean that outright sale is easy. With an outright sale, we will still have a government regulator, and we will face the problem of regulatory capacity. The trade-off is about the cost of building regulatory capacity versus the cost of building contracting capacity .

31. Our export efforts hold the key to growth in the quarters ahead

Source: This post is based on the article “**Our export efforts hold the key to growth in the quarters ahead**” published in **Livemint** on **3rd September 2021**.

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

Relevance: Role of Exports in stimulating Economic growth.

Synopsis: India's growth hope in the immediate future is dependent heavily on exports.

What are the challenges that impact export promotion?

Issues in remission of duties and taxes on exported products (RODTEP) scheme structuring:

Under RODTEP, Steel, pharma, and chemicals get no rebate at all, although many products using these inputs do. This kind of cross-sectoral unevenness can get India into trouble with the World Trade Organization (WTO) once again.

The scheme looks like a subsidy to selected sectors disguised as duty rollback. The scheme is not available across all sectors without exception.

Shortage of sea-borne containers: A crippling shortage of sea-borne containers has affected the use of key large-volume products in the Indian export basket (tea, basmati rice, furniture, garments).

What are the suggestions?

Firstly, the excluded products under RODTEP need the rebate if they are to survive in a fiercely price-competitive global market in the months to come.

Secondly, two policy actions are immediately necessary. At a time when container rates have shot up, there is surely a case for a **sea-freight subsidy** for a limited period. Even more urgently, the estimated 25,000-30,000 containers locked up at different ports owing to customs disputes need to be unloaded into warehouses and these containers freed.

Why the recently announced NMP cannot be relied upon for growth prospects?

Firstly, in the current setting, the **National Monetisation Pipeline (NMP)** announced in the Union Budget, will not provide any immediate help in economic growth. Because there are several procedural stages for each monetized asset, that **makes revenue realisation** difficult. Also, it is intended to provide only a small part of the infrastructure expenditure budgeted for

the year. Hence, it is the exports that will have to drive growth. Monetization is merely a funding source.

Secondly, there are other concerns with NM. The scheme offers a participation incentive to states with a 33% matching transfer from the Centre for revenues that states realize under the scheme. This matching transfer could result in, states under-achieving the potential value realizable.

Thirdly, it must be remembered that the most attractive schemes can sometimes fail to find appeal among all states. For instance, the NMP document refers to **the Scheme for Special Assistance to States for Capital Expenditure** announced in October 2020. It offered states an interest-free loan with repayment after 50 years to complete stalled capital projects, or settle the outstanding bills of contractors. The only constraint was that the funds had to be used by the end of March 2021. However, Tamil Nadu did not sign on for its share of ₹351 crore.

Fourthly, legal pitfalls could limit the potential of NM. Hence, the NMP demands clear and well-thought-through processes, with sufficient transparency and safeguards in the form of regulatory structures.

32. Digitalize all supply chains to unlock trade efficiencies

Source: This post is based on the article “**Digitalize all supply chains to unlock trade efficiencies**” published in **Livemint** on **3rd September 2021**.

Syllabus: GS3: Awareness in the fields of IT

Relevance: Issues with the logistic sector in India, need for digitalization.

Synopsis: India has risen on the World Bank’s Ease of Doing Business Index from 77 in 2018 to 63 in 2019 across 190 countries. Its 68th rank in “trading across borders” can be improved upon through **digitalization**.

Introduction

In the age of the fourth industrial revolution, India must **digitalize supply chains to reduce inefficiencies, improve transparency, reduce logistics costs**. It will enhance the overall global competitiveness of Indian industries, especially small and medium enterprises.

What is the need for digitalization of the supply chain?

Higher logistic cost: Logistics cost in India is estimated at around **13% of gross domestic product (GDP)**.

In 2018, India’s rank on the **World Bank’s Logistics Performance Index** was No. 44 among 160 countries, below such countries as China (26), Chile (34), and South Africa (33).

No seamless connectivity: The interaction between importers and customs is not seamless. Data has to be submitted via a customs broker or authorized courier in most cases.

To ease governance: Digitalization will enable direct tracking and traceability and enhance tertiary processes like audits, financial transparency, and risk management through data feeds, collection and abstraction.

What are the steps taken by the government?

Digitalization measures: Initiatives such as the Goods and Services Tax Network, GST, have been game-changer in improving the experience of importers, exporters, and logistics service providers.

Apart from ICES 1.5 and **ICE GATE**, new developments like the **Express Cargo Clearance System** for express delivery and **Single Window Interface for Trade** for electronic data

interchange across multiple agencies involved in customs clearance have also eased business processes.

The Central Board of Indirect Taxes and Customs has launched its **eSanchit** mechanism for paperless processing and the uploading of supporting documents to facilitate trade.

Steps taken by the private sector: For example, **DHL Import Easy Tool** is a first-of-its-kind website-based platform. It globally offers a single interface where importers can view and manage all their transactions pertaining to the import process in real-time.

It is being piloted in India and is designed to be **a one-stop intuitive platform for importers**.

What are the suggestions to improve digitization?

First, the Indian industry must **develop and integrate innovative tools** and India's government should facilitate their use and secure technology interfaces in partnership with the industry for their implementation.

Second, companies can be given **some incentives to adopt digitalization**. For example, subsidizing logistics costs.

33. From Legs to Minds – ” On Software industry in India”

Source: This post is based on the article “**From Legs to Minds**” published in **India Express** on **3rd September 2021**.

Syllabus: GS3- Growth, Development, and Employment

Relevance: Software industry in India.

Synopsis: Regulatory simplicity allowed Indian software services and start-up ecosystems to flourish. Hence, to grow, India needs to **cut regulatory cholesterol** and spend the next 25 years unleashing the entrepreneurial energies of 1.3 billion Indians.

Introduction

In 1893, during a sea journey to attend the **World Parliament of Religions** and a Technology Expo, **Swami Vivekananda** convinced Jamsetji Tata that technology can be imported, but scientific temper cannot be bought and must be built within a country.

Evolution of the Indian software industry:

Role of Jamsetji: Jamsetji set up the Indian Institute of Science in Bangalore. **Technology-encouraging culture** at the Tatas pioneered India's software industry in the 1960s.

Software exports: India now exports more software than Saudi Arabia does oil. Covid and recent Chinese events have increased India's attractiveness to global investors.

Big reforms: like GST, MPC, and IBC. The PM announced on Independence Day that 15,000 of our current 69,000+ employer compliance and 6000+ filings have been identified for removal. This abolition will **accelerate formal employment and reduce corruption**.

Why did the manufacturing and software industries develop differently?

Regulatory cholesterol: It is one of the reasons why it took 72 years for 1.3 billion Indians to cross the total GDP of 66 million Britishers.

Role of SEZ and STPI: STPI's genius was simplicity. It allowed rebadging existing assets, embraced trust over suspicion, and **adopted self-reporting** that was largely paperless, presence less, and cashless.

SEZs largely replicated the regulatory cholesterol and **distrust** that has made India an infertile habitat for employment-intensive industries.

How has regulatory simplicity resulted in the development of the Indian service sector?

India's software services and tech startups are built on openness, consistency, and fairness. China's magnificent 80 times rise in per-capita GDP over 40 years has also been built on these principles.

Development economics outlier: Few models predict a \$2,500 per-capita income country with five million people writing software, internet data costs per GB at 3 percent of US levels, 1.2 billion people empowered with paperless digital identity verification, and a \$3 trillion public market capitalization.

High productivity: 0.8 percent of India's workers generate 8 percent of GDP. The mandatory global **digital literacy program and digital investment super-cycle** sparked by Covid in education, medicine, shopping, office work, payments, restaurants, and entertainment will **double our software employment** in five years.

Hub of start-ups: India's software industry's talent, alumni, and startups have raised over \$90 billion since 2014 from 500+ institutional investors.

India's software services industry and tech startups each are estimated to be worth about \$400 billion today. By 2025, India's startup universe value will grow to \$1 trillion.

Key suggestions:

First, **build on the resources represented by our young** because, without their involvement, we cannot succeed.

Second, to increase our prosperity we need **massive formal, non-farm job creation**, regulatory trust, and simplicity that our technology industry enjoys in the rest of our economy.

34. Chipped & vulnerable: GoI must make public investments to encourage private manufacturing in strategic semiconductor industry

Source: This post is based on the article "**Chipped & vulnerable: GoI must make public investments to encourage private manufacturing in strategic semiconductor industry**" published in **The Times of India** on **2nd September 2021**.

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

Relevance: The article explains the recent shortage of semiconductors.

Synopsis: There is an urgent need for India to scale up the manufacturing of semiconductors.

Introduction

India's automobile industry is facing a major shortage of semiconductors. The supply situation isn't expected to ease any time soon. That's mainly because chip manufacturing is concentrated in a few countries.

Why there is a shortage of semiconductors?

The semiconductor shortage today is a **result of multiple factors**.

These include the rapid **growth of 5G Technology**, the **ever-growing need for greater computing power**, the Covid pandemic induced **demand for information communication technology and digital entertainment products**.

Private firms **cannot easily set up manufacturing plants** to produce semiconductors. Establishing foundries is **hugely capital intensive and has a gestation period of up to three years**.

What has India already done?

India invited proposals from semiconductor companies to set up the industry in December 2020. The government also offered **more than \$1 billion in cash incentives** to each semiconductor company that sets up manufacturing units.

What should India do to improve the availability of semiconductors?

India should **increase the base for semiconductor manufacturing** and also has to **formulate policies to promote domestic chip manufacturing**.

India should follow the US, China and South Korea's path. These countries invested huge public money on-chip manufacturing.

35. Govt-industry talks on proposed FTAs with EU-Australia at premature stage

Source: This post is based on the article "**Govt-industry talks on proposed FTAs with EU-Australia at premature stage**" published in **Business Standard** on **4th September 2021**.

Syllabus: GS3 – Issues related to External sector

Relevance: Free trade agreement and Exports

Synopsis: FTAs are important for boosting exports and India should try to take a step in the right direction by signing mini trade deals.

Introduction

According to sources from Industries, discussions with the government regarding proposed trade deals with the United Arab Emirates (UAE) and the United Kingdom (UK) have already kicked off.

India hopes to kick-start FTA negotiations with the UK by the end of December. Recently, a joint statement by **India and UK** said that they agree to be ambitious in the forthcoming FTA negotiations.

As far as the **UAE** is concerned, India is aiming to finalize a comprehensive trade deal by December.

Must Read: [Free Trade Agreements – Explained](#)

However, with respect to countries such as the **European Union (EU)**, **Australia**, the discussion with industry is at a premature state.

With regard to **U.S**, it has indicated that it is not considering a new trade agreement with India.

How FTAs with EU, the US, Australia, and the UK will benefit India?

Make India's exports competitive: Currently, Indian is losing out to other manufacturing competing nations like Bangladesh, who currently have a 10-12 per cent price advantage due to their **concession agreement** with countries such as the UK. Hence, FTAs with the EU, the US, Australia, and the UK would be a win-win situation.

What is the way forward?

According to Industry Experts, signing mini trade deals can be a good strategy to begin with, before signing a full-fledged deal. Till now, India has signed an **early harvest deal** with **Thailand** and **Singapore**.

Early harvest agreement can be a good strategy because first it will help us to start the FTA in a limited way. Over a period of time, as industries give more negotiating room to the government, the list can be expanded.

36. [What ails India's coronavirus genome sequencing system](#)

Source: This post is based on the article “[What ails India's coronavirus genome sequencing system](#)” published in **Down to Earth** on **4th September 2021**.

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

Relevance: Applications of Biotechnology

Synopsis: Sequencing and analysis of the novel coronavirus, a crucial step in infection containment strategy, declined sharply in India, even as cases of the resultant disease continued to rise.

Introduction

India formed the **Indian SARS-CoV-2 Consortium on Genomics (INSACOG)**, a consortium of 10 genome sequencing labs, in December 2020 to boost efforts for genome sequencing. The number of labs involved in coronavirus sequencing since then has gone up to 28.

Despite government efforts, the number of coronavirus samples sequenced and analysed in the country **went down by 76%** in July.

Must Read: [What is genomic sequencing?](#)

Whereas, the United Kingdom and the United States have sequenced and shared data for 866,000 and 755,000 samples already, according to GISAID, a global, open-access online repository of genomic data. India has sequenced only 82,000 samples, a meager **0.2%** of its cumulative cases.

More than 100 countries have sequenced a greater share of samples than India.

Must read: [How Genome sequencing works?](#)

How new guidelines hampered the process of sequencing and analysis of the novel coronavirus?

Initial guidelines from the central government aimed to analyse 5% of all positive samples from each state. This method is known as ‘**randomised surveillance**’.

However, four months later, the government decided to change the policy. Only 300 samples were decided to be sent from every state to genome sequencing labs every month. This is called ‘**sentinel site surveillance**’.

The government justified the move saying, as cases were rising exponentially at that time, a 5% sequencing would put a lot of load on the sequencing labs. Further, the revision was according to the World Health Organisation (WHO) standards for genome sequencing.

What is the WHO's recommendation in this regard?

WHO never discouraged **random surveillance** and even said it is the more sensitive method. WHO has suggested **Sentinel surveillance** to be adopted by countries that have ‘minimal lab capacity. Further, WHO had outrightly said that Sentinel surveillance might not be the best representation, contrary to what the government claimed.

What issues and challenges are faced by India's coronavirus genome sequencing system?

Firstly, only two states (Maharashtra and Kerala) have genome sequencing facilities of their own. The rest of the country has to send samples to INSACOG labs run by the Centre.

Secondly, it is difficult for a country as big as India to sequence a greater number of samples due to a high caseload.

Thirdly, according to scientist working at an INSACOG lab, many labs, do not get an adequate number of quality samples either in time or with scientific parameters intact.

Fourthly, India has long turnaround time. The UK with 410,000 sequences had uploaded raw data within 16 days on an average. Whereas, India takes about 57 days

Why the sequencing data needs to be in public domain?

The WHO has informed that the data of any sequencing done anywhere in the world should be submitted to open-access platforms like GISAID. This will allow a sequence done in one part of the world to be looked at by the global scientific community.

If sequences are not shared in the public domain timely, it may **defeat the purpose of sequencing** because by the time the sequence is uploaded, it would have undergone several mutations.

Also, a scientist outside the government setup will not be able to see the nature or location of mutations in the genome sequence of the virus unless raw data is posted.

37. From Four to 500: How citizens joined naturally to save nature in Kharghar

Source: This post is based on the article “**From Four to 500: How citizens joined naturally to save nature in Kharghar**” published in **The Times of India** on **4th September 2021**.

Syllabus: GS 3 – Conservation of Biodiversity and Environment

Relevance: Social initiatives to save nature.

Synopsis: A small group of dedicated volunteers has managed to save Kharghar wetlands.

Where is Kharghar wetland located?

It lies within Navi Mumbai. It is home to multiple species with natural environments like hills, green mangroves and lush grasslands.

Why this wetland was in danger?

Kharghar lakes were in danger of being encroached on and built over by brick kilns, shrimp farmers and slum extensions. The other reasons were human-made factors like man-made fires, air pollution from chemical units and brick kilns etc.

What conservation efforts helped in saving Kharghar?

Word of mouth communication & use of Social media: This mode helped to encourage people to join the efforts. Conservators grew into a big group, with IIT researchers, photographers, animal activists, retired officials, birders, writers, lawyers etc.

Help from officials: The help of officials of the Forest department, Municipal Corporation and other state agencies were taken for guidance and administrative support.

Judicial steps: Bombay High Court-appointed mangroves and wetlands protection panels to ensure that local spots rich with biodiversity receive protection and care.

Regular Checks: This was done to pre-empt encroachment and avoid illegal activities like quarrying, lighting fires on the hills or dumping debris in the water bodies.

Collaboration: Events have been organised around Kharghar’s natural treasures and collaboration with similar citizens groups.

What was the result of these conservation efforts?

Due to the above-mentioned activities, three Kharghar wetlands are included in the National Wetlands Atlas. Further, they also got listed in the Collector's protected list.

Kharghar wetlands and hills group has also documented over 200 bird species like smooth-coated otters, black-headed ibis, painted storks and several IUCN Vulnerable category birds.

38. Delhi government shouldn't congratulate itself on CCTV coverage

Source: This post is based on the article "Delhi government shouldn't congratulate itself on CCTV coverage" published in the **Indian Express** on 4th September 2021.

Syllabus: GS 3 – Challenges to internal security through communication networks

Relevance: This article explains the challenges associated with the installation of CCTVs.

Synopsis:

Rather than deterring crime, the surveillance projects compromise women's safety and the liberties of all citizens.

Introduction

Recently the Delhi government has reported that Delhi beat cities like Shanghai, New York and London with the most CCTV cameras per square mile across the world. The government has also mentioned that Delhi has 1,826 CCTVs per square mile, ranking it above 150 global cities. The first and foremost reason provided by the Delhi government for the mass installation of CCTVs is to **improve public safety**.

Does CCTVs reduce crime and improve public safety?

There is **no public data available on how CCTVs contribute to a reduction in violent crimes or make policing more efficient**. Similarly, there are **no feasibility reports or any evidence-based research** to support such a massive installation of CCTVs.

A Comparitech study mentions that "a higher number of cameras just barely correlate with a lower crime index." Another study from the Internet Democracy Project in Bengaluru reveals that **CCTV footage had not helped in even a single case of sexual harassment**.

What are the other challenges associated with the installation of CCTVs?

The longevity of the CCTVs: The CCTVs will require fixed one-time costs and will include replacement, repairs, maintenance, provision of internet and electricity. An audit by the CAG points out that, of the 3,870 CCTVs installed by the Delhi Police from 2008 to 2015, feeds are available only for 22-48 per cent.

No legal framework: There is no underlying legal framework for the use of CCTVs. In Delhi, all that exists is a **one-page standard operating procedure (SOP)**, issued by the Public Works Department of Delhi. The SOP also does **not contain any data protection principles or security practices**.

The cost of the project: Delhi government spent almost ₹1200 crores for the installation. Apart from Delhi, other Indian cities such as Chennai, Mumbai are also pursuing the surveillance race. They're also spending huge money on installing CCTVs. This money can be used for other better purposes.

Efficient in curbing individual rights: Internet Democracy Project study reveals that CCTV footages were **used to identify "troublemakers" to prevent workers from organising and**

demanding labour protections. This is **against the concept of individual autonomy** as articulated by the Supreme Court in the **Puttaswamy judgment**.

China uses digital surveillance for behavioural modification and assigning a social credit score for individuals. India has to be cautious about promoting CCTV programmes, that undermine fiscal prudence and civil liberties.

39. **Drug debacle: Endangered vulture population still under threat**

Source: This post is based on the article “**Drug debacle: Endangered vulture population still under threat**” published in **Down to Earth** on 4th Sep 2021.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: Vulture conservation in India

Synopsis: India’s vulture populations are not safe; they are still small to recover quickly and will not survive another catastrophic event.

Introduction

Vultures were quite common till the 1980s and are fighting to survive currently. Currently, seven species in Africa and eight species in India are threatened with extinction. India has lost 99% population of the three species, **White-backed Vulture**, **Long-billed Vulture** and **Slender-billed Vulture**. The **Red-headed** and the **Egyptian Vulture** populations have also crashed by 91% and 80% respectively.

This catastrophic decline has been attributed to the use of diclofenac, a non-steroidal anti-inflammatory drug (NSAID) in veterinary practice during the 1990s.

Must Read: [The clean-up crew we need \(On vulture conservation\)](#)

Why is vulture more vulnerable?

Though the usage of diclofenac in India has reduced considerably now, it is continued to be misused in some places. Moreover, vulture population is more vulnerable because:

Small population: Population is still small to recover quickly.

Slow breeding: Also, vultures are slow breeding birds, laying only one egg a year and having a longer immaturity duration after fledging. The remnant population will only double after 10-15 years without the occurrence of any adverse events.

Availability of other NSAIDs: Other NSAIDs like aceclofenac, ketoprofen, nimesulide, etc., that are harmful to vultures are still available for veterinary use in India. Aceclofenac metabolizes into diclofenac and is much more toxic to vultures.

What steps should be taken?

Check toxicity & use of NSAIDs: In the revised **National Vulture Conservation Action Plan (2020-2025)**, the government plans to set up eight new captive-breeding centres (eight are functioning). But without a check on the toxicity of NSAIDs and their use (misuse of diclofenac), releasing the captive-bred populations in the wild will not be considered feasible.

With more **robust policies and enforcement of rules** that are immediate, we can safeguard the remnant vulture populations in the country.

With **better practices, collective motive to change human behaviour** and the usage of safe drugs for cattle treatment, we can save vultures from extinction.

40. National monetization pipeline betrays narrow outlook

Source: This post is based on the following articles:

- “**National Monetization Pipeline and the infrastructure deficit**” published in **The Hindu** on **6th Sep 2021**.
- “**National monetization pipeline betrays narrow outlook**“ published in **The Indian Express** on **6th Sep 2021**.
- “**The incredible certitude of our asset monetization programme**” published in **Livemint** on **6th Sep 21**.

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

Relevance: On Asset monetization programme

Synopsis: Monetisation of assets to generate value is a step in the right direction, but the underlying problems and challenges that led to underutilization of these assets need to be ascertained too. Proper execution of NMP based on a policy which is refined gradually as per the feedback received is the way forward.

Background

Read here: [National Monetisation Pipeline project – Explained](#)

What are the problems with the NMP?

Poor record on privatization: The record on privatization of the Indian government has been abysmal. Every year, a massive disinvestment target is set and then missed. Alternatively, public sector companies are pushed to buy other public sector firms and that’s passed off as disinvestment.

Examples:

The privatization process of Air India has been on for a few years and so has talk of privatizing public sector banks.

The **initial public offering of Life Insurance Corporation (LIC)** of India, which finance minister spoke of in her budget speech of February 2020, is still a work-in-process.

In the recent case of **Indian Railways** trying to attract private players to run 150 trains, the plan failed because private operators feared continued government interference.

Hence, when privatization of assets is not being achieved easily, the idea of monetizing assets through operational leases is much more difficult to execute.

Moreover, the bulk of **litigation in the courts** consists of cases in which the government is a party.

Underestimation of the potential of public assets: NMP views public utility assets through the narrow lens of finance only and, thereby, underestimates their potential contribution to public welfare. It absolves the government from the responsibility to unlock the intrinsic social value of these assets.

No built-in safeguards: NMP is designed to attract rich financial institutions (PE firms) and industrial groups due to high valuation of assets. The result will be a deepening of the concentration of capital and existing inequalities. There will be economic and social implications. The model does not build in safeguards to manage or mitigate these implications.

Structural problems: The government should have identified as to why have these assets been so poorly managed. Was it because of bad leadership, inadequate talent within the PSEs, and/or systemic and structural shortcomings? The low productivity, in most cases, is because

their PSE operators have faced a combination of systemic hurdles related to weak dispute resolution mechanisms; regulatory problems; lack of transparency in governance; pricing distortions and intrusive bureaucratic intervention. Until and unless these systemic problems are addressed, the private sector will find it difficult to harness the full value of the assets and the transfer of operatorship to them will offer at best a partial solution.

What steps must the govt take?

Independent regulators: The sectors where government assets are being monetized need independent regulators.

No excess litigation: The government needs to stop being a happy litigant.

Addressing structural problems: If the systemic problems with PSEs get addressed, they could well be the better custodians of the assets. This is due to the fact that the government being the majority shareholder will have presumably mandated them to look beyond just the accumulation of financial value.

41. Another IBC fix? (On a Code of Conduct for CoC)

Source: This post is based on the article “**Another IBC fix?**” Published in **Business Standard** on **6th September** 2021.

Syllabus: GS3 – Issues related to banking sector in India

Relevance: Corporate insolvency

Synopsis: Regulator’s proposal for code of conduct for the Committee of Creditors (CoC) deserves scrutiny.

