

**9pm**

# **Compilation**

**October, (Third Week)**

### General Studies - 1

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1. The founder of a Mini India
2. Gandhi and Savarkar shared goal of independence, differed on means
3. Movers and shapers: On Migrant workers

### General Studies - 2

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1. Three dark clouds over the Bretton Woods twins
2. The world refugees must also be shielded from Covid
3. A shadow foreign policy for the first time
4. [India and the new Quad in West Asia](#)
5. The decline of the Budget school
6. EU, Indian and the Indo Pacific
7. How woman lawyers are kept out of litigation
8. Is the Indian foreign-policy ship changing course?: About India-Afghanistan relations
9. One Nation One Ration Card: Good intention but implementation may be difficult
10. Explained: IMF outlook and status of jobs
11. Geo-Economics Of Two Quads
12. Why India needs an international development cooperation agency
13. Towards zero hunger
14. What is PLI for?
15. Engaging the Taliban
16. The process is the punishment
17. Beyond percentages: A test for promises on women's representation
18. Is there a good way for a political party to achieve internal democracy

### General Studies - 3

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1. The final frontier of space technology
2. Liberalising capital account
3. Nuclear power: A climate response that gets short shrift
4. Climate justice and India's choice
5. Powering the energy sector
6. Coal India, the fall guy for power crisis
7. Our farm income and nutrition challenge amid climate change
8. Digitisation of farm data needs awareness
9. Improving livestock breeding
10. Has Kerala learnt anything from extreme weather? Apparently not, say experts
11. India's pulses problem: We need real reform
12. Slide in China's GDP growth and implications for India
13. Education is a powerful enabler of climate-change containment
14. A new global economic consensus
15. Expanding forest cover: On proposed amendments to Forest Act
16. Devastation in coasts and hills underlines ecological fragility, calls for revisiting development paradigms
17. India must keep the momentum of Air India's privatization going
18. Changing economic order

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

19. Health id needn't cause any anxiety over data policy
20. Cat to the rescue: Govts, insurers must issue catastrophe bonds for citizens' financial protection from weather events
21. Water governance reform
22. The need of systems that'll help tackle a crisis rather than deny it
23. India's difficult transition from fossil fuels to net-zero emissions
24. Extending BSF's powers won't resolve policing problems, security threats
25. The global tax revolution
26. Reform fuel pricing
27. The outlines of a national security policy
28. Will privatisation take off after the Air India sale?
29. Uttarakhand Floods: Respect Himalayan landscape if you want to preserve it, say experts
30. Can biomass co-firing offer a viable solution to coal shortage and stubble burning?
31. International trade is not a zero-sum game
32. The carbon markets conundrum at COP26
33. The poor conditions of protectors
34. Indian Railways likely to become world's first 'net-zero' carbon emitter by 2030
35. Why drones are tracking wildlife in Kashmir
36. Glasgow climate meet. India doesn't rule out 'net zero' commitment
37. Post-Covid economy needs intellectual re-evaluation
38. A clean energy transition plan for India
39. Vax milestone and a K-shaped problem

# General Studies Paper - 1

## General Studies - 1

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### 1. **The founder of a Mini India**

Source: This post is based on the article “**The founder of a Mini India**” published in **The Hindu** on **18<sup>th</sup> October 2021**

**Syllabus:** GS1 important contributors/contributions from different parts of the country.

**Relevance:** To understand the contributions of Sir Syed Ahmad Khan

**Synopsis:** As India seeks to embark on an inclusive development agenda, it is important to recognize the role of Sir Syed Ahmad Khan.

#### **Introduction**

Recently Aligarh Muslim University completed 100 years of its foundation. Its **founder, Sir Syed Ahmad Khan** was born on October 17, 1817. His focus was on utilizing education as a tool to build an inclusive society and a progressive nation.

#### **How did he use education as a tool for empowerment?**

He believed that National progress depends on the education and training of the people. So we must create a national system of education to educate our people in science and technology.

He **welcomed everyone in his fight against illiteracy**. He wanted to unshackle Hindus and Muslims from medieval thinking towards reason and progress.

#### **How does India know that he promoted inter-faith harmony?**

He was living in the era of Hindu Muslim tension being promoted by the British. It was an era of transition where Muslims were left behind as they were still struggling with the debate of religion vs science.

But he was a true advocate of Hindu Muslim unity. Sir Syed led this by example. During the Bismillah ceremony of his grandson Ross Masood, Sir Syed placed him in the lap of his friend Raja Jai Kishan Das. When Sir Syed established a madrasa in Ghazipur, he **elected Raja Dev Narayan Singh as patron of the school**. Sanskrit was one of the five languages taught at this school. The managing committee of MAO College comprised 22 members of whom nine were Hindus.

Sir Syed also **laid the foundation of comparative religious studies and revived the spirit of [Dara Shikoh's philosophy](#)** — to bring major communities of India together by finding commonalities in their religions. **Section 5 (2)(b) of the AMU Act** empowers the university to promote the study of religions, civilization and culture of India.

#### **What can people learn from Sir Syed?**

When India emphasizes the principles of ‘nation first’ and ‘Sabka Saath, Sabka Vikas, Sabka Vishwas’, Indians should remember that Sir Syed established AMU with a rational, progressive and scientific mindset. So, the country should also move towards such a mindset.

### 2. **Gandhi and Savarkar shared goal of independence, differed on means**

Source: This post is based on the article “**Gandhi and Savarkar shared goal of independence, differed on means**” published in “**Indian Express**” on **18th October 2021**.

**Syllabus:** GS1: Modern Indian history significant events, personalities, issues.

**Relevance:** To understand the contribution of different thoughts of personalities in gaining Indian independence.

**Synopsis:** How Gandhi and Savarkar shared similarities and dissimilarities for the same cause.

### **Introduction**

The Indian freedom struggle consisted of different ideologies and viewpoints, encompassing the right, left and centre. It was a broad socio-economic, cultural movement to shape the idea of India, besides politically freeing India.

There were reformists, revolutionaries, constitutionalists, loyalists, progressivists and even regressive personalities.

### **What are the parallels between Gandhi and Savarkar?**

**Religious identity:** Both were conscious of their Hindu identity and were orthodox Hindus.

**On language:** Both advocated for Hindi as a common language for the unification of Bharat.

**Social reformers:** Both opposed untouchability. For instance, Savarkar was engaged in social reform project in Ratnagiri. He worked to uproot the caste system, advocated inter-caste dining, inter-caste and interregional marriages, widow remarriage, female education and temple entry for all castes.

Even Gandhiji was for reforming Hinduism from within and eradicating caste-based differences.

**As authors:** Both were authors and wrote extensively on contemporary political and social issues. Both wrote books in the same year, 1909. Gandhi's "**Hind Swaraj**" and Savarkar's The "**Indian War for Independence**" on the 1857 uprising.

**Partition:** Both were against the idea of dividing India.

### **What were the differences in their opinions?**

**State:** Gandhi championed the cause of **Ramrajya**-an ideal state where equality and justice prevail. For Savarkar, it was the **Hindu Rashtra** in which anyone who is born in the motherland and loves his country is a Hindu irrespective of their religion.

For him, Hinduness was not sectarian or religious, but a cultural identity emanating from a shared history and bloodline.

**Complete independence:** Savarkar was unambiguous in his conception of independence — complete independence. Gandhi developed the idea of complete independence gradually. The resolution for complete independence moved in 1927 Madras session was even opposed by Gandhiji.

**Uprising of 1857:** Savarkar hailed 1857 as the first war of independence. Interestingly, Karl Marx also called this the first war of independence in his articles in the New York Tribune. Gandhi did not have any clear enunciation of the uprising of 1857.

**Means vs Ends:** For Gandhi, the end had to be justified through the means. Non-violence, Satyagraha, "changing the mind of the oppressor" was essential.

For Savarkar, the goal of complete and immediate independence was more important than the means.

**On religious rituals:** Gandhi was more assertive — he described himself as a Sanatani Hindu and cow worshipper.

Savarkar was more progressive in his approach — he was averse to the ritualistic aspects of the Hindu religion.

In conclusion, any freedom struggle has two aims. One is to achieve independence from colonialism; the other is seeding and nurturing the ideas and values on the basis of which

nation-building is to be done. Irrespective of the differences, the two great personalities gave their contribution for the same purpose of “Bharat”.

### 3. Movers and shapers: On Migrant workers

**Source:** This post is based on the article “**Movers and shapers**” published in The **Times of India** on 20th October 2021.

**Syllabus:** GS -1 Population and associated issues

**Synopsis:** Targeted terror attacks in Kashmir have triggered an exodus of migrant workers. But this is not the sole challenge faced by migrant workers in India.

#### **Introduction**

Attacks on migrants in Kashmir have received nationwide attention. However, the challenges posed by **nativist politics** for migrant workers have gone unnoticed.

Migrant workers **provide cheap labor to the destination state** and remittances to the home state (source state). But states have chosen to ignore this economic logic.

**Haryana** passed a bill granting reservation to locals in private jobs. However, due to labor crunch, it faced after the lifting of lockdown, it had to call back migrant labors.

Similarly, many other states have either passed laws or are willing to do so for reserving jobs for locals.

#### **What is the significance of migrant labors for destination states?**

In urban and robust agricultural societies, low-paying or back-breaking jobs refused by locals are done by migrant workers.

Alternatively, there are also fast-progressing states short of high-skilled human capital, who require educated migrants.

These laws (mentioned above) push up labor costs and drive away, the employers or industrialists.

#### **What is the reason behind the resistance faced by migrant labors?**

In the past, the economic stagnation of socialist years (before 1991) triggered the anti-migrant sentiment in states like Maharashtra and Jharkhand.

However, after the acceleration of economic growth after 1991 liberalisation, these sentiments were quieted and accelerated migration.

Similarly, whenever there is an economic slowdown, it increases the competition for jobs and drives the localism emotions up.

# General Studies Paper - 2



General Studies - 2

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### 1. Three dark clouds over the Bretton Woods twins

**Source:** This post is based on the article “**Three dark clouds over the Bretton Woods twins**” published in “**Livemint**” on **18th October 2021**.

**Syllabus:** GS2: Global groupings and agreements involving India and/or affecting India’s interests.

**Relevance:** To understand the working of IMF and World Bank.

**Synopsis:** In light of the latest issues of the pandemic, economic recovery etc., how Bretton Woods can remain relevant.

#### Introduction

Time and again, Bretton Woods institutions (IMF and World Bank) have been accused of bias towards the West, more specifically with regard to the USA.

Recently, the ‘Fund-Bank’ annual meeting discussed the issues plaguing the whole world as they affect rich and poor countries alike, though the degree of impact may differ.

#### What are the recent challenges in front of Bretton Woods institutions?

The controversy over the World Bank’s **Doing Business report**, whereby it is alleged that senior leadership at the bank manipulated the index’s data in response to pressure from China and Saudi Arabia among others, casted further mistrust on these institutions.

**Read more:** [The end of Ease of Doing Business Rankings: Reasons and implications – Explained, pointwise](#)

**Global economic recovery-** The latest edition of the IMF’s ‘**World Economic Outlook**’ states, that the pandemic has widened the existing economic gap between rich and poor nations.

Its ‘**Fiscal Monitor**’ says that while advanced economies used supportive fiscal policy to kick-start growth and employment, the pandemic’s impact has squeezed the fiscal space for poor nations, thereby imperilling their growth prospects for some time to come. The **uneven pace of vaccination** across economies worsens the malady.

The visible effects of **climate change** and the **US** Federal Reserve’s **monetary-policy’s** proposed hawkish (higher interest rates) stand has magnified global economic risks.

#### How Bretton Woods duo can make meaningful contributions?

It needs to provide **higher volumes of concessional funding** at an accelerated rate, either directly or by precipitating financial flows from other agencies.

By **minimizing the influence of America’s domestic politics** or by dropping their past ideological commitments and practice true multilateralism.

### 2. The world refugees must also be shielded from Covid

**Source:** This post is based on the article “**The world refugees must also be shielded from Covid**” published in **Livemint** on **19th October 2021**.

**Syllabus:** GS 2 Issues related to refugees.

**Relevance:** Understanding the problems faced by refugees.

**Synopsis:** There is a need to include refugees and provide them basic health care facilities, including vaccines, to the countries welfare programmes.

### Introduction

There are approximately 82.4mn forcibly displaced people in the world. With the recent conflicts in Afghanistan, Yemen, Syria and other countries, their count has been increased to 11.2 mn more during the pandemic.

Approx 70% of these people are living in extreme conditions with no economic, social, legal security. Covid pandemic further shows us the vulnerability of these refugees.

### What are the problems faced by the refugees during the pandemic?

**Lack of resources:** Refugee children are often unimmunized and have poor access to basic healthcare facilities. Refugee camps are often over-occupied. With the lack of documentation procedure and other necessary requirements, their risk of having Covid is twice compared to other people.

**Vaccine inequities:** There is huge vaccine inequity between high and low-income countries. There is a vaccine hoarding of 79% in HIC, while only 2.3% in LIC. Countries with the highest refugees and asylum populations are even struggling to provide the 1st dose of vaccine to their own people.

**Identity proof:** Refugees, mostly does not have any identification, proof as they fled from their countries. During the pandemic, many countries vaccinated programmes mostly used digital systems which are linked to some proof of identity. For example, the UK allows refugees to access vaccines through its National Health Service but excludes those who fail to provide identification.

**Demand Issues:** In many countries, refugees fear to register for jobs because of their illegal migrant status and fear of being deported back.

**Misinformation:** According to **World Vision Survey**, 47% of global refugees thought they were ineligible or unaware of the vaccine programmes. **UN High Commissioner for refugees** also highlighted that vaccine hesitancy persists on account of misinformation, cultural and linguistic barriers.

### What countries did to exclude or include refugees in welfare programmes?

**Among the 70%** of 104 vaccination plans reviewed by WHO, **excluded migrants** including refugees and asylum seekers. Other plans also left 11.8 mn internally displaced people. Most of the countries also closed their borders and adopt harsh policies to keep out the refugees.

But **few Countries supported** the refugees during the pandemic. For instance, some **Latin American countries** supported refugees under their immunization programmes. For Ex, **Columbia** has offered 10-year temporary protection status to Venezuelan refugees. **Portugal** also granted temporary full citizen rights to asylum seekers for providing them basic health care facilities including vaccines.

### What is the way forward?

Ensuring universal vaccine access is not a problem of the health sector alone, as many structural issues create inequality. The world needs to prioritize human rights and the right to health as a matter of policy so that everyone including refugees and migrants feels safe.

### 3. A shadow foreign policy for the first time

**Source:** This post is based on the article “**A shadow foreign policy for the first time**” published in **The Hindu** on **19<sup>th</sup> October 2021**.

**Syllabus:** GS 2 Foreign Policy of India.

**Relevance:** Understand India's present and future foreign policy.

**Synopsis:** A new research paper has emerged which offers some directions for alternatives to India's foreign policy.

### Introduction

For the first time, a document has emerged from the **Centre for Policy Research (CPR)** named '**India's Path to Power: Strategy in a world adrift**'. It is authored by eight well-known strategists and thinkers and provides foreign policy alternatives.

India does not have a shadow cabinet. Under such circumstances, strategic papers by experts, which provide alternate foreign policy options, become very important.

### What have been the changes in foreign policy by the current government?

The government has taken a bold, and assertive foreign policy, overcoming the hesitations of history. For instance, after peace initiatives with Pakistan failed, the Government of India took a firm stand against terrorism. This has resulted in the following benefits,

Even though close relations with the other neighbours did not materialize, the government's helpful attitude managed all situations and has averted any crisis.

There is a new synergy in India-U.S. relations.

The government is also engaging with China continuously to build strong bilateral relations.

India's relations with Israel and the Arab countries have now become productive.

### What were the challenges faced by the government?

**Article 370** was a domestic matter. But, questions have been raised in the West about human rights and the state of democracy in India.

**The pandemic, the economic meltdown and China's incursion into Ladakh** added to the troubles of the government.

Moreover, political polarization and majoritarianism might diminish India. For example, the opposition in India questioned the foreign policy of the government.

### What should be the way forward?

India should keep its **focus on economic growth and should promote further globalization**.

There is a fundamental **need to change the outlook towards China**. India should also look at **resuming political dialogue with Pakistan**.

All this can be best done when ruling parties and opposition parties have coherence in the terms of foreign policy.

The source of India's influence in the world rests on **four pillars, domestic economic growth, social inclusion, political democracy and liberal constitutional order**. If the government strengthened these integral pillars, then there is no stopping for India.

## 4. India and the new Quad in West Asia

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

- **"India and the new Quad in West Asia"** published in **Indian Express** on **19<sup>th</sup> October 2021**.
- **"Second Quad? Exciting opportunities await India in Middle East, but not without risks"** published in **Indian Express** on **18<sup>th</sup> October 2021**.

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

**Relevance:** Understanding the impact of the new Quad on India.

**Synopsis:** With the new opportunities, India should also prepare for the risks the new Quad (West Asia) will offer.

### Introduction

Trump administration and the [Abrahamic accord](#) eased the relations between Israel and UAE. With the proposed Quadrilateral Alliance of India-USA-UAE-Israel and Indian foreign ministries visiting Israel, India would now enter into the high stakes game of the Middle East.

### What is the Indo-Abrahamic Accord and why it is important?

**Abraham Accords** are a joint statement made between Israel, the United States and the United Arab Emirates on August 13, 2020. It also refers to the agreement reached between Israel, Bahrain and the UAE to normalise relations between them.

**Read more:** [The Abrahamic Accord as India's West Asia bridge](#)

**Indo-Abrahamic Accord:** Amidst the reshaping of geo-political order in West Asia, India's relations with the UAE and Israel have gained momentum. This growing convergence of interest between India, UAE and Israel can be formalized under an official coalition i.e. an Indo-Abrahamic accord. The idea was first suggested by Mohammed Soliman, an Egyptian scholar

**Read more:** [Making a case for Indo-Abrahamic accord](#)

### What foreign policy India adopts in the Middle East?

One of the gains of India's foreign policy has been **non-ideological engagement with middle-east**. India's close engagement with the USA over the last few years has also allowed alignment with the USA in the Middle East.

The new multilateral consultation involving India-Israel-UAE-USA further cements India's position in the Middle East. India knows that the USA is downsizing its forces in the Middle East. Therefore, this serves as a perfect opportunity for India.

While this grouping may not be as powerful as QUAD, but it has opened doors of middle-east to India.

### How the change in regime in the Middle East can help India?

The new government in Israel is working towards resolving the conflict with Palestine. There is also an increase in economic and technological cooperation between Israel and the UAE. There is also a regime change in the USA. This all can help India to deepen its ties in the Middle East, as India can simultaneously build relations with the Middle Eastern countries.

### What will be the benefits of the new Quad?

According to **the International Federation of Indo-Israeli Chambers of Commerce**, India's scale with Israeli innovation and Emirati capital could produce immense benefits to all three countries. Beyond trade, there is potential for India, UAE and Israel to collaborate on many areas — from semiconductor design and fabrication to space technology.

**First**, India already built its soft power image in the Middle East. It has around 8 million diaspora present there. With the new alliance, India can use this platform to harness various opportunities like Big data, AI, Quantum computing, export its products in their market etc.

**Second**, the group will help to focus on non-military issues like trade, energy, and environment and on promoting public goods.

**Third**, the platform will help India to pursue wide-ranging multilateral partnerships in the region. With major powers like France, Russia, China is drawn to this region, the alliance will help India to shape its position in changing the geopolitics of this region.

**What is the way forward?**

India should also maintain its strong relations with Iran to keep a check on the Afghan Taliban. India needs a careful balancing act in the Middle East to secure its long-term strategic interests.

**5. The decline of the Budget school**

Source: This post is based on the article “**the decline of the Budget school**” published in **Livemint** on **20<sup>th</sup> October 2021**.

**Syllabus:** GS 2 Issues related to development and management of Social Sector and Human Resources.

**Relevance:** Understanding the impact of the pandemic on private budget schools.

**Synopsis:** The private budget school ecosystem is collapsing, which is a threat to millions of children who rely on it.

**Introduction**

The impact of the Covid-19 pandemic is visible in almost all the sectors, and the schools are no exception to it. Today, most private budget schools are facing the problem of financial crunch and are on the verge of lapse owing to shut down and transfer of students from schools.

**What are the problems faced by the parents?**

The pandemic has caused financial instability in many homes. With the frequent lockdowns and the slowdown of the economy, they are struggling to pay their children’s fees to private institutions. Apart from the fees, there are other expenses like books, internet and school uniforms, which most of the families are unable to afford in the pandemic period. So the parents have no choice but to transfer their students to government schools.

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

**What are the problems faced by the private budget schools?**

**Fall in the strength of students:** There has been seen a **decrease in enrollment of students** during and after the pandemic. This led to problems of paying the staff, school building rent and other expenses. Some student entrepreneur claims that approx tens of thousands of private schools are either shut down or on the verge of closure.

**Death Incidents:** There are also many **instances of private school promoters and teachers are committing suicide**. With the people lost their jobs and reduction in salary led to less admission of students in schools. Budget schools already running on the minimum fee. So, they found it difficult to pay salaries to staff. According to the **National Independent School Alliance**, private schools are facing an annual loss of 77,000 crores in the aftermath of the corona pandemic.

**Mismatch:** With a cut in teachers’ pay rates and fewer teachers in schools, their workloads have been increased. Also, there is a mismatch in the teacher-student ratio. Even the low-budget schools are struggling to provide digital solutions to students owing to the lack of resources. The only digital medium they are using is Whatsapp.

**Read more:** [Blended model of learning – Explained in detail](#)

### What should the government do?

Government should treat **private budget schools as MSME**. They should be given concession or relaxations should be provided on loan repayment. Also, it should focus on covering the learning loss of students.

### 6. EU, Indian and the Indo Pacific

**Source:** This post is based on the article “**EU, Indian and the Indo Pacific**” published in **Indian Express** on **20<sup>th</sup> October 2021**.

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

**Relevance:** Understanding the parameters of the EU’s Indo-Pacific strategy document.

**Synopsis:** India does not figure prominently in the EU’s Indo-Pacific strategy. The Chinese challenge might change that.

#### Introduction

Recently, the “**EU strategy for cooperation in the Indo-Pacific**” document has been released. It appears to be over-determined by China’s expansionism. However, there is a need to analyze it in the context of the rapprochement between the EU and India.

**Read more:** [EU unveils Indo-Pacific strategy](#)

### What are the important highlights of the EU’s Indo-Pacific strategy?

**Human Rights:** It highlights the importance of values and human rights. The document says the **EU will further continue to use sanctions against the bodies, entities etc who will involve in human rights violations** and abuses worldwide. It will also lend its support to like-minded countries in Indo Pacific that work for human rights.

**Partnership:** The document **highlights ASEAN as an important partner for the EU**. New Partnership and Cooperation Agreements (**PCAs**) **are also announced with Thailand and Malaysia**.

**Security cooperation:** EU is seeking to play a stronger role in the ASEAN security architecture and participate in the [ASEAN ASEAN Defence Ministers Meeting-Plus \(ADMM-Plus\)](#) structures and the [East Asia Summit \(EAS\)](#) . ASEAN is also the main partner of the EU from the military point of view.

### EU’s Indo-Pacific strategy and India

The document **does not give much-required importance to the Indian partnership**. However, India appears in the list of the countries which already have an Indo-Pacific strategy and with which the EU is interested in a deeper “engagement”.

India is listed as the EU’s first partner only in one area, which is “**Enhancing Security Cooperation in and with Asia (ESIWA)**”. It covers counter-terrorism, cybersecurity, maritime security and crisis management. But for most other parts, Europeans put India on par with Pakistan under military cooperation.

**Diversification:** The document did not mention any role India could play in value-chain diversification, which is a top priority of the EU since the pandemic.

### Why EU’s interest is not at par with India?

**German Vision:** EU’s Indo-Pacific strategy document is **mostly in tune with the German vision of Indo-Pacific**. Germany puts more emphasis on trade, economy, human rights, and

engagement with China. It has **less attention over the security aspect which is India and French strong pillars.**

**Economic perspective:** EU's Indo-Pacific strategy is mostly driven from an economic perspective, while India's seeks more partnership at the geostrategic and geopolitical levels. The document has emphasized on implementing and enforcing the comprehensive trade agreements with Japan, the Republic of Korea, Singapore, etc but not with India.

### 7. How woman lawyers are kept out of litigation

**Source:** This post is based on the article **"How woman lawyers are kept out of litigation"** published in **Indian Express** on **20<sup>th</sup> October 2021**.

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

**Relevance:** Understanding reasons behind the low representation of women in the litigation.

**Synopsis:** While the bench is making slow yet definitive progress with regard to women's representation, the Bar needs to do much more.

#### Introduction

Chief Justice of India raised his concern over women's count in the judiciary. He observed that **at least 50% of women should be there at all levels of the judiciary.**

**Justice D Y Chandrachud**, in his 2012 speech, noted that, as of 2012, only 5 out of the 294 senior advocates in the SC were women, which counts to only 2%. However, the status of women is much better in corporate offices and law firms.

#### What are the reasons behind the low count of women in litigation?

**Pay scale:** In a study conducted by **Sonal Makhija and Swagata Raha**, it was found that clients choose female lawyers so that they can pay lesser amounts in fees. Independent women legal practitioners are forced into accepting a much lower remuneration, thereby making it a difficult profession to sustain in.

**Flexibility:** Litigation offers greater flexibility as one can decide a number of working hours and there is also an option of choosing fewer clients. This flexibility further pushes women out of the litigation space by trivialising them. So, they are rarely seen in the courtrooms and so fewer women in the litigation race.

**No Reservation:** There is a reservation for women in other sectors like colleges, public offices. But, there is **no such requirement for the positions of government pleader or a public prosecutor.**

**Lack of facilities:** Court complexes are often lacking in various services like lack of creches, usable restrooms, non-recognition of maternity leaves etc.

**Limited areas:** Most of the women are restricted to a particular area, like practicing family law or women's rights law. There is a common perception that women are better mediators because of their emotional aspect and cannot understand clients from a financial and economic angle.

**Less publicity:** There is less coverage of women who score big in court battles. Eg Shally Bhasin, Ruby Ahuja and Misha, score big in the protracted court battle between Essar Steel India Ltd and ArcelorMittal. But, their stories are rarely publicized.

**Read more:** [Issue of Gender Gap in Judiciary – Explained, Pointwise](#)

**What should be done to improve the women's count in litigation?**

**Proper surveys** should be done to improve the representation of women across the bench.

**Media houses should take initiative** to properly feature, give coverage and acknowledge women in the litigation process.

The court should be **equipped with basic facilities** and the working conditions of women should be improved.

**8. Is the Indian foreign-policy ship changing course?: About India-Afghanistan relations**

**Source:** This post is based on the article **"Is the Indian foreign-policy ship changing course?"** published in **Indian Express** on **20<sup>th</sup> October 2021**.

**Syllabus:** GS2 Bilateral, Regional & Global Groupings & Agreements Involving India and/or Affecting India's Interests.

**Relevance:** Understanding India's changing foreign policy.

**Synopsis:** India announced hosting a summit on Afghanistan. This opens up many opportunities and new dimensions to India's foreign policy.

**Introduction**

Recently, India announced an international conference on **Afghanistan** in the second week of November. While India kept its relationship with the Taliban or Afghanistan under the wraps, this is certainly an unconventional step from India.

**Read more:** [Regional powers and the Afghanistan question](#)

**Why this conference is significant?**

It is for the first time that India's National Security Council is wading into regional diplomacy. India has also invited two of its neighbours with whom the relations are frozen i.e. Pakistan and China.

**Read more:** [Evaluating India's options in Afghanistan](#)

**How does it impact India-Pakistan relations?**

This invite puts Pakistan in a tough position. If Pakistan rejects the invite, it would be seen as Pakistan not seeking to amend its ties with India. If Pakistan accepts the invitation, then it would create a dilemma for Pakistan's foreign policy regarding Jammu and Kashmir, as it would seem like Pakistan's validation of India's move in Kashmir.

**What challenges led to this conference?**

In the region that India lives in, **Quad** and **AUKUS** are of little help when it comes to Afghanistan. Pakistan and China are consolidating their positions in the Hindu Kush. Moscow and Beijing have erected concrete relations in Central Asia. So, **India's "influence" in Kabul is now significantly reduced.**

India's **attempt to align with Iran seems to be coming to an end.** India has swung to the other extreme by identifying a **new Quad** framework along with the UAE, USA, and Israel.

Coming to Afghanistan, India seems no more concerned whether Russia accommodates India in the "Moscow format" or the privileged grouping known as the **Troika Plus** (**comprising US, China and Pakistan**)

So, **India has itself moved to the centre stage** by announcing a new dialogue with Afghanistan in Delhi.

Thus, it can be said that India is adapting to the changes in geopolitical climate and making necessary changes in its foreign policy to ensure its internal security and continued growth.



### 9. One Nation One Ration Card: Good intention but implementation may be difficult

**Source:** This post is based on the article “One Nation One Ration Card: Good intention but implementation may be difficult” published in **Down to Earth** on **19th October 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 challenges and benefits associated with the One Nation One Ration Card scheme.

**Synopsis:** The One Nation One Ration Card scheme has many benefits, but it also has a few practical challenges that need to be addressed.

#### Introduction

Many welfare schemes are designed with good intentions but encounter many (expected and unexpected) hurdles at the time of their implementation. One such scheme is the One Nation One Ration Card (ONORC) scheme initiated recently by the Government of India.

**Read more:** [One nation, One ration card scheme](#)

#### What are the benefits of the One Nation One Ration Card scheme?

**A benefit to migratory labourers:** Migratory labourers find it difficult to get a ration card in the state of residence even if they have one in their native states.

Even an employee of the organised sector is facing challenges to get a new ration card in the state they have migrated because of documentation requirements.

ONORC provide ration to all such persons without any documentation.

**A benefit to migratory labourers families in the home state:** This is one of the important benefits of the scheme. When a migrant labourer migrates to another state alone and gets a share of the ration from PDS shops there, the family can continue to obtain ration from the native state.

**Reduce subsidy burden:** The cross-verification across states with ONORC benefits will eliminate bogus cards and reduce the subsidy burden of the government.

#### What are the difficulties associated with the One Nation One Ration Card scheme?

Many practical difficulties are likely to surface during the implementation of the scheme. These include,

**Does not account for the interstate variation in PDS:** Due to historical, political and varying consumption habits, PDS across the country varies with respect to the items supplied through fair price shops to the below-poverty-line (BPL) card-holders. Even the quantity and the price of items supplied varies from state to state. For example,

–**Product difference:** Maharashtra supplies **only wheat** to the BPL families, while **Andhra Pradesh** provides **only rice**. BPL households in a few states like **Himachal Pradesh** and **Chhattisgarh** are also given pulses.

–**Quantity difference:** In **Tamil Nadu**, a BPL family gets 20 kilograms of rice, while in **Karnataka** a BPL household receives 5 kg of rice per member.

–**Cost difference:** In **Tamil Nadu**, 20 kg rice is given **free** of cost while in **Uttar Pradesh and Bihar**, it is provided at **Rs 3 per kg**.

All this resulted in the following challenges.

A Migrant labourer **may not like the product** which he/she received in the migrated state.

Price variation for the same item across the states involves a **subsidy burden to the concerned state**. So, the states will be hesitant to pass on the benefits to the migrated person from a different state.

**What can be done to improve the One Nation One Ration Card scheme?**

The government **has to ensure some clarity on the items** received by migrant labourers from fair price shops.

**Elaborate logistics** will have to be worked out if the migrant population is assured to be provided with the items supplied in his native state.

The Union government has assured financial assistance to all state governments willing to implement the scheme. The success of the scheme will greatly depend on the extent of the seriousness of all implementing agencies.

**10. Explained: IMF outlook and status of jobs**

**Source:** This post is based on the article “**Explained: IMF outlook and status of jobs**” published in **The Indian Express** on **20th Oct 2021**.

**Syllabus:** GS2 – International Relations – Reports

**Relevance:** Findings of the latest World Economic Outlook Report

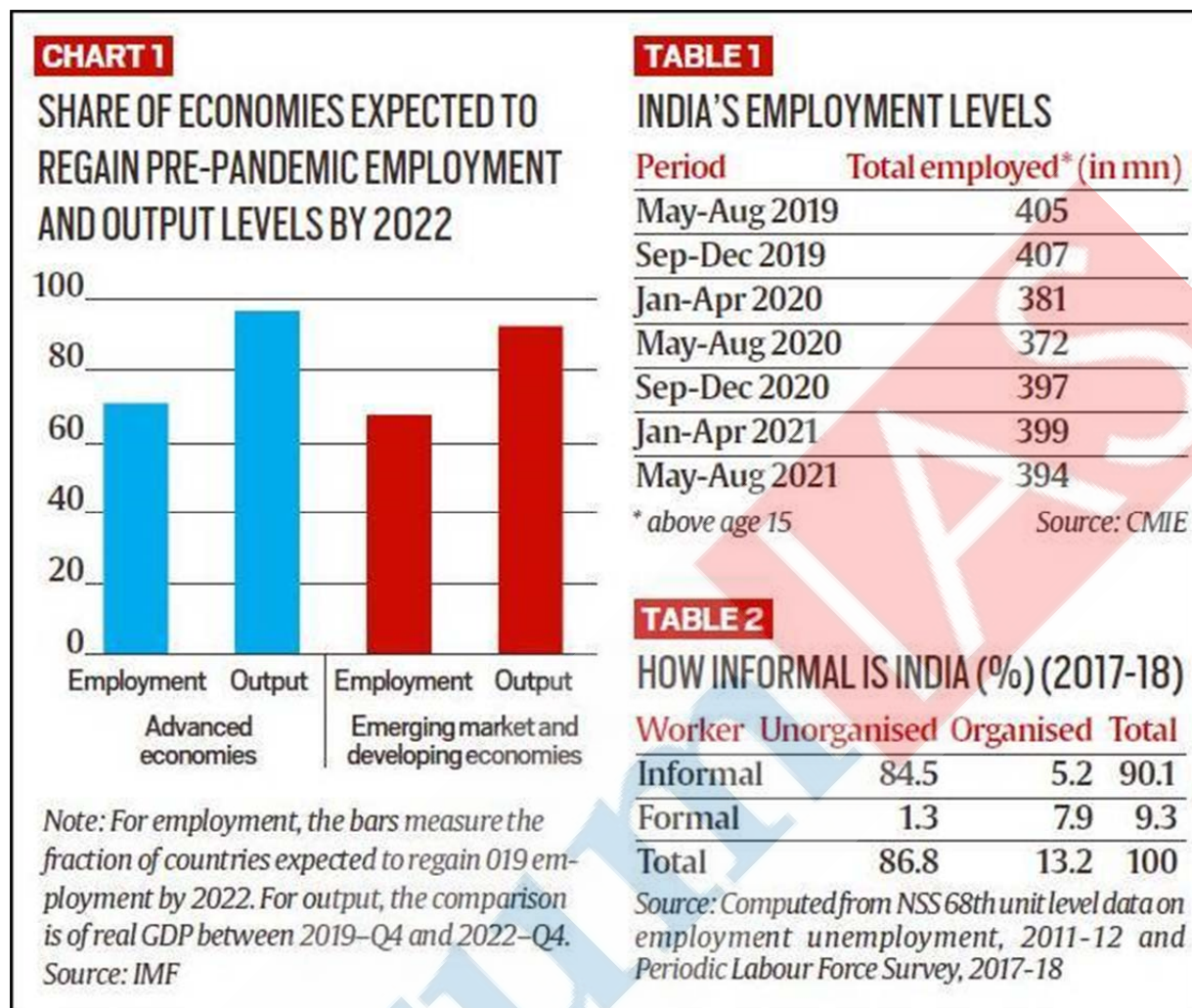
**Synopsis:** The IMF’s latest World Economic Outlook has underlined that employment growth is likely to lag output recovery after the pandemic. Why has job growth been slow, and what are the concerns for India?

**Introduction**

Last week, the IMF unveiled its 2nd World Economic Outlook (WEO). The IMO comes out with the report twice every year — April and October — and also provides regular “updates” to it on other occasions.

As per the report, the global economic recovery momentum has weakened a little, largely due to the pandemic-induced supply disruptions.

But more than just the marginal headline numbers for global growth, it is the increasing inequality among nations that IMF was most concerned about.



**What are the key findings of the report?**

- i). **Divergence in growth:** Aggregate output for the advanced economy group is expected to regain its pre-pandemic trend path in 2022 and exceed it by 0.9 per cent in 2024. By contrast, aggregate output for the emerging market and developing economy group (excluding China) is expected to remain 5.5 per cent below the pre-pandemic forecast in 2024, resulting in a larger setback to improvements in their living standards. There are two key reasons for this: **large disparities in vaccine access**, and **differences in policy support**.
- ii). **Employment growth is likely to stay behind the output recovery:** The gap between recovery in output and employment is likely to be larger in emerging markets and developing economies than in advanced economies. Further, young and low-skilled workers are likely to be worse off than prime-age and high-skilled workers, respectively.

**What does this mean for India?**

According to the data available with the Centre for Monitoring Indian Economy (CMIE), the total number of employed people in the Indian economy as of May-August 2021 was 394 million — 11 million below the level set in May-August 2019. To put these numbers in a larger perspective, in May-August 2016 the number of employed people was 408 million. In other

words, **India was already facing a deep employment crisis before the Covid crisis**, and it became much worse after it.

**Impact on employment post-COVID:** Projections of an employment recovery lagging behind output recovery, as made by the IMF in its latest report, could mean a large section of the population being excluded from the GDP growth and its benefits. Lack of adequate employment levels would drag down overall demand and thus slowing down India's growth momentum.

### **Why could employment lag output growth in India?**

There are several possible reasons.

#### **i). India's already existing massive unemployment crisis.**

Experts cite a number of additional issues too.

**ii). Different rates of recovery:** India is witnessing a K-shaped recovery. That means different sectors are recovering at significantly different rates. Some sectors such as the IT-services sectors have been practically unaffected by Covid, while e-commerce industry is doing "brilliantly". But at the same time, many contact-based services, which can create many more jobs, are not seeing a similar bounce-back. Similarly, listed firms have recovered much better than unlisted firms.

**iii). Bulk of India's employment is in the informal or unorganized sectors.** Typically, it is expected that organised sector firms will provide formal employment. Recently, IMF Chief Economist Gita Gopinath pointed out that the number of people using the MGNREGA provisions was still 50-60% above pre-pandemic level. This suggests that the informal economy is struggling to recover at the same pace as some of the more visible sectors. A weak recovery for the informal/unorganised sectors implies a drag on the economy's ability to create new jobs or revive old ones.

## **11. Geo-Economics Of Two Quads**

Source: This post is based on the article "**Geo-Economics Of Two Quads**" published in **Times of India** on **21st October 2021**.

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

**Relevance:** Understanding the impact of both the Quads on India.

**Synopsis:** Both Quads offer tremendous opportunities to India. But India has to be cautious and maintain its relations with non Quad countries in the region.

### **Introduction**

Recently, the US, India, Israel, and the United Arab Emirates (UAE) decided to launch a new **Quadrilateral Economic Forum** to have shared interests in West Asia. India is already a member of the **Quadrilateral Security Dialogue (QSD)** with the U.S., Australia and Japan, which have common concerns and shared interests in East Asia.

These East and West Asian groupings can multiply India's trade possibilities via land and sea.

**Read more:** [Quad Leaders' Summit – Explained, pointwise](#)

### **What are the benefits of both Quads?**

**Ensure regional peace and security:** As Prime Minister Manmohan Singh would often say, the principal objectives of our foreign policy should be to ensure regional peace and security and "create a global environment conducive to India's economic development." Both the East Quad and the West Quad seek to address these precise objectives.

**Reinforce maritime economic and security:** After 1991, India has re-established its maritime links with the Indian Ocean and the Indo-Pacific regions. Almost all the Indian trade is now happening through the waters around the peninsula. This has recreated ancient maritime links, from **Vietnam** in the East to **Egypt** in the West, and has raised the profile of maritime security.