Introduction

The Insolvency and Bankruptcy Board of India (IBBI), has issued a discussion paper on the corporate insolvency resolution process and invited comment on its suggestions.

What is the issue?

CoC is unregulated, since the members of the CoC are typically from highly regulated sectors such as banks. However, lack of regulation has led to **lack of accountability**. For instance, Recently, Appellate authorities have raised questions about “**capacity and conduct**” of the CoC, and that its responsibility when it comes to choosing the proper market-based resolution. Even, the more recent IBBI’s discussion paper has stated that, the committee of creditors (CoC) looking after the IBC process “**functions in an unregulated environment**”.

What are the IBBI’s recommendations in its discussion paper?

Code of conduct for the CoC: The IBBI paper **proposes a code of conduct for the CoC** that it claims will create accountability, through broad ethical principles. It is in line with the suggestion made by **Parliamentary Standing Committee on finance** that suggested for a code of conduct for the CoC recently.

Effective bidding process: The paper further points out the frequent revisions of the resolution plans have caused “delay and uncertainty” and argues that new bidding processes such as the Swiss Challenge should be used. (*Under the Swiss challenge mechanism, any third party would be permitted to submit a resolution plan for the distressed company. Then, the original applicant would have to either match the improved resolution plan or forgo the investment*)

Why a code of conduct is needed?

Some actions by CoCs in the past show how their accountability to their investors might clash with the overall interests of the IBC. Such actions include the acceptance of last-minute resolution plans and of one-time settlements by former promoters under Section 12A of the IBC etc

Why a code of conduct might not be the solution?

It is far from certain whether a code of conduct would speed up the insolvency process or lead to further delays, as the CoC might be challenged at any time for failing to follow some aspect of the code.

While principle-based regulation is better in theory, in practice there might be some concern that it **would lead to regulatory creep** (*Regulatory creep arises when the rules are unclear – when there is confusion about the standards, guidance and regulation. People are left not knowing what is expected of them, what constitutes compliance with the law*)

Further, a code of conduct for CoCs that are often dominated by public sector banks **runs in conflict** with a more basic problem of accountability – **Banks themselves are only insufficiently accountable because of state control.**

What is the way forward?

IBC has been undermined because of misuse of clauses such as Section 12A. It is a reflection of the poor governance within the banks that led to the growth of bad loans in the first place. A code of conduct might be one step towards improving the IBC, but until **bank governance** is addressed it will not fix the real problem.

Terms to know:

- [IBBI](#)

42. Public sector banks and corporate governance

Source: This post is based on the article “**Public sector banks and corporate governance?**” published in **Business Standard** on **6th September 2021**.

Syllabus: GS3 – Issues related to banking sector in India

Relevance: Governance of Public Sector Banks (PSBs)

Synopsis: Issues that are hampering the performance of PSBs, consequences, and the way forward.

What are the issues affecting the performance of PSBs?

Delay in appointments of CEO's and MD's of PSSBs: In the recent past, after the MD and CEO of Bank of Baroda stepped down, his successor took charge after 100 days. Whereas, in the case of Union Bank and Dena bank, it took 264 days, 262 respectively. Except for Bank of Baroda, none of the 11 PSBs, in the group of nationalised banks, currently has a chairman (non-executive though).

Inadequate board of directors: Most of the nationalised banks do not have an adequate number of directors on their boards.

Under the Banking Companies (Acquisition and Transfer of Undertakings) Act, every government-owned bank should have whole-time directors (MD and CEO, and EDs). They are to be appointed by the central government after consultation with the Reserve Bank of India (RBI).

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They should also have one director **nominated by the central government** and another, with necessary expertise and experience in regulation or supervision of commercial banks, from the **RBI**.

Apart from this, there are directors who are experts in the field of agricultural and rural economy, banking, co-operation, economics, finance, law, small scale industry, and a chartered accountant. However, at least **60 such positions were vacant, at least for a few months**.

Finally, representatives from shareholders as well as workmen and officers are supposed to be on such bank boards. At the moment, probably no PSB has any director from workmen or officer employees on its board.

Non parity in tenure of PSB chiefs and Private bank: A private bank can be run by a CEO till the person is 70 years old, whereas chief of a PSB have to step down at 60, barring the State Bank of India.

Non parity in salary of PSB chiefs and Private bank: PSB chief does not receive market-based salary. The annual earnings of a non-executive chairman of a PSB is capped at Rs 10 lakh, inclusive of fees for attending board meetings. This is way below the compensation of the chairman of any private bank.

Other issues: These include the inability to directly recruit young talent from business schools because of various court judgments, the fear of investigative agencies, the L-1 formula that requires PSBs to buy everything, from tea to technology, from the lowest bidder, not the best one.

What are the negative consequences?

While the whole-time directors run a bank, others called **non-official directors** or NoDs (another name for independent directors) are critical in formulating strategies and ensuring governance.

In the absence of the required number of NoDs, many PSBs are **not able to meet the quorum** at the meetings of critical sub-committees of the board.

What is the way forward?

Implement the recommendations: More than a decade back, in June 2010, the finance ministry had appointed a committee on HR issues of PSBs.

It had made 105 recommendations on performance management, capability building and freedom for banks to increase variable compensation and offer stock options, among other things. The government accepted 56 of these recommendations, leaving out the key ones.

To improve governance of PSB's government needs to implement the recommendations made by committee on HR in true spirit.

43. [Millets could help India mitigate malnutrition and climate change](#)

Source: This post is based on the article "**Millets could help India mitigate malnutrition and climate change**" published in **Livemint** on **6th September 2021**.

Syllabus: GS3- Major Crops – Cropping Patterns in various parts of the country

Relevance: Significance of millets in India

Synopsis: India should incentivize the production of millets to enhance food security and score gains on climate resilience.

Introduction

In 2021, the United Nations General Assembly adopted a **resolution declaring 2023 the International Year of Millets**. It was proposed by India to the Food and Agriculture Organization (FAO).

How are millets significant for India?

Environmental and social benefits: Millets possess immense potential in the battle against climate change and poverty and provide food, nutrition, fodder and livelihood security.

Agri-growth: India is the largest global producer with a 41% market share. A compound annual growth rate of 4.5% is projected for the global millet market in the coming decade.

Restoration of ecosystems and sustainability: Land degradation has been a major problem in India. Drought-tolerant crops with low dependence on chemical inputs would put far less pressure on ecosystems

Biofuel and climate resilience: Millets also offer a significant cost advantage over maize as a feedstock for bio-ethanol production.

Addressing SDGs: Millet farming has led to women's empowerment. The Odisha Millet Mission saw 7.2 million women emerge as 'agri-preneurs'.

What steps have been taken by the govt?

Millet Mission: It was launched in 2018 as part of the National Food Security Mission, which has led to the promotion of **technological interventions, improvement in seed quality and a minimum support price (MSP)** for bajra and jowar.

Millet Network of India and the M.S. Swaminathan Research Foundation: both were involved in collective formation efforts to boost the domestic growth of millets.

What are the challenges?

Market and economic barriers: Unjust pricing and intermediaries have led to farmer distress. Market dynamics doesn't favour the growth of millets.

Barriers to growth: A rise in incomes and urbanization, together with inadequate government policies, has led to millets being used for **various purposes other than for consumption**.

What measures can govt take?

Incentivizing the adoption of inter-cropping and providing crop insurance: The inter-cropping of millets with other crops is beneficial because the fibrous roots of millet plants help in improving soil quality, keep water run-off in check and aid soil conservation in erosion-prone areas, thereby restoring natural ecosystems.

Re-introduction of cultural associations and festivals: such as the **North-East Network** in Nagaland organized in 2020 and Mandukiya in Vishakhapatnam celebrated annually in June/July, has helped promote the growth of millets.

In 2018, **the #LetsMilletCampaign** in Bengaluru saw the experimental use of millets in dishes such as risotto and pizza by restaurateurs.

State support: The Odisha Millet Mission has reportedly managed to motivate about 70,000 farmers to take up millet farming as part of this programme.

44. Carbon neutrality powered by AI

Source: This post is based on the article “**Carbon neutrality powered by AI**” published in **Business Standard** on **6th September 2021**.

Syllabus: GS3- Awareness in the fields of IT

Relevance: Application of AI

Synopsis: Countries like India, which are leading the adoption of climate change measures, will have to encourage energy companies to embrace higher levels of AI usage.

Introduction

As the world pushes to **mitigate the impact of climate change**, it will have to rely much on emerging technologies.

The foundational shift of energy transition from fossil-based to renewables will have to be done at scale for any positive impact on the environment.

A new report by **World Economic Forum (WEF)** says that the transition to low-carbon energy can be accelerated and deepened by focused application of [artificial intelligence](#).

How can AI help in accelerating transition to a low-carbon economy?

Increasing efficiency: The supply of renewable energy is increasing in grids which have been built for fossil fuel-based power. The time for setting up renewable power generation is much less than for setting up transmission and distribution lines. As a result, existing electricity grids will have to be managed with far more efficiency to cope with rising supply and usage of renewable energy.

AI can help in management of existing electricity grids with more efficiency to **cope with rising supply and usage of renewable energy**.

Optimization of the lifecycle of existing grid infrastructure. Renewable energy is not a steady supply, since it depends on weather conditions. Solar works on sunny days and wind turbines when there is a strong breeze. Such intermittent supply of renewables poses **problems for managers** in maintaining stability of energy passing through the grid.

To deal with unanticipated scenarios: There are several problems which can hurt grids when intermittent power increases. These include **power frequency imbalances, blackouts and brownouts**, and significant capacity overbuild. With predictive analysis, AI can anticipate the amount of power that will reach the grid by combining weather conditions with supply parameters. **AI will allow grid managers to be prepared** rather than be impacted by unanticipated surges in supply.

Manage overloading: In future there will be vastly more physical assets connected to the power grid and the distribution grid, and power flows will become dynamic and multidirectional.

Track usage in real-time: In the future, there will be vastly more physical assets connected to the power grid. For example, the rise of energy storage in batteries means that some of this power can be reused when required. A household can have the option of switching between battery power, on-site solar source and the grid based on the situation. Similarly, for individuals, AI can help decide when to charge electric vehicles. AI can decide the charging time and duration based on peak or off-peak rates. Such **switching at a large scale across millions of homes will require an AI platform** to track usage in real-time.

AI can help in efficient designing and location of solar, wind and other renewable farms: According to German Energy Agency, 56% of power generation could be provided by solar and wind in 2050. This would need huge investments in power grid by 2050. Power system costs would be higher if intelligence automation systems are not used.

45. Drone's Economic Impact Will Match Internet's

Source: This post is based on the article “**Drone's Economic Impact Will Match Internet's**” published in **Times of India** on **7th Sep 2021**.

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

Relevance: Implications of recently notified drone rules 2021

Synopsis: The recently released new drone rules 2021 are centered around light-touch governance. The resultant progressive ecosystem will lead to opportunities in multiple sectors of the economy.

Background

Read here: [Drone Rules 2021 – Explained](#)

Must Read: [How new drone guidelines can give wings to drone startups?](#)

Where will **drones** work?

Once drones take off in full force, opportunities in the areas of **manufacturing** and **drone services** will be unlocked. Its potential as an **economic force multiplier**, however, will be unleashed on the back of a diverse value chain of industries that comes into play.

Hardware: In the manufacturing sector itself, there are hardware components which form the skeleton of a drone.

Software: Far more critical is the brain of the drone i.e. the software, which tells the drone where to go and what to do while flying from point A to B. Each of these components needs to be designed differently depending on the kind of drone application. For example, the algorithms for drones used in land mapping will be different from those of say, using drones for medicine delivery.

Post-flight analytics: Then comes a whole array of post-flight analytics of drone footage, for instance – advising farmers on yield improvement or developing digital property cards under the landmark SVAMITVA Scheme.

The economic benefits, therefore, can be unprecedented, given that by developing the drone industry, we also develop an entire ecosystem creating a **positive impact on multiple sectors**.

What are the positive spin-offs?

The emerging ecosystem would also trigger a **multiplier effect in employment**, as new job opportunities shall arise across the value chain, including but not limited to drone manufacturing, sales, insurance, pilots, counter-drone systems, drone repairs and so on.

It is worth noting that the impact will be widespread, **employing people with varying levels of education**. Even a 12th grader with a remote pilot licence could earn up to Rs 30,000 per month or more depending on her skill-set!

46. Hidden costs of renewable power in compulsory purchases of RE for discoms

Source: This post is based on the article “**Hidden costs of renewable power in compulsory purchases of RE for discoms**” published in Business Standard on 6th Sep 2021.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment

Relevance: challenges associated with a shift towards renewable energy

Synopsis: As India is pushing towards its renewable energy target, it also needs to look at the way the new capacity is being added and the existing power purchase mechanisms.

Introduction

India's renewable power programme, with tariff bids for solar power hitting new lows every few months, is coming up at the cost of thermal power. The idea is to do exactly that and replace the dirty carbon-fuelled coal power generation with green options. But the manner in which this is being achieved is raising costs for renewable power purchases.

Why coal-generated power is still necessary?

The importance of coal-generated power lies in **providing the base load** for a country as big as India.

Base load implies the bare minimum needed to keep the power grids functional and supply reliable, which is a challenge for renewable power.

For instance: In India, the base load necessity for coal was reflected in the recent crisis that gripped the power sector in August-end, with power stations reporting bare minimum coal stocks. The Union government instructed power producers to immediately go in for coal imports.

This experience during the receding monsoon season puts a question mark on whether the country's increasing reliance on renewable energy can improve the power supply situation for India.

Moreover, discoms have to pay more for green power.

Why the overall cost of buying green power is more?

Certain utility-scale renewables enjoy a "must-run" status. **Must-run status** means that power distribution companies (discoms) are obligated by regulation to pay for green power even if they do not need or use it. But this, in turn, means that a discom has to ask the thermal plant to back down. This translates to **paying for renewable power** and **also paying the fixed cost for thermal power**; so there is an enhanced cost for buying renewable power.

This reality behind the purchase of renewable power makes the overall cost of buying green power higher than the tariff at which it was agreed to be bought.

Note: 'Must-run status' means that utilities, state load dispatch centres (SLDCs) and distribution companies (discoms) have to prioritise the evacuation of the generated power from renewable energy.

What are the challenges?

States command leverage: The states feel that they should not pay a higher price when they have agreements with thermal units tied up for 25 years. Therefore, each time the discovered tariff for solar is lower than earlier, some discoms do not honor earlier green power purchase agreements (PPAs).

States also do not want to give up thermal Power Purchase Agreements (PPAs) signed even when they are trying to meet the country's target of 175 GW of renewable installed capacity. The reason being the cost it would entail because of contractual obligations.

The challenge at this stage of renewable power induction, therefore, is to see whether the low tariffs are truly reflective of the cost that state discoms additionally pay for thermal power they are not using.

What is the way forward?

A universal look at generation capacity addition and power purchase mechanisms is needed rather than just a source-based approach to power sector planning.

47. The long and the short of the NMP

Source: This post is based on the article “The long and the short of the NMP” published in The Hindu on 7th Sep 2021.

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

Relevance: On National Monetisation Pipeline (NMP)

Synopsis: Pertinent questions, in the light of the recently announced NMP, have been raised in the article. Questions are related to the impact of NMP on ordinary citizens, whether NMP was the only option before the govt, and whether public sector enterprises are actually inefficient.

Background

Read here: [National Monetisation Pipeline \(NMP\) project – Explained](#)

How will NMP impact the citizens of India?

Double taxation: With private companies getting the sole responsibility of running all these assets, from highways and railways to all the major utilities such as power, telecom and gas, the citizens of India would be double-taxed. First, they paid taxes to create the assets, and would now pay higher user charges. Private sector is geared towards profit maximisation, not social benefit. Therefore, as the Government prepares to transfer “performing assets” to the private companies, it has the responsibility to ensure that users are not charged very high prices. This critical dimension has not clearly been spelt out even in the NITI report.

Was asset monetisation the only option?

Since the proposed asset monetisation has resulted from the resource shortage faced by the Government, a pertinent question is whether there were other avenues that it could have been tapped for plugging the resource gap.

Increase tax revenue: One possibility was to increase the tax revenue. At 17.4% in 2019-20, India’s tax to GDP ratio was relatively low, as compared to most advanced nations. **Improvements in tax compliance and plugging loopholes** have long been emphasized as the surest way to improve tax revenue, but little has been done, on this front.

Example: Since 2005-06, the Government has been providing data on the profits declared and taxes paid by companies that file their returns electronically.

This data reveals that in 2005-06, **40%** of these companies had declared that they were not earning any profits, and this figure had increased to **over 51%** in 2018-19.

Further, the share of the reporting companies earning profits of ₹1 crore or less was 55% in 2005-06; this figure had declined to 43% in 2018-19.

These numbers show that India’s large companies have been exploiting the loopholes for reporting lower profits and to escape the tax net.

Are public enterprises inefficient?

According to NITI Aayog, the “strategic objective of the Asset Monetisation programme is to unlock the value of investments in public sector assets by tapping private sector capital and efficiencies”.

The NITI Aayog objective **assumes** that public sector enterprises are inefficient, which is contrary to the reality. In 2018-19, while **28%** of these enterprises were loss-making, the corresponding figure for large companies was **51%**.

So is it realistic to assume that the asset monetisation programme would deliver efficiencies?

48. [The e-Rupi could take us a long way towards financial inclusion](#)

Source: This post is based on the article “**The e-Rupi could take us a long way towards financial inclusion**” published in the **Live Mint** on 7th September 2021

Syllabus: GS3: Inclusive Growth and use of innovative technology to achieve it.

Relevance: Digital Payment systems

Synopsis: The payment-voucher system’s (e-RUPI) features make it ideal for programmes aimed at bridging the digital divide in India.

How has India progressed wrt digital payment ecosystem?

India has emerged as a leader in digital payments, with a manifold increase in such transactions in recent times. There are not many countries that allow digital transactions worth as low as one rupee.

The Universal Payments Interface (UPI), which was launched in 2016 to allow payments round the clock 365 days a year, has been very successful.

Recently, the **UAE** became the third country after **Bhutan** and **Singapore** to accept UPI payments outside India, which is an indication of the ease and efficiency of this system.

Must Read: [What is e-RUPI?](#)

What is hampering India’s vision of financial inclusion?

Despite a vibrant digital payment network, financial inclusion faces some bottlenecks in India:

Rural-urban divide both in terms of technology and access to banking infrastructure. For instance, a large gap still exists in terms of internet access. As per the latest data available from TRAI, there are 34.6 rural internet subscribers per 100 people in the country, as opposed to 104 in urban areas (as on end December 2020).

Digital disparity among states: Internet penetration also varies widely across states. Internet subscribers per 100 persons ranges from 210 in Delhi and 87.6 in Punjab to 40.8 in Uttar Pradesh and 32.9 in Bihar.

Inadequate banking facility to rural areas: Further, of the country’s total bank branches, 33.5% are located in rural areas, 27.5% in semi-urban, 19.3% in urban and 19.7% in metropolitan zones, as on end-June 2021. There are around 190 million unbanked citizens in our country, residing mostly in rural parts.

As the existing digital payment methods require a bank account and internet/smartphone, until these gaps are filled, complete financial inclusion will remain a developmental challenge.

Must Read: [How e-RUPI can transform government’s welfare schemes?](#)

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What is M-pesa and how it helped to tackle the issue of financial inclusion?

Most developing countries face similar challenges, and some of them have successfully tackled these through the innovative use of technology.

One such example is **M-Pesa in Kenya**, where 'M' stands for mobile and 'Pesa' for money. M-Pesa was introduced in Kenya as an initiative for financial inclusion geared towards its unbanked or under-banked population.

This is a virtual banking system that provides services through a SIM card with no requirement of internet access and bank accounts. It started as a means to buy airtime and make micro-loan repayments using the network of Safaricom airtime resellers.

M-Pesa later expanded to many other counties, and over time, it became a big player in the market for transferring or withdrawing money, saving or borrowing money, making merchant payments and paying bills.

Transactions worth half of Kenya's gross domestic product are carried out over M-Pesa, as reported by its central bank, and this platform claims over 49 million customers across Africa.

Must Read: [How e-RUPI can make welfare payments easier?](#)

How e-RUPI, similar to M-Pesa, can become a game changer for India?

Similar to what M-Pesa did in Kenya, e-Rupi has the potential to significantly boost financial inclusion in India. It is a solution to the twin problem outlined earlier.

No need of an internet connection: The e-Rupi system allows transfers of purpose-specific prepaid vouchers that need no debit card, credit card, mobile bank application, internet connection, etc, to be used. As envisaged, all that a person would need is a mobile number.

An e-Rupi voucher will be sent to the user as an SMS (for non-smartphone users) or QR Code (for smartphone users). This will enable particular digital payments, not just from phones to digital recipients, but also from digital senders to offline payees.

This contactless payment system is expected to be easy, safe and secure, as it promises to keep the **details of beneficiaries completely confidential**. The entire process is both reliable and fast, as these vouchers are preloaded with money.

Further, e-RUPI could be developed further to serve various other ends as well. The decision of Mswipe to include e-Rupi as a mode of payment, for example, is a step towards building a financial ecosystem based on it.

Other areas of application of e-RUPI: Read from here: <https://blog.forumias.com/how-e-rupi-can-transform-governments-welfare-schemes/>

49. India's digital architecture: From infrastructure to superstructure

Source: This post is based on the article **"India's digital architecture: From infrastructure to superstructure"** published in **Livemint** on **7th September 2021**.

Syllabus: GS3- Inclusive Growth

Relevance: Financial inclusion, ease of doing business for MSMEs

Synopsis: To support our ecosystem for financial inclusion, we need to factor in the enablers and account aggregation.

Introduction

India's asset monetization initiative, the National Monetisation Pipeline has garnered attention but other two recent initiatives which are far more substantive did not get their fair share of it.

One was the **Factoring Bill amendments** and the second is **Account Aggregator platform**.

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What is the significance of factoring?

Benefits to MSMEs: It will enable thousands of non-banking financial companies (NBFCs) to buy receivables from Micro, Small and Medium Enterprises (MSMEs).

Removing threshold: Conditions for NBFCs to engage in this business have been removed.

What is the significance of Account Aggregator platform?

Aggregator platform: Account Aggregators (AAs) are 'data access fiduciaries' who act as the front end of its Data Empowerment and Protection Architecture (DEPA).

Empowerment of user: Financial data is secured and can be accessed only with the **consent of the user and for purposes** the user had consented to. The data in AAs hands will be encrypted and can only be decrypted by FIUs.

AAs are trustees of data: With user's consent they can pass on data from financial information providers (**FIPs**) to financial information users (FIU).

Ease of doing business: To establish credit worthiness, AAs will collect data. Such as bank statements, insurance policies, mutual fund holdings, etc. Due to lack of information, lenders stick to collateral-based lending. With AA platform, that will change.

Financial inclusion: AAs can become agents of financial inclusion

How's govt acting as an enabler of Digital revolution in India?

Digital public goods: It started with the PM Jan Dhan Yojana (PMJDY) and Aadhaar. Recently, the Nasscom had brought out a report on India's digital public goods.

As per PwC, the **Unified Payments Interface** has taken the Indian payment ecosystem by storm. RBI notes that its Digital Payments Index rose 2.7 times in just three years after March 2018.

Citizen-centric services: In the West, **Digital goods** are in private hands and have become monopolies. Nasscom added that our digital platforms were **developed at low cost and are inter-operable**.

The Goods and Services Tax Network has been given in-principle approval to become a Financial Information Provider (FIP) on the AA network. The GST network is a huge repository of information that its being part of data network is a big plus for MSMEs to access finance.

Way forward

Now, **GSTN and TReDS** should make it automatic that if a buyer accepts an invoice for claiming input tax credit, then the invoice shall be deemed accepted for TReDS purposes too.