While **both Quads** reinforce these maritime economic and security interests across the **Indian and Pacific Ocean** regions, India has been prevented from rejuvenating its land links with Eurasia by the China-Pakistan axis.

**Read more:** [India and the new Quad in West Asia](#)

### **What has to be done to improve both Quads?**

**First**, both in East and West, the US may prefer the focus to be more on defence and military capability, while India **should ensure that its economic interests** are prioritised.

**Second**, India should **reassure non-Quad countries** in Southeast and West Asia, including Iran, that they remain important partners. India has to stay the course with its policy of multi-alignment and multi-engagement in an increasingly multipolar world.

### **12. Why India needs an international development cooperation agency**

**Source:** This post is based on the article “**Why India needs an international development cooperation agency**” published in **Indian Express** on **21st October 2021**. **Subject:** GS 2- International relations.

**Relevance:** Understanding India’s developmental assistance.

**Synopsis:** Development assistance provided to other countries is an important component of India’s soft power. But there is an urgent need to restructure and institutionalize it.

#### **Introduction**

**India**, right from its inception, has **assisted many small and developing nations** on their path towards development. This has earned India tremendous goodwill. Providing monetary assistance as part of development assistance is an important component of India’s soft power. However, there are often many challenges on the project delivery front. This calls for the need for a specialized agency for the efficient delivery of projects and outcomes.

#### **History of India’s developmental assistance**

India has been supporting development efforts in many African and Asian countries. India was among the first nation in **1952** to launch **India Aid Mission (IAM)** in **Nepal**. The IAM was soon converted into **India Cooperation Mission (ICM)**. Unlike **OECD** countries that give aid, India partners other countries for developmental cooperation.

Coming to **finance**, India provides about \$6.5 billion of assistance to other countries and receives about \$6 billion as official development assistance from other countries. Thus, one can see that India’s development assistance to other countries has multiplied manifold.

#### **How has India’s institutional framework for developmental assistance evolved?**

With **India Development Initiative (IDI)** in **2003**, India made its first effort towards institutionalization. After this, the **Indian Development and Economic Assistance Scheme (IDEAS)** was launched in **2005** for managing credit lines. This was followed up with the creation of a development partnership division within the **Ministry of External Affairs**. In

2007, India even announced the setting up of the **India International Development Cooperation Agency (IIDCA)**, but this could never take off.

#### **How is India's developmental assistance structured?**

India's developmental assistance is composed of **5 main pillars** – capacity building, concessional finance, technology sharing, grant and trade wherein duty-free and quota-free access to the Indian market is provided. India's assistance is composed of a mix of these components. There have been instances, like in **Mozambique** (solar panel production) or **Ethiopia** (reviving sugar units), where all 5 components have merged.

#### **What should the IIDCA provide?**

In terms of financing, the agency **could look at all the available means of financing**. Many countries have sovereign and non-sovereign windows for promoting infrastructure financing abroad. For example, the **Japan International Cooperation Agency** and **Japan Bank for International Cooperation** in Japan.

In terms of operations, the proposed new entity can also **provide handholding to select performing Indian social enterprises** to operate in other countries as well. These enterprises would further facilitate development partnerships between India and other countries.

In the post-pandemic era where the countries are exploring means and ways to secure development and finance, India can make the best use of opportunities to enhance its soft power. But all this requires India to institutionalize IIDCA for developmental and financial assistance.

### **13. Towards zero hunger**

Source: This post is based on the article “**Towards zero hunger**” published in **Business Standard** on **21st October 2021**.

**Syllabus:** GS2 – Issues relating to Poverty and Hunger.

**Relevance:** Food & Nutritional security

**Synopsis:** Food programmes must focus on nutrition

#### **Introduction**

The **Global Hunger Index (GHI) 2021** places India at a lowly 101st position among 116 countries, below many of its smaller neighbors like Pakistan, Bangladesh and Nepal.

The **Global Food Security Index (FSI) 2021** puts it in a marginally better position. It ranks India 71st among 113 countries with an overall score higher than that of Pakistan, Sri Lanka, Nepal and Bangladesh.

However, the common inference from the two reports is that far more needs to be done to move towards achieving the Sustainable Development Goal of zero hunger by 2030.

#### **How affordability of food is guaranteed in India?**

India has put in place a unique **Right to Food Act** under which highly subsidized food grains are being supplied to nearly two-thirds of the population.

This programme, moreover, is supported by several other free food distribution schemes, many of which have been scaled up due to the Covid-19 pandemic.

These programmes are also being supplemented by the distribution of raw and cooked food by innumerable social, religious and philanthropist organisations.

### **How India is faring w.r.t nutritional security?**

While India has managed to surmount hunger, as normally manifested in starvation deaths, it has failed to do so in the case of malnutrition, which is still rampant.

**Deficiency of protein** and various key vitamins and minerals, which retards physical growth of children and causes ill-health among adults, is fairly common.

This is borne out by **the National Family Health Survey (NFHS)-4** (2015-16) and revalidated by the NFHS-5 (2019-20).

The NFHS-4 had found that 38.4% kids below five had low height for their age (technically called “stunted”) and about 21 per cent had low weight for their height (dubbed as “wasted”).

The NFHS-5, while more or less endorsing these findings, goes a step further to conclude that the nutritional status of kids below five has actually tended to worsen in some states.

### **What are the reasons for poor nutritional security?**

The genesis of poor nutrition can be traced in the flawed basic approach of most food-aid programmes. They aim primarily at filling the bellies rather than providing nutritionally balanced and healthy diets.

### **What needs to be done?**

The need, therefore, is to diversify the meals supplied through welfare programmes by including non-cereals and nutrient-enriched fortified foods to make the meals nutritionally balanced and wholesome.

Even small, but well-advised, changes in the menus of these programmes can make a noticeable difference in the nutritional profile of the beneficiaries.

### **14. What is PLI for?**

Source: This post is based on the article “**What is PLI for?**” published in **Business Standard** on **21st October 2021**.

**Syllabus:** GS2- Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

**Relevance:** Production-Linked Incentive scheme & Export promotion

**Synopsis:** The Production-Linked Incentive scheme must drive learning to compete, not manufacture.

#### **Introduction**

The [Production-Linked Incentive \(PLI\) scheme](#) has aroused fresh interest in investing in domestic manufacturing.

The scheme goes together with tariffs, on the finished product and often on the components involved. For example, Mobile phones have over the last three years been subject to an import duty of 20%. This has prompted most phones sold in India to be locally made, in one of the 270 mobile phone factories, up from two in 2014, in the country today.

### **What is the objective of the PLI scheme?**

The PLI scheme aims to strengthen local supply chains with a subsidy on their components by providing a subsidy (*typically 4-6 per cent of sales*) for firms in 13 sectors to make a list of “desirable” end products, components or assemblies. It will cost Rs 2 trillion (around 1 per cent of gross domestic product, or GDP) over five years.

Over time scheme shall promote greater competitiveness in Indian industry.

**What should be done to make PLI scheme a success?**

**Ensure that all conditions** attached to the scheme such as export commitments are honored for the subsidy to be paid. Ignore, other industries asking for their own PLI scheme. In short, remove any further scope for bureaucratic discretion.

**Make achievement transparent**, and publish the results. Let all know which firms have won which contracts for what committed volume, and how each is doing in adhering to the terms of the contract.

**Investment in R&D:** Local production must lead to greater competitiveness, which in turn is about building technical capability. That requires learning how to manufacture efficiently, and learning how to further develop product technology. So, investment in R&D is essential to long-run competitiveness in these 13 technology-intensive fields.

**R&D effort is essential, but it must be focused on innovation**, not indigenisation. For instance, in 1970s an excessive focus on indigenisation led directly to a lack of competitiveness. Prime focus on indigenisation forced Indian industry to learn things that were both useful and useless. Ensuring that learning is useful means choices of which component to make in-house, source locally, or import must be made on purely commercial grounds by the firm itself.

**Govt should be clear with the duration of the scheme** i.e., for five years and there will be no extension. No company should have any doubt. Accompany that with a graded reduction in all tariffs on the finished product and the components going into it such that by 2025, all these products must be able to compete without protection.

### 15. Engaging the Taliban

**Source:** The post is based on the article “**Engaging the Taliban**” published in **The Hindu** on **22nd October 2021**.

**Syllabus:** GS2 – India and its neighbourhood- relations.

**Relevance:** Understanding the impact of the regime shift in Afghanistan on India.

**Synopsis:** India and regional powers should ensure that the Afghan rulers respect their people’s rights.

#### Introduction

Recently India participated in a meeting with Afghanistan along with 10 other nations in Moscow. The signing of a joint statement indicates a new shift in India’s policy towards Islamist groups.

#### Why engagement with the Taliban is vital for India?

India earlier took a strong stand towards any kind of engagement with the Taliban. Taliban has close ties with anti-terror groups such as Let.

In the past, when it came to power, India witnessed an increase in violent incidents in Kashmir and other activities like the hijacking of an Indian plane to Kandahar.

**Read more:** [India’s future Afghan policy – Explained, pointwise](#)

But now with the changing scenario, India changes its stance. This is the first time that India is holding a meeting with the Taliban delegates. Taliban also makes the commitment not to let use its territory for any terror organization.

**Read more:** [Evaluating India’s options in Afghanistan](#)



### Why is Taliban signalling a change in its policies?

Taliban economy is already on the brink to collapse. So, it is keen to engage with its regional neighbours and countries to help in reviving its economy. **Moscow 10 format**, which **includes China, Pakistan, Iran and the Central Asian republics**, has some leverage.

Read more: [Regional powers and the Afghanistan question](#)

### What is the way forward?

But for this to happen, it is important for the Taliban to form an inclusive government in Afghanistan. Unfortunately, the Taliban has shown no such inclination. So while the regional countries should help Afghanistan economically, they should **use their political weight** to ensure that Taliban implements its promises of an inclusive government.

## 16. The process is the punishment

**Source:** This article is based on the post “**The process is the punishment**” published in the **Business Standard** on **22nd October**.

**Subject:** GS 2- FR

**Relevance:** Understanding the issue of bails and undertrials.

**Synopsis:** The right to Liberty is a fundamental right as enshrined in our constitution. But given the number of people denied bail, this needs closer scrutiny.

### Introduction

Recently in the Aryan Khan case, the courts denied the bail again. Earlier only the poor were victims of denials of bail. Now it looks like jail and not the bail has become the norm.

### What do the judgements say about the matter of bail?

In a recent judgement in the **Arnab Goswami case**, SC remarked that liberty survives in the cacophony of media and courts which uphold the rule of law. SC also referred to the **Justice Krishna Iyer Judgement (Rajsthan vs Balchand)** where he had put that rule is bail, not jail. Earlier, **Justice Bhagwati** had remarked that the right to Liberty is enshrined in our constitution and thus must be upheld in every case.

### What is the condition in India?

There are about **91,568 bail pleas pending in High Court and about 1.96L in district courts**. Moreover, government agencies look people up on flimsy grounds, government lawyers oppose every bail plea in principle. This often leaves the poor and vulnerable with no way out other than rotting in jail. In these matters, while Supreme Court seems to uphold the right to Liberty, lower courts seem to have forgotten their duty.

### What should be the way forward?

Justice Bhagwati worried about the poor. But now it seems even the rich have no options when government agencies are targeting them as was seen in Rhea Chakraborty case and Aryan Khan case. The solution lay in courts acting the first line of defence by upholding the constitution.

## 17. Beyond percentages: A test for promises on women’s representation

**Source:** This post is based on the article “**Beyond percentages: A test for promises on women’s representation**” published in the **Times of India** on **23rd October 2021**.

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

**Relevance:** Understanding the need of providing reservation women in Legislature.

**Synopsis:** There is a need to give women candidates the required power which they deserve in legislature.

### Introduction

Recently, Congress announced to allot 40% of seats for women in the coming UP elections. This initiates the debate of women giving the required representation in Parliament.

### What is the status of women in politics?

**Legislature:** There is the reservation of 1/3rd or half of the seats for women in the Panchayats, while it is absent in the Parliament. **Women Reservation bill** was passed by Rajya Sabha a long time ago, but still awaiting the nod of Lok Sabha.

**Read more:** [Pass women quota bill in Lok Sabha': Women MPs to Modi government](#)

**Party:** In spite of having lakhs of women members in the parties, political parties gave barely a tenth of their tickets to women.

**Stagnancy:** About 10 lakh women are elected to local bodies every five years, but their careers remain confined at that level.

### What do the studies say regarding women candidates?

Election Commission studies have shown that if women candidates come from viable parties, they have good chances of winning. Studies have also shown that for the Panchayat that is led by women, social issues like health, education and sanitation are prioritized and prejudices lessen.

### 18. Is there a good way for a political party to achieve internal democracy

**Source:** This post is based on the article “**Is there a good way for a political party to achieve internal democracy?**” published in the **Indian Express** on **23rd October 2021**.

**Syllabus:** GS 2 Indian Constitution—historical underpinnings, evolution, features, amendments, significant provisions and basic structure.

**Relevance:** Understanding the need to have internal democracy in the party system.

**Synopsis:** Democratic functioning may be an ideological imperative, operational choice, or legitimising tactic, but it is not an end in itself for a political party.

### Introduction

Political parties play a key role in any democratic setup. Interestingly, the distribution of power within the political party plays a very important role in the functioning of the party.

### What is the role of political parties in democracy?

A political party is a collaborative platform consisting of people who have a similar vision for society and the country. It is designed to capture state power to achieve that vision for society. In any country, there are sharp differences between citizens on the vision and values. Firstly, the **role of democracy is to create a framework to negotiate conflict**. Secondly, it should also **ensure that the state is represented**. So it is obvious that institutions like political parties in a representative democracy must themselves be democratic.

**Read more:** [Making parties constitutional](#)

**How can India achieve internal democracy within political parties?**

The simplest method is through **internal elections for the posts of party leadership**. This mechanism has the potential to hold the party leadership accountable.

**What are the challenges with internal elections?**

All the levels within the political party will align to vertically consolidate the power. Moreover, such elections are fruitful when the electorate is independent. But in indirect elections, the electorate aligns itself to mirror the existing balance of power. One such example was Donald Trump hijacking the power of the Republican Party in the USA.

Internal elections may factionalize power but cannot establish accountability. This is because Political parties are repositories of hard power. They draw a mix of people who are driven by the same ideology and personal interest. Over the period of time, this balance has tilted towards the latter. This has led to irreconcilable internal conflicts of interests, which cannot be resolved through debates and discussions in open meetings.

**What should be the way forward?**

Instead of looking at internal party processes, one way to decentralize power is by **getting rid of the anti-defection law**. This will help to create room for negotiation during the voting process in the party organization. It further helps to bring changes in the overall political culture.

**Terms to know**

- [Anti Defection Law](#)

# General Studies Paper - 3

General Studies - 3

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**1. The final frontier of space technology**

**Source:** This post is based on the article “**The final frontier of space technology**” published in **Business Standard** on **18th October 2021**.

**Syllabus:** GS3- Awareness in the fields of Space.

**Relevance:** Use of Technology in space sector

**Synopsis:** Emerging tech is helping leverage space for various terrestrial uses.

**Introduction**

Technological innovations are now driving space activities and research. The space industry is using technologies like 5G, advanced satellite systems, 3D printing, big data, and quantum technology in its activities according to a report by Analytics Insight.

It is also helping scientists, researchers and entrepreneurs reduce project time and cost. Further, implementing advanced space technology is critical since several services like weather forecasts, remote sensing, satellite television, and long-distance communication rely on space infrastructure.

Two critical shifts that are driving the space industry are **miniaturisation of satellites** and the **use of artificial intelligence (AI) for understanding the dynamics of the universe**.

**How the miniaturisation of satellites will be beneficial?**

**Reduced Latency:** Smaller satellites orbit closer to the earth and are more flexible than larger ones. Proximity to earth means that the transmission time of data to the base station is faster.

**Saves Energy:** The energy required to run such satellites is lower.

**Produce High resolution images:** As camera technology has also miniaturised, the satellites can take much better photos of the earth with higher resolution than large satellites which orbit much higher.

**Ease of Maintenance:** Since the cost is lower, these can be replaced easily, or their software updated more efficiently.

**Sustained Mass production:** Miniaturised satellites allow for cheaper designs and advancements in industrial technologies enable their mass production.

**Better alternative:** Startups develop small satellites that enable space companies to conduct missions that are difficult with large satellites. Moreover, small satellites are well-suited for use in proprietary wireless communications networks, as well as for scientific observation, data gathering, and monitoring the earth using the GPS.

**How the use of AI will benefit Space sector?**

The use of AI and machine learning (ML) in space activities helps to understand the data being generated by satellites and terrestrial observatories.

Scientists and astronomers are constantly trying to make sense of space phenomena and events. It can take months and years to understand spatial activities.

Algorithms can be trained to understand signals and analyse the different types of lights which are generated by stars and planets.

Researchers say that the accuracy of reading the data can be over 90 per cent, often higher than by humans and in less time.

For example, the **Vera Rubin Observatory in Chile** which is expected to become operational this year will use a 3200-mega pixel camera to observe the night skies. It will photograph the entire sky every night and store over 80 terabytes of images every time.

Over a period of 10 years, the car-sized camera of the observatory will capture 60 petabytes of data. No scientist or even a team can possibly analyse or understand this data without the help of trained algorithms.

### **What lies ahead for India?**

The launch of the **Indian Space Association** can accelerate the domestic ecosystem build on the success of the Indian Space Research Organisation.

Many startups in India are at the leading edge of using emerging tech for space exploration and knowledge generation. The use of such technologies will be unique for India especially with the opening up of **geo-spatial mapping** for the private sector.

## **2. Liberalising capital account**

Source: This post is based on the article "**Liberalising capital account**" published in **Business Standard** on **18th October** 2021.

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

**Relevance:** Capital account liberalisation.

**Synopsis:** Further Liberalisation of capital account would increase risks.

### **Introduction**

India has been progressively liberalising its capital account and further opening up would depend on a combination of factors. Deputy Governor T Rabi Sankar in a speech last week talked about various issues in this context.

### **What are the recent steps taken by RBI with respect to capital account liberalisation?**

India took a big step towards further liberalising the capital account last year with the introduction of the **fully accessible route (FAR)** for government securities. This essentially removed the limit on non-resident investment in specified government securities.

The channel has been opened up with the objective of getting government bonds included in the global bond indices and allow the government to tap foreign savings to finance the fiscal deficit.

Further, Portfolio investment in the equity market is now practically unrestricted aside from sectoral caps. Foreign direct investment is also broadly open except in some sectors.

### **Why India has to act cautiously w.r.t capital account liberalisation?**

Greater integration with international markets can broaden the base for Indian assets and help push up economic activity. But it can also increase risks to financial stability. Therefore, it's important for policymakers to consider the trade-offs at different levels of development.

India has moved cautiously on this front to minimise the level of risk involved and should continue with this approach.

### **Why India needs significant fiscal and financial sector reforms before further liberalisation of the capital account?**

**Firstly**, the Indian financial system is not prepared for full capital account convertibility. The recommendations of the **Tarapore Committee (2006)** in this regard have not been implemented, either. Capital account convertibility will require integration and development of financial markets.

**Secondly**, the combined fiscal deficit over the years remained elevated and the situation has only worsened because of the Covid crisis. A higher sustained fiscal deficit with elevated levels of debt can increase financial stability risks.

**Thirdly**, the financial sector has also not been reformed to the desired extent. The banking system, for instance, is still dominated by public sector banks with differential regulations.

**Fourthly**, greater capital account convertibility would also run counter to India's trade policy, which is becoming increasingly protectionist.

**Fifthly**, besides, currency management will become more difficult for the central bank. A significant real currency appreciation would affect India's competitiveness and increase risks.

### 3. Nuclear power: A climate response that gets short shrift

Source: This post is based on the article "**Nuclear power: A climate response that gets short shrift**" published in **Livemint** on **18th October** 2021.

**Syllabus-** GS3: Conservation, Environmental Pollution and Degradation

**Relevance:** Need of nuclear power generation

**Synopsis:** There is need to move away from fossil fuels, but the current green energy paradigm needs some serious examination.