Lastly, the only thing that would be pending is an **amendment to India's MSME Act** to allow MSMEs to retain their classification until both sales turnover and investment criteria are exceeded, rather than any one of them. That will serve as a strong foundation for durable and long-lasting economic growth.

50. Protect Digital India: About the challenges associated with banning VPNs

Source: This post is based on the article "Protect Digital India" published in the **Business Standard** on 7th September 2021.

Syllabus: GS 3 – Challenges to internal security through communication networks.

Relevance: To understand the benefits of VPNs.

Synopsis: Understand the issues associated with banning VPNs.

Introduction

The **Parliamentary Standing Committee on Home Affairs** discovered that **VPNs** (Virtual Private Networks) **might conceivably allow anonymous activity online**. So, the committee recommended that the **Ministry of Home Affairs** collaborate with the **Ministry of Electronics and Information Technology** to develop a **coordination mechanism to block VPNs**.

What are VPNs?

A virtual private network (VPN) provides **online privacy and anonymity** by creating a private network from a public internet connection. VPNs mask a person's internet protocol (IP) address, so the online actions are virtually untraceable.

VPN services **establish secure and encrypted connections** to provide greater privacy than even a secured Wi-Fi hotspot.

For example, ExpressVPN, NordVPN, Surfshark, etc.

What are the challenges associated with these recommendations?

Against governance: If India banned VPNs, it would join the ranks of countries such as Russia, China, Belarus, Venezuela, Turkey, and the Gulf states. All these countries are not role models in terms of governance or freedom.

Economically disastrous: VPNs are **essential to the proper functioning of many modern businesses**, particularly in the **high-value-added services sectors**. The VPNs enable branch offices to be properly plugged into corporate networks and allow for employees to conduct transactions and approvals with proper data security.

Many proprietorial **trading platforms require the use of in-house VPNs** to connect and make trades.

Negative effect on telecom efficiency: Other countries with state capabilities that have tried banning VPNs have seen a big negative effect on overall telecom efficiency. For example, Iran's internet is slow due to its attempts to inspect internet traffic for anything that might be going through a VPN.

Against global practice: Attempts to block VPNs are not trivial efforts. **Even the People's Republic of China**, with a vast and well-trained bureaucracy dedicated to maintaining the Great Firewall, can only **block VPNs with low reliability**.

Against government practice: Over the past year, the Department of Telecommunications has successively liberalised the norms governing "other service providers". This enabled the service centres to properly integrate with international call and data networks using VPNs. This was expected to reduce costs and increase the competitiveness of the service sector.

So, the notion that criminals alone use VPNs is deeply fallacious, and the committee should reconsider its suggestions or the government can ignore the Parliamentary standing committee recommendations.

51. Decoding asset monetisation

Source: This post is based on the article "**Decoding asset monetisation**" published in **The Hindu** on **8th Sep 2021**.

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

Relevance: Regarding National Monetisation Pipeline (NMP) project

Synopsis: Govt recently launched its NMP project. The article throws light on what NMP exactly is and what it is not.

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Introduction

The National Monetisation Pipeline (NMP) is a bold initiative. But we should first understand what the NMP is and what it is not. The NMP is not about the sale of government-owned assets. It is not about privatisation or disinvestment. The proposal is to offer infrastructure assets that will continue to be owned by the government under a long-term concession agreement to interested private bidders.

How is NMP different from the PPP model of prev govt?

The NMP is very different from the previous govt's public-private partnership (PPP) infrastructure development of the mid-2000s.

PPP infrastructure development of the mid-2000s.	NMP
It was about attracting private parties to build, operate and then transfer 'greenfield' or new infrastructure projects under build-operate-transfer (BOT) concession agreements.	NMP is about leasing out brownfield infrastructure assets (such as an already operating inter-State toll highway) under a toll-operate-transfer (TOT) concession agreement.
The winning private bidder took not only the operating risk , but also the development and construction risk of the project, such as a toll road, from scratch.	Concessionaire does not need to take any of the construction risk.
It was a complex and messy process . It involved the acquisition of land, securing environmental and other regulatory approvals. All this led to a huge volume of disputes for which there was no readily available resolution mechanism.	The process promises to be much simpler and cleaner than what was required in the PPP programme. In such an arrangement, no acquisition of land is involved.
To be successful in the BOT bids required a proven ability to navigate and manage the system .	For success under the bidding process of the NMP, what will be required is operational experience in running a particular class of infrastructure assets and a strong understanding of the potential cash flows generated over the life of the concession.

What steps must govt take to ensure NMP's success?

Flexible contracts: Given the long tenure of these concession agreements for assets, they must be designed to allow for some flexibility so that each party has the opportunity to deal with unforeseen circumstances (such as climate-related disasters) and to prevent needless litigation.

Key performance indicators: Contracts must also incorporate clear key performance indicators expected of the private party and clear benchmarks for assets as they are handed over by the government in the start of the concession. This is key to avoiding disputes about potential additional capital expenditures that might be required to keep the asset operational.

Must Read: [National Monetisation Pipeline \(NMP\) project – Explained](#)

Effective implementation: No matter how well a contract is crafted, it still needs to be implemented effectively. Experience shows that there is a tendency for government departments to inject opacity into the implementation of concession agreements so that they have more power over the concessionaire. To avoid this, it would be useful if the responsibility for administering the concession agreements did not lie directly with the line ministries and/or their agencies.

Robust dispute resolution mechanism: It is vital to put in place a robust dispute resolution mechanism. An institution such as '3 PPP India', first mooted in the 2014 Budget, is needed. It would also be advisable to set up an Infrastructure PPP Adjudication Tribunal along the lines of what was recommended by the Kelkar Committee (2015) to create suitably specialised dispute resolution capacity.

The govt could start with sectors that offer the greatest cash flow predictability and the least regulatory uncertainty before expanding the experiment. It could also ensure that resources raised from the NMP are used to fund new asset creation under the National Infrastructure Pipeline. This will ensure credibility.

52. India's tryst with the promise of a hydrogen-fuel economy

Source: This post is based on the article "**India's tryst with the promise of a hydrogen-fuel economy**" published in **Live Mint** on **8th Sep 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution, and Degradation, Environmental Impact Assessment.

Relevance: Regarding Green Hydrogen

Synopsis: India is pushing towards cleaner forms of energy. Green Hydrogen offers an opportunity.

Background

Read here: [Green Hydrogen – Potential, issues and solutions](#)

What is the present global scenario of Hydrogen production?

The current global production of hydrogen of about 80 million metric tonnes, and is **almost wholly produced through fossil fuels**. It uses 6% of global natural gas and 2% of coal, and contributes a whopping 830 million tonnes of carbon dioxide.

Thus, this route to hydrogen is not optimal.

In the coming years, hydrogen might transcend from fringe to mainstream status. It is not for the first time that such dramatic transformations have been witnessed in India.

What are some examples of dramatic transformations achieved by India?

Jan Dhan yojana: The roll-out of Jan Dhan Yojana no-frills bank accounts reached 400 million in just a few years.

Data usage: In data usage, India has leapfrogged from the bottom to the top global ranking in a short time.

LED usage: In LED usage, India's market grew by 130 times in five years, from annual sales of 5 million LED bulbs in 2014 to 670 million in 2018.

The exponential scale effect in these examples has had a significant influence on **bringing down unit costs**. For instance, the price of an LED bulb dropped by nearly 85% in five years. India's dramatic drop in data prices is also well known. So a similar phenomenon in hydrogen is possible.

What are some applications of Green Hydrogen?

It is expected to play a key role in **decarbonization efforts**, and has application in a variety of industries such as transportation, including trucks, buses, cars, and rail, as feedstock for fertilizers, chemicals, and refineries, in decarbonizing buildings and decarbonizing high-heat industries such as steel-making.

How the world is pushing forward with Hydrogen?

The global push for hydrogen is snowballing.

Thirty-one countries have already announced strategies. Many in the EU have scaled up investments in electrolyzers, as also China. More than 75 countries have a net-zero carbon ambition, for which hydrogen is indispensable.

Hence, it is possible that 22% of the global energy need by 2050 could be hydrogen-based.

However, the realization of this vision for India requires several things.

What needs to be done by India?

First, an enabling policy framework.

Second, a nudge to increase demand.

Third, infrastructure development, such as pipeline networks and last-mile connectivity. This can be accelerated through proven business models like Master Limited Partnerships, which are common in the West and allow private capital to participate in the scaling-up effort.

53. Climate crisis in North East India: Why are rainfall patterns changing?

Source: This post is based on the article “**Climate crisis in North East India: Why are rainfall patterns changing?**” published in **Down to Earth** on **6th Sep 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution, and Degradation, Environmental Impact Assessment.

Relevance: impact of climate change on rainfall pattern 🌧️

Synopsis: Climate change is causing increased variability and unpredictability of rainfall in the North East region of India.

Introduction

The climate of North East India is changing: Rainfall patterns over the region in the last century have considerably changed, resulting in its overall drying up. The India Meteorological Department’s September forecast stated that normal to below-normal rainfall was most likely to continue over many areas of northwest and northeast India.

Why is the rainfall pattern changing?

Climate change causing drying up of land: An aspect of warming that influences rainfall is drying of the land, which increases the frequency and intensity of dry periods and droughts. An increase in moisture and the drying up together change the rainfall patterns in unpredictable ways.

Increased snowfall in the Eurasian region also impacts monsoon rainfall in North East India. Excessive snowfall in Eurasia causes cooling of the atmosphere of the region, which triggers events eventually leading to a weak summer monsoon season there.

Sea surface temperatures: A study has also attributed a decrease in rainfall to sea surface temperatures over the subtropical Pacific Ocean, which vary in a cycle and each phase of which lasts a decade. The peak comes every 20 years and is known as the **Pacific Decadal**

Oscillation (PDO). As per a study, PDO is being influenced by global warming as it decreases the difference of temperatures among the layers of the ocean. The peak of PDO will change from 20 to 12 years, which may have an impact on the monsoon rainfall in North East India. These factors may be at play in the north-eastern region of India.

Also, one cannot be sure about the exact impact of climate change on the rainfall in the region for the **lack of data and credible long-term research** on the same. This is because there is no data collection infrastructure.

What is the future climate scenario for the North East region?

The future climate scenarios look bleak for the region.

Inc in temp and rainfall: They show an increase in temperatures and in rainfall, in contrast with the evidence of a decrease in rainfall over the past century. Environment Ministry has projected that temperatures in the region will rise by 1.8-2.1 degrees Celsius by the end 2030. Annual mean rainfall can rise by 0.3-3 per cent in the same period.

In Assam, the Indian state most vulnerable to climate change, models predict an increase in temperature of 1.7-2.0 degree Celsius between 2021-2050.

What are the implications of a changing rainfall pattern?

A changing rainfall pattern, especially during the monsoon season, has the following impacts:

-Affects the flow of rivers: There is some evidence of the changing course of rivers from several districts in **Assam** such as Lakhimpur and Dhemaji, where the Subansiri, Dibang (tributaries of Brahmaputra) and Brahmaputra rivers are changing courses in unexpected ways. In **Arunachal Pradesh**, the Papum Pare district has also been affected by the changing course of the Dikrong river.

Extreme rainfall events being caused by global warming trigger a **cascade of events** such as accelerated soil erosion along the hill slopes devoid of forest cover. This increases the surface run-off of rivers and changes their course.

The new courses taken by the rivers are often the ancient paleo-channels that it has abandoned for centuries and where people have settled to avoid flooding.

**-Extent of snow cover and
-Health of mountain springs**

All this, in turn, has an impact on livelihoods, especially agriculture and fishing, forest flora growth, animal and bird habitat (and behaviour), and other ecosystem aspects.

54. How India is positioned to achieve UN's sustainable consumption and production goal

Source: This post is based on the article “**How India is positioned to achieve UN's sustainable consumption and production goal**” published in **Down to Earth** on **7th Sep 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: Regarding India's efforts toward SDG12

Synopsis: India is working towards achieving sustainable development goal related to responsible consumption and production, but much more needs to be done. A look at India's progress and associated challenges.

Introduction

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The United Nations-mandated Sustainable Development Goal (SDG)12 deals with **resource usage**. India has prepared numerous sustainable consumption and production plans that are put in the mainstream priority.

India's progress in regard to the SDG is fair enough but not satisfactory.

Important stats

The **average lifestyle material footprint of India** according to 2015 statistics is around 8,400 kg per capita per year, which when compared to sustainable material footprint of 8,000 kg per capita per year is quite acceptable.

Municipal waste: The population of China and India together constitutes 36% of the global population, but generates only 27% of the global municipal waste. Whereas, the United States constitutes only 4% of the global population that produces 12% of the waste.

Why food wastage should be addressed?

Impact on Greenhouse emissions: Food wastage reduction can have a significant effect on greenhouse gas emissions, hunger, pollution and money-saving during recessions.

Will fulfill multiple SDGs: Curbing food loss and wastage can serve to fulfil multiple SDGs at once as well as help bridge the food gap by 2050.

How's India's progress on SDG 12?

The SDG 12.3 focuses on **reducing per capita global food waste by 2030**. About 50 kg of food is wasted per person per year in India, UNEP highlighted in its 2021 report. Still, India, among South Asian countries, has lower level of food wastage compared to its neighbouring countries.

SDG 12.6 and 12.7 require large companies to adopt, promote and integrate sustainable practices and publish the related reports. Some companies are realising the need for greener ways of operation. Flipkart, an e-commerce company, has replaced paper cups for ceramic and glass ones.

What are some steps being taken by the central & state govt?

One important aspect of SDG 12 is the education of people so that they are aware of sustainable development and lifestyles. This would help them make smarter and evaluated choices that are in harmony with nature.

Environment education: The Indian government has included environment education as a compulsory component in the formal curriculum. This is not new as the roots of such an education system date back to the 1960s.

Sustainable tourism: A very closely tied goal is sustainable tourism. **Kerala** has been the leading state with respect to innovative initiatives for sustainable tourism. The project of **'Responsible Tourism'** in Kumarakom takes the help of the local community by linking them to the hospitality industry and sustaining eco-friendly tourism. Similarly, **Himachal Pradesh** has introduced a **'Homestay Scheme'** to draw tourists to rural areas with natural, comfortable and budget-friendly accommodation and food. These initiatives give a raw experience to the tourists and also boost local incomes.

Among all the states and union territories in India, Jammu & Kashmir and Nagaland are top performing till date with respect to SDG 12, according to the Niti Aayog's SDG dashboard 2020-21.

What are the challenges?

Less efficient methods: China, India and Pakistan use the method of 'phytoremediation', a concept that stems from bioremediation through the usage of plants. This involves tree plantation to restore environment as well as degraded soil restoration. This method is, however, less efficient.

Lower recycling capacity: A considerable part of the total hazardous waste that India produces is recyclable, but only 4% is recycled. Efforts are required to upgrade recycling mechanisms.

What needs to be done?

Reducing fossil fuel usage: After 2017 there has been a slight upward trend in the total energy subsidy. While the increase in renewable energy subsidy is worth appreciating, there is a need for shifting more resources to this area and reducing fossil fuel usage.

India can achieve self-sufficiency in recycling in the next 10 years if **National Recycling Policy is implemented properly** and scrap care techniques are shifted in the recycling industries.

Terms to know:

- [Material footprint](#)

55. Why Palm won't fix India's edible oil woes

Source: This post is based on the article "Why Palm won't fix India's edible oil woes" published in the **Live Mint** on **8th September 2021**.

Syllabus: GS3- Major Crops – Cropping Patterns in various parts of the country

Relevance: India's dependency in Edible oils

Synopsis: India should focus on improving indigenous edible oil production rather than focusing on palm oil, that has many problems.

What are the problems associated with oil palm crop?

Reduces choices of farmers: Since, Palm is a long gestation crop, it reduces the responsiveness of farmers to changing market demand. For instance, farmers can switch to other crops like groundnut if it gives high return for the current year but not palm due to its long gestation period.

Must Read: [The dangers of India's palm oil push](#)

What are the reasons for the recent increase in Palm oil price?

1. Lower production due to pandemic-induced labour shortages in Indonesia and Malaysia,
2. Significantly higher demand from China,
3. The diversion of soy oil for the production of bio-diesel in the US.
4. Share of Home-grown edible oil such as mustard and groundnut oils is limited

Must Read: [Some facts about Palm oil](#)

How the government responded to increasing Prices in Pal oil?

Responding to the crisis, the Union government launched an ₹11,000 crore national mission on oil palm in August. The mission focuses majorly on the north-eastern states and the Andaman and Nicobar Islands, both of which get abundant rainfall.

What are the issues & challenges associated with the mission?

Disregard for indigenous oil crops: The policy also completely ignores oils that are already native to India, such as mustard, groundnut, sesame and coconut, which are healthier and grown mostly by resource-poor farmers in rain-fed conditions. Currently, over half of the home-grown edible oil production is contributed by mustard, groundnut and soybean.

States need to respect “zonalisation norms”: For instance, to cater to 50,000 hectares of plantation, a company has to invest about ₹2,000 crore. Since a firm can start recouping its investments and make profits only by the tenth year, farmers will have to mandatorily supply to the company that is operating in a particular zone and vice versa.

Small and marginal oilseed growers are excluded: The crop is suited for rich, large land-owning farmers—and absentee landlords who can wait it out for 5 years before making profits. A strategy to achieve self-sufficiency based on palm, therefore, excludes existing small and marginal oilseed growers.

What steps should be taken?

India could achieve stability in edible oil prices with a mix of strategies, which includes **improved research and development (R&D)** to increase the yield and oil content in mustard and groundnut.

A possible solution is to **incentivize farmers to move away from rice, wheat and sugarcane** and instead, plant more oilseeds and pulses where India is deficient. Another oil source is rice bran, which is healthy and holds great potential.

Farmers should be given duty protection from cheap imports, alongside cultivation incentives and price support.

Impose quantitative restrictions: It will be politically difficult to raise duties on palm oil imports, as it will add to inflation. A way out is to impose quantitative restrictions and channelize imports via the public distribution system to stabilize consumer prices.

Must Read: [How India achieved atmanirbharta in edible oils during the early 1990s?](#)

56. Rolling out the EV charging network

Source: This post is based on the article “**Rolling out the EV charging network**” published in the **Business Standard** on **8th September 2021**.

Syllabus: GS3- Infrastructure: Non-conventional Energy resources

Relevance: Future of Green vehicles in India

Synopsis: Steps taken by government to increase EV charging network in India.

Introduction

The Indian vehicle market is poised for a historic leap into electrification. On the rollout of a charging network for electric vehicles (EVs), India faces the classic chicken and egg problem—EVs require charging infrastructure and that requires EVs.

According to the Society of Manufacturers of Electric Vehicles, there are 1,800 charging stations in India as of March 2021 for approximately 16,200 electric cars.

To achieve the expectations by 2030, it has been projected that India will need 29,00,000 charging points at an investment of Rs 21,000 crore, in addition to in-home charging points.

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What steps are being taken by govt to increase charging infra in India?

Guidelines by Min of power: The Ministry of Power has issued guidelines applicable to EV charging stations. Public charging stations shall be a delicensed activity and any individual or entity is free to set these up, obtaining electricity under open access.

Regulated Tariff: The tariff, determined by the state electricity regulatory commission, shall not be more than the average cost of supply plus 15%. Private charging at residences is permitted, and domestic tariff is applicable.

FAME policy: The Department of Heavy Industries has laid out the FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles) policy. FAME provides upfront incentives on the purchase of EVs as well as for development of charging infrastructure.

Green licence plates: The Ministry of Road Transport has announced that EVs will be issued green licence plates.

Development of indigenous standards: The Department of Science and Technology and the Bureau of Indian Standards are collaborating on developing indigenous charging options and standards.

Reduced rates on charging station equipment: The GST Council has reduced the rates on charging station equipment from 18% to 5%.

Energy Efficiency Services Limited (EESL) is involved in facilitating partnerships among state governments, public sector partners and private companies to enter this space.

NITI Aayog is spearheading the **Mission for Transformative Mobility and Battery Storage**, that seeks to proliferate low-cost charge-points for two-wheelers and three-wheelers across Bharat.

What are the other alternatives to e-Vehicles?

Hydrogen fuel cell has been provided as another solution for adoption of green automobiles. Hydrogen-power technology is a contrary to Tesla and other automotive giants' battery-led technology. However, there are also concerns over whether splitting the tightly bonded oxygen and hydrogen atoms of water is energy inefficient.

About 50 units of electricity is required to produce a kilogram of hydrogen. Why use electricity to produce hydrogen when you already have it, is the question posed.

What is the way forward?

Need to sort out the issues related to uniformity of standards and "interoperability."

The concern over EV charging time can be resolved by battery swapping. Battery-swapping facilities are to be set up alongside charging infrastructure.

The three types of interoperability i.e., plug type, charger-to-network communication, and network-to-network communication, all need to be aligned.

56. The employment dividend from exports

Source: This post is based on the article "**The employment dividend from exports**" published in **Business Standard** on **8th September 2021**.

Syllabus: GS3- Effects of Liberalization on the Economy

Relevance: Export sector in India, Creation of jobs

Synopsis: The surge in some export sectors has the potential to address India's urban jobs challenge with necessary policy intervention.

Introduction

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The share of exports in India's gross domestic product has seen a **steady decline** to about 11% during the last ten years.

But for the current year, India's exports of merchandise goods are booming. In the first five months of 2021-22, exports were **67% higher**.

More importantly, exports of \$164 billion in April-August 2021 were 23% more than those in the same months of 2019. Such healthy growth rates in India's exports have not been seen for more than a decade.

Also, there is **recovery in exports of India's merchandise goods exports**. India's exports have benefited from the global price increase for petroleum products.

What are some key takeaways from the current export growth?

Growing footprint of China in India's exports basket: India's exports to China have been rising at a healthy pace. In a post-pandemic world, China has pushed out the United Arab Emirates to become **India's second biggest export destination**, after the United States.

Lukewarm exports recovery of Indian automobile industry: Exports of motor vehicles and cars had almost collapsed. The big question is whether the export engine for the automobile industry (which accounts for a good chunk of manufacturing) would increase in the coming days.

Recovery of a few employment-intensive sectors: For instance, pearls and precious stones have made a comeback. Similarly, exports of gold jewelry have also recovered, though it is yet to recover its pre-pandemic share. Thousands of workers are engaged in these sectors and the pick-up in its exports should **signal the return of jobs**.

Exports of readymade cotton garments have also improved. They have already acquired a share of 3.7% in total exports, and it appears that if the trend continues, they could increase their share in India's larger export basket.

All the sectors benefiting from an exports surge can create jobs, particularly in urban India. Policymakers, therefore, cannot afford to lose this opportunity.

57. The economic reforms — looking back to look ahead

Source: This post is based on the article "The economic reforms — looking back to look ahead" published in **The Hindu** on **8th September 2021**.

Syllabus: GS3- Indian Economy and issues relating to Planning

Relevance: Analysis of 1991 reforms

Synopsis: Systemic policy reforms are required to unlock creativity and innovation in the economic system, raise the total factor productivity (TFP) and to achieve higher growth.

Introduction

The crisis caused by the pandemic in the country and at global level has led to a debate about new approaches to manage the economy and the future of humanity.

It has underscored the **need for policies to enable resilience** in the economy and ensure a robust health system, together with research and development.

What are some positive effects of the reforms?

The reforms led to the following positives:

An increase in foreign exchange reserves

Sustained manufacturing contribution in GDP

Increased share in global exports

**Robust information and communication technology software exports
Sustained economic growth in the range of 6%-8%**

What are the current challenges to economic growth?

The economic reforms, so far, have been **more focused on the technical nature of the economy** than the system, process and people.

As a result, primary drivers of the economy, the human capital, technology readiness, labour productivity, disposable income, capital expenditure, process innovation in setting up businesses, and institutional capacity have not got enough recognition.

Human resource capital (HRC) formation: The HRC rank for India stands at 103; Sri Lanka is at 70, China at 34, and South Korea at 27, as brought out by the Global Human Capital Report, 2017.