#### Introduction

The world has been dealing with a power and energy crisis and the factors that caused this emergency are complex and differ somewhat from country to country.

#### What does the analysis of green energy paradigm reveal?

**Instability:** The solar and wind energy are dependent upon the external conditions (shining of the sun or blowing of the wind) and are intermittent in nature. Hence, in the very best conditions, solar and wind farms can never generate power round the clock, they require fossil-fuel back-up.

For instance, today, 24% of Britain's power comes from wind. But the country saw an unexpected "windless summer" this year, which is one of the reasons for the power crisis in the UK.

Among EU nations, Germany has been shutting down its coal-fired and nuclear power stations. But recently, it faced a coal and natural gas crunch.

#### Why developing nuclear power is a better option?

**Less cost of power:** Germany's household-sector electricity price is the highest in the EU: \$0.37 per kilowatt-hour (KwH). In France, it's \$0.19. In 2019, Germany emitted 350 grams of carbon dioxide for every KwH generated. France emitted 56 grams, six times less. Power in France is much cheaper and cleaner.

**Nuclear power:** In 2020, nuclear power made up 78% of the energy France generated, and renewables 19%. Fossil fuels accounted for only 3%.

**Zero-emission:** According to US government data, a typical 1,000-megawatt wind farm requires 360 times more land than a similar-capacity nuclear facility, while a solar plant requires 75 times more area. Apart from the ecological damage that wind and solar projects can cause, it is estimated that 500,000 birds are being killed every year by collision with wind turbines in the US. This number can only rise.

**Less waste:** Today, the risks due to radiation exposure are fully known and there are reliable and safe ways to dispose off the nuclear waste. All the waste produced by the US nuclear

industry over 60 years can fit into a seven-metre-high stack of containers in a soccer field. Coal plants spew out that volume of waste every hour.

**Clean energy trap:** California, the most 'progressive' state in the US, is a fascinating case study. California has been shutting down nuclear plants and aims to be nuclear-free by 2025. However, one of the consequences has been rising emissions due to more dependence on natural gas and more fossil fuel for back-up. Also, while the price of electricity has stayed flat for the rest of the US over the last 10 years, in California it has risen more than 60%.

#### **Where India stands in terms of nuclear power?**

**Nuclear deal:** The boldest decision that Dr Manmohan Singh took in his 10 years as prime minister was to sign the Indo-US nuclear deal. But, due to the usual protests and short-term political thinking, not much seems to have happened since then. Today, only 3% of the power India generates is nuclear.

In 2021, the government announced that India would triple its nuclear power capacity in the next 10 years.

**Thorium availability:** India imports much of the uranium it uses, which is both expensive and geopolitically tricky. But it has immense reserves of thorium. Hence, there is a need to invest ambitiously in projects that convert thorium to fissile uranium and produce power.

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

**First**, develop very-large-scale cost-effective technology to store the power produced by renewable resources.

**Second**, make the right choices between various low-carbon technologies, all of which have some social and environmental impact.

#### **4. Climate justice and India's choice**

Source: This post is based on the article "**Climate justice and India's choice**" published in **Business Standard** on **18th October** 2021.

**Syllabus:** GS3- Issues related to climate change

**Relevance:** Climate change and Decarbonisation and its impact on developing countries

**Synopsis:** India should equally weigh its stand on **Climate justice** with the cost of carbon-heavy future.

#### **Introduction**

The world is facing a difficult situation with cutting back on CO<sub>2</sub> pollution. Global emissions of CO<sub>2</sub> today are at about 55 gigatons a year. To avoid catastrophic events with a reasonable probability, emissions have to go to zero by about 2055. Under business as usual, emissions are projected to grow to about 80 gigaton per year in 2055.

While many countries have announced their **Zero transition targets**, India stands firmly with the principle of 'Climate justice'. The corollary of this fact is that India need not worry about carbon emissions until we become a developed country. But in the view of the author, India needs to reconsider this decision.

#### **How India is faring in controlling carbon emissions?**

Indian emissions through history make up 3.1 per cent of the CO<sub>2</sub> in the air. However, India went up from about 4 per cent of global emissions in 2000 to about 7 per cent today and India is **the fourth-largest source of emissions**.

On a flow basis, India's annual emissions rose from about 1 gigaton per year in 2001 to 2.6 gigatons per year today, with a compound growth rate of about 5 per cent per year.



While there is ample sunlight in India, the carbon intensity of energy production has actually grown in recent decades.

### **Why India's aim for a carbon-heavy future needs to be reconsidered?**

**The first is the cost of capital:** The global financial system has changed in ways that interfere with carbon-heavy growth paths for India. Real sector investment projects in India are now planned in an international asset pricing environment.

Vast resources of asset managers worldwide have been reshaped into the **ESG** world. As a consequence, the cost of capital is high for a carbon-intensive electricity project and low for a renewable energy project. (ESG stands for Environment, Social and Governance. ESG is becoming a crucial factor in the assessment and evaluation of potential investments in the context of sustainability).

If Indian firms try to use fossil fuels, they will face a high cost of capital in doing so. ESG investment also demands that big companies emit less carbon in their upstream suppliers. For instance, a firm like Google does not buy thermal electricity.

The new world of ESG-inflected investment pushes energy firms and energy customers in India to not emit CO<sub>2</sub> (directly or indirectly).

### **The second is the social movement in developed countries against carbon emission will reshape international relations:**

A **Pew Research Centre** survey in 17 advanced economies, published last month, found that 72 per cent felt global climate change would personally harm the respondent, and 80 per cent were willing to make changes in life and work in response.

These strong majorities have reshaped the views of First World politicians who face democratic accountability and have to follow the shifting views of the median voter. It could lead to an intensification of the rules shaping **ESG investment**. Climate questions will become a part of the overall give and take of foreign policy.

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

As the world organises itself to remove emissions by 2055, the reshaped international relations environment implies there are gains for India from de-carbonising. Hence, India should prioritise decarbonisation.

## **5. Powering the energy sector**

Source: This post is based on the article "**Powering the energy sector**" published in **The Hindu** on **18<sup>th</sup> October 2021**.

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

**Relevance:** Understanding the need for reforms in the Energy sector.

**Synopsis:** The Electricity (Amendment) Bill will be a game-changer if we implement its provisions successfully.

### **Introduction**

India's energy sector is struggling to meet the development needs of people. Also, DISCOMS are fighting with various problems ranging from poor infrastructure, ineffective operations to State level tariff policies. Under this backdrop, the Government of India released **Electricity (Amendment) 2020** to bring reforms in this sector.

### What are the provisions of Electricity (Amendment) 2020?

**More options:** The bill aims to provide more options to consumers to choose their service provider or switch their power supplier

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

### What should the government do further?

There is a need to **encourage the use of rooftop solar plants**. Also, **proposing penalties for non-compliance with renewable purchase obligations** can help push renewable energy consumption and increase its demand.

**Electrical energy should be covered under GST** as this will enable companies to avail input credit.

Other solutions can be the **installation of smart meters and smart grid** which will reduce the AT&C losses.

## 6. Coal India, the fall guy for power crisis

Source: This post is based on the article “**Coal India, the fall guy for power crisis**” published in **Indian Express** on **18<sup>th</sup> October 2021**.

**Syllabus:** GS 3 Infrastructure.

**Relevance:** Understanding the reasons behind shortage in the coal sector.

**Synopsis:** Instead of blaming Coal India, there is a need to recognize its efforts to meet the demand for coal, and its help in generating power at affordable tariffs.

### Introduction

The post-Covid economic recovery has led to a major increase in the demand for power, both in India and globally. India's coal-based power plants are struggling with a shortage of coal stocks to meet the end demands.

### What are the reasons behind it?

The reason behind this shortage is both structural and operational.

#### *Structural Changes*

**Allocation to private sources:** The government appointed the committee in the early 1990s. It concluded that Coal India Limited (CIL) is not sufficient enough to meet the need of excess demands in case if needs arise in the future. So, the government amended **Coal Mines Nationalisation Act (CMNA)** in 1993.

Under this, it allocates 200 coal blocks of 28 bn tons from CIL and allocates them to end-users (mostly private) for the captive mining of coal. But unfortunately, they failed to produce any significant quantity of coal to meet the rapidly rising power capacity between 2007 and 2016

**Production:** There is the requirement that coal production should produce at least 500mn tons per annum (mtpa). But, in reality, it never proceeds 60 mtpa.

#### *Operational Changes*

**Mandatory Requirements:** Central Electricity Authority mandates a coal reserve of 15-30 days, which was lacking.

**Non-Payment:** The non-payment of dues by the power companies of the coal companies has led to poor finances of these companies. According to the reports, 18000 crore is due on power companies.

**Shortage:** The continued shortage of domestic coal production has forced India to import about 200 mn tonnes of coal. China's increased consumption, driving international coal prices upwards, this has led to reduced coal imports in India.

**Internal problem:** Many of the staff members got infected or lost their lives with covid. This has led to a shortage of employees.

**Geographical Impact:** Monsoon also added disruptions in the mining process.

**Read more:** [Coal crisis in India – Explained, pointwise](#)

### **What is the performance of CIL?**

Though CIL has increased its output by 5.8% in the 1<sup>st</sup> half of 2021-22, the consumption also increased.

With monsoon receding, CIL has started ramping up production and supply will soon meet the demand. It has already increased its coal offtake to more than 1.5MT per day. Apart from this, CIL has also been able to replace imported coal with domestic coal. The cost of CIL coal is still cheaper than imported coal despite various taxes and transport costs.

### **What should India do?**

CIL has performed excellently despite policy measures in the 90s which took away 28 billion tonnes of coal. So, instead of blaming, CIL needs to be appreciated for its performance and for providing light to the people.

## **7. Our farm income and nutrition challenge amid climate change**

**Source:** This post is based on the article “Our farm income and nutrition challenge amid climate change” published in “Livemint” on 18th October 2021. **Syllabus:** GS3: cropping patterns in various parts of the country

**Relevance:** To understand issues plaguing the agriculture sector and the simultaneous need of protecting the environment.

**Synopsis:** Need and ways to scale up sustainable agriculture’ practices (SAP’s).

### **Introduction**

The global climate change negotiations at ‘CoP-26’ of ‘UNFCCC’ is scheduled for last October. It is in this context, the role of agriculture in environmental degradation and vulnerability of farmers needs to be seen.

### **What are the vulnerabilities of Indian farmers due to climate change?**

India is one of the most vulnerable, with its farmers facing higher temperatures, less predictable rains, frequent droughts and cyclones. These are expected to get worsen over time.

**Read more:** [Challenges like climate change call for farm research to take centre stage, just like during the Green Revolution](#)

### **What model of agriculture is prevalent in India?**

The “Green Revolution” based agriculture practices followed till now, helped India overcome the food crisis, however it is reaching its limits.

### **What are the shortfalls seen in “Green Revolution”?**

In **rain-fed areas**, its impact is marginal.

In **irrigated areas**, farmers now use 3.5 times more fertilizer than in 1970 to get the same output. Of this, 78% of fertilizer is lost to the environment, causing soil, air and water pollution.

### **What are the consequences seen in the model?**

Income growth in agriculture is the slowest among all sectors of India's economy. Apart from that, input-intensive agriculture has made us calorie-secure, about 22% of adults are underweight and under the age of five 38% of children are stunted and 59% are Anaemic.

### **What model of agriculture is the need of the hour?**

Council on Energy, Environment and Water(CEEW) identified 16 'sustainable agriculture' practices (SAP's), such as organic farming, natural farming, integrated farming systems, agro-forestry and precision farming.

These could be economically remunerative, socially inclusive and environmentally benign.

### **What are the challenges in the success of 'SAP's'?**

**Farmers**-No single SAP has been adopted by more than 4% of farmers.

**Central government** support is limited. India's National Mission on Sustainable Agriculture receives only **0.8%** of the agricultural budget.

The lack of state support limits the mainstreaming of sustainable agriculture.

### **What are the impacts of SAP's seen?**

The impact is seen on incomes, yields, nutrition and the environment.

Natural and organic farming has improved farmers' net **income** by reducing inputs costs and increasing **crop diversification**, leading to improved nutrition security and incomes for small and landless farmers.

They have raised annual **farm output** by unlocking additional cropping seasons in rain-fed areas.

These are also helping improve farm resilience against climate change. In 2018, naturally-farmed paddy and banana fields withstood heavy cyclones in **Andhra Pradesh**, whereas adjoining fields with conventionally harvested crops were devastated.

### **How India can incentivize SAP's?**

**Capacity building**-Farmers need hand-holding initially. To accelerate this process, the government must leverage the presence of more than 1,000 civil society organizations promoting farmer-to-farmer capacity building for sustainable agriculture.

**Technology** adoption to mechanize labour-intensive activities associated with SAPs. Incentivize innovators and entrepreneurs through channels like the **Atal Innovation Mission** to encourage the development of farm implements for SAPs.

**Support local micro-businesses** through state livelihood missions to produce and sell ready-made inputs such as vermicompost and organic fertilizers.

**National policy focus** should be shifted from food to nutrition security, looking beyond yields. Government can support transition and bear short-term losses. Instead of input-based subsidies for fertilizer and power, the focus should be to **incentivize outcomes** like nutrition output, water conserved or desertification reversed.

**Research and development**-SAP's impact studies comparing these with conventional farming across agro-climatic zones could inform further scale-ups of SAPs, even in irrigated areas.

In conclusion, India should start promoting sustainable agriculture, particularly in rain-fed areas—home to 60% of Indian farmers. Rain-fed farmers practise low-resource agriculture, have low productivity, and stand to be the chief gainers from this transition.

## 8. Digitisation of farm data needs awareness

Source: This post is based on the article “**Digitisation of farm data needs awareness**” published in “**Business Standard**” on **18th October 2021**.

**Syllabus:** GS3: e-technology in the aid of farmers.

**Relevance:** To understand the need to digitise agriculture related information.

**Synopsis:** Digitisation of data relating to farmers, and how private participation can strengthen agriculture.

### Introduction

Government recently roped in corporate houses on a pro-bono (free of charge) basis in select areas for one year for digitisation of data related to Indian agriculture. These would be scaled up if found useful.

A ‘**Digital Agricultural Mission**’ has also been launched for the period 2021-25 to promote the use of novel technologies like artificial intelligence, blockchain (hack-proof) data upkeep, remote sensing, geographic information systems (GIS), drones, and robots.

### What it aims to achieve?

The objective is to enable stakeholders in the farm sector value chain, from production to consumption, to take informed decisions about their professional and business matters.

This database is proposed to be integrated with the land records of farmers to create a national data resource.

### What are its benefit to farmers?

Farmers would get digital access to timely, situation-specific, and problem-solving know-how. They would also receive tips on what crops and their varieties to grow, and when and where to sell their produce to realise the best prices.

A unique identity for each farmer (Farmer ID) would be created for better targeting of cash benefits and other kinds of support and services provided by the Centre and state governments.

### What is the current status of agri-digitization?

The agriculture-related data of about 55 million farmers has already been digitised. This number is expected to be 100 million by the end of the year.

### How can the private sector help in agri-productivity?

Jio provides soil tests and water availability-based advisories to cultivators and facilitate their direct interaction with farm scientists.

ITC has proposed to provide customised digital “site-specific crop advisory service” and also handhold farmers to enable them carrying out the suggestions on their farms.

CISCO has already created digital agricultural infrastructure and has linked it with other information technology and artificial intelligence tools for knowledge-sharing on improved farm practices.

NCDEX is planning to disseminate information relating to crop arrivals, price trends, and locations of warehouses.

### What are some of the apprehensions associated with private sector participation?

The access of private companies to the entire data, including private information, related to individual cultivators impinges on the **right to privacy**.

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

There are chances of misrepresentation of land records, most of which are in bad shape at present.

The potential corporatisation of agriculture might subjugate the interests of actual land tillers.

### **What steps has the government taken to allay these apprehensions?**

A specific policy is being drafted to regulate collecting, preserving, and protecting agricultural data.

The government assured that the private data of farmers, though readily accessible to them for their own use, would not be shared with any organisation.

### **Way forward:**

It would be advisable for the agriculture ministry to allay their fears concerning the digitisation of farm data. A well-organised awareness campaign is perhaps the need of the hour.

## **9. Improving livestock breeding**

Source: This post is based on the article “**Improving livestock breeding**” published in “**The Hindu**” on **19th October 2021**.

**Syllabus**– GS3: Economics of animal-rearing.

**Relevance:** To understand the livestock sector and issues associated with it.

**Synopsis:** The facts and schemes relating to different livestock sector and the expected benefit out of it.

### **Introduction**

Livestock breeding in India has been largely unorganised because of which there have been gaps in forward and backward integration across the value chain.

Government has revised “[Rashtriya Gokul Mission](#)” and “[National Livestock Mission](#)” (NLM) to address issues in this sector.

### **What are the facts regarding Livestock sector and its impact?**

**Facts**–Approximately 200 million Indians are involved in livestock farming, including around 100 million dairy farmers. Roughly 80% bovines in the country are low on productivity and are reared by small and marginal farmers.

**Impact**–It impacts the quality of livestock that is produced and in turn negatively impacts the return on investment for livestock farmers.

### **What steps are taken by Government to improve ‘Livestock sector’ and its ‘farmers’?**

– To enhance the productivity of cattle, the “**Rashtriya Gokul Mission**” was initiated in 2014 with a focus on the genetic upgradation of the bovine population through widespread initiatives on artificial insemination, sex-sorted semen, and in-vitro fertilization.

– Web applications like **e-Gopala** that provide real-time information to livestock farmers on the availability of disease-free germplasm in relevant centres, veterinary care, etc.

– The **revised** version of the “Rashtriya Gokul Mission”(RGM) and “National Livestock Mission” (NLM) incentivises **entrepreneurship development** and breed improvement in cattle, buffalo, poultry, sheep, goat, and piggyery by providing incentives to individual entrepreneurs, farmer producer organisations, SHG’s, companies(section 8) among others.

State governments would be given incentive for breed improvement **infrastructure**.

### **Components under revised “RGM” and “NLM”:**

**Breed multiplication** farm component of “RGM”-provide for capital subsidy up to ₹ 200 lakh for setting up breeding farm with at least 200 milch cows/ buff alo using latest breeding technology.

Breed multiplication farm is expected to result in the employment of 1 lakh farmers.

**Poultry entrepreneurship** programme of the NLM-capital subsidy up to ₹ 25 lakh for setting up of a parent farm with a capacity to rear 1,000 chicks.The rural entrepreneur running the hatchery will be supplying chicks to the farmers for further rearing.

**Sheep and goat entrepreneurship**, there is a provision of capital subsidy of 50% up to 50 lakh. Each entrepreneur will get animals with high genetic merit from the Central/State government university farms.

**For piggery**, the NLM will provide 50% capital subsidy of up to ₹ 30 lakh.

The revised scheme of ‘NLM’ coupled with the **Rashtriya Gokul Mission** and the Animal Husbandry Infrastructure Development Fund has the potential to dramatically enhance the **productivity** and traceability standards of our livestock besides it has huge potential for **employment generation**.

#### 10. Has Kerala learnt anything from extreme weather? Apparently not, say experts

**Source:** This post is based on the following articles“**Has Kerala learnt anything from extreme weather? Apparently not, say experts**” published in “**Down To Earth**” on **18th October 2021**.

“**Kerala floods require a local set of responses**”published in “**Livemint**” on **19th October 2021**.

**Syllabus:** GS3-Disaster and disaster management.

**Relevance:** To understand the often crisis of floods seen in different parts of the country.

**Synopsis:** The issue of flash floods seen in Kerala, reasons associated and the remedies needed.

#### **Introduction**

The recent Kerala floods took life of more than 25 people, triggered by heavy rains in the south-west tip of the Indian peninsula. However, this is not something new for Kerala. Some 483 people were killed in the August 2018 floods.

#### **What are the reasons attributed to the recent floods?**

The India Meteorological Department (**IMD**) has said the rains are the outcome of **low-pressure** weather systems which evolved over peninsular India.

But other **climate experts** have cited **cloudbursts** as the cause i.e, a pattern of torrential rains that occur over a limited area in a short period. Experts have also said a **changing climate** is behind the extreme weather events of the last four years.

#### **What are the recent trends wrt Kerala floods?**

Loss of life,property and livelihood seen again. Like last time, the most severely affected are those of limited means.

In the last four years, Kerala has witnessed **only scanty rainfall in June and July** but has faced extreme, unexpected rain for short durations in August, September and October.

Indian Institute of Tropical Meteorology (IITM) has established a 52% increase in the frequency of cyclones over the Arabian Sea between 2001 and 2019 owing to increased sea surface temperature of Arabian sea.

### **What are the reasons for Kerala floods?**

**Natural and Geographical reason**-Given the coastal state's terrain, with the windward slopes of its Western Ghats forcing monsoon clouds upwards to squeeze out rainwater.

#### **Anthropological reasons:**

- **Globally, climate change** is the prime suspect in almost all such occurrences. Experts have long warned of a tipping point after which rain cycles that have prevailed for millennia can suddenly go erratic.

In general, extra warmth directly affects relative air-pressure and interferes with air-circulation patterns. A warmer atmosphere also holds more water, which in turn results in heavier rainfall.

- **Local causes**- Environmental degradation cannot escape blame. Loss of forest cover down the decades turned hillsides unstable.

The use of concrete for construction has disrupted the state's natural rainwater absorption and drainage system.

Quarrying, mining and other such activities compounded the menace. Many check dams got silted up, leaving their reservoirs unable to restrain downhill gushes of water.

### **What needs to be done now?**

**Short term measures-Immediate relief**, rehabilitation and rescue activities provisions should be the top most priority.

**Long-term measures-Region-specific solutions** that involve actions within the ambit of local administrative control. Kerala's recurrent floods need a comprehensive plan of their own. The need for **climate-resilient construction** and agricultural practices, as well as long-term strategies to protect people from floods and landslides in the Western Ghats.

Fair and transparent **environmental impact assessments** when it takes up larger development projects requiring massive infrastructure and changes in land-use patterns.

State should initiate large-scale **climate change literacy**.

Limitations in **forecasting** rain, especially extreme rainfall events. These needed to be improved.

Adequately implementing "**Madhav Gadgil**" committee recommendations. This panel on the eco-logical fragility of our Western Ghats recommended measures to halt and reverse the damage.

### **11. India's pulses problem: We need real reform**

**Source:** This post is based on the article "**India's pulses problem: We need real reform**" published in "**Down To Earth**" on **18th October 2021**. **Syllabus:** GS3: Issues related to direct and indirect farm subsidies and minimum support prices.

**Relevance:** To understand issues confronting smooth functioning of "MSP" system in the country.

**Synopsis:** Some inherent flaws in MSP system and what the government needs to do to address them.

#### **Introduction**

India is the largest producer and consumer of pulses in the world. However, we consume more than what we produce. Therefore, pulses are imported, and the general public suffers due to the unusually high prices.

The main reason for this imbalance is the half-hearted and ad-hoc price policy of the government.



### How is the 'MSP' price determined?

Commission on Agricultural Costs and Prices (CACP), established under the Union Ministry of Agriculture, fixes the minimum support price (MSP) of all agricultural products, including pulses.

The MSP is set on the basis of cost of production; position of supply, demand; prices in markets, position of prices relative to other commodities, proper use of natural resources like land and water, economy of the country, and **50% profit on cost of production**.

### What are the issues in 'MSP' system?

#### For all MSP-notified crops:

The so-called 50% profit to the farmer is not per the government's intended formula, and so it is relatively low. However MSP does not have any legal backing till now and farmers can't demand it as a legal right.

The CACP is by status a department whose recommendations are only advisory.

Representation of farmers is minimal.

#### For Pulses specifically:

Consumers have to buy pulses at 150% to 200% of MSP. This increases inflation and puts an unbearable burden on the weaker section.

Pulses are imported at prices lower than the domestic ones.

Ineffective measures by government like reducing the storage limit of pulses under the Essential Commodities Act.

**Must Read:** [Diversification of food basket through pulses](#)

### What are the reforms needed?

The MSP **formula should be revised** and the purchase of each crop in the entire country should be ensured at that declared price.

The commission should be given **constitutional status**, so that its recommendations are binding.

A **maximum retail price** for consumers should be fixed by adding a reasonable profit of 50-60% over MSP to the farmer.

All **restrictions** on transport, storage, trade, processing and export of all agricultural products should be **abolished**.

In case of low domestic production, **imports and taxes** should be decided after the harvest.

## 12. Slide in China's GDP growth and implications for India

**Source:** This post is based on the article "Slide in China's GDP growth and implications for India" published in **Indian Express** on **19th October 2021**. **Syllabus:** GS3 – Indian Economy and issues relating to Growth, Development and Employment.

**Relevance:** Bilateral trade and Self sufficiency

**Synopsis:** Growth slow down in China can impact global economic recovery and India in particular.

### Introduction

China's third-quarter GDP growth slowed to **4.9%** as industrial output rose way below expectations in September, according to data released by the country's National Bureau of Statistics.

A slowing Chinese economy is worrying wrt trade and the overall loss of momentum to the global post-pandemic economic recovery. India too can be affected adversely.

### **What are the reasons behind economic slowdown in China?**

Massive fuel crunch and worries of a systemic crisis in its real estate business precipitated by the Evergrande fiasco, and a souring of business sentiment amid the federal government's crackdown on multiple Chinese sectors and marquee companies.

### **How China's growth output is being affected?**

**Loss of Capital to sustain Growth:** According to a Reuters report, businesses were less keen to invest in new projects amid the federal government's crackdown on multiple Chinese sectors.

**Power Crisis:** The power shortage had a "certain impact" on normal production. Factories and units across the country had to curtail output due to surge in coal prices.

**Real estate sector Crisis:** The drop in fixed asset investment is being primarily attributed to a perceptible slowdown in real estate investments. In August, real estate major Evergrande warned of a default and subsequently missed payments to investors in its offshore US dollar-denominated debt.

### **Why the present situation may be of concern to India?**

India could be impacted, given India's deepening trade with China and its import dependence. For example,

**Import dependence:** India imports items such as smartphones and automobile components, telecom equipment, active pharmaceutical ingredients, and other chemicals mostly from China. India's trade deficit with China increased to \$46.55 billion in the first nine months of 2021, up from \$29.9 billion in the year-ago period.

**Increasing Bilateral trade:** India's total trade with China touched \$90.38 billion during the January-September period, and is likely to cross \$100 billion by the end of the year. According to India's Commerce Ministry data, China was India's top trading partner in the April-July period.

### **13. Education is a powerful enabler of climate-change containment**

**Source:** This post is based on the article "Education is a powerful enabler of climate-change containment" published in **Livemint** on **19th October 2021**. **Syllabus:** GS3 – Issues related to Climate change

**Relevance:** Role of education in mitigating climate change.

**Synopsis:** At this critical juncture in the history of humanity, we must now re-imagine education as a tool that can play a transformative role in mitigating climate change. Education can become an active agent in catalysing climate mitigation and adaptation in line with the global agreements.

#### **Introduction**

In the lead up to CoP-26, more countries have been committing themselves to achieving **carbon neutrality by 2050**. This includes using regulation and policy to improve energy efficiency, develop alternative energy sources, reduce overall energy consumption and minimize wastage. Education, as a tool to further climate change, has still been untapped though.

**Must Read:** [Shaping India's green future](#)

### **How education can play a transformative role wrt climate change?**

**Promoting universal values:** Universal values such as global citizenry and sustainable development must be incorporated into mainstream, foundational and formative years of study.

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

This will help students become self-directed, raise self-awareness, enable a cultural transformation, and change the mind-sets and lifestyles of future global citizens.

This is why young leaders like *Greta Thunberg* and *Malala Yousafzai* are inspiring millions of young people around the world to make societies smarter, greener and more inclusive and resilient.

**More investment and better quality of expenditure** in education to scale up learning, particularly for disadvantaged and marginalized groups including girls and women is the best strategy to support sustainable development. The more well-educated people there are in a country, the better the capacity and agility of that country to prevent or mitigate future hazards.

**Education can be more responsive** in producing experts, innovators, and leaders with the skills to tackle climate change and other related development challenges. Such challenges include converting waste to energy, increasing food production and minimizing food waste to feed the growing population sustainably, transitioning to clean energy and transport and creating and preparing for green jobs.

### **How govts and global institutions are striving to impart Climate change education?**

There are already good examples of climate change education led by some governments.

**Italy:** it requires all students to take more than 33 hours of climate change classes each year in higher secondary education.

**Philippines;** The Department of Education has committed to intensify climate literacy and support climate action in schools.

**The Republic of Korea:** it has started a project to transform schools into green campuses that will showcase education programs for environmental protection and use eco-friendly energy.

**The Paris Agreement:** it calls for its signatories to undertake educational and public awareness campaigns on climate change and ensure public participation in programmes to achieve its targets.

**The Asian Development Bank (ADB):** it launched the **Climate Change Fund** in 2008 and has since actively pursued ways to mainstream climate change issues in education. The bank is supporting clean energy in several education projects including preparing graduates with green skills.

### **What more needs to be done?**

Developing the climate change education system will require **comprehensive cooperation between central and local governments**, schools, universities, communities, non-government organizations (NGOs) and the private sector.

This collaboration is critical to develop education policies that will prepare and engage students in sustainable development through science, technology, engineering, and mathematics (STEM) projects.

The international community, multinational corporations and international NGOs are equally critical in harmonizing and providing this support.

## **14. A new global economic consensus**

**Source:** This post is based on the article “**A new global economic consensus**” published in **Business Standard** on **19th October** 2021. **Syllabus:** GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment

**Relevance:** Unsustainable development and need for sustainable economic model.

**Synopsis:** Cornwall Consensus should replace the Washington Consensus.

### **Introduction**

The world is now facing a future of unprecedented risk, uncertainty, turmoil, and climate breakdown.

In this context, a report released recently by the **G7 Economic Resilience Panel** demands a radically different relationship between the public and private sectors to create a sustainable, equitable, and resilient economy.

As per the report, the World leaders have a simple choice now: either continue supporting a failed economic system, or scrap the **Washington Consensus** for a new international social contract.

**Must Read:** [What is Washington consensus?](#)

### **What is the Cornwall Consensus and how's it different from the Washington consensus?**

The alternative that has been proposed in the report is "**the Cornwall Consensus.**"

It seeks systematically to address chronic and acute issues to advance global economic resilience.

#### **Key points of Cornwall Consensus:**

The Cornwall Consensus would invert the Washington consensus.

- i).** It revitalizes the state's economic role, and would allow to pursue societal goals, build international solidarity, and reform global governance in the interest of the common good.
- ii).** This means that grants and investments from state and multilateral organisations would require recipients to pursue rapid decarbonisation rather than rapid market liberalisation, as required by IMF lending for structural adjustment programmes.
- iii).** The Cornwall Consensus also entails moving from reactively fixing market failures to proactively shaping and making the kinds of markets we need to nurture in a green economy.
- iv).** It will replace redistribution with pre-distribution. The state would coordinate mission-oriented public-private partnerships aimed at creating a resilient, sustainable, and equitable economy.

#### **Why is a new consensus needed?**

**Firstly**, the old model (Washington Consensus) is no longer producing widely distributed benefits. It has proven to be disastrously incapable of responding effectively to massive economic, ecological, and epidemiological shocks.

**Secondly**, today's crisis conditions make a new global consensus essential for humanity's survival on this planet. For instance, achieving the United Nations Sustainable Development Goals, adopted in 2015, is difficult under the prevailing global governance arrangements.

**Thirdly**, there is an urgent need to strengthen the global economy's resilience against future risks and shocks. This cannot be done without overhauling the outdated economic system.

**Finally**, most economic institutions are still governed by outdated rules that render them unable to bring in the responses needed to end the pandemic or achieve the Paris climate agreement's goal of limiting global warming to 1.5° Celsius, relative to pre-industrial levels.

#### **What needs to be done?**

**First**, There is a need to move away from measuring growth in terms of GDP, GVA, or financial returns to assessing success on the basis of whether we achieve ambitious common goals.

**Second**, need to invest substantially in pandemic preparedness and mission-oriented health financing.

**Third**, innovations that benefit from large public investments and advance purchase commitments needs to be prioritised. This calls for a new approach to governing intellectual-property rights. In this regard, IP governance should be reformed to recognise that knowledge is the result of a collective value-creation process as recommended by WHO.

**Fourth**, need for increased state investment in the post-pandemic economic recovery, that this spending be increased to 2 per cent of GDP per year, thereby raising \$1 trillion annually from now until 2030.

**Fifth**, Public investment must be channeled through new contractual and institutional mechanisms that measure and incentivise the creation of long-term public value rather than short-term private profit.

**Sixth**, a new multilateral and interdisciplinary institution focused on decarbonizing the economy should be institutionalized like 'CERN for climate technology' inspired by the European Organisation for Nuclear Research. It would pool public and private investment into ambitious projects.

### 15. Expanding forest cover: On proposed amendments to Forest Act

**Source:** This post is based on the article “**Expanding Forest cover**” published in **Business Standard** on **20th October** 2021.

**Syllabus:** GS3- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

**Relevance:** Balancing between forest expansion, environment protection, and economic development.

**Synopsis:** Proposed legal amendments to the Indian Forest Act are in the right direction.

#### Introduction

The environment ministry recently initiated the process to amend the existing forest legislation. It has been now put up in the public domain recently to invite stakeholders' and state governments' response.

#### Why was there a need to amend the Indian Forest Act?

An amendment to the obsolete Indian Forest Act has been due for a long while, especially since 1996, when a judgment by the Supreme Court changed the very fundamentals of the concept of forests and their governance.

The court had opined that any green patch that conformed to the “dictionary meaning” of the term “forest” be considered forest and governed accordingly. However, the judgement of the SC has become troublesome for some reasons.

With this, most kinds of land with a green canopy, regardless of their ownership, became “deemed forest”, requiring forest authorities' prior permission before putting them to any use.

Public institutions like the railways and road departments, too, needed the forest ministry's nod to utilise their spare land alongside rail tracks and roads if trees or other vegetation had come up there.

Strategically vital projects in border areas and elsewhere, too, had to go through the time-consuming process of getting necessary clearances.

#### What are the positives in the draft Indian Forest Act?

**Firstly**, the text does away with many of the contentious and thorny regulatory provisions of the previous drafts and can, with necessary changes, form the basis for the modification of this law.

**Secondly**, while decriminalizing minor offenses to reduce the load on public litigation, it proposes relatively high penalties for major infringements and also more stringent norms for forest conservation.

**Thirdly**, it seeks to introduce a novel concept of “**pristine forests**” where no non-forestry activity will be allowed under any circumstances.

**Fourthly**, the new draft seeks to introduce some significant and need-based reforms in the forest sector, which can potentially pave the way for forestry activities even on private lands. Most of the concerns related to curbs on harvesting, transit, and trade of the forest produce grown on private plots are proposed to be removed.

#### **What are the contentious issues in the draft Indian Forest Act?**

**Exploring and extracting oil and natural gas from beneath the forest lands** is proposed to be allowed by drilling holes from outside the forest areas without harming the underground water aquifers. This provision, however, may turn controversial as experts still differ on the efficacy of this technology.

**The draft fails to lay due emphasis on promoting agro-forestry**, which has a huge potential to expand green cover in rural areas, apart from generating additional income for the farmers.

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

**Promoting tree plantations on private lands and agricultural farms** has, indeed, become imperative now due to the lack of government or community lands for raising new forests.

**Private participation is vital** to meet the targets of covering 33% land with forests and creating a carbon sink to lock in 2.5-3 billion tonnes of carbon dioxide as stipulated under the Paris agreement on climate change.

The paramount need today is to strike a **joint endeavour by the public and private sectors** to achieve this key objective.

#### **16. Devastation in coasts and hills underlines ecological fragility, calls for revisiting development paradigms**

Source: This post is based on the article “**Devastation in coasts and hills underlines ecological fragility, calls for revisiting development paradigms**” published in **Indian Express** on **20th October 2021**.

**Syllabus:** GS3- Disaster and Disaster Management.

**Relevance:** Development vs Ecology conservation

**Synopsis:** Whether in the Western Ghats or the Himalayas, there are pressing reasons for states to rethink development paradigms.

#### **Introduction**

This monsoon season has given ample evidence of extreme weather events. For instance, In July, a fortnight of torrential rain left a trail of destruction in the mountains of **north India and the coastal parts of Western India**.

At least 20 people are feared to have lost their lives in another bout of floods in **Uttarakhand**. In **Kerala**, incessant downpour in the past four days has swelled rivers and caused landslides, sweeping away homes, bridges and claiming at least 38 lives.

States require much more than emergency measures to address and mitigate such climate-related vulnerabilities.

### Why hilly states are more vulnerable to climate changes?

The topography of most hilly regions makes them prone to landslides.

Deforestation, quarrying, road construction and other land-use changes that neglects ecology increase vulnerabilities of such areas during episodes of heavy rainfall.

That's why several expert committees have advised utmost caution in implementing infrastructure projects in both the Himalayas and the Western Ghats.

– **Madhav Gadgil committee:** In 2011, the committee recommended that a roughly 1,30,000 sq km stretch spanning Gujarat, Karnataka, Kerala, Maharashtra and Tamil Nadu be declared an **environmentally sensitive zone**. It called for strict regulation of developmental activities in this stretch.

– **K Kasturirangan committee:** It was a substantially diluted recommendations. It proposed to reduce the size of Western Ghats' eco-sensitive zone by about half of what was earmarked by the Gadgil panel.

### What was the response by the state governments?

None of the six states agreed with its recommendations. Kerala, in particular, objected to the proposed ban on mining, restrictions on construction activities and embargoes on hydroelectricity projects.

The substantially diluted recommendations of K Kasturirangan also did not get much traction in the Western Ghat states.

### What needs to be done?

**Greater coordination amongst forecasting agencies and reservoir management authorities:** In recent years, state governments in most parts of the country have been criticised for taking disaster management decisions too late. **For instance**, opening up of reservoirs to avoid flooding. Dam operators blame the delay on not being alerted about extreme weather events in time. Hence, there's a case for greater coordination amongst forecasting agencies and reservoir management authorities. This would ensure the timely opening of dam spillways and create holding capacity in the reservoirs to absorb excess rainfall.

**Investments in disaster management systems:** With studies and IPCC reports warning about more destructive floods caused by sea-level rise and high-intensity rainfall, India should not delay investments in disaster management systems.

## 17. [India must keep the momentum of Air India's privatization going](#)

**Source:** This post is based on the article "**India must keep the momentum of Air India's privatization going**" published in **Livemint** on **20th October 2021**.

**Syllabus:** GS3 – Indian Economy and issues relating to Planning, Mobilization of Resources,

**Relevance:** Disinvestment of PSE's

**Synopsis:** Adopting policies that boost the market valuations of state-run companies will help government to keep the disinvestment momentum.

### Introduction

After the successful disinvestment in Air India, many want the government to build on this and carry out more strategic disinvestment, i.e., sell more government companies, to the private sector. But that is a very obvious point.

The right way to carry the **disinvestment** momentum forth is to formulate policies that lead to the stock-market valuations of public sector companies going up in the years ahead.

**How right policies will help the government to carry the disinvestment momentum?**

**Ensuring right Professional management practices** in public sector companies will increase the stock-market valuations of PSE's.

For instance, take the case of ICICI Bank, a private lender, and Punjab National Bank (PNB), which is state-run.

– Data from the Indian Banks' Association shows that both banks are more or less similarly sized. As of March 2021, ICICI Bank had total assets worth ₹12.30 trillion, whereas PNB had total assets worth ₹12.6 trillion. However, PNB's market capitalization was ₹46,852 crore that is less than a tenth of that of ICICI Bank, which was worth ₹5.04 trillion.

One reason for this lies in the **higher non-performing assets** (NPAs) or bad loans of PNB, at ₹1.04 trillion as of June 2021, whereas those of ICICI Bank were at ₹43,148 crore.

The difference in the two lenders' market capitalization is not just because of the difference in their bad loans. The market feels that **ICICI Bank is more likely to be run like a bank should be** whereas it isn't clear if the same can be said about PNB or other public sector banks (PSBs). Hence, the lower market value.