Low Per capita income: low per capita GDP at \$2,104 has **direct links to low per capita family** income.

Low wages linked with less disposable income of families: Global Manufacturing Competitiveness Index in 2016 reflects that the hourly wages in India have been \$1.7; they are \$38, \$24, \$20.7 and \$3.3 for the United States, Japan, South Korea, and China, respectively. It is ultimately **affecting demand**.

Low research and development expenditure: It stands at 0.8% of GDP, which is resulting in lower capacity for innovation in technologies and reduced 'technology readiness'.

Labour productivity: Low productivity has unfavourable consequences for competitiveness, manufacturing growth, exports and economic growth.

Time and cost overruns: there are difficulties in acquiring land for businesses and inefficient utilisation of economic infrastructure.

What reforms can be implemented to drive the economy?

Address the underlying issues: address structural issues — HRC, skills, research and development (R&D), land management and institutional capacity.

Attract large investment in manufacturing and advanced service: enhanced public sector outlay to 8% of GDP for education, skill development and public health, is another first step.

Technology readiness: The reports (by McKinsey and the World Economic Forum) suggest that **Industry 4.0** will be defined by new technologies such as robotics, 3-D printing, artificial intelligence (AI), the Internet of things (IoT).

Build the capacity of public institutions: as per Nobel laureate (1993) Douglass C. North, it is necessary to build the capacity of public institutions. Policy reforms should **promote a business-centric approach** to create a friendly ecosystem and for efficient internal supply chain management.

58. Central banks must stop pussyfooting on climate

Source: This post is based on the article "**Central banks must stop pussyfooting on climate**" published in **Business standard** on **9th Sep 2021**.

Syllabus: GS3 -Conservation, Environmental Pollution and Degradation,

Relevance: Climate change and relevant monetary policy

Synopsis: Ignoring climate risks will complicate macroeconomic management, just as overlooking financial risks eventually led to the global financial crisis.

Introduction

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Economic activity, is strongly integrated with emissions that contribute to climate change. Output and Greenhouse gases (GHGs) go hand in hand, and will continue to do so.

After a drop in 2020 due to the great lockdown, global greenhouse gas (GHG) emissions will grow this year and, again, in 2022.

According to the International Energy Agency, 2023 is projected to be the year with the “greatest levels of carbon dioxide output in human history”.

Given the tight relationship between economic activity and emissions, **central banks need to explicitly internalize the aspects of climate change** that affect the output gap “block”.

What is the issue with current policies of central banks towards combating climate change?

Decades after climate change became important in public discourse, **climate change-induced considerations seem to be ignored in monetary policy** of central banks.

If sustainability is a defining characteristic of potential output, then it has to incorporate climate considerations.

In other words, high inflation can no longer be the only symptom of macroeconomic instability if central banks are serious about the subject. Integrated assessment models have to be explicitly incorporated in central bank work that informs monetary policy.

What needs to be done?

The following five dimensions should be taken into account:

Firstly, effect of rising temperature and climate variability on short-term economic activity stemming from, disruptions due to extreme floods;

Secondly, National commitments made in Paris are akin to an additional constraint to maximising national output consistent with climate-neutral real-economy outcomes;

Thirdly, Feedback loop from economic growth to higher GHGs;

Fourthly, Implications of rising temperatures, in the absence of requisite adaptation, on long-term economic capacity as emissions thresholds are breached, with resultant consequences for labour productivity, degradation of capital stock, and, even vitiate capability of the atmosphere to repair itself; and

Fifthly, Expected changes in carbon-related tax and subsidy arrangements.

What is the way forward?

While no single country may have an appreciable impact on total global emissions, climate change is a damaging permanent shock to potential output.

Ignoring climate risks will complicate macroeconomic management. Therefore, monetary policy will have to adjust, otherwise “conduct as usual” by central banks can undermine climate goals.

59. Where’s The V-Shaped Recovery?

Source: This post is based on the article “**Where’s The V-Shaped Recovery?**” published in **Times of India** on **9th Sep 2021**.

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

Relevance: Economic recovery

Synopsis: Govt should recognize the evidence of distress and job loss in India. V-shaped recovery is still far away.

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Introduction

According to the government, India's economy is bright and strong since headline GDP grew 20% in the recent quarter after falling 24% in the same quarter last year.

However, it is important to evaluate the true health of a nation's economy through its peoples' incomes and livelihoods, rather than shallow indicators like stock market indices or startup unicorns.

Why it's said that there is no economic recovery?

Record number seeking employment under MGNREGA: Around 64 million are families employed under MGNREGA. It is more than ten times the total number of people employed by all the companies listed on India's stock exchanges combined. We should remember that citizens utilize MGNREGA only when the situation is extremely dire and there are no other alternative sources of income. Currently, **18 million families** are dependent on MGNREGA, roughly the same number in August last year. Clearly, there is no economic recovery, 'V' or otherwise, for these millions of families.

So, while stock markets are booming to all-time highs, a record number of Indians are seeking employment from MGNREGA for a bare minimum income.

Manufacturing, construction and services in bad shape: Manufacturing, services and construction are the real economic activities that generate good quality jobs and incomes for the vast majority of people. However, these are not in good state. Latest CSO data shows that **manufacturing activity in June 2021 is at the same level as four years ago in 2017**, construction activity is at the level of five years ago in 2016, and trade/transport services activity is at the level of six years ago in 2015 (at constant prices).

Lack of consumption: When people do not have sufficient incomes, it affects their consumption too. This is evidenced in the fact that private consumption in the June 2021 quarter is at the same level as in 2017.

Fixed Capital formation is lagging: When private consumption is weak, businesses refrain from undertaking new projects and investment falls. This is seen in fixed capital formation being stuck at 2017 levels.

Finally, it is argued that **easy money from the United States is finding its way to other countries, pushing up asset prices and financial market valuations**. Neither does this help improve livelihoods for the vast majority of people, nor will this last long. It is thus futile to showcase foreign flows or stock market indicators as a sign of the robustness of India's economy.

What is the way forward?

Even before Covid hit, India's textile and leather goods production, the sectors that create the greatest number of jobs, was lower than back in 2014-15. Covid has only made it acutely worse.

Promote labor intensive sectors: Government needs to support such labour-intensive sectors to increase employment.

Export growth: The lone bright spot in the economy is **exports growth**, which if sustained can create jobs.

60. Wildfire burn scars can intensify and even trigger thunderstorms, here's how?

Source: This post is based on the article “Wildfire burn scars can intensify and even trigger thunderstorms” published in Down to Earth on 9th September 2021.

Syllabus: GS 3 – Disaster management – wildfires

Relevance: Article highlights issues associated with wildfires.

Synopsis: As per a research study, wildfire burn scars due to wildfires can increase thunderstorms. It increases the risk both of flooding and of lightning in the region.

Introduction

Wildfires burn millions of acres of land every year. It leaves behind **Wildfire burn scars** on the land with little vegetation and a darker soil surface, which **cannot absorb the water**. It makes the land **more susceptible to flooding and erosion**. Even small rainfall is sufficient to trigger flooding and debris flow.

Furthermore, burn scars can also **increase thunderstorms** and the risk of lightning that could spark more fires in the surrounding region.

What are factors that contribute to thunderstorms in burn scars?

3 factors contribute to thunderstorms in the burn scars: 1) lack of vegetation, 2) reduced soil moisture, 3) lower surface albedo (the amount of light or radiation the surface is able to reflect back).

Note: charcoal has an albedo of about 0.04 and fresh snow is nearly the maximum of 1.

How the factors result in increasing thunderstorms?

When soil is burned, it becomes darker. The **darker surface absorbs more energy** from the sun. It results in higher temperature in burn scars compared to surrounding regions.

Temperature difference result in low air pressure in the burn scars and high pressure in the surrounding regions, causing convection (rising hot air and humid air from surrounding areas rush to fill the space). It further results in formation of cumulonimbus clouds and even thunderstorms.

Example: In **Australia**, in 2003, a **flash flood** occurred. Scientist found that albedo in the burn area had fallen from 0.2 to 0.08. Scientists further found that if the land hadn't been burned, just over a tenth of an inch of rain would have fallen.

Studies also found that the potential of burn scars to trigger rain decreases with the regrowth of vegetation.

61. How India's food systems must respond to the climate crisis

Source: This post is based on the article “How India's food systems must respond to the climate crisis”, published in **Indian Express** on 9th September 2021.

Syllabus: GS 3 – Crops and Cropping Patterns, sustainable agriculture

Relevance: Article highlights the importance of food system.

Synopsis: India's food system requires reforms, to make more sustainable and inclusive.

Introduction

UN Secretary-General will soon convene **the Food Systems Summit** with an aim to transform the global food systems. The objective will be to achieve the Sustainable Development Goals (SDGs) by 2030.

There are five action tracks to achieve the objectives: –

1. Ensure access to safe and nutritious food for all

2. Shift to sustainable consumption patterns
3. Boost nature-positive production
4. Advance equitable livelihoods
5. Build resilience to vulnerabilities, shocks and stress

What are food systems?

According to the **Food and Agriculture Organisation (FAO)**, “*food systems encompass the entire range of actors involved in the production, aggregation, processing, distribution, consumption and disposal of food products that originate from agriculture, forestry or fisheries, and parts of the broader economic, societal and natural environments in which they are embedded*”.

What are the issues in food system in India?

After green revolution, India became a country self-sufficient in food, from the food deficit country. However, it resulted in the problems like water-logging, soil erosion, groundwater depletion and the unsustainability of agriculture.

India’s present policies have not changed much, focused primarily on 3 crops (rice, wheat and sugarcane). These crops are using 75 to 80 per cent of irrigated water.

Diversification of cropping patterns towards millets, pulses, oilseeds, horticulture is required for sustainable and climate-resilient agriculture.

At present India’s food system need improvements to make it inclusive and sustainable for higher farm incomes and nutrition security.

What are the suggestions to make food system inclusive?

Small Farmers: Small farmers require support like technological and institutional innovations. [Farmer producer organizations](#) (FPOs) can help small farmers to get better prices for inputs and outputs. Further technological innovation like ITC’s E-Choupal is an example of technology benefiting small farmers.

Women: Women’s cooperatives and groups like [Kudumbashree in Kerala](#) would be helpful. One of the successful examples of a value chain that helped small holders, women and consumers is Amul (Anand Milk Union Ltd) created by Verghese Kurien. Such innovations are needed in other activities of food systems.

Social protection: Inclusive food systems need strong social protection programs. India’s National Rural Employment Guarantee Act, public distribution system (PDS), nutrition programs like ICDS, mid-day meal programs should be further strengthened. Non-staples like pulses and oils, and bio fortified cereals for better nutrition needs to be included in PDS.

What are the suggestions to make food system sustainable?

Climate resilient cropping: As present, food sector emits around 30 percent of the world’s greenhouse gases. This questions the sustainability of the food system at a time, when world is trying to contain the impact of climate change.

Climate-resilient cropping patterns have to be promoted. Instead of giving input subsidies, cash transfers can be given for farmers for sustainable agriculture.

Non-agriculture solutions: Income from agriculture is not sufficient for smallholders and informal workers. Thus, Strengthening rural MSMEs and food processing can reduce pressure on agriculture.

62. Making green hydrogen viable demands financial, tech support to lower costs

Source: This post is based on the article “**Making green hydrogen viable demands financial, tech support to lower costs**” published in **Business Standard** on 10th Sep 2021.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: the Article talks about Green hydrogen, associated facts, and delineates the steps needed for making the production of Green Hydrogen economically viable.

Synopsis: Bringing down the cost of producing Green Hydrogen in India will require a mix of financial and technological interventions.

Background

- **Read here:** [Green Hydrogen – Explained, pointwise](#)

What is the major issue with Green Hydrogen adoption?

Cost: According to The Energy and Resources Institute (TERI), the cost of green hydrogen production is \$5-6 a kg, approximately thrice the cost of predominant technology that uses fossil fuels and is called “grey hydrogen”.

Note: According to a compilation by the Scientific Information Resource Division at the Bhabha Atomic Research Centre, most of the world’s hydrogen production is grey.

What is the present global scenario wrt Hydrogen production?

Scale: According to the International Renewable Energy Agency’s World Energy Transitions Outlook report, **less than 1%** of annual global hydrogen production is green

Efforts: Investments are under way to ramp up green hydrogen manufacturing. In December 2020, seven companies — ACWA Power, CWP Renewables, Envision, Iberdrola, Ørsted, Snam and Yara — announced a **global coalition** to accelerate the production of green hydrogen 50-fold in the next six years.

These companies have targeted the deployment of 25 GW through 2026 of renewables-based hydrogen production.

At what price point will adoption of Green Hydrogen be feasible for industry?

An analysis by the **Hydrogen Council**, a Belgium-headquartered initiative to promote hydrogen adoption, found that it will be feasible for steel and fertiliser production, power generation and long-range shipping to adopt green hydrogen if it is available at **\$2 per kg price**.

What steps is India taking to push for Green Hydrogen?

India is taking its first few steps.

IndianOil recently announced that it is setting up the country’s first green hydrogen plant at its **Mathura refinery**.

IndianOil’s R&D centre has been working since the early 2000s to **explore the use of hydrogen as a fuel** by mixing it with compressed natural gas (CNG) to make H-CNG.

In November 2020, govt announced the **launch of the National Hydrogen Energy Mission**.

In terms of government support for green hydrogen, a **cabinet note proposing to make it mandatory for fertiliser plants and oil refineries** is in the works.

The govt also **aims to extend the production-linked incentive (PLI) scheme** for manufacturing electrolysers to produce green hydrogen.

What are future projections for India wrt Green Hydrogen?

According to industry body India Hydrogen Alliance (IH2A), the annual demand for hydrogen in the country is around six million tonnes (MT), mostly from fertiliser plants and refineries. It needs to go up to 28 MT by 2050 and 40 MT by 2060 if the net-zero carbon target is to be achieved. However, by 2050, nearly 80 per cent of India's hydrogen is projected to be green — produced by renewable electricity and electrolysis.

What steps India must take?

Reducing expenditure on Electrolysers: Indigenous development of critical materials and local innovation for components can help reduce electrolyser capital expenditure to below \$300 per kilowatt.

Attractive financial incentives like the PLI scheme for electrolysers.

National H2-themed Energy Transition Fund: India should create a national H2-themed Energy Transition Fund, with co-funding partnerships with sovereign partners, multi-lateral agencies, clean energy funds and industry, with the aim to raise \$1 billion by 2030 for deployment towards national hydrogen projects of a certain scale.

Terms to know

- [Hydrogen Council](#)

63. [The irrelevance of Indian GDP estimates to most of our citizens](#)

Source: This post is based on the article “[The irrelevance of Indian GDP estimates to most of our citizens](#)” published in **Livemint** on **10th September 2021**.

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

Relevance: Obsession with GDP growth, which is seen as the sine qua non for all policy interventions.

Synopsis: Economic recovery is unlikely to prove sustainable when most basic indicators of human development show a worsening of our situation.

Introduction

Estimates of gross domestic product (GDP) for the first quarter of fiscal year 2021-22 were released on 31 August. This year's first-quarter estimate shows a 20%-plus GDP growth.

However, the real issue is the relevance of GDP estimates as the sole or most important indicator of a recovery for an economy.

Why GDP growth cannot be a used as a sole indicator of an economic recovery?

It doesn't capture informal sector data: India's informal sector is not only a significant part of the overall economy, but is crucial for generating broad demand, given the significantly large proportion of our population that depends on it. However, GDP estimates hardly capture livelihood and income losses in the informal sector.

Stock market does not capture ground situation: Our real economy has been hampered by policy-induced shocks as well as a health calamity, our stock markets do not reflect a true picture of the economic ground reality.

Data from other sources confirms worsening of economic situation: Diverse data from official, unofficial and private sources confirms a worsening of the economic situation for most households.

Disruption in many sectors is not accounted in GDP: The pandemic and slowdown have not only impacted homes and individuals in terms of livelihood, but also on various aspects of human development.

Since the 2020 lockdown, disruptions in **education**, with significant numbers of students dropping out or unable to get educated, is unlikely to be reflected in GDP statistics.

So is the case with **malnutrition and other health parameters**. These are unlikely to see a recovery in the near future, but will cause irreparable long-term damage, unless they receive attention.

This **failure to reflect the economic conditions of our population's majority** is partly a result of the way data on GDP is calculated, but also due to infirmities of the database itself.

What do the other sources of data indicate about India's current economic situation?

Various official, unofficial and private sources of data confirm a worsening of the economic situation for most households. For instance:

Rise in distress employment: [Periodic Labour Force Survey \(PLFS\)](#), released in July 2021 showed a worsening of the employment scenario, with a rise in distress employment. After more than five decades, there has been an actual increase in the proportion of workers employed in agriculture.

Decline Wage rates:

In Agricultural occupations: Data on casual wages in rural areas from the labour bureau (available until June 2021) shows that real wages in agricultural occupations **declined 0.8%** in the past two years.

In Non-Agricultural occupations: The decline is much worse for non-agricultural occupations, with non-agricultural wages **declining by 6.7%** compared to last June. Clearly, 20%-plus GDP growth is irrelevant to most casual wageworkers in rural India.

Among better paid and protected workers: The PLFS 2019-20 data shows average regular real wages declining by 1.8% in rural zones, but increasing marginally by 0.4% in urban areas, compared to 2017-18.

Declining farmers income: Already suffering from low output prices, the majority of farmers have seen incomes decline as input costs rose (such as on diesel and fertilizers).

Must Read: [Where's the V-shaped recovery?](#)

64. Terror didn't win: 9/11 changed democratic countries in some unlovely ways. But democracies stayed on track

Source: This post is based on the article "**Terror didn't win: 9/11 changed democratic countries in some unlovely ways. But democracies stayed on track**" published in **The Times of India** on **9th September 2021**.

Syllabus: GS 3: Role of external state and non-state actors in creating challenges to internal security.

Relevance: To understand the Impacts of the terror attacks on democracies.

Synopsis: This article highlights how global democracies change after the 9/11 attack.

Introduction

A study from the Washington-based Centre for Strategic and International Studies estimated that the number of active terrorist groups was 67 in 2018, the most since 1980.

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A new study from the Costs of War project at Brown University calculates that the US spent \$8 trillion during its two-decade-long war on terror that also took 9,00,000 lives.

Does terrorism threaten democracy?

It created a lot of trouble in the last 20 years and has the capacity to disturb democracies. Still, it was not able to outcast democracy.

Existence of democracy: Despite the Taliban's return to Afghanistan, multiple terror groups in Africa, and the persistence of the Islamic State outfit, democracies hasn't been thrown off track.

No Quality of Life in terrorism controlled areas: No terrorist movement nor any state that sponsors terrorism has been able to provide the better life they promised than democracies.

Lack of Governance in terrorism controlled areas: Although ISIS did briefly control territory in parts of Iraq and Syria, establishing its caliphate. But it was short-lived, and violent movements were there. In these conditions, it is difficult to build viable states or provide good governance.

What are the impacts of terror attacks?

To counter the attacks, some democracies have diluted some of their core principles.

Western Countries: Post-9/11, they **reinterpreted their privacy laws, boosted surveillance and armed their security agencies** with powers overriding legal checks.

India: Used the same method India is providing justification for some of its most Draconian laws, For example, [Unlawful Activities \(Prevention\) Act \(UAPA\)](#)

Globally: widespread Islamophobia and refugee fatigue in some countries provided space for right-wing populism.

China: The war on terror coincided with the rise of China after 2001. After 9/11 USA was busy with its war on terror while China strengthened its hold over the global economy. And as the USA withdraws, we witness China is ready to adopt a transactional approach to groups like the Taliban.

What should be done next?

It is clear that adopting terrorism as a state policy has disastrous consequences. This is evident in the case of Pakistan. Overall, 9/11 did change liberal democracies. But terrorists didn't throw any democracy off track.

65. What Chandrayaan-2 has sent

Source: This post is based on the article "What Chandrayaan-2 has sent" published in **Indian Express** on **10th September 2021**.

Syllabus: GS3- Achievements of Indians in Science & Technology

Relevance: Significance of Chandrayaan-2

Synopsis: The **failure of Chandrayaan-2** to make a soft-landing on the lunar surface had led to much disappointment. However, **Orbiter part of the mission** has gathered a wealth of new information.

Introduction

Due to crash landing, ISRO missed the opportunity **to demonstrate soft-landing in outer space** and gather **more local information**. The lander Vikram and rover Pragyaan could have helped prepare a more composite picture of the Moon.

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However, recently, the Indian Space Research Organisation (ISRO) released the information gathered by the scientific payloads till now.

What information has been gathered by the orbiter?

Presence of H₂O molecules: Instrument used on **Chandrayaan-1 was not sensitive enough** to detect whether the signals came from the hydroxyl radical (OH) or the water molecule (H₂O).

The Imaging Infra-Red Spectrometer (IIRS) on board Chandrayaan-2 has been able to distinguish between hydroxyl and water molecules.

Places with water molecule: Chandrayaan-2 has now found signatures of water at all latitudes.

Potential water ice: The **Dual Frequency Synthetic Aperture Radar** has reported detection of potential water ice at the poles as it has been able to distinguish properties of surface roughness from that of water ice.

Minor elements: The Large Area Soft X-Ray Spectrometer (CLASS) measures the Moon's X-ray spectrum. This instrument has **detected the minor elements chromium and manganese** for the first time through remote sensing. Sodium was detected without any ambiguity for the first time.

It will help in understanding **magmatic evolution** and deeper insights into the nebular conditions.

Revelations by CLASS: it has mapped nearly 95% of the lunar surface in X-rays for the first time. Scientists at ISRO believe that based on the CLASS findings, a direct link of exospheric sodium to the surface can be established.

Revelations regarding SUN: Solar X-ray Monitor (XSM) through the radiation coming in from the Sun has collected information about solar flares.

This has great implications on the understanding of the mechanism behind heating of the solar corona, which has been an open problem for many decades.

Why is Chandrayaan-2 orbiter significant?

It paves the path for future Moon missions: mineralogical and volatile mapping of the lunar surface and maps of elements will be key for future scope of work. It is expected to help scientists for human missions also.

International collaborations: Some key future Moon missions that hope to make use of such data include the Japan Aerospace Exploration Agency (JAXA)-ISRO collaboration [Lunar Polar Exploration \(LUPEX\)](#) mission scheduled for launch in 2023/2024, NASA's [Artemis missions](#).

66. Climate crisis in North East India: What is behind water scarcity in the region

Source: This post is based on the article "**Climate crisis in North East India: What is behind water scarcity in the region**" published in **Down to Earth** on **10th September 2021**.

Syllabus: GS 3- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: To understand the climate crisis and water scarcity in North East India.

Synopsis: Changing rainfall pattern including incidents of high and variable rainfall in NE states is causing problems like floods, land degradation and acidification.

Introduction

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The climate of North East India is changing, which includes changing rainfall patterns over the region, resulting in overall drying up of the region. A major reason behind it is the drying up of around 200 mountain springs which are direct primary sources of water for mountainous villages in the region.

The region is ultimately facing climate induced water crisis. Action plans on climate change by the northeastern states have identified the change in rainfall patterns as one of the major causes of vulnerability to climate change.

Why are springs important to NE states?

Contribution to rivers: The springs contribute a large share to the base flow of the large Himalayan rivers such as the Brahmaputra — more than glaciers, ice and snow.

Meeting water needs: Moreover, the mountainous regions of the northeastern states are mostly dependent on these springs to meet their water needs.

Why Assam is more vulnerable to climate change as compared to other NE states?

Groundwater levels: In Assam, the groundwater levels are closely related to the flow of water in the Brahmaputra, which means that the difference between the river flow levels and the ground water levels is less. Hence, a little rainfall in the catchments will affect the flow of the rivers and along with that the ground water levels will also be impacted.