**Government interventions and influence on PSE's needs to be limited.** For instance, public sector enterprises are also used by the government to fulfill its social-sector objectives. In the case of PSBs, there is always the danger of their being pushed to give loans to industrialists close to the government.

To correct this, the **government needs to allow managers of public sector enterprises to run them like businesses.** This will help improve the stock market valuations of these companies manifold.

Higher valuations mean that the government can keep selling some stake in these companies regularly to raise money. This money can then be used to fulfill the Centre's social goals, including incentivizing banks and other companies to do what the government wants them to.

## 18. Changing economic order

Source: This post is based on the article "**Changing economic order**" published in **Business standard** on **20th October** 2021.

**Syllabus:** GS3- Indian Economy and issues relating to Planning, Mobilization of Resources,

**Relevance:** Deglobalisation and declining international trade

**Synopsis:** In the absence of a focused approach to exports in the changing global environment, longer-term growth prospects are bound to suffer.

### Introduction

India is on track to attain the \$400-billion export target this fiscal year. Exports jumped to \$33.44 billion in September, registering 21.35% year-on-year growth. India is clearly benefiting from a stronger-than- expected recovery in international trade.

But note that booming international trade may not sustain for long and the world is witnessing a trend of de-globalisation. Hence, India needs to adopt policies that could suit the changing global environment.

### Why it is said that the world is witnessing a deglobalisation phenomenon?

**International trade has been under pressure** for several years and the pandemic has only exacerbated the fault lines.

**Large economies are reconsidering their dependence** on international supplies and would aim to build domestic capacity.



**Corporations are also re-evaluating the resilience of supply chains.** All this may affect global trade and growth over the medium term and hasten the trend of de-globalisation.

**The trade openness index**, which was steadily rising in the post-war period, for instance, started declining after 2008 financial crisis.

**The growth of global value chains has stopped**, and reforms are stalled all over the world according to an article on the de-globalisation trend last year by the Peterson Institute for International Economics.

**China, which has been a driving force for trade and growth in recent decades, started looking inward.** Although it is still a dominant exporter, exports as a percentage of gross domestic product (GDP) have fallen from over 30 per cent in 2008 to under 20 per cent.

**Trade tension between the US and China** during the Donald Trump years also contributed to the process. Strategic rivalry between the two and the evolving geo-political environment would continue to undermine economic openness.

**Institutions governing the global order** are also under pressure.

#### **How India needs to prepare for the future?**

India should not get carried away by the current year's export numbers. India will not be able to attain higher sustainable growth without higher exports and policy-making should be guided by this basic economic reality.

**Need to review of the current trade policy.** India has increased tariffs in recent years, which has direct implications for exports. According to the World Bank data, exports as a percentage of GDP have fallen from a high of 25% in 2013 to about 18% in 2020. This needs to be reversed.

**India needs to tap more global markets.** Recently, India decided to stay away from the **Regional Comprehensive Economic Partnership**, which will affect longer-term trade prospects. India needs to reconsider such decision and it should negotiate better to get advantageous free trade pacts.

#### **19. Health id needn't cause any anxiety over data policy**

Source: This post is based on the article "**Health id needn't cause any anxiety over data policy**" published in **Livemint** on **20<sup>th</sup> October 2021**.

**Syllabus:** GS 3 Awareness in the fields of IT, Space, Computers, Robotics, Nano-technology, Bio-technology and issues relating to Intellectual Property Rights.

**Relevance:** Understanding the issues related to data privacy.

**Synopsis:** While there is a need to adopt the digital solution, at the same time it is also important to protect the data of people.

#### **Introduction**

Recently the **government announced setting up a new digital health scheme with a digital Id**. This again raises the issue of privacy, as was done by the Aadhaar issue earlier.

**Read more:** [Ayushman Bharat Digital Health Mission – Explained, pointwise](#)

#### **What are the issues raised by health ID?**

When the services were being provided physically, people did not complain about providing identity proof. But when the same is demanded digitally, people begin to raise issues.

This is because the digital health scheme raises apprehension that the new Health ID would result in health data being aggregated into large, centralized databases. This would make this

intimate information prone to cyber-attacks. The issue is further complicated when there are issues of digital data breaches like the recent Aadhar issue.

### How to solve the challenges in digital health ID?

Once the identity of beneficiaries has been established, their **data should be hidden** in such a way it would be difficult to use the same data for other transactional information. The data should also be encrypted so that in case of a data breach, the privacy of beneficiaries will not be impacted.

In case of beneficiaries availing of more than one public service, **data should be cross verified in a privacy-preserving manner** without actually exposing any core identity information.

There is a need to **incentivize the use of privacy-enhancing digital identity solutions**. Different methods should be adopted depending on the requirement. For Eg, one can generate tokens that serve as a proxy for identity while others can separate data flow from identity flow.

### 20. Cat to the rescue: Govts, insurers must issue catastrophe bonds for citizens' financial protection from weather events

**Source:** This post is based on the article "**Cat to the rescue: Govts, insurers must issue catastrophe bonds for citizens' financial protection from weather events**" published in **Times of India** on **21st October 2021**. **Syllabus:** GS3 Disaster and Disaster Management.

**Relevance:** Understanding the benefits of cat bonds.

**Synopsis:** With India prone to disaster activities, there is a need to launch the cat bonds or catastrophe bonds.

#### Introduction

Climate change has an adverse impact on the nature and environment. It led to a lot of devastating activities like floods, fire etc. India is also facing the brunt of these activities.

**National Disaster Management Authority (NDMA)** estimates that 27 states and Union territories are disaster-prone. Under this aspect, there is a need that India should encourage the use of cat bonds.

#### What are catastrophe bonds or cat bonds?

Catastrophe bonds or cat bonds provide options for insurers, reinsurers, global corporations and even governments as a way to protect themselves against natural disasters.

**Read more:** [How does the cat bond work](#)

#### What are the benefits of cat bonds?

Under these bonds, the investors are compensated by a rate of return that is higher than that of normal government or corporate bonds. This helps them get extra returns on investment, which in turn helps them to meet liabilities.

It is beneficial for both insurers and the government. It offers **assurance to the insurer** of cash payout to lower premiums and simultaneously offers coverage of extreme events. **Governments can get extra cash to spend on relief and rehabilitation** purposes.

#### What should India do?

Owing to the benefits provided by these bonds, the **World Bank** provides a **cat bond market access facility** for member countries. **Jamaica**, in the past, also issued cat bonds to provide financial protection of up to \$185 million against losses from tropical cyclones.

India, which is a disaster-prone country, should also actively encourage the use of cat bonds.

## 21. Water governance reform

Source: This post is based on the article “**Water governance reform**” published in **Business Standard** on **20th October 2021**.

**Syllabus:** GS 3 – Irrigation systems storage.

**Relevance:** Understanding water governance in India.

**Synopsis:** Given the level of the water crisis in India, there is an urgent need to take a deeper look at water management and water governance in India.

### Introduction

Ever since Independence, the governance of water has suffered from at least **three major issues** or artificial divisions: between **irrigation and drinking water**, **Surface and ground-water** and **Water and wastewater**.

The **new National Water Policy (NWP)** suggests urgent action to overcome each of these divisions.

### What are the challenges facing water management in India?

**Hydro cycle:** Critical inter-connections in the water cycle have been ignored, which have aggravated the water problems. For example, India failed to see the link between rivers drying up and over-extraction of groundwater, which reduces the base-flows needed by rivers to have water even after the monsoon.

**Separation of Drinking and irrigation needs:** Placing Drinking water and irrigation in separate silos has led to the drying up of aquifers, when used for irrigation purposes, and are unable to meet the requirements of drinking water.

**Institutional issues:** The **Central Water Commission (CWC)**, set up in 1945 is India’s apex body dealing with surface water and the **Central Ground Water Board (CGWB)** set up in 1970 is the one handling groundwater.

Over several decades, even as ground realities and understanding of water have both changed, the CWC and CGWB have remained virtually unreformed.

**Technical challenges:** Government departments dealing with water resources include professionals from just civil engineering, hydrology, and hydrogeology. India never had a single river ecologist or ecological economist handling water issues anywhere in India.

Despite the fact that agriculture takes up most of our water, there is not even one agronomist within the water bureaucracy.

**Community management:** It is clear that water management needs community mobilization, but water departments have never included social mobilizers.

### What are the suggestions offered by the National Water Policy?

The NWP has suggested the **merger of the CWC and CGWB** to form a multidisciplinary, multi-stakeholder **National Water Commission (NWC)**. It includes the following divisions, which would work in close coordination with each other:

**First**, the Water Security Division to guide the fulfillment of national goals pertaining to drinking water.

**Second**, Irrigation Reform Division to effectively meet the national goal of “**Har khet ko paani**” (water to every farm).

**Third**, Participatory Groundwater Management Division to ensure sustainable and equitable management of water.

**Fourth**, River Rejuvenation Division to work towards the revival of India's river systems.

**Fifth**, Water Use Efficiency Division to improve performance on this parameter in all economic activities.

**Sixth**, Urban and Industrial Water Division to meet emerging national challenges;

**Seventh**, Democratisation of Data Division to ensure the development of a 21st-century national water database, with user-friendly access to primary stakeholders of water.

**Eighth**, The NWP seeks to **build partnerships with primary stakeholders of water**. This must include farmers, water practitioners, academia, industry etc.

**Ninth**, The **indigenous knowledge** of our people, with a long history of water management, is an invaluable intellectual resource that must be fully utilized.

There is also an urgent need for an **institutional mechanism to prevent water conflicts** or at least find a time-bound resolution for existing disputes. The NWP suggests creating a new inter-state council or recasting and activating the existing **National Water Resources Council**. Thus, a new water policy, if implemented, can be a great leap forward in addressing the water issues facing India.

## 22. The need of systems that'll help tackle a crisis rather than deny it

**Source:** This post is based on the article "**The need of systems that'll help tackle a crisis rather than deny it**" published in **Live mint** on **21st October 2021**. **Syllabus:** GS3- Indian Economy and issues relating to Planning, Mobilization of Resources

**Relevance:** To understand the frequent economic crisis in India.

**Synopsis:** There is a frequent economic crisis in India like coal, onion, petrol, etc. This needs immediate attention for preventing it.

### Introduction

India has a history of economic crisis. For instance, In 2006-07, India had a wheat crisis, onion and tomato crisis appeared almost every year. The prices increase in horticulture directly impacts the Consumer Price Index (CPI).

The auto sector has been buffeted by a global shortage of chips. Then there is a constant issue associated with the crude oil prices.

**Read more:** [Need of Indigenous Semiconductor Manufacturing Facilities in India – Explained Pointwise](#)

### Why the coal crisis is unique?

The coal story is quite unique. India has one of the highest reserves of coal and theoretically, India can mine as much as the country want. But when there is a shortage, it is not just about the price of coal going up, it will also cause collateral damage to the Wholesale Price Index. The problem can also translate into a power-generation crisis as companies run out of feedstock. But ever during the crisis, the economy did not have any major shock and inflation targets are met constantly.

**Read more:** [Coal crisis in India – Explained, pointwise](#)

### How the inflation targets are met without any major economic impact?

This is due to a lot of fine-tuning done by the **Reserve Bank of India (RBI)**, and having a **monetary policy** review every two months ensures constant monitoring.

Similarly, under the **Budget** and its implementation, there are certain departments that track revenue and expenditure to spot deviations and ensure there are no economic shocks at the end of the year.

### **Why did RBI and government fail to spot the economic crisis?**

There is **not enough attention to prior detection** of the crisis. For instance, before the escalation of the supply crisis in coal, the government and RBI failed to realise that the monsoon rains are not favourable for the industry.

The same holds for horticulture also. The horticulture department does not detect prior that the late withdrawal of the monsoon is deleterious to the onion crop.

### **What has to be done to prevent an economic crisis?**

**Not import only when there is a significant shortfall:** There should be economic thresholds in place for ministries to fast-track imports automatically based on availability rather than cost. That threshold should be used again to bring back import restrictions automatically.

**Improve market intelligence capability:** All ministries should formally have an intelligence cell that monitors minute developments on a regular basis and put plans in place for corrective action before a crisis gets entrenched.

Market intelligence and import mechanisms can be combined by the government to make sure that no situation of scarcity goes out of control.

#### **Terms to know:**

- [Wholesale Price Index \(WPI\)](#)
- [Consumer Price Index \(CPI\)](#)

### **23. India's difficult transition from fossil fuels to net-zero emissions**

Source: This post is based on the article “**India's difficult transition from fossil fuels to net-zero emissions**” published in “**Livemint**” on 21st October 2021.

**Syllabus:** GS 3-Conservation, environmental pollution and degradation, environmental impact assessment; Infrastructure: Energy.

**Relevance:** To understand India's energy mix and the need of its diversification.

**Synopsis:** India faces many challenges in reducing dependence on coal and oil but the greater use of gas in our energy mix could ease the way.

#### **Introduction**

The coal crisis has forced the Indian government to ramp up domestic production and imports of coal, the dirtiest fossil fuel, while the world focuses on net-zero carbon emissions by 2050.

This irony reflects the reality that power generation and hence our economy is heavily dependent on coal, followed by petroleum.

#### **What are the constituents of India's energy generation basket?**

Data from the International Renewable Energy Agency (**IRENA**) indicate that non-renewable **fossil fuels** account for **70%** of the current (2020) generation capacity of 462,3038 MW, followed by hydro/marine power at 11%, solar and wind power at 6% each, nuclear power at 5% and bio-energy at 2%.

The **share of gas** in primary energy supply and power generation have been stuck at only 5-6% in India. India is ranked 29th in global production of gas at a little over 1 trillion MMcf per year and 14th in global consumption at around 2 trillion MMcf per year.

#### **What are the challenges in India's transition from fossil fuels to a net-zero?**

Council for Energy, Environment and Water (CEEW) report has highlighted challenges to India's transformation.

**Capacity**-The technological know-how, managerial and regulatory capacity needed to manage this revolutionary transformation.

**Finance**-The transformation will involve massive high-cost, high-risk, long-gestation investments. There is little fiscal space for large public investment in renewables, while private investment in renewables at scale is just starting.

**External support**- Various climate agreements envisaged help from developed countries. However, the willingness of developed countries to make available adequate low-cost finance and required technologies remains uncertain.

**Land**- CEEW estimates that creating renewable power generation capacity for a net-zero economy could require between 4% to 6% of India's land mass.

**Political economy**- Closure of coal mines, oil wells and power plants will be resisted by the owners of these assets as well as workers employed at these establishments.

If the cost of power based on renewables turns out to be higher than fossil-fuel-based power, even consumers will resist the transformation.

### **What is the future strategy needed for transformation to net-zero emissions?**

CEEW report has explored the implications of a number of alternative net-zero scenarios, though whichever scenario plays out, it is quite clear that emissions will be rising for the next 30 to 50 years.

A **two-pronged strategy** of 'accelerating renewable power' generation and the fossil-fuel basket in favor of **gas** could significantly reduce that period of transition.

### **What is the present and future scenario of the global energy market?**

**The case of Gas:** International Energy Agency (IEA) projections indicate that gas will overtake coal as the second largest energy source after oil within this decade.

**Emissions** - Carbon dioxide and other emissions from gas are only a small fraction of emissions from oil, and especially coal.

**Supply** - Planned pipelines from Central Asia having floundered due to issues with Pakistan, our gas imports are still mostly from West Asia, especially Qatar.

Global gas supplies have grown dramatically following the shale revolution. Traditional supplier of Gas like Qatar besides the new ones like Australia and USA can ensure adequate and diversified supply of gas to India.

**Market**-The diversification of supply sources and the emergence of active spot and futures markets is transforming the global gas market.

**Technology**-Two recent technological developments, enabling **liquefaction and re-gasification** of LNG on board ships, will further disrupt the market and reduce costs.

Shale gas has seen revolution driven by '**hydraulic fracturing**' and '**horizontal drilling**' technologies.

### **Why India has not seen Shale Gas revolution?**

**Terrain**- India may have gas reserves of over 100 MMcf, though only **40%** of this is in **accessible** terrain and would be depleted within a couple of decades.

**Cost to benefit**-Given the high risks and costs of gas exploration and extraction, expected returns are low.

Distorted '**administrative pricing**' and '**taxation**' system, combined with a **regulatory** nightmare of multiple overlapping systems.

The result is neither public investment by GAIL nor private investment has been forthcoming.

#### 24. Extending BSF's powers won't resolve policing problems, security threats

**Source:** This post is based on the article “**Extending BSF's powers won't resolve policing problems, security threats**” published in “**The Indian Express**” on **21st October 2021**. **Syllabus:** GS 3 – Various Security forces and agencies and their mandate.

**Relevance:** To understand the security issues and role of various forces in it.

**Synopsis:** Flaws in the security architecture and measures needed to fill the void.

##### **Introduction**

Union home ministry extended the jurisdiction of the Border Security Forces (BSF) from 15 to 50 kms, citing uniformity as the reason.

The decision appears to have been taken without consulting the states whose police forces are directly affected by it, and is seen as a step towards undermining India's federal structure.

##### **Can BSF's extended jurisdiction help counter security threats?**

There is no uniformity between coastal smuggling in Gujarat, cross-border infiltration in Jammu and Kashmir, smuggling and drone drops in Punjab, or illegal migration to Assam. Hence, in the security context, argument about uniformity is not full-proof.

**Tackling each one requires different capabilities**, as our own experience in tackling such threats indicates.

**BSF is likely to be overstretched** by its new tasks that could weaken rather than strengthen the BSF's security capabilities. It happened in case of CRPF over a decade ago.

Illegal migration requires coordinated action between India and its neighbours, first at the political and then at the security level, often found missing.

It raises the risk of civilian resentment, even clashes, given that the BSF is not trained to operate in residential and/or market areas, it will also undermine the state police forces' morale even further.

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

The solution lies in putting **police reforms** on an emergency footing, not in extending the BSF's jurisdiction.

Rather than extending jurisdiction area, exploring **technologies** that might improve the BSF's intercept and destroy capabilities is needed.

When it comes to cross-border infiltration, **intelligence** is the key.

A **government-to-government** interaction over security, is a precursor to coordination of security agencies.

To tackle both smuggling and infiltration threats, **coordination** between our security agencies is needed.

State police forces have huge **political interference**. It is needed to insulate them from political misuse while holding them accountable for rule of law lapses.

#### 25. The global tax revolution

**Source:** This post is based on the article “**The global tax revolution**” published in “**The Hindu**” on **21st October 2021**.

**Syllabus:** GS3 – Issues related to economy.

**Relevance:** Understanding steps taken to boost global tax governance.

**Synopsis:** The OECD agreement on global tax on MNCs, its impact and benefits.

## Introduction

International tax jurisprudence received a boost when 130 countries, on the proposal of OECD, agreed to introduce a new global tax regime for taxing multinational corporations (MNC's) operating globally.

The Global Financial Crisis of 2008 forced all countries to change the international tax rules to prevent base erosion and profit shifting.

India, China, Russia, Germany and other countries have signed the agreement, which has to be implemented from 2023.

**Must Read:** [Know all about Global Minimum Corporate Tax \(GMCT\)](#)

## How would the new global tax regime work?

A minimum global tax of 15% on profits would be introduced in all countries.

As per the agreement, MNCs would no longer pay taxes in the country where they register their headquarters for tax purposes, but would pay in the country where they generate their sales.

As per the agreement, countries where MNCs operate would get the right to tax at least 20% of the profits exceeding a 10% margin.

## How were MNCs taxed till now and the associated issues with it?

For over a century now, the corporate tax system was based on the application of the twin principles of the 'source rule' and the 'residence rule'.

All that a MNC had to do to avoid high tax in a country where they did business was to get registered in a tax haven.

Globalisation allowed MNCs to replace fears of double taxation with the joys of **double non-taxation** by exploiting mismatches between the tax laws of various countries and by cutting taxable profits.

A digitalised world made their task easier, with the rise of intangible assets, which could easily be shifted from one country to another.

## What are the resultant impacts seen on countries?

Shifting of profits to low tax havens **deprived poor countries of revenue** by as much as 5% as compared to an alternative system, where profits are taxed based on the current location of companies, revenues, their employees and their wage codes.