Soils: Brahmaputra has mostly sandy soil and their water retention capacity is low, which creates a scare of water scarcity.

Irrigation: As per a study, Assam has the least area under irrigation, least forest area available per 1,000 rural households and the second lowest per capita income among the Indian Himalayan states. It is the most vulnerable to climate change. Mizoram is the next one.

Why have springs dried up?

The drying of springs in North East India may be because of human-induced geological and land use changes, along with the impact of climate change, especially rainfall.

The exact cause needs to be ascertained.

What are some negative consequences of changing rainfall pattern in NE states?

Land degradation: Another consequence of the untimely and excessive rains is that large parts of northeastern states have become degraded, which has a direct consequence for the region's main occupation — agriculture.

Causes behind land degradation:

i) One of the major causes of this degradation could be **increased frequency of high rainfall events** in the region.

ii) Another common cause of land degradation in these states is **acidification**. In the top eight states in the country where acidification is the most rampant, seven are in the northeast.

Land in the North East is naturally acidic because it receives heavy rainfall every year. Climate change-induced high frequency of heavy rainfall events will further exacerbate the acidification, which will decrease the quality of soil.

Acidity is measured in terms of the concentration of hydrogen ions (pH) in the soil, as they are essential for the formation of all acids. Acidification of soil or land takes place when the pH balance of the soil shifts towards acidic nature due to an excessive presence of hydrogen ions.

Soil acidity increases when metallic minerals such as calcium, magnesium, potassium and sodium are lost from the soil and only hydrogen ions remain. These minerals get removed from soils due to heavy rainfall and flooding. They also get removed with crop residue or harvest hay.

Reducing acidification of the soil

We can use lime and organic manure in the soil and can adopt nutrient management practices and smart crop selection.

67. Trading Orangutans for palm oil

Source: This post is based on the article “**Trading Orangutans for palm oil**” published in **Business Standard** on **10th Sep 2021**.

Syllabus: GS3 – Major Crops – Cropping Patterns in various parts of the country,

Relevance: Implementing Oil palm mission is not optimal for India

Synopsis: Instead of implementing Oil Palm mission, the government can look to set up sanctuary for endangered animal species.

Introduction

One of the problematic items in economic and environmental terms in the Indian food basket is edible oil. India imports 60 per cent of its cooking oils, and more than half those imports are of palm oil, sourced from Malaysia and Indonesia.

Must Read: [Palm oil and environmental and social challenges in India](#)

The import bill for edible oil comes to around Rs 80,000 crore. In the interest of atmanirbharata and cutting down forex outflows, the government has set up a [Rs 11,000-crore mission](#) to incentivize palm oil production.

Previous articles on Palm oil

[Why attempts to boost oil palm farming may work?](#)

[Explore unconventional sources of edible oil](#)

[The dangers of India's palm oil push](#)

[No realistic plan of reducing import dependence in edible oils is possible without recognising the role of oil palm](#)

[Why palm won't fix India's edible oil woes](#)

[Issues associated with oil palm promotion – Explained, pointwise](#)

What are some advantages & applications of oil palm?

It is an evergreen plant with a very high-yield.

The oil doesn't spoil at room temperature. It doesn't have a strong smell, and it's colourless. Hence, it's versatile and used in pizzas, chocolate and doughnuts apart from being a staple of many Asian cuisines.

It's also used as a base in deodorant, shampoo, toothpaste and lipstick and as a biofuel. Replacing it with alternatives would take much more land.

What is a possible alternative instead of implementing the oil palm mission?

Set up orangutan, pygmy elephant and Java rhino sanctuaries in the target areas instead. Those habitats are suitable. The Andamans are practically part of Indonesia in geographical

terms, with similar climates and forestation. So are those parts of the Northeast where palm oil can be cultivated.

Importing the animals, and generating suitable vegetation for their consumption, may take a little time. But there would be positive payoffs.

One is **high-end tourism**. Orangutan safaris could generate forex. Global investor community will see India in a positive light for implementing such a scheme.

It may sound crazy and ambitious but an orangutan mission may be a better option than a palm oil mission.

68. Climate change impacts food and nutritional security — Earth needs regenerative farming

Source: This post is based on the article “**Climate change impacts food and nutritional security — Earth needs regenerative farming**” published in **TOI** on **11th Sep 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: Dealing with impact of climate change on food and nutritional security

Synopsis: Climate change is a major threat to food production globally and vital steps need to be taken to mitigate it.

Does climate change impact food production and nutrition?

Yes. It has very significant impacts on these. Findings of the 2019 IPCC panel on climate change’s special report on land showed how climate change was already impacting multiple dimensions of the food system.

i). Climate change impacts the **biophysical conditions** in which crops grow. Some crops are less heat resistant — as the atmosphere grows warmer, these become less productive. We’re already seeing declines in the productivity of staples like wheat.

ii). There are also **significant nutritional impacts** — as more carbon dioxide gathers in the atmosphere, crops have less nutrition, less vitamins and minerals in them.

iii). **Food distribution** is impacted — increasing wildfires and floods, as we’ve seen in multiple countries recently, disrupt the distribution systems transporting food from farmers to consumers. This results in **higher food prices**. There are thus multiple impacts on food security.

Which countries are most vulnerable to such impacts?

Any country that has a significant agricultural sector is likely to experience these.

Major agricultural producers like India and the US are vulnerable.

Farmers suffer considerable losses in these countries. But remarkably, farmers practising **regenerative agriculture**, are less affected.

What is the way forward?

Balanced and sustainable soil & water management practices: The prevailing mode in the globalized food system has been based on productivity or ways to grow the most crop and sell it to a huge market. Agricultural trade must be balanced with more sustainable practices for managing soil and water.

i). One good way is to **use different varieties of crops** that are more resilient, including wild species and traditional cultivars, many being extremely hardy against droughts, floods, etc.

ii). We need to **move away from some very highly engineered crops** that dominate our monocultural globalized food system and adopt more regional, soil conserving, resilient crops.

iii). **Traditional agri practices:** Around the world, many communities practice sustainable farming based on indigenous knowledge of local conditions. Such farms follow intercropping or growing different crops together or agroforestry, growing green crops with tree crops — these practices might not have the global food system's high productivity, but they are very sustainable in the long term.

iv). **Stopping food waste:** A quarter of food produced globally is wasted either at the farm gate, when farmers can't market crops in time, or at the consumer end when people buy too much, and it goes bad. If we could save that 25%, we'd be able to significantly boost global food access.

Terms to know

- [Regenerative agriculture](#)

69. No offshore wind project has commenced in India: Are we on track for 30 GW by 2030?

Source: This post is based on the article "**No offshore wind project has commenced in India: Are we on track for 30 GW by 2030?**" published in **Down to Earth** on **11th September 2021**.

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

Relevance: Regarding use of offshore wind energy in India

Synopsis: To harness the capacity of India's offshore wind potential, we need to identify the areas where we can develop offshore wind project and accelerate the project.

Introduction

India has planned to provide 24×7 electricity to every home. As per the forecast of International Energy Agency, the country's energy demand will increase by 6-7% annually over the next decade. Hence, it is imperative to decarbonise the energy sector.

This transition to clean energy can be facilitated by offshore wind energy.

As per India's nationally determined contributions, India plans to generate 450 GW of renewable energy by 2030 — including five GW of offshore wind energy by 2022 and plans to scale it further to 30 GW by 2030.

What is India's offshore wind energy potential?

As per World Bank report, India's Exclusive Economic Zone has 195 gigawatt (GW) of technological offshore wind potential (112 GW fixed and 83 GW floating).

There is 36 GW and 35 GW offshore wind potential off the Gujarat and Tamil Nadu coast, respectively.

What is the status of offshore wind projects in India?

Gujarat invited an expression of interest (EOI) for India's first offshore wind project of 1 GW in 2018, which attracted nearly 35 major companies. It **did not move forward**.

In 2019, India's Ministry of New and Renewable Energy (MNRE) applied for €800 million in viability gap funding to help support the construction of India's first 1 GW offshore wind project in Gujarat. To date, India has not begun any offshore wind projects.

Must Read: [Offshore wind energy in India – Explained](#)

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How to accelerate offshore wind project development?

Pass the final tender for the one GW project at Pipavav in the Gulf of Khambhat, Gujarat, which is in the pipeline.

Conduct an offshore wind measurement campaign for a minimum of 10 GW of accurate on-site measurements.

Install five LiDARs (Light Detection and Ranging) by 2021 to gather precise bankable data that will be critical to developing offshore wind projects of up to 7.4 GW indicative installable capacity.

As India already has cheaper onshore wind and solar power, the MNRE is seeking **feasible cost interventions from stakeholders for offshore wind.**

What are the key steps/measures to enhance offshore wind capacity?

Offshore wind market potential in India is enormous, but it requires an increased government-industry coordination and techno-economic studies to be realized in this decade. Some key steps that can be taken are:

i). Customize the technology and business models for the offshore wind sites off Gujarat and Tamil Nadu.

ii). Frame a visionary policy towards long term cost reduction and energy.

iii). Use LiDAR data to identify bankable offshore wind zones collected through offshore wind measurement campaign.

iv). Demonstrate offshore wind capacity factors, technology optimization and initial costs.

v). Promote engagement among decision makers at the federal, state and local levels.

vi). Promote collective understanding of offshore wind's socioeconomic benefit.

70. A very consequential Supreme Court ruling: When govt values land unjustly, landowners cannot seek full remedy in lower courts

Source: This post is based on the article "A very consequential Supreme Court ruling: When govt values land unjustly, landowners cannot seek full remedy in lower courts" published in the **Times of India** on 11th September 2021.

Syllabus: GS 3 Land reforms in India.

Relevance: To understand the land acquisition process.

Synopsis: Road construction is important. But so are the right of landowners who lose the land as part of the Government's land acquisition.

Introduction

Government has the power to compulsorily acquire a person's property for the construction of a government project. For that, they have to compensate the person fairly. Fair compensation is the constitutional right of the person.

But, in the recent **Project Director, NHAI vs M Hakeem case**, the SC ruled that the government **can acquire land for highways without a fair mechanism for compensation.**

Why the government arbitration is considered one-sided?

National Highways Act, 1956 (amended 1997): Under it, government servants fix the compensation while acquiring the land. If the landowner is dissatisfied with the compensation, he can seek reconsideration. But that reconsideration is also done by another government servant, who will act as an arbitrator. But that **arbitrator is not appointed with the consent of the landowner.**

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This is a remedy in **section 34 of the Arbitration Act**. But this provides only limited appeal in a court of law. Thus, this process seems to go **against the concept of natural justice**.

What can courts do?

Under **Section 34 of the Arbitration Act**, the **courts cannot modify the award** or increase the compensation itself. It can **either set aside the award or leave it to be re-decided** by the arbitrator. While the landowner had limited rights, **SC refused to concede to lower courts** (below it) **the right to enhance NHA awards**.

What is the High Court stand?

The high court had taken a different view of the problem. The HC found the arbitrator to be biased towards the government. So, the HC **called for a liberal interpretation** of section 34 and **enhanced the compensation** itself.

What is the Supreme Court stand?

SC has denied lower courts the right to modify and enhance NHA awards. So, the landowners can only challenge the NHA in a writ petition in HCs or SC under the Constitution. Though SC pointed that the system is designed to favour the government, but **left it to the parliament to legislate** on the matter.

However, this amounts to grave injustice as it left the matter to parliament and also disapproved the HC decision to enhance the award.

What does this imply?

The whole scenario is in a worrying state for the landowners. They are limited by the law, not favoured by SC and lower courts have also been curtailed by SC.

71. How the world — and India — changed in the 20 years after 9/11

Source: This post is based on the following articles

- **“How the world — and India — changed in the 20 years after 9/11”** published in **Indian Express** on **10th September 2021**.
- **“Two decades after 9/11, the nation state remains robust”** published in **Indian Express** on **10th September 2021**.

Syllabus: GS 3. Role of External State & Non-State Actors in Creating Challenges to Internal Security.

Relevance: To understand the impact of 9/11 on India and the world.

Synopsis: After the 9/11 attacks, geopolitics changed dramatically. Even democratic nation-states underwent a change to respond to non-state actors.

Introduction

It was September 11, 2001, when planes struck the twin towers of the USA. The attack on the superpower by non-state actors highlighted the new threats that states were forced to deal with in the coming days. But this highlighted the emerging powers of non-state actors.

The power of non-state actors

The non-state actors like terrorist groups found a haven in unstable regimes like in Afghanistan. **Economic globalization allowed them to build their economic and trade nexus. Technology** provided them with the **means to communicate and coordinate**. All these allowed the terrorists to carry out complex operations like attacking the twin towers,

right at the heart of the great superpower. They also sought to **change the power equations in the Middle East.**

What is the terrorist agenda in the Middle East?

The terror groups wanted to create a caliphate in the Middle East. They were met with strong resistance from Middle Eastern countries. This reduced their power. Moreover, Arab states view countries like Turkey, Iran as greater threats than these terror groups.

Though the Middle East was able to control the groups, we see that the USA had to leave Afghanistan.

How did the democratic nation-states respond to terror threats?

Nation-states have **only emerged stronger.** They tightened the norms to control the digital world to secure the communication channels. The **air travel norms were strengthened** and these have ensured that there has not been any incident like 9/11 after that. Moreover, **states increased regulation and control over arms** like nuclear weapons to ensure they don't land in the hands of terrorists.

How did India Respond?

India has been facing the problem of **Pakistan-sponsored terrorism since 1989.** Unfortunately, the **USA and UK sided with Pakistan** during this time.

However, this **changed after India's 2nd nuclear test and the 9/11 attack** in the USA. Though the USA continued to rely on Pakistan, it considered Pakistan as an unreliable partner. This was **further proved when Osama bin Laden was found hiding in Pakistan.**

Indian response to terror attacks had been that of **"strategic restraint"**. It was limited to diplomatic actions. This was evident in attacks on the Indian Parliament (December 2001) and the Kaluchak massacre (May 2002). However, now we witness that India has **adopted a policy of imposing costs on Pakistan by striking across the border**, e.g. Balakot airstrikes.

This capacity of India has been **built over its strong economy and strong global linkages.** Despite the economic disaster of 1991, India emerged stronger after LPG reforms.

India was however late as China started its reforms in 1971 and that gave China the edge in economic and global power. However, as China export-driven model is coming under strain, **India has bright chances of challenging and even overtaking China in the economic sphere.**

72. Green-unready: On funding high-impact climate solutions

Source: This post is based on the article **"Green unready"** published in **Business Standard** on **10th September 2021.**

Syllabus: GS 3 -Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: Address climate change and methods which can reduce emission.

Synopsis: Fighting climate crisis needs high impact solutions led by entrepreneurs and start-ups. Hence, funding assumes critical importance.

Introduction

Addressing climate change requires a focus on reducing emissions and increasing carbon sinks. To reduce emissions, innovative solutions that are climate-ready and can be adopted at scale are the need of the hour.

Entrepreneurship can accelerate the lab-to-market transition of innovations and create scalable solutions for deployment.

But what is required is an integrated innovation curation, venture development, and capital access.

What is the major problem faced in commercialization of high-impact innovations?

Lack of funding: Innovators and entrepreneurs, particularly those harnessing science and technology to create high-impact solutions, have historically been underfunded. This leads to innovations stuck inside R&D labs, journal articles and patent offices, discouraging entrepreneurial risk-taking. Risk capital is most needed in commercializing high-impact innovations, but is least available at this stage. (*Risk capital refers to funds used for high-risk, high-reward investments*).

Why there is a lack of risk capital?

The following reasons keep most investors away from such early-stage investments,

- i). Absence of impact-market thesis
- ii). Poor innovation curation and sub-optimal venture development efforts by the ecosystem enablers
- iii). Unrealistic expectations
- iv). A widespread misunderstanding of risk-return trade-offs further worsen this gap between the capital providers and product start-ups.
- v). High product development risk
- vi). Longer gestation period
- vii). Inability to foresee an exit horizon
- viii). Poor assessment and pricing of risk

This leaves the state and philanthropy as the only source of capital to this sector.

What is required to push the transition of ideas from labs to markets?

High-impact climate solutions need a range of well-rounded, multi-stage financial and non-financial support from the ecosystem. Five principal elements that need to come together to support innovators and entrepreneurs are:

- i). R&D and innovation pipeline,
- ii). Venture incubation infrastructure,
- iii). Focussed acceleration platforms,
- iv). Multi-stage and blended capital pools, and
- v). Multi-stakeholder partnerships for market access.

To achieve the above goals, a well integrated solution is needed. Having to make do with whatever funding is available, entrepreneurs often end up making wrong choices when it comes to funding sources, instruments and deployment, sometimes negatively influencing their strategic priorities. A more comprehensive, cohesive, patient and hybrid climate fund is needed

73. 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 **13th 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 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.

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74. A step backward: On unemployment in India

Source: This post is based on the article “**A step backward**” published in **Business Standard** on **12th 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.

75. 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 **13th Sep 2021**.

Syllabus: GS3 – Industry: Shipping and ports

Relevance: Issues related to Exports

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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.

76. 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 Srilankan 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**.

77. 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 **13th 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?

1st 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".

3rd 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 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%**.

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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 Uttarakhand, 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**.

78. 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 **14th 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**

79. Urban safety net: On urban-MGNREGA

Source: This post is based on the article “**Urban safety net**” published in **Business Standard** on 14th 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.

80. 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 **14th 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 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.

81. 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 14th 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.

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

82. 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 **15th 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.

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.

83. 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 **15th 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**

84. 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 15th 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**.

85. 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.

86. Powering ahead in the future

Source: This post is based on the article "**Powering ahead in the future**" published in **The Hindu** on **15th 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.

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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 CO₂ 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.

87. 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.

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.

88. 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

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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.

89. 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 **15th September 2021**.

Syllabus: GS 3 – role of media and social networking sites in internal security challenges.

Relevance: To understand how internet shutdowns impact India.

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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)

90. 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 **15th 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?

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

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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.

91. ‘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 **16th Sep 2021**.

Syllabus: GS3 – Various Security Forces and Agencies and their Mandate.

Relevance: Regarding Professional Military Education (PME)

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.

92. 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

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, 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.

93. 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.

94. 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.

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.

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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.

95. 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.

96. 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 **17th 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.

97. 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 4th 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.

98. 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 17th Sep 2021**.

Syllabus: GS3 – Automotive Industry

Relevance: PLI scheme for Automotive Industry

Synopsis: The new PLI scheme will incentivize the industry to move into higher-value-added technologies and thus spur sectoral growth

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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.

99. 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 **17th 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 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.

100. 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 **18th 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.

101. 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 **18th 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?

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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.

102. 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 18th 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.

103. 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 18th Sep 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.

104. 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 **15th 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.

105. Structural changes in GST

Source: This post is based on the article “**Structural changes in GST**” and “**The food tax that points to a loss of clarity on GST**” published in **Business Standard** and **Live Mint** on **20th September 2021**.

Syllabus: GS3 – Issues related to GST

Relevance: Increasing revenue collection and GST reforms needed

Synopsis: Several important decisions taken during the Goods and Services Tax (GST) Council's 45th meeting in Lucknow last week.

What are the important decisions taken during the GST Council's 45th meeting?

Concessional rates for Essential medicines: The council extended concessional rates for several drugs, such as Remdesivir, used to treat Covid-19. It also reduced duty on some other drugs like Itolizumab and Posaconazole till December.

Reforms in Inverted Duty structure: It further decided to correct the **inverted duty structure** in textile and footwear, which was discussed in earlier meetings. Additionally, the council decided to form two groups of ministers to examine the issue of inverted duty structure in different sectors and using technology to improve compliance.

Tax collection responsibility shifted to E-commerce entities instead of restaurants: E-commerce operators like Swiggy, Zomato have been asked to pay GST on restaurant services supplied by them, at the point of delivery. 5 per cent GST will be levied at the point where the delivery is made by Swiggy and Zomato. The tax will also be imposed on cloud kitchens.

What decisions was taken w.r.t extending GST compensation for states?

At the time of implementation of GST, it was decided that states would be compensated for shortfall in revenue collection with an annual growth rate of 14 per cent for five years.

Some states have argued in favour of an extension of GST compensation beyond 5 years. **In this regard, the minister said the compensation to states would not be extended beyond June 2022.**

Why the compensation won't be extended beyond 2022?

Extending the compensation mechanism beyond June 2022 will further complicate the GST system since compensation cess collection will be used to repay debt.

Any extension in the collection of the compensation cess itself will affect items on which it is levied and firms will have to alter business plans.

The basic structural problem is **lower revenue collection**, and government want to rectify this anomaly.

What is the reason for low revenue collection?

Premature rate reduction, largely because of political reasons, has resulted in lower revenue collection.

For instance, MS Sitharaman noted **the revenue-neutral position** at the time of implementation was about 15 per cent. However, the **rate has come down to 11.6** per cent.

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The Fifteenth Finance Commission report also showed, revenue from GST was lower by well over 1 per cent of gross domestic product in 2019-20, compared to the collection from taxes subsumed into GST in 2016-17.

What are the impacts of low revenue collection?

Lower collection affects the central government finances and has an additional indirect impact on states in terms of lower transfers.

Lower overall GST collection is one of the reasons why dependence on petroleum products for revenue has increased

Why tax collection responsibility was shifted to E-commerce?

Tax evasion: As per estimates, the gap in taxable turnover for suppliers where TCS was deducted by Zomato was greater than the turnover declared by such suppliers. tax loss to exchequer due to alleged underreporting by food delivery aggregators is Rs 2,000 over the past two years.

What should be done?

Firstly, the council should target reverting to the revenue-neutral rate as soon as possible, along with reducing the number of slabs.

Secondly, Tax input credits to restaurants are not available. This is because, since raw ingredients are mostly sourced from the informal sector, they have few supply invoices to claim any tax already paid by suppliers. But, For GST coherence and definitional clarity, input credits should invariably be allowed.

106. New hope in private investment?

Source: This post is based on the article “**New hope in private investment?**” published in **Business Standard** on **18th September 2021**.

Syllabus: GS3 – Resource mobilization and infrastructure financing

Relevance: Infrastructure development and Financing

Synopsis: After long, India has witnessed an increase in private investment. This article explains the reasons for the current shift and significance of Private investment.

What is the significance of Private investment?

Private investment is the most important source of economic and cultural dynamism in a country.

Most **gross domestic product (GDP)** and most **jobs** are created by the private sector.

When private firms build **fixed assets**, this generates a **long-term stream of output** and a long-term stream of **wage payments**.

What is India's story w.r.t private investment?

India got good growth in the 1991-2011 period, and after that private investment has faltered.

For instance, there has been a decline in the following years of about Rs 50 trillion. On average, this is a decline of Rs 5 trillion or about \$70 billion per year.

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What is the reason for declining Private investment?

One reason is the sharp decline in private participation in infrastructure and the enhanced role of the state in infrastructure. About half of the decline in private sector investment has happened in infrastructure.

For instance, private “under implementation” infrastructure projects (expressed in 2021 rupees) peaked in 2011/12 at about Rs 36 trillion and now stand at Rs 10 trillion.

A decline of Rs 26 trillion in private projects “under implementation” is on account of the **problems of infrastructure**.

Why States cannot offset private sector roles wrt to Infrastructural investments?

A decline in private spending is being offset by an increase in government spending. But there are inevitable difficulties in this strategy:

Fiscal capacity and project management in government are quite limited, so the state-led strategy has limited headroom.

For instance, from 2018 onwards, the stock of government “under implementation” projects has declined in real terms by Rs 7 trillion.

As a consequence, the total infrastructure projects “under implementation” declined from Rs 70 trillion in 2018 to Rs 63 trillion today.

What is the reason for current increase in private investments?

Return to normalcy: In the pandemic, some firms faced radical uncertainty, had little management bandwidth left had put investment activities on hold. By 2021, uncertainty had declined and these firms are going back to normalcy in investment.