"**Race to bottom**" for corporate tax would see an end or atleast a decline.

OECD estimates that the proposal would fetch additional \$150 billion per year and move taxing rights of over \$100 billion in profits to different countries.

## What are the challenges for India?

Countries like Belgium, Britain, **India** and Indonesia brought in 'Digital Services Taxes' on the local sales of foreign firms with online platforms. India would have to reconsider the '**equalisation levy**' taxed upon digital firms.

The 'share of profit' allocation and the scope of 'subject-to-tax rules', would have to be addressed.

The draft rules would reset the system for international taxation and subject MNCs to new nexus and profit allocation rules.

Simultaneous implementation of the law by all the signatories to the agreement would be a great job. If achieved, it may herald the dawn of the 'Golden Era' of direct taxes.



## 26. Reform fuel pricing

Source: This post is based on the article “**Reform fuel pricing**” published in **Business Standard** on **21st October** 2021.

**Syllabus:** GS3- issues related to Energy sector

**Relevance:** Fuel pricing reforms

**Synopsis:** Govt must follow a transparent fuel pricing mechanism.

### **Introduction**

The government’s approval of the full privatisation of Air India has raised expectations that the disinvestment of Bharat Petroleum Corporation Limited (BPCL) may be carried out effectively and as planned before the end of this financial year

Yet there are broader questions about the management of the fuel economy. The biggest question surrounds the management of the prices of petrol, diesel, and liquefied petroleum gas or LPG.

A successful bidder for BPCL will want to set prices to maximize profits. They would be justified in expecting that the broader market for fuel is not being undermined by government policy towards the two other OMCs.

Hence, the disinvestment of BPCL is the **right time to introduce the long-term tax and pricing reform.**

### **What are the issues related to fuel pricing in India?**

**Government control:** State-controlled oil marketing companies (OMCs) continue to be given pricing-guidance by the Union government, even after the administered price mechanism has been discarded. For instance, price changes have often been put on hold in times of political sensitivity, such as before a crucial Assembly election.

**Problem of Under recoveries:** Under recoveries denote an enforced per-unit loss on sale of petrol, diesel and LPG. At the moment, given the global run on the price of crude oil and high domestic taxes, the old problem of “under-recoveries” seems to have re-appeared.

**Issue of subsidised fuel:** OMCs are not only having to manage under-recoveries, according to reports, on every litre of petrol and diesel sold, but also have to deal with a loss of Rs 100 or so on every gas cylinder sold in the household retail market. The government yet to reimburse OMCs the sums they have lost under the **Pradhan Mantri Ujjwala Yojana**, which add up to Rs 3,000-4,000 crore.

**High fuel tax:** The government has, on the one hand, tried to maintain some elements of price control, while on the other hand it has turned to fuel taxes to fill the giant gaps in its revenue. Though a high tax on carbon is a good thing, but it should be logical and economy-wide and not imposed largely for fiscal reasons.

### **What needs to be done?**

**Direct transmission of global fuel prices to consumers**, with OMCs competing on the margins.

**A consistent fuel tax** that is in keeping with the shadow price of carbon and is shared between the Union and the states

**Direct subsidies, out of the Union Budget**, for those sections of society that are most vulnerable to fluctuating or high prices for petrol, diesel and LPG.

## 27. The outlines of a national security policy

**Source:** This post is based on the article “**The outlines of a national security policy**” published in **The Hindu** on **21st October 2021**. **Syllabus:** GS3- Challenges to Internal Security through Communication Networks

**Relevance:** About Cyber-technology and its impact on future warfare

**Synopsis:** Once cyber-technology becomes a key variable in the defence policies of a nation, land size or GDP size are irrelevant.

### Introduction

In the 21st century, the world is moving to cyber weapons-based warfare. Therefore, after cyber-technology enters as an important variable in nations’ defence policies, the size of a country will cease to matter.

For instance, Sri Lanka, or North Korea, empowered by cyber-technology, will be equal to the United States, Russia, India or China, in their capability to cause unacceptable damage.

### How Cyber technology is changing the warfare in 21<sup>st</sup> century?

Cyber warfare has **vastly reduced the deterrent value with regards to size of a country** since cyber weaponry will be available even to small island countries.

Warfare, therefore, will be not just be about mobilization of weapons or be dependent on the size of the armed forces of men. From remote controlled drones to artificial intelligence driven weapons systems, etc., the ability to deal damage will be independent of the size.

Each nation will have to **prepare more for bilateral conflicts in the 21st century that are based on cyber warfare** rather than in multilateral acts of conventional war or rely on military blocs for mobilization.

Hence, national security will encompass not merely the overt and covert operations. But, more crucially, electronic operations from a remote centre beyond the front lines of ground forces. Tracking those cyber warfare centres of the adversary will need **a new national security policy**.

### What key elements should be given importance in India’s National Security Policy for 21st century?

National security at its root in the 21st century will depend on skills in the following four dimensions:

**Objectives:** the objective of the **National Security Policy** in the 21st century is to define what assets are required to be defended, the identity of opponents etc., Further, national security policy will have to address threats like Corona Pandemic in future by choosing a nation’s priorities.

**Priorities:** In scenarios of uncertainties about the future in the 21st century, national security priorities will require new departments for supporting several frontiers of innovation and technologies. These frontiers include hydrogen fuel cells, desalination of seawater, thorium for nuclear technology, anti-computer viruses, etc. This focus on a new priority will require compulsory science and mathematics education, especially in applications for analytical subjects.

**Strategy:** The strategy required for this new national security policy will be to anticipate our enemies in many dimensions and by demonstrative but limited pre-emptive strikes by developing a strategy of deterrence of the enemy. For India, it will be the China cyber capability factor which is the new threat for which it has to devise a new strategy. India should also look to build allies to boost cyber deterrence.

**Resource mobilization:** Lowering the interest rate on bank loans or raising the rates in fixed deposits will enable banks to obtain liquidity and lend liberally for enhancing investment for production. As a last resort printing of notes of currency can also be used as one way of facilitating resource mobilization.

## 28. Will privatisation take off after the Air India sale?

**Source:** This post is based on the article “Will privatisation take off after the Air India sale?” published in **The Hindu** on **22nd Oct 2021**.

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

**Relevance:** Privatisation of Air India and related issues

**Synopsis:** Implications of the sale of Air India for the future of India’s public sector.

### Introduction

Recently, the Tata Group emerged as the winning bidder for Air India, the debt-laden national carrier. Further, in this year’s Budget, the government unveiled a bold new disinvestment policy for even the strategic sectors.

The government is also pursuing the sale of its entire stake in public sector firms such as BPCL, Shipping Corporation of India, IDBI Bank, two other public sector banks and one general insurance company this financial year alone.

### What would be the likely impact of Air India’s privatisation wrt divestment?

– **Positive signal:** In the last 18 years, irrespective of the government in power, there’s been share sales or transfer of shares from one pocket to the other but no genuine privatisation. Hence, this is certainly a long-awaited positive signal regarding the public sector, and more so for domestic and foreign investors.

That the DIPAM (Department of Investment and Public Asset Management) has found a mechanism for the strategic sale of a loss-making unit like Air India is also a positive, because it’s easy to sell something like BPCL that will attract buyers based on its enterprise value and profits.

– **Clarity of thought:** The real value in this Air India sale is that **there is clarity of thought**. The government feels that whether it’s a loss-making or a profit-making Central PSU (CPSU), it is willing to make a strategic exit.

But, since the general elections are coming up in 2024, so the window of opportunity for either this kind of disinvestment or for monetisation is, at best, 18 to 20 months.

### What is the way forward?

There is a possibility that as and when profitable PSUs are sold, there will be stronger ideological battles and questions. It’s far more difficult to justify those kinds of sales; it would be easier to justify the loss-making sales.

Government needs to **clearly articulate its policy** on what it wants to sell and what it wants to retain. This shall ensure a general consensus across the political spectrum that the public sector need not be a prominent player in the economy.

While people may object for the sake of objecting, as long as the process is run in a very **transparent manner**, there will not be too much objection.

Also, India should not conduct those kinds of sales which happened in certain countries where oligarchs came and just lapped up all the public sector assets and then became billionaires at the cost of the social good.

**Must Read:** [Privatisation of Air India – Explained, pointwise](#)

## 29. [Uttarakhand Floods: Respect Himalayan landscape if you want to preserve it, say experts](#)

**Source:** This post is based on the article “**Uttarakhand Floods: Respect Himalayan landscape if you want to preserve it, say experts**” published in **Down to Earth** on **21st Oct 2021**.

**Syllabus:** GS3 – Disaster and Disaster management

**Relevance:** Preserving Himalayan Biodiversity

**Synopsis:** To save biodiversity-rich places the governments of Uttarakhand and the entire Himalayan region must preserve their forests and reflect on their infrastructure model.

### **Introduction**

The latest floods in Uttarakhand caused terrible damage to life and property are a warning about the climate tragedy that is building up in the Himalayas.

If the mountain range’s rich natural wealth is to be saved for the future, govt will have to respect the landscape.

### **Why Himalayas need to be preserved?**

The Himalayas are home to many rare and endemic species of plants, mammals, birds, reptiles, amphibians and insects. The Himalayas and the Tibetan Plateau are also the water tower of South Asia.

Moreover, much of the region’s population, cutting across political boundaries is poor. Hence, steps need to be taken to preserve the region.

### **What steps can be taken to preserve Himalayan biodiversity of India?**

Key to protecting Himalayan biodiversity, climate mitigation as well as livelihood generation are:

‘Forests’ and ‘infrastructure’.

**i). Forest conservation** is the only way to protect the rare species, for slope stabilisation as well as climate mitigation and providing better livelihoods to people.

The first step should be to focus on **forest restoration in both Himachal and Uttarakhand**. The forest cover should be of hardwood mixed deciduous type. Because chir pine are not capable of stabilising the slopes. Pines are very shallow rooted. They are also more prone to fire.

**ii). Infrastructure:** The second important step to prevent a climate catastrophe in the Himalayas was to focus on infrastructure. The planning of infrastructure has to be much more sensitive to the fragility of these slopes. Even before the Uttarakhand floods, there were huge landslides along the Char Dham route. It was an old historic route which was just doing fine. But the doubling of its width without paying attention to geological and technical considerations has caused havoc.

**Lessons from Bhutan:** The Bhutanese have recognised that their future wellbeing depends on healthy forests. They have a specific land use plan in which areas have been demarcated for forests which are not to be used for tourism or construction. India needs to take similar steps. States such as Uttarakhand needed to have a very strict and scientifically-designed land use plan too,

### What is the way forward?

Himalayas span political boundaries, so India needs to take the lead and set an example towards developing a more sustainable Himalayan landscape.

India is a leader in south Asia having the money and technical expertise that poorer countries such as Nepal and Bhutan do not.

### 30. Can biomass co-firing offer a viable solution to coal shortage and stubble burning?

**Source:** This post is based on the article “**Can biomass co-firing offer a viable solution to coal shortage and stubble burning?**” published in **Down to Earth** on **21st Oct 2021**.

**Syllabus:** GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

**Relevance:** Tackling the coal crisis with biomass co-firing.

**Synopsis:** Co-firing policy floated by the government for the thermal plants is a win-win solution for farmers and environment.

#### Introduction

India's economy is on the path to recovery since the second wave of the novel coronavirus disease (COVID-19) pandemic. The first half of October saw a 4.9% increase in electricity consumption compared to September. However, coal supply fell short of demand by 1.4%. The government reported a shortage in coal supply despite abundant reserves.

As one of the measures to tackle the coal shortage, the Government of India (GoI) has made it **mandatory for thermal power plants in three categories to use a 5% blend of biomass pellets and coal**. The policy will come into effect in October 2022, with a requirement to increase the blend to 7% within two years for two categories of plants.

The co-firing policy will be in effect for 25 years or till the useful life of the thermal power plant, whichever is earlier.

**Must Read:** [Coal crisis in India – Explained, pointwise](#)

### What is the contribution of the coal-based power to CO<sub>2</sub> emissions in India?

India still relies heavily on coal-based power generation to meet most of its electricity demand. The power sector contributes nearly 50% of the sector-wise carbon dioxide (CO<sub>2</sub>) emissions. Coal and coal-based power is the single-largest contributor of CO<sub>2</sub> emissions in India, according to the International Energy Agency (IEA).

### Why India needs to move on from Coal-based power?

**Energy security:** In India, the government is committed to ensuring that all grid-connected households have 24×7 access to reliable power. The result will be a significant increase in coal-fired power generation and CO<sub>2</sub> emissions. Resultant increase in coal imports will give rise to energy security concerns.

**Meeting Paris target:** India also needs to reduce coal-based GHG emissions rapidly to meet the Nationally Determined Contribution goals for 2030 (NDC). For that, coal plants with higher emissions will have to be shut down and replaced with cleaner ones.

Hence, India needs to move on from the coal based power. Biomass Co-firing offers an alternative.

**Must Read:** [Scale of crop residue generation in India](#)

### What are the benefits of Biomass co-firing?

Co-firing biomass pellets with coal in India is a promising strategy for reducing GHG emissions from coal-based power plants.

**i). Biomass** co-firing has been shown to **reduce coal power plant carbon footprint** in Europe, the US and the United Kingdom, according to a report by the International Energy Agency (IEA).

Biomass pellets made from agricultural waste have **equivalent calorific value to that of Indian coal**, based on estimates from the Central Electricity Authority (CEA).

**ii). Reduction in pollution due to drop residue burning:** Around 85 to 100 million tons of crop residue have been burnt in recent years, despite various government policies aimed at reducing crop burning. Biomass co-firing in places where agro-residue burning is prevalent, this can result in a reduction of coal dependence and a sharp decline in pollution levels.

**iii). NO<sub>x</sub> and SO<sub>2</sub> emissions decrease** with an increase in blending percentage.

**iv). Source of earning:** After deducting the labour and transport costs, farmers can earn between Rs 500-Rs 1,500 per tonne of crop residue. In addition, pellet manufacturing, storage, handling and transportation create jobs in rural areas.

An effective method to address pollution and mitigate climate change is to identify older units that are operating efficiently and to promote their co-firing with biomass.

### 31. International trade is not a zero-sum game

**Syllabus:** GS Paper 3 – Indian economy – International Trade

**Source:** This post is based on the article “**International trade is not a zero-sum game**” published in **Indian Express** on **22nd October 2021**.

**Synopsis:** Trade protectionism is increasing in India. It may harm India’s trade relations with other countries.

#### **Introduction**

During the recent G-20 ministerial meeting in Italy, Commerce Minister Piyush Goyal stated that India is deepening trade ties with several countries.

India is indeed negotiating free trade agreements (FTAs) with several countries. However, rising trade protectionism in India could hinder this progress.

#### **Is India’s trade protectionism rising?**

There are many examples of increasing trade protectionism in India.

Firstly, as per Arvind Panagariya, **India’s average tariff** has increased by almost 25 per cent to 11.1 per cent in 2020-21, from 8.9 per cent in 2010-11. This policy is against the political consensus on tariff liberalization that India followed since 1991. It was also admitted by Former finance minister Arun Jaitley in his 2018 budget speech that India is making a “**calibrated departure**” from the policy of cutting tariff rates.

Secondly, India is the **highest initiator of anti-dumping** measures, even compared to US, EU and China. These measures are aimed at shielding domestic industry from import competition.

Third, India recently **amended Section 11(2)(f) of the Customs Act of 1962**. This amendment empowers the government to ban the import or export of any good if it is necessary to prevent injury to the economy. Earlier, this provision **was applicable for just gold and silver**. This amendment is inconsistent with consistent with **India’s WTO obligations**.

#### **WTO rules on the import ban**

WTO allows countries to impose restrictions on imports in case of injury to domestic industry, not to the “economy”. However, it is subject to certain conditions. — for example, if

there is a sudden, significant and sharp increase in imports that is causing serious injury to the domestic industry. India already has laws to impose these trade remedial measures. Additionally, countries can also impose restrictions on trade on account of balance of payment difficulties and national security purposes. However, section 11(2)(f) of the Customs Act does not talk about any of these grounds to restrict trade, thus is unnecessary.

Fourth, Finance Minister Nirmala Sitharaman in her budget speech of 2020 claimed that FTA benefits are harming the domestic industry. Subsequently, India amended the **rules of origin requirement** under the Customs Act. Rules of origin determine whether a product is originated in an FTA or a non-FTA country. The products from FTA countries attract preferential tariff rates, while non-FTA attract the most favored nation rate. The **burden of compliance** is imposed on importers, which discourages imports.

Lastly, the Prime Minister appealed to the public to be **“vocal for local”** (giving preference to domestically made goods). It has created an atmosphere against imports.

India’s experience with trade protectionism in the decades before 1991 was disastrous. Thus, lessons should be taken from history to not repeat the same mistake.

### 32. [The carbon markets conundrum at COP26](#)

**Syllabus:** GS Paper 3- Environment – Climate change

**Source:** This post is based on the article **“The carbon markets conundrum at COP26”** published in **The Hindu** on **22nd October 2021**.

**Synopsis:** Article 6 of the Paris Agreement needs special attention in the upcoming climate summit. It may help in encouraging carbon mitigation efforts in developing countries.

[Article 6 of the Paris Agreement](#) for the carbon market would be at the center of discussion in the 26th Conference of the Parties (COP26). It has been a most contentious unresolved issue of the Paris Agreement Work Programme.

#### **What is the issue linked to Article 6 of the Paris Agreement?**

Developing countries, particularly India, China, and Brazil have benefitted immensely from [Clean Development Mechanism](#) (CDM) of the [Kyoto Protocol](#). India alone has been issued total carbon credits known as Certified Emission Reductions (CERs) worth U.S.\$2.55 billion.

However, with the ratification of the Paris Agreement, the rules have changed. Now even developing countries are required to have mitigation targets. Now developing countries can either sell their carbon credits in return for lucrative foreign investment flows or use these credits to achieve their own mitigation targets.

#### **Why CDM is beneficial for developing countries?**

The new market mechanism is beneficial to promote sustainable development and assist climate change adaptation in developing countries.

It encourages private sector participation and attracts foreign investments to support low carbon development.

It is the developed countries that rely upon market mechanisms to meet their [NDC\(Nationally Determined Contributions\) goals](#), whereas countries like India, aim to rely on domestic mitigation efforts.

### **What are the issues that require attention in the upcoming COP26?**

-Projects under CDM have gone through due diligence and credits have been issued under UNFCCC oversight. Therefore, **due credit should be ensured** for these projects to keep the trust of private investors in UNFCCC commitments. If the decision regarding the transition of CDM is not favorable, it could lead to a loss of billions of dollars' worth of potential revenue to India alone.

-At the present stage, India need not undertake the economy-wide emission reduction targets. Thus, all mitigation efforts of India will not fall under the purview of its NDC. India can sell emission reductions that lie outside its NDC. **Robust accounting** will ensure that there will be no double-counting of emission reduction. Thus, the argument of developed countries that it will discourage raising ambition levels is flawed, as India will only sell additional efforts.

**-Adaptation Fund** remains severely underfunded compared to financing for mitigation activities. It is necessary for adaptation for developing countries.

Thus, Climate discussions should ensure equitable sharing of carbon and developmental space. Climate justice demands that developing countries get access to their fair share of global carbon space.

### **33. The poor conditions of protectors**

**Source:** The post is based on the article **"The poor conditions of protectors"** published in **The Hindu** on **22nd October 2021**.

**Syllabus:** GS3 – Various Security forces and agencies and their mandate.

**Relevance:** Understanding the need of giving more facilities to our protectors.

**Synopsis:** Despite the difficult nature of their duties, the police are neglected a lot.

#### **Introduction**

There have been many instances where our forces lost their lives in the line of duty. To pay tribute to those forces, **October 21 is celebrated as Police Commemoration Day**.

#### **What is the story behind October 21?**

On October 21, 1959, Chinese troops threw grenades and opened fire at twenty Indian soldiers in Ladakh. Out of them, ten brave police personnel attained martyrdom while seven others sustained injuries in that incident.

Their cremation was held at the **Hot springs in North Eastern Ladakh**, with full Police honours. Since then, October 21 is observed as "Police Commemoration Day"

#### **What are the various issues with govt policy wrt the police personnel?**

In spite of the demanding nature of their job, police personnel are neglected a lot. The government pays them fewer salaries. They are often deprived of basic services and have a poor quality of life.

Those who joined forces in 2004 or after are not even eligible for pensions.

Even the Central police canteens are not exempted from GST.

#### **What should the government do?**

Government should adopt policies which boost the morale of our forces. Their sacrifices should not be let in vain.

Government should **bring uniformity in the ex-gratia amounts given** to the next of kin of the police who are killed. It is observed that some states like Tamil Nadu, Delhi offers 1 crore while other don't even pay half.



Government should also ensure that the family of the deceased should not be deprived of decent living.

### **34. Indian Railways likely to become world's first 'net-zero' carbon emitter by 2030**

**Source:** This post is based on the article “**Indian Railways likely to become world's first 'net-zero' carbon emitter by 2030**” published in **Down To Earth** on **21st October 2021**.

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

**Relevance:** To understand challenges associated with Indian Railways 'net-zero' carbon emission plan.

**Synopsis:** Indian railways announced a grand plan to achieve net-zero carbon emission. But the plan might face a few challenges in implementation.

#### **Introduction**

Indian Railways has recently announced ambitious plans to become a 'net-zero' carbon emitter by 2030.

**Read more:** [What is net zero target? How fair and realistic these targets are?](#)

#### **About Indian Railways and its carbon emissions**

Indian Railways is the world's fourth-largest railway network in terms of size. It is also one of the largest electricity consumers in the country.

It transports 24 million passengers every day — slightly less than Australia's population. In addition, Indian Railways also sends 3.3 million tonnes of freight per day — 1,200 million tonnes in 2020/21. Therefore, Indian Railways has a massive carbon footprint.

India's transport sector contributes to 12% of the country's greenhouse gas emissions with the railways accounting for about 4% of these emissions.

#### **What are Indian Railways plans to become a net-zero emitter?**

Indian Railways goal is to become a 'net-zero' carbon emitter by 2030. And it has ambitious plans to accomplish this goal. The plan includes:

**Electrify Entire Rail Network:** Indian Railways plans to electrify the entire rail network by December 2023. Electric trains are considered less polluting than trains that run on diesel since they do not directly emit carbon dioxide.

**Shift to Solar Energy:** Indian Railways plans to use solar power to meet its electricity needs. It plans to install 20 gigawatts (GW) of solar for both traction loads (trains) and non-traction loads (offices, railway stations etc).

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

#### **What are the projects launched by Indian Railways to achieve the Net Zero Emissions?**

Indian Railways has built a 1.7-MW solar power plant in **Bina, Madhya Pradesh** in 2020. It is the first solar energy plant in the world to directly power railway overhead lines, from which locomotives draw traction power.

The Ministry of Railways has started a 2.5-MW solar project in **Diwana, Haryana**, with state transmission unit connectivity. The 50 MW of power generated by the plant will be used to power trains.

The Ministry of Railways has also installed solar panels at over 960 stations and is using solar power to meet railway station energy needs.

#### **Challenges faced by the Indian Railways in terms of solar plant proliferation**

**No-objection certificate for open access:** Open access has been granted as a deemed licensee in 11 states and the Damodar Valley Corporation area. However, no objection certificate (NoC) for open access to electricity flow for railways in some states has not been operationalised due to regulatory challenges.

**Wheeling and banking provision:** Full deployment of solar potential will become more feasible if states provide wheeling and banking arrangements.

### **What can be done to achieve Indian Railway plans?**

According to a study by Niti Aayog, by **shifting freight to rail** and optimising truck use, India can reduce logistics costs from 14-10% of Gross Domestic Product and carbon dioxide emissions by 70% by 2050 compared to a business-as-usual scenario.

So, Indian Railways can implement **operational steps toward last-mile linkage** to raise its ambition beyond the official target of 50% freight share by 2030, up from its current share of 33%.

### **35. Why drones are tracking wildlife in Kashmir**

**Source:** This post is based on the article “**Why drones are tracking wildlife in Kashmir**” published in **Livemint** on **23rd Oct 2021**.

**Syllabus:** GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

**Relevance:** Increasing instances of Human-wildlife conflict in Kashmir

**Synopsis:** Analysis of the increasing instances of human-wildlife conflict in Kashmir region, reasons behind such incidents and how administration is responding.

#### **Introduction**

In July, a four-year-old girl in a car was grabbed and killed by a leopard in central Kashmir's Ganderbal area. In June, another four-year-old girl had been mauled to death by a leopard in Budgam district.

As fears of wild animals, particularly leopards and bears, straying into inhabited areas rise, wildlife officials in Jammu and Kashmir (J&K) are worried.

#### **What are the reasons behind the human-wildlife conflict in Kashmir?**

The present human-wildlife conflict is a result of a mix of policies:

- **Changes in land-use pattern: Orchards** have intruded into areas adjacent to forests, wastelands and pastures that have been inhabited historically by large animals such as leopards, black and brown bears. Temporary **Paddy fields** have given way for orchards that occupy lands permanently.. Moreover, they extend to the fringes of forests. Without any buffer b/w them and the forests, they tempt bears and other animals out of their habitats. It's estimated that over 80% of the bear attacks take place during the fruiting season, from September-December.
- **Growing population of dogs**, which offer an easy prey and are preferred food for leopards is also leading to increased human-wildlife conflict
- **Deforestation:** Forests outside the protected areas have seen large-scale deterioration leading to the loss of forest undergrowth. This undergrowth (different from the ground vegetation in orchards) also supports the natural prey of larger wild carnivores like the leopard and the absence of such cover depletes the natural prey base and compels the animals to come out of the forests to hunt.

– **Habitat fragmentation**

– **Increase in human population:** This has led to encroachments into wildlife habitats and forest buffer areas

– **Shift towards horticulture,** with dense nurseries being set up adjacent to urban habitats. These dense nurseries have created ideal habitats for leopards, for example, to breed in large numbers.

– Moreover, Kashmir, has an additional element of friction: **the presence of army and paramilitary camps and patrols, sometimes inside forests**

Due to all of the above reasons, animals find their natural prey base decreasing and omnivores have to move out of their usual habitats in search of food.

**What is the scale of human-wildlife conflict in Kashmir?**

Almost 90% of human-wildlife conflict occurs outside protected areas, in and around the adjacent villages.

From 2006 to August this year, 230 people had been killed and 2,860 injured in such conflicts in the Kashmir region.

Children make for easy targets. The worst years have been 2011-12 and 2013-14: Each saw 28 deaths. These years also saw the highest number of injuries: 315 in 2011-12 and 333 in 2013-14.

**What steps are being taken by the administration?**

Since last year the J&K authorities have begun **using drones to monitor the movement of animals.**

The department of wildlife protection is even pushing for an **increase in the number of food-bearing plants** of local pear and apple species in protected areas. It is being hoped that such **“habitat enrichment”** will help check the number of animals, particularly the black bear, venturing for food outside their usual habitats.

Administration is also **planning to establish 10 model joint control rooms** where forest protection and wildlife staff will work together.

Leopards straying into city areas have been captured and **translocated from conflict sites to core forest areas.**

**Why translocation is not the answer?**

The entire process of capture, handling, transportation and release into a new landscape occupied by other animals of the same species is stressful. This is particularly true for territorial animals like leopards. As per studies, animals try to return to their original territory after translocation to a new landscape. This leads to increased probability of human-wildlife conflict. Moreover, translocation can also make animals aggressive.

**What is the way forward?**

All the steps being taken need to be accompanied by **landscape interventions** outside these areas to reduce the chances of conflict.

### 36. Glasgow climate meet. India doesn't rule out 'net zero' commitment

**Source:** This post is based on the article “**Glasgow climate meet. India doesn't rule out 'net zero' commitment**” & “**India won't commit to 'net zero' goal at COP26**” published in **The Hindu** and **ToI, respectively**, on **23<sup>rd</sup> Oct 2021**.

**Syllabus:** GS3 – Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

**Relevance:** Upcoming CoP26 UN Climate meet, Net zero emissions targets, and India

**Synopsis:** In the coming CoP26, India should insist on earlier pledges made by developed countries.

#### **Introduction**

The 26th meeting of United Nations' Conference of Parties (CoP) is set to begin on November 1 in Glasgow. The focus of the meet (CoP 26) will be to have all nations commit to a 'net zero'.

All countries doing this by 2050, scientists say, would mean a chance of restricting average temperature rise to 1.5 Celsius provided emissions fall to around 45% of 2010 levels by 2030.

This, however, means deep and significant cuts to fossil fuel use that could affect the development trajectory of India and other developing countries.

The CoP 26 climate meet would also try to finalise rules for **Article 6** (carbon markets) of the Paris Agreement and discuss different aspects of 'loss and damage' (concept of compensating poor and vulnerable countries hit by natural disasters). Though the rule-book for the Paris Agreement was finalised in 2018, the countries could not reach a consensus on Article 6 mechanism the only left-over part of the climate deal.

**Must Read:** [Net zero emissions target for India – Explained, pointwise](#)

#### **What is India's situation w.r.t Greenhouse gas emissions?**

India is the world's third largest emitter of Greenhouse gases. India's average per capita emissions was 1.96 tons/person/annum whereas the European Union's was 8.4 and the United States was 18.

#### **How can India achieve 'Net Zero' emission?**

A study by the think tank **Council for Energy Environment and Water projects** that for India to achieve net-zero target even by 2070, usage of coal especially for power generation would need to peak by 2040 and drop by 99% between 2040 and 2060.

And, the consumption of crude oil across sectors would also need to peak by 2050 and fall substantially by 90% between 2050 and 2070.

#### **What has been India's stand on committing to 'Net Zero' emissions?**

India's long-term position in climate talks has always been that it will gradually limit the use of fossil fuel use as it cannot compromise on its development goals.

Also, India's disagreement on committing to 'Net Zero' emissions is because it goes against the core principle of 'common but differentiated responsibility'. The principle requires that developed countries, who are responsible for the climate crisis, to take on deeper cuts. Further, it requires them to pay developing countries for the environmental damage from rising temperature as well as finance their transition to clean energy sources.

### What stand India is likely to take at CoP 26?

As per the government sources, **India will not commit to the 2050 'net zero' goal**. Rather India would ask the affluent nations to go for **carbon neutrality** much before mid-century keeping in view their own cumulative historical emissions.

India will strongly underline its demand for the developed world **sticking to the principle of common but differentiated responsibility** and the need to deliver on climate change mitigation finance.

India may make some additional commitments or announcements, factoring in its over-achievement of 2030 pledges and ambitious renewable energy goals of 450 GW, and align it with the 2047 timeline, coinciding it with 100 years of independence.

This position had got traction when ministers of both India and China along with 23 other nations as part of 'like-minded developing countries' (LMDC) group unanimously agreed to take a common stand at COP26.

The LMDC is a climate negotiation group of 25 developing countries including Pakistan, Bangladesh, Nepal, Bhutan, Indonesia and Sri Lanka.

### What is the way forward?

Irrespective of India's stand on net zero emissions, India should demand from developed nations on making good on previous commitments, such as

- An annual \$100 billion to developing countries for mitigating the impacts of climate change,
- Facilitating technology transfer
- Putting in place a tangible market-based mechanism to activate the moribund carbon credit markets.

Moreover, India should insist that those countries who emitted substantially in the past 150 years must go for a **'net negative emission' goal** before 2050 to limit the global average temperature rise within 1.5 degree Celsius.

### 37. Post-Covid economy needs intellectual re-evaluation

**Source:** This post is based on the article **"post-Covid economy needs intellectual re-evaluation"** published in **Indian Express 23rd Oct 2021**.

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

**Relevance:** Role of central banks in controlling inflation

**Synopsis:** Central banks across the world are facing a great challenge to control inflation

#### Introduction

The global financial crisis and the current pandemic are likely to reorient our thinking on conventional macroeconomics. For example, there are now serious doubts on the long-standing wisdom that the economy functions best with an "invisible hand" and with minimum government "intervention".

Perhaps the greatest challenge is currently being faced by central banks across the world as they are struggle to bring inflation down. Annual inflation is running at 5.2% in the US, 3.2% in the UK and 3.3% in the EU.

### Why it is expected that elevated inflation will sustain for more time?

In the last decade, due to very minimal investments in commodities exploration due to ESG (Environmental, social, and governance) constraints, supply chains are significantly unprepared to meet the current demand.

With respect to semiconductor shortage, there are no closed plants to reopen.

These **supply side issues** are largely **structural** in nature (meaning they'll take time to go away), hence it's correct to assume elevated inflation expectations will likely fuel a global inflation cycle.

On the same lines, independent research by the Federal Reserve Bank of St Louis has concluded that higher inflation in the US is a broader, not a **transient phenomenon**.

### **Why Central banks are struggling to bring down inflation?**

There is now a perceptible difference in what is driving inflation. It is neither wage increases nor fiscal expansion. It is global supply shocks.

Two problems confront the central banks

**One**, they cannot raise interest rates because they have got everyone addicted to low or no rates.

**Two**, inflation caused by supply disruption is not responsive to monetary treatment.

### **So, how can we explain the current inflation upswing?**

One of the important tools for understanding inflation behaviour through standard economics textbooks is the **Phillips curve**. It presumes that inflation is partly driven by **gap variables** measuring how much economic activity deviates from its potential.

Gap variables can include the per cent deviation of real GDP from potential GDP, also known as the **output gap/domestic slack**.

Any central bank monetary policy statement, including that of the RBI, always identifies the gap variable as a significant determinant of inflation.

In the modern version of the Phillips curve, inflation depends not only on gap variables but also on expected inflation. However, recent research indicates that with improved anchoring, the expected inflation term in the Phillips curve becomes more stable.

Consequently, movements in the level of inflation are driven less by expected inflation and more by the output gap. Herein lies the missing link, with reference to India.

Based on research, in India the link between inflation change and output gap was never strong. Interestingly, the link is completely lost with the emergence of Covid-19.

Thus, the concept of output gap is grossly inadequate to explain the inflation behaviour in India.

### **If the output gap is not the cause, then what are the factors responsible for inflation?**

It is possible to hypothesise that inflation in India reflects an economy that is supply-constrained with productivity of enterprises held back by a license-compliance-inspection (LIC) system.

### **38. A clean energy transition plan for India**

**Source:** This post is based on the article "A clean energy transition plan for India" published in **The Hindu** on **23rd October 2021**.

**Subject:** GS3 – Infrastructure and Energy.

**Relevance:** Understanding India's energy security dynamics.

**Synopsis:** As India's energy demand grows, India needs to adopt a comprehensive policy to meet the present and future demands.

#### **Introduction**

Energy security is a condition where affordable power is available to everyone. As India grows and its energy demands increase, it faces the twin challenge as apart from energy generation it also has to meet the climate obligations.

### What is the energy mix of India?

India enacted the **Electricity Act in 2003**. India also has doubled the coal-fired thermal power plant (TPP) capacity from 94 GW to 192 GW between 2011 and 2017. This has enabled the government to increase per capita electricity consumption by 37% while reducing the peak demand deficit from 9.8% (2010-11) to 1.6% (2016-17).

### Why thermal power is the core for India?

Coal is an affordable source of energy for India. It happens to be the one fossil fuel that is abundantly available in India. Moreover, given India's geopolitics, gas pipelines are not a viable option for India.

**Read more:** [Coal crisis in India – Explained, pointwise](#)

Thus, TPPs contributed 71% of electricity generated by utilities in India during FY 2020-21, though they accounted for only 55% of the total installed generation capacity of 382 GW (as of March 2021).

### What is the status of renewable energy in India?

Variable renewable energy (VRE) sources (primarily, wind and solar) account for 24.7% of the total installed generation capacity. They also contributed 10.7% of the electricity generated by utilities during FY 2020-21.

However, though VRE generation capacity has increased, growth in electricity demand has not. This has resulted in lower utilization of TPPs whose fixed costs must be paid by the distribution companies (DISCOMs) which are in turn passed through to the final consumer.

**Read more:** [Problems with discoms need radical reforms](#)

The current level of VRE in the national power grid is increasing the cost of power procurement for DISCOMs. This has led to tariff increases for electricity consumers.

So the government must implement a plan to increase energy efficiency and reduce the emissions of carbon dioxide (CO<sub>2</sub>) and airborne pollutants from TPPs without making power unaffordable to industries.

**Read more:** [\[Yojana October Summary\] Energy Security: Nuclear Power – Explained, pointwise](#)

### What should be the future plan of India?

India should begin a progressive retirement of 36 GW of installed generation capacity in 211 TPPs that is having the unit size of 210 MW and below.

This resulting shortfall can be made up through two means. First, by **increasing the utilization of existing High-Efficiency-Low-Emission (HELE) TPPs that are currently under-utilized** to accommodate VRE.

Second, India should **commission the 47 government-owned TPPs** (total capacity of 31.6 GW) that are at an advanced stage of construction.

In addition, the **Nuclear Power Corporation of India Limited (NPCIL)** is also constructing 11 nuclear power plants with a total generation capacity of 8,700 MW that will supply 24×7 power without any CO<sub>2</sub> emissions.

### What will be the estimated benefits of this plan?

HELE TPPs minimize emissions of particulate matter (PM), SO<sub>2</sub>, and NO<sub>2</sub>, which offer operational, economic, and environmental benefits.

This plan prioritizes the installation of high-efficiency electrostatic precipitators that can remove 99.97% of the PM pollution without long-term shutdowns or hiking tariffs unlike expensive, imported FGDs (flue gas desulphurization plants).

Thus, this plan will enable India to safeguard its energy security and ensure efficient grid operations with lower water consumption, PM pollution, and CO2 emissions. This will pave the path of sustainable development for India

### 39. Vax milestone and a K-shaped problem

**Source:** This post is based on the article “**Vax milestone and a K-shaped problem**” published in **Business Standard** on **23rd October 2021**.

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

**Relevance:** To understand the K-shaped problem in Indian economy.

**Synopsis:** The Indian economy is facing a K-shaped problem even before the pandemic. But the pandemic worsened the K-shaped problem more.

#### Introduction

India has administered more than one billion Covid vaccines since it started its Covid vaccination drive in January. Out of India’s population of about 1.3 billion, 78%, or just over 1 billion, are adults and eligible for vaccination. According to the government, over 31% has received a second dose. According to this, one can assume that around 300 million eligible Indian adults do not receive any vaccine dose and remain unprotected.

**Read more:** [One billion Covid Vaccines and beyond – Explained, pointwise](#)

#### Why does India’s covid vaccination face a K-shaped problem?

Smartphone penetration is 450-500 million and concentrated in higher-income groups. The vaccination campaign’s “smart design” (**CoWin**) made it hard for people without smartphone access to sign up. Hence, higher income groups received more vaccine doses. But the lower-income groups majorly comprise the unvaccinated sections.

**Note:** **K-shaped Recovery** occurs when an economy recovers unevenly and there’s a separate trajectory for two segments of the society.

#### Indian economy and the K-shaped problem

India already had a very K-shaped economy, prior to the pandemic. According to the annual **Credit Suisse Global Wealth report**, by the end-2020, the top 1% rich sections held 40.5% of assets. The **GINI Coefficient**, a measure of income equality, stayed at a very high 82.3.

But the Unemployment spiked in the April-June 2020 lockdowns, and employment has still not recovered to 2018-19 levels. Furthermore, these employment losses were mostly in the unorganised sector.

**Read more:** [Issue of K-shaped recovery: How government budget can deal with it?](#)

#### What sectors face the K-shaped problem at present?

**The K-shaped problem in education:** Higher-income groups with smartphone and broadband coverage have far better access to remote learning. Hence, education, which was inherently K-shaped, has become even more so. This reduces the likely future productivity and much-vaunted demographic dividend of a young workforce.



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

**The K-shaped problem in employment:** Corporate results from the last four quarters indicates the organised sector (which is higher-income) has made a much faster recovery than the unorganised sector (which is lower-income and a much larger generator of employment). The government has to acknowledge these K-shaped recoveries and start focusing on the improvement of sectors that are facing issues.

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