Export boom due to rising demand from European countries: Developed countries used fiscal policy to restart their economies on a gigantic scale, and an export boom from India started. This was assisted by nationalism in China, which led many in the world to shift business to India. Many Indian firms shifted resources to emphasise export- or export-adjacent activities, and have harnessed the export boom. Through these developments, many firms in the export sector are investing.

Industries gained from Pandemic are investing: Finally, the structure of consumption in the pandemic shifted. Some industries did badly (e.g., Commercial real estate), but some industries did well (e.g. broadband telecom). Firms in the right industries saw high growth and are back to investing.

107. An existential crisis for the banking sector?

Source: This post is based on the article “**An existential crisis for the banking sector?**” published in **Business standard** on **20th September 2021**.

Syllabus: GS3 – Planning, Mobilization of Resources, Growth, Development

Relevance: Reforms in banking sector

Synopsis: The business model of banks is under threat. Hence, both banking and market regulators must take a close look at the evolving landscape.

Introduction

Corporate India has cut its debt burden. They are replacing high-cost debt with cheap money, raised from the market, and sale of assets.

Since 2016, RBI has been insisting on big corporations raising part of long-term borrowings from the corporate bond market. Bonds allow funds to be raised for the long term, or even forever.

How the business model of banks is under threat?

Priority sector lending: Banks are allowed to raise deposits from the public. Since they raise cheap money, they must have an exposure to the weaker section of society or the “priority sector” up to at least 40 per cent of the loans.

Cost of reserve requirements: banks also need to keep 4 per cent of their deposits with the regulator in the form of cash reserve ratio (CRR), on which they don't earn any interest, and buy government bonds to the extent of at least 18 per cent of deposits.

High cost of money: The cost of money for the best-managed banks is between 4 and 4.5%. Add to this at least 2 percentage points fixed cost. In contrast, the best-rated NBFCs have been raising one-year money at around 4.2%.

Banks today have clearly a 1.5-2% disadvantage vis-à-vis the best NBFCs.

Power of technology: The use of technology is no longer confined to the payments space and loans. For instance, Amazon Pay has tied up with wealth management platform Kuvera, which is offering users to facilitate investments into mutual funds, fixed deposits, and more overtime. Setu, is offering a similar facility for Google Pay.

Once the popularity of such platforms grows, they can start dictating terms on interest rates. For better earnings, people may start preferring such platforms over banks. It cuts the cost of brokerage and benefits the customers, but it raises doubts on the financial sector stability

What is the way forward?

Interest on CRR: it is needed because banks have many obligations and banks have access to public money in the form of deposits.

Lower the priority loan target: Those banks that are not able to meet their priority loan targets either buy such loans from others who have excess exposure or keep the shortfall with certain agencies at an interest rate that is far lower than their cost of money.

108. Ease of doing business at risk if issue of appointments to tribunals is not resolved

Source: This post is based on the article “**Ease of doing business at risk if issue of appointments to tribunals is not resolved**” published in **the Indian Express** on **20th September 2021**.

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

Relevance: Resolving issues with the tribunals.

Synopsis: Article discusses the vacancies in the tribunals and how it's affecting the Insolvency and bankruptcy code's actual purpose to resolve the debt. Timely appointment will make strict time-bound insolvency resolutions a reality.

Introduction

Recently, Supreme Court questioned the government on vacancies in the National Company Law Tribunals (NCLT), and the National Company Law Appellate Tribunal (NCLAT).

What are the implications of the vacancies?

First, IBC helps to improve India's ranking on the “Ease of Doing Business”. But **vacancies in the tribunals have slowed down insolvency resolution due to the huge pendency of cases**. Both the NCLT and NCLAT have been without chairpersons for many months and also had

members less than the actual strength. Recently, government appointed members and chairpersons to both NCLT and NCLAT.

Second, IBC was enacted with an object of time-bound resolution of debts, pendency of appeals. But in reality, it is leading to delay in the final resolution.

Why a slower resolution process is bad?

Resolution applicants take a higher risk if the process is uncertain and if there is no fixed time for transfer of control of a corporate debtor to the successful applicant. A longer approval period means greater value erosion of a corporate debtor which would be an unattractive proposition for any prospective resolution applicant.

This uncertainty can be cured by a faster approval process by the NCLTs by the creation of more benches and filling up of current vacancies.

What steps can be taken?

First, along with filling up vacancies, the members being appointed must have sufficient domain expertise, and they must be provided with training.

Second, we can recover the lending process which got disrupted due to COVID-19 by supporting the mechanism under the IBC to inspire confidence in creditors.

Third, Supreme Court can make appointments by itself, and it can take harsher steps like transferring jurisdiction under the IBC to high courts.

109. India must shed obsession with ‘marginal farmers’. Their future lies outside farms — in dairy, poultry, food retail

Source: This post is based on “**India must shed obsession with ‘marginal farmers’. Their future lies outside farms — in dairy, poultry, food retail**” published in the **Indian Express** on **21st August 2021**.

Syllabus: GS 3 – Issues related to direct and indirect farm subsidies and minimum support prices.

Relevance: To Understand the issue of farmland and farmers.

Synopsis: Farming is best left to those who can do it well. Better fewer, but better.

Introduction

Recently [National Statistical Office \(NSO\) Situation Assessment of Agricultural Households report](#) was released. It throws up interesting data which can also be used to guide the agriculture policies for the future.

What are the key findings of the Survey?

An average agricultural household earned a total monthly income of Rs 10,218 during 2018-19 (July-June). Out of this, the net receipts from crop production were just Rs 3,798 and from farming of animals was Rs 1,582. Taken together, this hardly contributes 53% of the total household income.

The **single-largest income source** was actually the **wages/salary**, at Rs 4,063. Thus, it can be said that the **average farmer, is more a wage labourer than a seller** of produce from his/her land.

What does the data imply?

If we consider that **farmers are those that derive 60% or more of their income from farms**, then **only 30 Million can be called farmers**. This implies that India's agriculture policy should primarily target these 30 Million farmers.

We should target these farmers through improved access to markets, water, electricity, credit and other means. We should focus on lowering the production cost and improving the output efficiency.

What should we do for the rest of the farmers?

We need to understand that for the remaining farmers, the **crop-based mechanism needs to be reviewed**. We should look to **migrate them to activities like dairy, poultry etc.**

110. Utilize a rear-view mirror for further telecom reforms

Source: This post is based on the article **"Utilize a rear-view mirror for further telecom reforms"** published in **Livemint** on **21st Sep 2021**.

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

Relevance: Regarding India's telecom sector, past issues and potential lessons.

Synopsis: Article takes a look at the history of telecom disputes in our courts, which shackled the sector's potential, and lessons that governing institutions must avoid going forward.

Background

– **Read here:** [Telecom sector reforms – Explained, pointwise](#)

What are some past telecom disputes that happened in India?

The 2G case: The 2G case was about spectrum allocation and its consequent loss to the exchequer.

– In the 2G case, the government's **'first come first served' policy** to allocate spectrum licences was not only discriminatory, it also favoured a select few.

– **Advice overlooked:** In addition, the Department of Telecommunications (DoT) overlooked the advice of the law ministry, Prime Minister's Office and Telecom Regulatory Authority of India from time to time, and acted unilaterally.

– **CAG estimates revenue loss:** The CAG estimated a revenue loss of ₹1.76 trillion to the exchequer, alleging wrongdoing in spectrum allocations.

– **SC cancels licences:** The case reached the Supreme Court, which instead of punishing officers for corruption and/or cancelling the licences of companies that unduly benefited, cancelled all 122 telecom licences.

Supreme Court's October 2019 ruling on the AGR case:

AGR dispute, which was about a disagreement on its definition, started in 2003. In this dispute, DoT holds significant accountability.

– **Lack of trust in telcos:** The DoT's approach was marked by a belief that telecom operators were making windfall profits but withholding money from the government. This apparent lack of trust in telecom companies resulted in deference to a private chartered accountant (instead of the CAG) to define AGR while expanding the scope of gross revenue to include non-telecom revenues, and inadequate consultation on AGR with key stakeholders.

– **Role of SC:** SC failed to see the bigger picture. Instead of deferring to a specialized and neutral body, the apex court ruled on flimsy grounds that the tribunal had no jurisdiction over the matter. Given that the AGR orders of the government were set aside by various courts between 2006 and 2015, levying a penalty and interest on past AGR dues was plainly unjust. This reportedly inflated the AGR liability by about 300%. Yet again, the apex court **failed to appreciate the economic fallout.**

What were the implications of 2G and AGR cases?

Impact of the 2G case: It adversely affected international relations, investments, competition and consumers. Moreover, the subsequent 2G spectrum auction was benchmarked to 3G rates, which forced the telecom companies to borrow more money, leading to an increased burden for many. Ultimately, the 2G case was a significant moment for the industry towards its decline.

Overall, **Market competition** and **consumer welfare** were directly impacted. Consequently, competition in our telecom market declined, which was once overcrowded with 10-12 operators.

What is the way forward?

Reforms introduced by the govt can only provide temporary relief. For a permanent solution we need a set of multi-pronged approach that could strengthen our reforms:

One, privatize state-run operators to ensure that they act as major competitors.

Two, make the exclusion of non-telecom revenues in AGR retrospective.

Three, use the unutilized Universal Supply Obligation Fund of about ₹58,000 crore for soft loans in this sector, and also reduce this fund's levy from 5% to 3%, considering its poor utilization so far.

111. Gig economy workers need more protection of their rights

Source: This post is based on the article “**Gig economy workers need more protection of their rights**” published in **Livemint** on **21st September 2021.**

Syllabus: GS3 – Issues Related new age industries and Employment generation

Relevance: Gig economy, labour reforms

Synopsis: India needs to create more formal jobs and provide protection to gig economy workers through labour reforms.

Introduction

Three years ago, **CEO of Walmart** had said that the Flipkart-Walmart combination would generate 10 million jobs in India, which is roughly equal to India's **annual job creation requirement.**

But, Flipkart didn't say these jobs would materialize in one year. Similarly, **Ola** and **Zomato** have boasted of large employment generation too.

The problem is that these jobs are not traditional in nature. They belong to the gig category.

How the job creation by platform economics has high uncertainty?

No stable and secure employment: These so-called jobs do not provide health insurance, nor pay for overtime with no sick leave.

Lack of income security: There is no room for wage negotiations, and unions are absent. In the gig economy, job creation should be seen as the provision of livelihoods for entrepreneurs.

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Grievance redressal mechanism: For instance, when Ola and Uber started cutting back incentives, the drivers in Mumbai decided to go on 'strike'.

But there was no clarity against whom they were striking. When the strikers agitated at a local transport commissioner's office, he had to tell them that he did not regulate the hail-a-taxi business.

How the slogan "be a job giver, not a job seeker" is misleading?

Type of job: most people want a stable job with a salary at the end of the month. That is not the same as job security. It is about their ability to take risks.

Existing poverty: Since India has a large population below or near the poverty line, their vulnerability to an income shock is very high.

Risk-handling capacity: due to poverty, it is low and hence youth display risk aversion toward entrepreneurship.

India lacks social security for the temporarily unemployed: The huge popularity of the National Rural Employment Guarantee Scheme is because it acts as a proxy for unemployment insurance. It also acts as a wage floor in rural areas.

Why India needs to create stable jobs?

Huge population dependent on agriculture: A national survey revealed that nearly 40% would gladly leave farming if a stable job was available in industry.

No protection to agri-labourers: A recent report indicates that farmers in India are earning more by serving as labour on someone else's farm than cultivating themselves. But their labour does not get any protection from labour laws.

Emerging gig economy: it is such that there is no employer-employee relationship. It is more like a business partnership, with gig workers often serving as independent contractors. **Gig economies door for exploitation. For example,** the food delivery guy who has to beat a 30-minute deadline.

Informalization of workforce: Nearly 90% of India's workforce is estimated to be in the unorganized or informal sector, and much of the labour law framework anyway does not apply to most Indians at work.

What is the way forward?

First, focus on declining labour force participation rate and one of the reasons is the gig economy.

Second, define gig workers as labour and not just contractors or partners.

112. [The difference education makes to what the salaried earn in India](#)

Source: This post is based on the article "[The difference education makes to what the salaried earn in India](#)" published in **Livemint** on **21st September 2021**.

Syllabus: GS3 – Growth, Development and Employment

Relevance: Unemployment in India

Synopsis: Earning variations can be explained by education but our problem of educated unemployment deserves deeper examination.

Introduction

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Unemployment among educated youth has been high in India for some years now. Despite consistently rising unemployment, youngsters **continue to invest in education** because over their lifetime, they expect to earn more compared to people with low education.

Why people continue to invest in higher education?

Socio-economic factors: Educated workers may earn more because of other related traits such as superior abilities, ambition, diligence and better endowments like parental resources and status.

Returns on education: educated youth's lifetime- earnings' trajectory changes vis-à-vis those with lower educational levels.

Decision making: education tends to improve decision-making on crucial life options. It is also found to improve patience and focus, and enable the formation of larger social networks, resulting in better access to opportunities.

How education makes difference to the salaried in India?

For young adults: In both rural and urban areas, younger adults (aged 20-24 years) with lower levels of education start at a similar level of salary, **implying not much locational premium.**

For experienced: There are **lack of alternative jobs in rural areas** for experienced workers who have less than a college education. In urban areas, there is a marginally better increase in the salaries of middle-aged workers with lower education compared to similarly educated younger workers.

Self-employment vs salaried employment: Workers with less than primary education are better off in salaried employment, over their earning life in both rural and urban areas. And, workers with middle and secondary level of education earn more in self-employment in urban areas than in salaried employment.

Educated workers: The average earnings of young regular salaried workers in urban areas are significantly higher than those of their rural counterparts, and the earnings **see a sharp upward** increase from the early twenties to mid-thirties.

Educated workers in the oldest age group (55-59 years): In urban area, salary is 2.3 times that of workers with lower education in the same age bracket. They also earn 1.6 times higher than their counterparts in rural areas.

What does this analysis of rural and urban worker reveal?

Surplus of educated workers: The high level of unemployment among Indian youth with degree-level education indicates a surplus of educated workers.

Public policy relevance: if the phenomenon of vast educated unemployment is more a reflection of low employability because of poor-quality education, then the effective surplus of educated workers may be much less.

The India Skills Report 2019 suggests that only 47% of youth in India with a college education are employable. Alternatively, educated youth tend to look for higher-paying and better-quality jobs, and if offered lower pay, are often ready to wait for a longer time to find a suitable job.

113. How effective is CPCB in its management of e-waste?

Source: This post is based on the article " **How effective is CPCB in its management of e-waste?** " published in the **Down to Earth** on **20th September 2021.**

Syllabus: GS 3- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

Relevance: To discuss the role of CPCB in tackling the menace of e-waste.

Synopsis: In this article, we will discuss the e-waste generation in India, roles and responsibility of CPCB and actions needed by CPCB to manage it.

Introduction

Electronic waste (e-waste) is the fastest-growing stream of waste globally. As per the recent report of the United Nations, **the world produced around 53.6 million tonnes of e-waste in 2019, out of which only 17.4% was recycled.** UN termed this phenomenon a 'tsunami of e-waste'.

What is the scale of e-waste generation in India?

As per global e-waste monitor report, India generated 3,230 kilotonnes (KT) of e-waste, out of which only 30 KT of e-waste was formally collected in 2019.

India generated around 2.4 kilograms of e-waste per capita; **only 1 per cent** of e-waste was formally collected. The informal sector of waste collection dominates over the formal sector.

Though India's per-capita generation is among the lowest in the world, **the country is the third-largest generator of e-waste in the world.**

Maharashtra, Karnataka and Uttar Pradesh are the states with the highest number of authorized recyclers / dismantlers. Other states should also work in this direction.

Who is responsible for managing e-waste in India?

The responsibility of managing e-waste in India lies with the Central Pollution Control Board (CPCB) and State Pollution Control Boards (SPCB).

In **Shailesh Singh v. State of UP**, NGT summoned the CPCB and SPCB due to unscientific disposal of e-waste. The NGT asked the authorities to submit a report on the actions taken to manage the e-waste in and around the capital.

What are shortcomings in e-waste management in India?

First, producers of the notified 21 categories of electronic equipment are not able to collect e-waste as per the specified target

Second, only a few producers have been granted [Extended Producer Responsibility Authorization](#) (EPRA) from CPCB.

Third, many unauthorized dismantling and recycling units are still in function

Fourth, efficient monitoring of the authorized dismantlers / recyclers is required due to the leakage from authorized to unauthorized dismantlers and recyclers

Fifth, ensure allocation of industrial space or shed for e-waste dismantling and recycling in the existing and upcoming industrial parks and clusters

Sixth, the data collected by CPCB is do not include imported e-waste figures. It leads to actual figures for e-waste generation far higher than the current estimates.

Seventh, state-wise data is not produced due to a lack of reported data by SPCBs.

What are the recommendations to tackle the menace of e-waste?

First, strict enforcement of the existing domestic rules and regulations

Second, integrate formal and informal sector to reduce costs at the pre-processing stage and efficient recycling.

Third, data inventory for data analysis and interpretation to know an estimate of e-waste produced annually.

Fourth, publishing data in the public domain will create transparency with respect to generation, flow channels and methods of handling and disposal of e-waste

114. How sustainable is India's exports boom?

Source: This post is based on the article “**HOW SUSTAINABLE IS INDIA'S EXPORTS BOOM?**” published in **Livemint** on **21st Sep 2021**.

Syllabus: GS3 – Issues related to Imports and exports

Relevance: Export growth and Economic growth

Synopsis: The rise in exports has sparked hopes of a swift post-pandemic recovery, but there are reasons to be cautious.

Introduction

August was the fifth straight month when India's goods exports exceeded \$30 billion. In the last five years, other than this ongoing run, it crossed \$30 billion in just one other month i.e. March 2019

The increase is also broad-based. As many as 24 categories have registered an increase in exports in dollar terms over the corresponding 2019 period.

Why India still needs to be cautious?

There are two reasons to be cautious.

The first point of caution is the nature of items driving the ongoing export growth.

Primary commodities, essentially, goods available from cultivating raw materials without a manufacturing process, are behind the current boost.

The largest gainer in exports compared to last year is petroleum products, and some of the other commodities that have registered the biggest increases over 2019, are ores, metals, cotton, and sugar.

In this context, experts warn of the '**bullwhip effect**', wherein the post-pandemic economic recovery globally causes a spike in demand for primary goods. But, a subsequent tapering of demand can harm the same exporters.

The second point of caution is related to the international transportation of goods, which happens mainly via ships. Due to the pandemic, the number of ships, and containers in circulation fell. Meanwhile, world trade is topping pre-pandemic levels. The shortage of containers is also creating congestion and increasing processing time at Indian ports.

So, how corporates in India navigate these two factors will have an impact on the sustainability of the current export upswing.

What needs to be done to make exports growth sustainable in the long run?

Firstly, modest export growth in manufactured products needs to be taken care of. The highest increase in exports was seen in iron ore (87%) and cotton (43%). However, growth has been relatively modest in select key sectors in India's export basket, especially in manufactured products. Notable among them are drugs and pharmaceuticals. Exports of ready-made garments have fallen by 11%.

Secondly, measures should be taken to mitigate the global shipping crisis. A 200% increase in the **Baltic Dry Index** notwithstanding, freight rates are expected to rise further in

the coming months, as demand for shipping peaks in India around the festive season in October and November.

The rise in freight charges has particularly affected exporters from small and medium enterprises.

Thirdly, exports need to be incentivized by the government. In 2019-20, exports comprised 19.3% of India's gross domestic product (GDP). Thus, a rise or fall in exports can have a significant bearing on economic growth. For India to succeed in export-led development, the focus should be on enabling manufacturing and global competitiveness.

One way to increase the competitiveness of Indian exporters is through government incentives. However, incentivizing Exports without offending WTO rules is a challenge. For instance, The erstwhile **Merchandise Exports from India Scheme (MEIS)**, which provided an incentive of 2-7% on the shipping value of eligible exports, was deemed illegal under WTO norms **after India's per capita GDP crossed \$1,000** in 2017.

To replace the MEIS, and comply with WTO norms, the government instituted the ₹12,454-crore **Remission of Duties and Taxes on Exported Products (RoDTEP)** incentive scheme. This provides rebates to eligible exporters with remission rates ranging from 0.3-4.3%. Exporters can use this to pay specified taxes.

Fourthly, according to trade economists, beyond primary goods, India has a comparative advantage in lower-skilled, labor-intensive manufacturing such as textiles, which also has the potential to create large-scale employment. Another sector where India has a cost advantage is pharmaceuticals. India needs to support and incentivize such sectors.

Finally, innovative policy support. The **production-linked incentive (PLI) scheme** is one example of policy support paying dividends for smartphones, where India has become a net exporter, though with low-value addition. Such sector-specific policies need to be identified for other sectors also.

115. Swooping down on algorithms

Source: This post is based on the article **"Swooping down on algorithms"** published in **The Hindu** on **22nd Sep 2021**.

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

Relevance: Understanding the need to regulate Algorithmic decision-making

Synopsis: China's draft rules on regulating recommendation algorithms address pressing issues. Lessons for India.

Introduction

China has pursued aggressive measures in its tech sector in the past few months. A host of legislative instruments are in the process of being adopted, including the Personal Information Protection Law, the Cybersecurity Law, and the draft Internet Information Service Algorithm Recommendation Management Provisions.

The Management Provisions, released by the Cyberspace Administration of China, are possibly the most interesting and groundbreaking interventions among the new set of legislative instruments.

What are China's management provisions?

The draft Internet Information Service Algorithm Recommendation Management Provisions lay down the processes and mandates for the regulation of **recommendation algorithms**.

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Provisions attempt to address the concerns of individuals and society such as user autonomy, economic harms, discrimination, and the prevalence of false information.

The draft says **users should be allowed to audit and change the user tags** employed by the algorithms to filter content to be presented to them.

Through this, the draft aims to **limit classifications that the user finds objectionable**, thereby allowing the user to choose what to be presented with. This also has ripple effects in platformised gig work, where the gig worker can understand the basis of gigs presented to her.

What are recommendation algorithms?

Recommendation algorithms are widely employed in e-commerce platforms, social media feeds and gig work platforms.

How do recommendation algorithms work?

Such an algorithm helps a user navigate information overload and presents content that it deems more relevant to the user.

These algorithms **learn from user demographics, behavioral patterns, location of the user, the interests of other users accessing similar content**, etc., to deliver content.

What are some negative implications of such algorithms?

Such recommendation algorithms **limit user autonomy**, as the user has little opportunity to choose what content to be presented with.

Algorithms tend to have certain **inherent biases** which are learned from their modelling or the data they encounter. This often leads to **discriminatory practices against users**.

What lessons can India take from this?

Regulating algorithms is unavoidable and necessary. The world is lagging in such initiatives and China is hoping to emerge as a leader. The regulatory mechanism institutionalises algorithmic audits and supervision, a probable first in the world.

It is high time for India to **invest better and speed up legislative action** on the regulation of data, and initiate a conversation around the regulation of algorithms. India should strive to achieve this without copying China.

India must **act fast to resolve the legal and social ills** of algorithmic decision-making.

Policymakers should ensure that freedoms, rights and social security, and not rhetoric, inform policy changes.

What is the way forward?

Algorithms are as fundamental to the modern economy as engines to the industrial economy. A one-size-fits-all algorithm regulation fails to take into account the dynamic nature of markets.

An ideal regime should have **goals-based legislation** that can lay down the regulatory norms for algorithms. Such legislation must aim to lay down **normative standards that algorithmic decision-making** must adhere to.

This should be complemented by sectoral regulation that accounts for the complexities of markets.

116. Focus on agri-exports

Source: This post is based on the article “**Focus on agri-exports**” published in **Business Standard** on **22nd September 2021**.

Syllabus: GS3 – Issues related to Agriculture

Relevance: Agri exports and Doubling farmers income

Synopsis: Reforms that needs to be undertaken to achieve full potential of Agri exports in India
Introduction

The pandemic-driven supply shortage of farm goods and the resultant inc in price in the global market had given India an opportunity to strengthen its Agri-exports.

Consequently, rice exports almost doubled to an all-time high of 9.5 million tonnes and those of wheat by over 2 million tonnes last year. But such bonanzas cannot be expected to endure for long.

In this regard, to support exporters, the government is planning to reintroduce transport and marketing support for agricultural exports.

It will help exporters to cope with high freight costs and other logistical constraints. But this step alone may not suffice to lift farm exports to the desired extent.

Other measures, aimed specifically at upgrading the quality and enhancing cost competitiveness of farm products, are equally vital.

How Agri exports have fared in India?

India has traditionally enjoyed a positive trade balance in agriculture, but the present level of Agri-exports is just around half the potential.

Farm exports in 2020 were around \$42 billion, whereas the current potential, as assessed by the Agricultural and Processed Food Products Export Development Authority, is around \$80 billion.

The country's first dedicated **Agricultural Exports Policy**, announced in 2018, had set an even more ambitious export **target of \$100 billion**.

The annual growth of Agri-exports, is merely 2.5% in 2020. This rate needs to go up substantially to provide an outlet to surplus agricultural produce and increase farmers' income.

What needs to be done?

Need to diversify the range of products as well as export destinations: At present, only limited categories of agricultural products are shipped abroad. Example, rice (chiefly Basmati rice), meat (mainly buffalo meat), marine products (primarily shrimp), sugar, spices, certain types of cotton, and select vegetables and fruit. This range would need to be expanded to tap additional markets.

Public Investments in Agri infrastructure: A prerequisite for consolidating the country's foothold in the agri-export market is to increase the infrastructure for post-harvest management, storage, and the transportation of export-bound farm produce.

Structural reforms: According to a joint report by the Federation of Indian Chambers of Commerce and Industry (FICCI) and YES Bank the following reforms are suggested.

- Export-friendly policy environment
- World standard quality assurance facilities,
- A system to facilitate traceability,
- Greater private investment in the export-oriented Agri-processing industry.
- Need to enhance the export-worthiness of small farmers' produce through value-addition.
- Backward and forward linkages small farmers to link them directly with processing units and exporters.
- Building Indian brands and project India as a reliable supplier.

117. Jack Ma's point on collateral-free lending holds relevance in India

Source: This post is based on the article “**Jack Ma's point on collateral-free lending holds relevance in India**” published in **Livemint** on **22nd September 2021**.

Syllabus: GS3 – Issues related to mobilisation of resources

Relevance: Linkage between credit and Growth.

Synopsis: The opportunities that cash-flow-based lending offer can have a profound influence on easing some of the constraints on smaller enterprises

Introduction

Some of the points made by Jack Ma on digital finance at the Bund Finance Summit are worth reading in the context of the progress made in Indian digital finance over the past few years.

What criticism did Jack Ma levy on traditional credit disbursal?

He described the current system of credit disbursal by bank, based on collateral as “**pawnshop mentality**”. He stated that though this was necessary for banks development but is now at odds with the possibilities of new forms of lending.

According to Jack ma, collateralization with a pawnshop mentality is not going to support the financial needs of the world's development over the next 30 years.

What alternative did he suggest?

He wants to replace this pawnshop mentality with a **credit-based system rooted in big data** using today's technological capabilities.

This credit-based system is not built on traditional IT, not based on a personal relationship-driven society, but must be built on big data, in order to truly make credit equal wealth.

Why Jack Ma's vision holds significance for India?

These remarks on the need to move from a lending system based on collateral to one based on big data are significant especially at a time when India has inaugurated an account-aggregator system.

It will **help small businesses** with inadequate collateral or credit histories access credit at far lower rates than they do now.

Account aggregators working through a secure public credit registry can do for the credit sector, what the United Payments Interface (UPI) has done for retail payments in India.

How the shift towards cash-flow-based lending can revolutionise Indian economy?

Access to cheap credit for small businesses: There is ample research to show that tiny enterprises pay interest rates that are far higher than what their default rates predict. By easing these credit constraints, the account-aggregator system can lend to small enterprises that have some digital and tax footprints. Lenders can access data on bank statements, GST returns, personal spending, etc., to price loans to enterprises they would earlier stay away from.

Will help to overcome 'the De Soto Effect': De Soto effect states that the global poor working in tiny informal enterprises are in effect shut out of the formal credit system. Hence, they are forced to live in poverty, because a lack of clear property rights makes it difficult for them to offer their land assets as collateral to banks.

A slum dweller with no formal land title thus has to depend on informal sources of money that leave her with little to reinvest in the business.

It is quite likely that a successful shift to lending based on borrower cash-flows will ease the credit constraints on informal enterprises.

Can ease the formalisation process in India: Formalization of the Indian economy is under overdue. One suggestion to enable formalisation process is, by closing the domestic productivity gap. The informal enterprises should grow in scale that allows them to close their productivity gap with larger firms in the organized sector.

However, credit constraints are part of the reason why small firms fail to scale up in India, which employ most Indians who have left farming behind. Cash-flow-based lending can help in this regard.

118. Changing the agri exports basket

Source: This post is based on the article “**Changing the agri exports basket**” published in **The Hindu** on **22nd September 2021**.

Syllabus: GS3 – Food Processing and Related Industries in India

Relevance: Doubling agri-exports

Synopsis: India has the potential to become a global leader in the food processing sector, by making changes to Agri export basket.

Introduction

The Indian government has been **encouraging agricultural exports** to meet an ambitious target of \$60bn by 2022.

What is the current scenario of agriculture?

Growing exports: The Ministry of Food Processing Industries shows that the contribution of agricultural and processed food products in India’s total exports is **11%**. But the majority share is of primary processed agricultural commodities.

Shift in India agricultural economy: It is shifting from primary to secondary agriculture, where the focus is more on developing various processed foods. The Indian food processing industry promises high economic growth and makes good profits.

How export from agricultural sector has evolved over the years?

Processed foods: India’s agricultural export basket is changing from traditional commodities to non-traditional processed foods.

Shift from traditional exports: for instance, Basmati rice is one of the top export commodities. However, now there is an unusual spike in the export of non-basmati rice. In 2020-21, India exported 13.09 million tonnes of non-basmati rice, up from an average 6.9 million tonnes in the previous five years.

In 2020-21, the export of poultry, sheep and goat meat, cashew kernels, groundnuts, guar gum, and cocoa products went down in terms of value and total quantity.

Indian buffalo meat: it is seeing a strong demand in international markets due to its lean character and near organic nature. The export potential of buffalo meat is tremendous.

Focus on high value exports: The main objective of the **Agriculture Export Policy** is to diversify and expand the export basket so that instead of primary products, the export of higher value items, including perishables and processed food, be increased.

What are the challenges still existing?

The export of processed food products has not been growing fast: India lacks comparative advantage in many items. The domestic prices of processed food products are much higher compared to the world reference prices.

Trade restrictions: Non-tariff measures imposed by other countries on Indian exports. Such as, mandatory pre-shipment examination by the **Export Inspection Agency**, compulsory spice board certification for ready-to-eat products which contain spices in small quantities, prohibition of import of meat- and dairy based-products in most of the developed countries and withdrawal of the **Generalised System of Preference** by the U.S.

Lack of strategic planning of exports by State governments: for example, lack of a predictable and consistent agricultural policy discouraging investments by the private sector.

What is the way forward?

Firstly, the Centre's policy should be in the direction of **nurturing food processing companies**, ensuring **low cost of production** and global food quality standards.

Secondly, creating a **supportive environment** to promote export of processed food.

Thirdly, Indian companies should focus on **cost competitiveness**, global food quality standards, technology, and tap the global processed food export market.

119. More companies pledge 'net-zero' emissions to fight climate change, but what does that really mean?

Source: This post is based on the article "**More companies pledge 'net-zero' emissions to fight climate change, but what does that really mean?**" published in **Down To Earth** on **22nd September 2021**.

Syllabus: GS3 – Conservation, Environmental Pollution, and Degradation

Relevance: Net zero emission and carbon credits,

Synopsis: "Net-zero emissions" is in the news, and government leaders and CEOs are under pressure to discuss as to how they'll reduce their countries' or businesses' impact on climate change.

Introduction

Amazon, just announced that more than 200 companies have now joined its Climate Pledge, committing to reach net-zero emissions by 2040.

What does net-zero emissions actually mean?

Net-zero emissions: It's like balancing a check book. The country or company cuts most of its emissions through efficiency and clean energy, then offsets the rest by removing carbon dioxide from the atmosphere or eliminating emissions elsewhere.

How companies claim net-zero emissions?

Carbon credits: Taking advantage of carbon reductions elsewhere by buying carbon credits and supporting sustainable development projects, such as installing wind or solar power in poorer countries.

For example, a U.S. company might pay to protect forests in South America and then subtract those trees' negative emissions from its own emissions to say that its operations are "net-zero."

Then, why carbon credits draw criticism?

Emission reduction is not permanent: it allows those companies to keep generating greenhouse gases.

Administrative issues: credits might get double-counted by more than one entity. Some projects, like tree planting, can take years to pay off in emissions reductions while the companies buying forest offsets continue emitting greenhouse gases.

Not sufficient: Several countries, including the United States, have pledged to meet the goal of net-zero emissions by 2050. But when the U.N. analyzed each country's commitments under the Paris Agreement, it found they still fall short by so much that even if every pledge is met, temperatures will rise about 2.7 C this century.

Why do net-zero emissions matter?

Global warming: Greenhouse gases trap heat near Earth's surface. When their concentrations get too high, they fuel global warming.

Paris deal: To keep warming under 1.5 C with the least disruption, the United Nations says the world needs to be on a path to reach net-zero emissions by about 2050.

Climate risks: Global warming today is just over 1 C (1.8 F) above preindustrial levels, and rising seas and extreme weather are already a problem.

How companies can achieve net-zero emissions?

Ramp up energy efficiency: Improvements in insulation and equipment can reduce the amount of energy needed or wasted.

Switch from fossil fuels: shifting to renewable energy, such as solar or wind power, that doesn't produce greenhouse gas emissions. Once the company's electricity is renewable, using electric delivery vehicles further cuts emissions.

Finding negative emissions: It might be too expensive or not yet technologically possible to replace steam boiler with a carbon-neutral product. In that case **companies purchase carbon credits** that would remove the same amount of carbon from the atmosphere that would be generated by the boiler.

What is the way forward?

Firstly, keeping global warming to 1.5 C will require negative greenhouse gas emissions.

Secondly, focus on making home and buildings extremely energy-efficient and relying on heating and electricity from clean energy sources.

Thirdly, there needs to be a consistent trajectory of improvements and accountability mechanism, not just promises and carbon offsets.

120. [How new global tax rules may reshape India?](#)

Source: This post is based on "How new global tax rules may reshape India?" published in Live Mint & "India, other G24 nations call for gradual withdrawal of 'Google tax'" published in Business Standard on 23rd Sep 2021.

Syllabus: GS 3 – Issues related to resource mobilisation

Relevance: Digital taxation and new global rules

Synopsis: The conventional global tax system is changing, with several countries, including India, imposing a digital service tax and participating in a new global initiative to modernize tax rules.

Why there's a need for new global tax framework?

The new tax framework **seeks to tackle digital economy firms** in particular since they do not easily fit into the conventional concept of corporate taxation, which relies on a fixed place of business in a market.

Until now, MNCs could create a registered legal entity in multiple countries and ultimately report a bulk of their revenues in jurisdictions with a very low tax rate.

Since there was no global agreement, individual countries had to compete with each other by lowering corporate tax rates, which is described as “**a race to the bottom**”. This **affected the revenue** for most nations.

Further, countries are **unable to tax tech companies in jurisdictions where they make their profit**.

In this context, OECD, is involved in preparing the blueprint for the new global tax deal. The global solution is aimed to ensure multinational entities pay more taxes in countries where they have customers or users than from where they operate.

Must Read: [OECD/G20 Inclusive Framework Tax Deal](#)

How India taxed global giants till now?

India pioneered the concept of **digital taxation** by levying a **unilateral digital service tax** called **equalization levy in 2016** on online advertisements. This has subsequently been expanded to cover the sale of goods and provision of services through e-platforms.

India's move to impose an equalization levy has since been followed by several other countries such as France, Austria, Chile and the Czech Republic.

How will it benefit India?

India with a large consumer base **will have a bigger share of the pie** as compared to the other market jurisdictions

Since these companies would in any case be paying taxes in the markets where the consumers are located, it may **encourage them to have physical proximity to their markets** by way of having offices to cater to the unique preferences of each geography.

A dent in the appeal of certain low-tax countries could in turn **boost India's attractiveness** at a time when India is offering tax incentives for setting up factories locally.

India's lowest corporation tax is on par with the proposed global minimum tax rate, so it is **not likely to impact new investments into India**.

What are some issues related with it?

Firstly, India along with other Group of 24 (G24) member nations, has objected to the withdrawal of unilateral measures like the equalisation levy (EL) in one go. They are worried that the proposed global digital tax deal covering only top 100 companies may not lead to sufficient revenue for developing countries.

Secondly, the developing countries grouping also recommended that no less than 30 per cent of tax on non-routine profits of these companies should be allocated to market jurisdictions where they have sales.

Thirdly, India had proposed allocation of profits under fractional apportionment method. Based on this method the entire profit of the group will be apportioned to different countries in which the group operates through a formula, taking into account factors like employees, assets, sales, and users

What is the way ahead?

The major changes in the international tax regimes, offers a unique opportunity for India to attract foreign investment.

With continued policy rationalization, increased focus on ease of doing business and more business-friendly policies, India should regain its status as one of the fastest-growing large economies in the near future.

121. A flawed calculation of inflation

Source: This post is based on the article “A flawed calculation of inflation” published in **The hindu** on **23rd September 2021**.

Syllabus: GS3 – Growth, Development and Employment.

Relevance: Factors responsible for inflation in India

Synopsis: The current official inflation rate does not correctly measure price rise and it needs modification.

Introduction

Inflation for the last four months has been worryingly high. Wholesale price index (WPI) has been above 10% and consumer price index (CPI) crossed the 6% mark.

Does the official data capture the real picture?

Data issues: Unlock had gradually started in June and July 2020, but normalcy had not returned. Hence, the official inflation figures for these months in 2021 do not reflect the true picture.

The price rise differs for different items of consumption: For WPI, the weights in production are used, for CPI, the consumption basket is used. The consumption basket is vastly different for the poor, the middle classes, and the rich. Hence, the CPI is different for each of these classes and a composite index requires averaging the baskets.

Consumer confidence: RBI data show that consumer confidence fell drastically from 105 in January 2020 to 55.5 by January 2021. That means, even when the economy started to grow officially, consumer confidence had not recovered.

Employment and incomes: they are still down and 230 million slipped below the poverty line. All this implies that the consumption basket for different sections of the population had changed.

Under-representation of services: services are about 55% of the GDP but have no representation in WPI and about 40% in CPI. For instance, health costs shot up during the pandemic, this is not captured in inflation figures.

Why inflation is a cause of worry?

Inflation affects the consumer: If the rate of inflation is 10%, then compared to the previous year a person has to spend 10% more to buy the same number of things.

Impact on the poor: the poor have to curtail essential consumption. In India, 94% work in the unorganised sector and mostly earn low incomes and have little savings.

Impacts on govt's revenues and the budgetary deficit: inflation puts pressure on the government to cut back budgetary expenditures, especially on the social sector. That aggravates poverty and reduces demand further.

What are the factors contributing to inflation?

Increased taxation of energy to raise resources: Since energy is used for all production, prices of all goods and services tend to rise and push up the rate of inflation. This is an indirect tax, it is regressive and impacts the poor disproportionately more. It also makes the RBI's task of controlling inflation difficult.

Disrupted supplies: it added to shortages and price rise. Prices of medicines and medical equipment and items of day-to-day consumption also rose. Fruits and vegetable prices collapsed in rural areas but rose sharply in urban areas.

Big business raised prices: in spite of a lower wage bill, they raised prices as reflected in a sharp rise in the profits of the corporate sector.

International factors: Most major economies have recovered and demand for inputs has increased while supplies have remained disrupted (like chips for automobiles). So, commodity and input prices have risen. Also, the weakening of the rupee added to inflation.

122. Regaining fiscal balance

Source: This post is based on “**Regaining fiscal balance**” published in **Business Standard** on **23rd Sep 2021**.

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

Relevance: Fiscal policies and revenue mobilisation

Synopsis: The advance tax numbers suggest growth in revenue collection continues to remain strong. However, Central government finances would need careful management.

Introduction

In the current financial year, the fiscal position has improved significantly and the recovery in revenue collection has surprised many.

By July-end, the government **collected revenue worth over 37%** of its Budget Estimate (BE) for the current fiscal year. The comparable number in the last fiscal year was **about 11%**.

Better than expected revenue collection has also resulted in a lower fiscal deficit so far. The government is targeting to contain the **fiscal deficit at 6.8%** of gross domestic product in the current year, compared to 9.5% last year.

Why Central government finances would need careful management?

High expenditure to be incurred in Welfare programmes: According to Finance Secretary T V Somanathan, the government is also incurring expenditure above the BE. For instance, the government reintroduced the distribution of free food grains during the second wave, which is likely to cost about Rs 1 trillion.

Decreased revenue from non-tax receipts: The government appears to be cautious on committing additional spending despite higher tax collection because non-tax receipts can be significantly lower than the BE. For instance, it is unlikely to meet the disinvestment target.

What steps need to be taken?

In the present situation, the government can boost spending without creating permanent programmes, such as those involving cash transfers.

Pushing capital expenditure, which has been lagging so far in the current fiscal year, could be one possibility. Since the tax collection is likely to exceed the budget estimate by a

significant margin, the government can use the additional fiscal room to push capital expenditure.

GST Council should rationalise tax rates: The end of compensation payment for goods and services tax (GST) shortfall from July next year will increase fiscal risk for many states. Extending the compensation mechanism will not be feasible because the cess collection beyond June 2022 will be used to repay debt raised in the last and current fiscal year to pay compensation. In this context, The GST Council should rationalise rates as soon as possible and take them to the **revenue-neutral** level.

This will not only improve the fiscal situation for states but also provide greater stability to central government finances and help draw the medium-term consolidation road map.

123. The state of agriculture in India is only going from bad to worse

Source: This post is based on the article “**The state of agriculture in India is only going from bad to worse**” published in **Livemint** on **24th Sep 2021**.

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

Relevance: Agrarian distress in India

Synopsis: Our agricultural sector has been in a state of perpetual decline after 2012-13 and is reeling under such shocks as back-to-back droughts, demonetization and the COVID-19 pandemic. The latest Situation Assessment Survey adds to findings that reveal worsening agrarian distress.

Introduction

Recently, the National Statistical Office released the Situation Assessment Survey (SAS) of agricultural households for the 2018-19 agricultural year, which runs from July to June.

This is the 3rd survey of the SAS series; the earlier two were for 2002-03 and 2012-13 agrarian years.

The latest one holds importance, given the unprecedented crisis in India’s economy driven by declining demand and supply disruptions, and also in the context of an intensification of the farmer agitation against three farm laws.

What are the reasons behind the agrarian distress?

The crisis in agriculture has been developing for quite some time. Essentially, our agrarian economy has been in a state of perpetual distress after 2012-13 due to the following reasons:

- a sharp slowdown in the economy and a rise in input costs driven by rising wages
- faulty implementation of India’s fertilizer-subsidy reforms and higher fuel prices
- The back-to-back drought in 2014 and 2015 added to the problems.
- Demonetization caused disruptions that left many farmers unable to sell. Since then, the economy has experienced a sharp slowdown, followed by the covid pandemic.

What are the results SAS 2018-19?

i). Increase in wage income: The average income of an agricultural household from all sources—cultivation, livestock, wage earnings as well as non-farm incomes—increased in real terms from **₹6,436** in 2012-13 to **₹7,683** in 2018-19. However, this was mainly on account of higher wage incomes, which rose 6.7% per annum.

ii). Decline in cultivation income: More than 90% of farmers during July 2018-June 2019 reported being engaged in crop cultivation, and for a majority of them, real incomes from it

declined 1.3% per annum. This decline was experienced not by any particular class, but by all farmers, from those with small and marginal to medium and large farms.

Why SAS 2018-19 results are worrying?

Due to the following reasons:

i). Incomes from non-farm sector are not reliable: A large proportion of rural households are still engaged in agriculture; and within agriculture, an overwhelmingly large proportion are dependent on crop production. While higher than average growth in wage labour may have protected agricultural households from a decline in real incomes, it is unlikely that the non-farm sector will continue to protect farmers' incomes in the future.

ii). The country's rural areas are suffering. The fall in real cultivation incomes has been partly responsible for a slow demand and economic growth even before the pandemic. But the fact that it has caused investment in agriculture to weaken points to further distress for our agricultural economy.

iii). Impact of COVID: These SAS estimates pertain to 2018-19, or two years before the pandemic struck the Indian economy. Events after 2018-19 suggest that the situation would certainly have worsened on account of a rise in input costs driven by energy and fertilizer prices.

iv). Declining and Stagnant prices: Data from the wholesale price index suggests that farm-gate prices for a majority of crops have either declined or remained stagnant.

v). Decline in real wages: With real wages declining in the last two years, even the cushion of wage incomes compensating for the loss of cultivation incomes may not be enough. Moreover, the recently released Periodic Labour Force Survey showed an actual increase in workers dependent on agriculture. This would result in a sharper reduction in real incomes per agricultural work.

What needs to be done?

The priority at this juncture for the government should be to **protect the real incomes of farmers** that they were getting before it assumed office.

124. A climate change narrative that India can steer

Source: This post is based on the article "A climate change narrative that India can steer" published in **The Hindu** on **24th September 2021**.

Syllabus: GS 3- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment, Disaster and Disaster Management.

Relevance: To understand the effects of the climate change

Synopsis: The Glasgow COP26 meet offers India a chance to update its Nationally Determined Contributions to meet climate targets.

Introduction

Recently, Ministry of Earth Sciences (MoES) published a report titled "Assessment of Climate Change over the Indian Region". This report reveals that **India has warmed up 0.7° C during 1901- 2018**.

What are the findings of the assessment?

The **2010-2019 decade was the hottest** with a mean temperature of 0.36° C higher than average.

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Heatwaves continued to increase with no signs of diminishing greenhouse gas emissions despite lower activity since the novel coronavirus pandemic. Prolonged exposure to heat is becoming detrimental to public health. The poor people are unable to cope up with heat. As per the assessment, India may experience a **4.4° C rise** by the end of this century.

Flooding: Super cyclone “Cyclone Amphan” that hit India in 2020, cost monsoon flooding. It caused India’s heaviest monsoon rain in the last 25 years and the world’s seventh costliest. In early 2021, India suffered two more cyclones: Cyclone Tauktae hitting the west coast and Cyclone Yaas from the east.

What is the reason behind rising internal displacement of population?

As per Internal Displacement Monitoring Centre, India’s Internally Displaced Populations (IDPs) are rising due to **damaging climate events**.

Heavy rainfall: Uttarakhand’s residents began deserting their homes after the Kedarnath floods in 2013 due to heavy precipitation that increases every year. Uttarakhand is the most affected state. Within 2050, rainfall is expected to rise by 6% and temperature by 1.6° C.

Coastal erosion: India lost about 235 sq km to coastal erosion due to climate change induced sea-level rise, land erosion and natural disasters such as tropical cyclones between 1990-2016. This led to displacement. Around 3.9 million displaced in 2020 alone, mostly due to Cyclone Amphan.

Droughts: India’s Deccan plateau faced severe droughts in the 21st century. Maharashtra and Karnataka are the most affected.

What are some steps that India has taken to tackle the climate change?

- India held the top 10 position for the second year in a row in 2020’s Climate Change Performance Index (CCPI). The country received credit under all of the CCPI’s performance fields except renewable energy where India performed medium.
- India vowed to work with COP21 by signing the Paris Agreement to limit global warming and submitted the [Nationally Determined Contributions](#) (NDCs).
- India cofounded with France at COP21, in 2015, the [International Solar Alliance \(ISA\)](#) which aims at mobilizing USD1 trillion in investments for the deployment of solar energy at affordable prices by 2030.

What are the issues with India’s global alliances and policies regarding climate change?

Despite leading ISA, **India performed the least in renewable energy according to the CCPI’s performance of India**.

The problem: The question is, are these global alliances and world-leading policies being practised or are merely big promises with little implementation?

India is **not fully compliant** with the Paris Agreement’s long-term temperature goal of the NDCs. There are risks of falling short of the 2° C goal.

To achieve the Paris Agreement’s NDC target, India needs to produce 25 million-30 million hectares of forest cover by 2030.

In reality, India has overpromised on policies and goals which is difficult to deliver.

Why does the COP26 matter?

The Glasgow COP26 offers India a great opportunity to implement Paris Agreement and update NDCs to successfully meet the set targets.

Being an influential member of COP26, India has the ability to improve its global positioning by leading a favourable climate goal aspiration for the world to follow. India has the opportunity to save itself from further climate disasters and be a leader in the path to climate change prevention.

125. Managing risks of a green economy

Source: This post is based on the article “**Managing risks of a green economy**” published in **Business Standard** on **23rd September 2021**.

Syllabus: GS3 – Issues related to climate change and clean energy

Relevance: Green transition and its impact on Indian economy

Synopsis: A rapid transition to renewable energy, which is necessary, will disrupt a number of businesses.

Introduction

Climate change will affect lives and livelihoods across the globe with some countries getting disproportionately impacted.

According to a recent report by the Swiss Re Institute, climate change could **reduce global gross domestic product by 18% by 2050** if no mitigation action is taken. India would also suffer significantly.

A 2019 International Labour Organization study noted that productivity loss because of heat stress could be equivalent to 80 million full-time jobs globally in 2030.

Clearly, **more needs to be done** to contain the risk of climate change. However, the other side, that is, discussion on disruptions that a rapid transition to a green economy could entail has not started.

How transition towards clean energy will impact business and government?

Green business risks: A rapid transition to renewable energy, which is necessary, will disrupt a number of businesses. India, for instance, produces the bulk of its power through coal-fired plants and experts argue that it will need to build more such plants to meet its energy requirements in the next few years.

On coal plants: As India moves rapidly towards renewables, **capacity utilisation in coal plants** would decline, affecting return on investment. This will have implications for both debt and equity holders.

Automotive industry: Similarly, India has a **large automotive industry base**. As the business moves towards electric vehicles, the market will be disrupted with some legacy manufactures and component makers going out of business. Aside from **financial losses**, it could also **affect employment**. Since electric vehicles have fewer moving parts, they need less labour.

Monetary policy and central banking: Recently, former Reserve Bank of India (RBI) governor Urjit Patel argued that not adjusting the central bank reaction functions to climate change will result in suboptimal policy choices. However, as another former RBI governor Raghuram Rajan has argued, they should stay away from such an objective as it is primarily a fiscal issue. Shifting roles and responsibilities of Central bank towards climate change can affect financial stability, and price stability could also get affected.

Fierce fiscal risks: India’s transition to a green economy will pose serious fiscal risks, both at the central and state level. Both levels of government depend significantly on revenue from

petroleum products. Theoretically, if petroleum products are replaced by other sources, this stream of revenue will be wiped out.

If part of the demand shifts to the power sector as incentives for electric vehicles aim, it would create even bigger fiscal complications.

India's power sector is in problem. The debt of state-run distribution companies is likely to cross the Rs 6 trillion mark in the current year. The state of power distribution companies poses significant risks to state government finances.

Thus, a meaningful demand shift in the automotive sector from petroleum to power can create enormous complications for government finances.

What is the way forward?

First, both the central and state governments will have to **reduce dependence on petroleum products** for revenue generation. For this to happen, both direct tax and the goods and services tax system will need to be overhauled.

Second, the issues in the power sector will need to be fixed once and for all. It is important to recognise that consumers will have to pay.

If these two issues are not addressed immediately, any meaningful attempt to move towards a green economy would create serious fiscal, growth, and financial stability risks. This could eventually end up increasing climate risks and diminishing India's global standing.

126. Human resources & regulatory autonomy

Source: This post is based on the article "**Human resources & regulatory autonomy**" published in **Business Standard** on **24th September 2021**.

Syllabus: GS3 – Issues related to financial regulation in India

Relevance: Financial sector reforms

Synopsis: Statutory regulatory authorities need autonomy in staffing their organisations with specialists who have integrity and knowledge.

Introduction

Recently, the chairman of the **National Financial Reporting Authority (NFRA)** called for a "standalone legislation". He stated that, in the interest of functional, financial and administrative autonomy of the NFRA, there is a compelling need for a standalone legislation on NFRA.

Why NFRA was established?

The need for establishing the NFRA had arisen on account of the requirement across jurisdictions in the world, in the wake of accounting scams.

Hence, government wants to establish independent regulators, for enforcement of auditing standards and ensuring the quality of audits, and thereby, enhance investor and public confidence in financial disclosures of companies.

Why a standalone legislation?

NFRA was constituted in 2018 under section 132 of the Companies Act, 2013.

The chairman said that this section does not provide comprehensive coverage of all the functions and powers that are required to constitute the NFRA as a corporate financial reporting regulator.

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How regulators like NFRA are created in India?

Regulation is defined more broadly as the intentional and direct interventions by public agencies in the economic activities of a target population usually in the private sector.

Regulators are created as a **statutory regulatory authority** (SRA) and vested with the powers of two or all three organs of the state, namely the legislative, executive and judiciary.

Why SRAs like NFRA need the flexibility to recruit?

SRAs are required to develop the capabilities required to discharge functions in domains that require specialised and continuously updated knowledge. **Example:** the Reserve Bank of India (RBI) in its role as the banking regulator requires people with specialised knowledge of banking.

If there are adjudicatory activities associated with these then another arm of the regulator will also need to have the capacity to judge the violations of these measures and take remedial and penal actions.

Further, the normal governmental system of personnel does not deal with such specialised areas. Hence, SRAs need the flexibility to recruit, retain and substitute talent as dictated by developments in the markets they regulate.

What is hampering the recruitment of talented human resources in regulator sector?

The government remuneration systems turn out to be inadequate to attract the right talent. This is mainly due to conditions specified in The **General Financial Rules (GFR)**.

The **General Financial Rules (GFR)** of the government are applied to organisations that receive more than 50 per cent of their recurring expenditure in the form of grants-in-aid. According to GFR rules, such organisations need to formulate terms and conditions of service of their employees in a way that they are not higher than those applicable to similar categories of employees in government.

Another rule of the GFR requires that all proposals for creation of positions in such bodies shall be submitted to the sanctioning authority.

What is the way forward?

Given that India will need organisations which may not have a natural and direct source of income (like the NFRA and IBBI) the longer-term solution will lie in the **direction of differential treatment of SRAs** in the GFR.

The mandate and nature of the functions of the organisation, should be the basis of classification of organisations.

In this context, The **Financial Sector Regulatory Reforms Commission** recommendations to fully empowering the board of the SRA, along with appropriate changes in the GFR is the way forward. This will ensure SRA autonomy with accountability.

127. [India's consumer map is rapidly being redrawn by major trends](#)

Source: This post is based on the article "[India's consumer map is rapidly being redrawn by major trends](#)" published in **Livemint** on **24th Sep 2021**.

Syllabus – GS3: Inclusive Growth and issues arising from it

Relevance: Growth in consumption

Synopsis: Companies must adapt to a market of rising incomes, digital innovations, new consumers and altered consumption curves.

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Introduction

Pandemic shocks and aftershocks make the immediate economic outlook more uncertain. However, prospects for India's consumption remain robust as incomes are projected to rise and millions more will experience growth in their spending power.

Which factors are responsible for shaping India's consumer landscape?

- Consumption preferences and behaviour.
- Technological change.
- Digital ecosystems such as 'super app' model in which a single app offers one-stop-shops for a range of digital services.
- E-commerce, or communications.

What are the future predictions?

Consumption growth: one of every two upper-middle-income and above households is expected to be in Asia, and one of every two dollars of global consumption growth is likely to occur in the region.

India's consumption growth: by 2030, 55% of India's population could belong to 'consuming class', spending more than \$11 a day in purchasing power parity (PPP) terms.

India's income pyramid is expanding: The proportion of consumers in the two highest income tiers of the consuming class could double to 20% by 2030.

Despite the challenges, how India retains its large long-term growth potential?

Demographics: In India, two generations will come into focus over this decade: a generation of 'online-first' consumers, expected to account for at least half of all consumption by 2030, and those aged 60 and over, whose consumption could grow 1.6 times faster than that of India's on the whole.

Spending pattern: The pandemic accelerated the shift and senior spending patterns are likely to shift increasingly online. Internet banking, ride-hailing and payment of utility bills are some of the most cited reasons why seniors use digital tools.

Economic empowerment of women: an estimated \$1.4 trillion could be added to India's economy by 2030 from increased female participation. This opportunity may not be easy to capture but we need to focus on narrowing gender gaps.

Digital empowerment: In India and South Asia, the gender gap in mobile internet access has narrowed by 16 percentage points since 2017. New digital models can help more women join the labour force as entrepreneurs.

What is the way forward?

First, companies serving the Indian market need to consider growing consumer segments that are becoming even more diverse in an era of rapid technological change.

Second, Innovation in business models needed. Technology is democratizing consumption, thereby opening up the market to a vast number of new consumers.

128. [WHO's new air quality standards underline the health-pollution link. It's time policies take a holistic approach](#)

Source: This post is based on the following articles

“WHO’s new air quality standards underline the health-pollution link. It’s time policies take a holistic approach” published in **Indian Express** on **24th September 2021**.

“Explained: What new WHO pollution norms mean for India” published in **Indian Express** on **24th September 2021**.

Syllabus: GS3 – Environmental pollution and degradation.

Relevance: To understand the complexity of the issue of air pollution.

Synopsis: India’s air quality standards were way short of WHO norms even before. The new thresholds will sharpen these differences.

Introduction

The [World Health Organization \(WHO\)](#) has released the **Global Air Quality Guidelines (AQGs)**. These guidelines are **not legally binding** but advise to policymakers to shape their policies by prioritizing the health of the people.

Read here: [WHO says air pollution kills 7 million a year, toughens guidelines](#)

Where does the problem lie?

Pollution management: Short-term ad-hoc measures are often deployed to deal with the problem of air pollution in India, such as bans, fines and shutting down of power stations.

Collaboration: The issue of Air pollution is multi-faceted involving pollution, health, environment etc. But rarely any collaboration is seen between the Ministries of Environment and Health.

The [National Clean Air Programme \(NCAP\)](#) does talk of inter-sectoral linkages, especially health and environment, and sets time-bound targets, but the success of the program will depend on how it can synergize different plans of various departments. In the absence of such concerted action, the NCAP could end up becoming another data-gathering exercise.

Updated data: India’s ambient air quality standards were last updated in 2009. It is high time that they are revised and WHO guidelines are inculcated into them.

Focused approach: Quality of air is dependent on a variety of activities and therefore needs to be tackled at source. For example, one cannot expect clean air, when the surroundings are filthy, or the quality of roads are not good.

Conflict with other activities: There is direct conflict in efforts to improve air quality with some other objectives like to keep our industries competitive in the short term. That is the reason why we have seen repeated relaxations, extensions of deadlines, in implementing more stringent emission norms for certain industries.

Unsustainable construction: The construction site is not covered properly. Construction material or debris is kept in the open and transported in open trucks.

Roads: India’s roads don’t conform to basic construction sites. The corners of the roads are not properly paved, leading to the release of lots of very harmful particles. The sidewalks and road dividers are major sources of dust.

All this calls for multi stakeholder-approach to handle this complex problem.

129. Missing skills: Low employability calls for academia-industry link

Source: This post is based on the article **“Missing skills: Low employability calls for academia-industry link”** published in **Times of India** on **24th September 2021**.

Syllabus: GS 3 Indian economy – development and employment

Relevance: To understand the employability of Indian graduates

Synopsis: Given the poor employability of Indian graduates, urgent steps are needed to address the skill gaps.

Introduction

The **QS Graduate Employability Rankings 2022** were recently released. The report reveals that **no Indian Higher Education Institution is in the top 100 and only 3 HEI can make a place in the top 200**. This shows the employability crisis of Indian graduates.

Read more: [Three IITs among world's top 200 in QS Graduate Employability Rankings 2022](#)

What is the employability status in India?

Employability report: A 2019 report by Aspiring Minds termed the challenge as “**stubborn unemployability**”. It concluded that the employability of Indian engineers has not changed since 2010. Only 3.84% of engineers are employable at software start-ups.

India Skills Report 2021: It estimated overall employability at 45.9%. It means least one of two graduates is not ready for the job market. In polytechnics, the employability level is as low as 25%.

GOI launched the [National Education Policy \(NEP\)](#) to address this problem.

What we can do further?

We can take **inspiration from the models of Germany and Japan**. Germany's apprenticeship programme is a building block of its manufacturing prowess. Japan's school system plays an important role in matching student skills with industry's requirements

As the Indian market grows, the demand for more skilled workers will grow. So, India should invest in skilling its youth for meeting the demands of the future job market.

130. The Unicorn Stampede

Source: This post is based on the article “**The Unicorn Stampede**” published in **Indian Express** on **24th Sep 2021**.

Syllabus – GS3: Mobilization of Resources, Growth, Development

Relevance: Unicorns, investment in India

Synopsis: It would be wise for investors to take a deep breath before investing in India to make sure that the blessing of unicorns does not end up saddling India with a curse.

Introduction

Unicorns are Start-ups with a billion dollar-plus valuations. There is Unicorn stampede in India and on the other hand there is fewer unicorn sightings in China which is ordinarily the biggest unicorn habitat outside the US.

Why unicorns are shifting base from China?

Crackdown: China's tech industry contributed over 38% to the country's GDP last year and was key to managing both Covid and the economy. Beijing has decided to crack down on the industry.

The crackdown began with the abrupt suspension of the much-anticipated initial public offering (IPO) of Ant Group, while founder, Jack Ma, the very face of Chinese tech worldwide, mysteriously went underground.

Industry-wide changes in China: The state's shadow extends well beyond restricting capital markets access and tightening regulations. Weekends and holiday tutoring by private tutors are off-limits. Video games, on the other hand, can only be played on Fridays and weekends.

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Why India is experiencing unicorn stampede?

Tiger Global Management: it topped the list in terms of greatest exposure to the risks created by China's tech crackdown. Hence, Tiger's interest in India has spiked which attracted attention of other investors. Tiger's investment in Innovaceer, for example, has given India its first health-tech unicorn.

Venture deals increasing: China may have four times the number of unicorns as India, but this year for the first time since 2013, the value of venture deals in India surpassed that of China.

India is the world's second-largest digital market: The use of the United Payment Interface has made digital payments easier in a society that was so tied to cash.

Opportune time: Many startups are in a hurry to capitalise on the boom with many investors looking to capitalise them. For example, ShareChat can get you into Tier 2 and Tier 3 cities over a vernacular social media platform.

Why this shifting may not be good for India?

Self-reinforcing cycle: The early investors draw in others who fear they are missing out, and more investors rush in, perpetuating the cycle. The cascading tranches of money over-capitalise startups by giving more money than what's needed to get to necessary milestones.

Over-valuation: Each investor may over-value a company, far exceeding what is justifiable based on market fundamentals.

27. When global firms disengage, employment suffers

Source: This post is based on the article "**When global firms disengage, employment suffers**" published in **the Hindu** on **25th September 2021**.

Syllabus – GS3: Investment, Inclusive Growth

Relevance: FDI vs Domestic Capital formation

Synopsis: Permanency of large foreign firms operating for decades is slowly on the decline. That is why, domestic capital formation and private investments should step in.

Introduction

The most recent labour statistics, for August 2021, released by the Centre for Monitoring Indian Economy (CMIE) shows that the unemployment rate has increased from around 7% in July to 8.3% for August 2021.

What does the analysis of CMIE data says?

Sectoral analysis shows that most of the jobs lost were farm jobs, while non-farm jobs did increase to absorb some of these. However, the quality of new jobs generated is a matter of concern.

Non-farm jobs increased by 6.8 million, mainly in business and small trade, but the manufacturing sector shed 0.94 million jobs. Thus, much of the labour shed by agriculture has been absorbed in low-end service activities.

Employment sustainability: The non-availability of sufficient jobs in manufacturing and higher end services could be the dampener for economic recovery in the subsequent quarters of the current fiscal year.

Driver of the manufacturing sector's output and employment growth is the auto sector. The automobile sector employs 19.1 million workers, directly and indirectly.

Why there is difficulty in expansion of auto sector?

Aggregate demand in the economy is **low** due to pandemic.

The shortage of semiconductors continues to impact production even when customer sentiments are slowly turning positive.

What are some important issues/concerns associated with foreign investment?

Global corporate restructuring: the uncertainties of global corporate restructuring and changes in the economic environment in the lead firm's home economy are factors to consider. **For example**, experience of Nokia was one of the world's largest mobile phone plant, with 8,000 permanent employees working three shifts and exporting products to over 80 countries. But in 2014, Nokia halted its production operations from this location, disrupting the livelihoods of thousands of workers.

More frequent global production re-arrangements: these are becoming a part of the strategy of big firms in this phase of globalisation, as markets tend to be more volatile due to repeated demand fluctuations.

Recently, Citibank announced that it would shut India retail banking business as part of a global decision to exit 13 markets.

Creating a massive disruption in the local economy: Ford's exit from India will affect about 4,000 direct employees. Estimates show that another 35,000 indirect employees would also be lost at various levels.

Emergence of modern transnational corporations (TNC): When TNCs emerge as key players in an industry, a proliferation of mergers and consolidations across national and international borders might be frequent.

How exit of high-profile firms' impact job generation?

Creates apprehensions among potential investors: it generally lead to a 'wait and watch' approach, affecting private investments even if an economy claims to have the tag of investor friendliness. A downturn in private investments leads to slower employment growth.

Mismatch in labour supply: The process of the 'destruction' of jobs through exits creates mismatches in the labour market. There is a sudden release of high skilled workers which could block possible new entrants who have already invested in their skills. This leads to a levelling down of wages which occurs when high-end services firms exit.

Rise in unemployment: When large assembly firms exit there would be a big influx of low-skilled workers to other sectors as the same sector might not be able to absorb the workforce released. This churn in the labour market aggravates an existing unemployment problem.

What is the way forward?

First, raising the level of public investments which is the key to output and employment growth.

Second, attract domestic private investment. the economy has been waiting for private investments to flow in for quite some time, but their levels have been very low.

131. Why India must strengthen its public sector

Source: This post is based on the article "**Why India must strengthen its public sector**" published in **Indian Express** on **25th September 2021**.

Syllabus: GS3 – Issues related to Privatisation of public sectors

Relevance: Significance of India's PSEs, Drawback of Privatisation of PSEs.

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Synopsis: The sale of giants like BPCL, BEML or SCI would undermine India's "Atmanirbhar" goal. Privatisation compromises India's sovereignty and economic freedom, threatening its energy security and strategic position.

Introduction

Today, 28% of the world's largest and most powerful economic entities are state-owned, dominated largely by the Chinese State-Owned Enterprises (SOEs).

China today has 124 firms in the Fortune list, of which 95 are SOEs, compared to 118 from the US. Many so-called private Chinese firms like ZTE and Lenovo are known to be controlled by SOEs.

The next group of 26 SOEs are from the OECD countries, while emerging market countries like Brazil, India, Mexico add another 17 to make a total of 135 SOEs in the list.

How China's state-owned industry is performing globally?

The last two decades have witnessed Chinese SOEs acquiring several American and European technology companies, from IT to oil fields, coal to strategic minerals, telecom to mobile phones and solar wafer to computer chips.

The rise of Chinese SOEs has far-reaching consequences for global competition and control over strategic technologies and resources.

How China was able to create a dominant state-owned industry?

The rise of Chinese SOEs in the global economy can be traced to the strategic vision and plan articulated in 1998 at the 15th Congress of the Communist Party of China (CPC).

The reforms launched by the 15th Congress were **to restructure larger SOEs**, "corporatise" them and list several on the stock market, making them profitable and competitive in global markets. Simultaneously, China set up 37 new SOEs in new emerging industries and technologies.

Also, China quickly let go of the small and shut down or privatised 90,000 enterprises, with little impact on the share of SOEs in total output.

Must Read: [What is the history of India is supporting growth of PSEs?](#)

What are the implications of privatizing India's significant PSEs?

Reduces India's potential in acquiring assets and resources abroad: For instance, Bharat Petroleum has assets in 17 countries and holds part of India's strategic oil reserves.

Impact on Shipping industry: Declining support to SCI and Indian shipping has meant that the share of India's maritime trade carried by Indian ships is today a minuscule 6%, down from 40% in 1989.

Impact on key industrial capabilities: The government's refusal to support PSEs at critical moments has left wide gaps in key industrial capabilities. With the collapse of HMT, India is forced to import 80% of its machine tools, the bedrock of manufacturing.

Affects India's self-sufficiency: The undermining of the pharmaceutical PSEs like IDPL and HAL, once India's pride, makes it dependent on active ingredients from China.

Affects India's leading role in future technologies: The government's reluctance to support BHEL has flooded the Indian power sector with Chinese equipment. Moreover, India is largely absent in emerging technologies like solar wafers, computer chips or EV batteries.

Impact on Aviation: In the development of a civilian aircraft, India has lost a decade due to the ideological reservation about spending public money for developing anything outside defence.

What is the way forward?

India needs to imitate China in establishing new PSEs in strategic and emerging industries, which require patient capital and greater risk.

PSEs are important strategic assets to confront a rising China, more valuable than Rafale jets or leased Russian submarines.

132. The trouble with containing China

Source: This post is based on the article “**The trouble with containing China**” published in **Business Standard** on **25th September 2021**.

Syllabus: GS3 – Globalisation and challenges arising from it

Relevance: China’s geopolitical significance

Synopsis: This article illustrates why it is difficult to contain China

Introduction

China is mounting a robust challenge with its “wolf-warrior” diplomacy and the vastly ambitious One Belt One Road initiative and String of Pearls.

To counter aggressive rising China, the new alliance (AUKUS) between Australia, the UK and the US, is formed.

However, according to the author, it’s difficult to contain China unlike Russia. Further, any change in Political status of China will have global ramification.

How has China developed in to a super global power?

China, has actively encouraged the **monetisation of science and technology capability**. Over 80% of its R&D expenditure comes from corporate sources, and it has a huge number of home-grown, high-tech, mega-billion businesses.

China has the **world’s biggest, most diversified manufacturing base**. It is a monopoly or near-monopoly player in many sectors, and a leader in cutting-edge research in genetics, aerospace, consumer electronics, supercomputing, etc.

Just as it has encouraged entrepreneurs to tap every overseas market, it has also encouraged its best and brightest to study abroad to ensure it stayed abreast of developments in every field.

Why it is difficult to Contain China?

Firstly, China has developed a mighty human resource and technological capability, Hence, China cannot be driven into poverty by an arms race.

Secondly, China is **fully integrated into global economy** and if it does undergo any catastrophic political change, the global economic costs will also be high.

It was already visible on what could happen to supply chains when China went into lockdown for one quarter last year. Also, the latest real estate bubbles like Evergrande will lead to an implosion in a massively-leveraged economy.

If the PRC thrives, there’s a problem. If it collapses, there’s also a problem. It induces suffering in both, those who consume it and those who don’t.