

# **9pm Compilation**

**November, 2021 (First Week)**

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# General Studies Paper - 1

## General Studies - 1

### 1. CoP26: Women need more space at the climate table

**Source:** This post is based on the article “CoP26: Women need more space at the climate table” published in **Down To Earth** on 30th October 2021.

**Syllabus:** GS1 – Women issues.

**Relevance:** To understand the link b/w climate change and its impact on women.

**Synopsis:** Women are affected more by the climate change. Yet, mainstreaming of women gender in key roles and processes has seen inadequate progress. Women need to have more say in global climate action.

#### Introduction

Climate change affects women and girls disproportionately, as they are more vulnerable to threats posed by the crisis. Women and girls in all the regional and occupational diversity, experience its impacts differently.

This should translate to women having a larger say in advancing **gender-responsive climate action**, however the case is not so.

#### How are women more vulnerable to climate change?

Impoverished women gather fuel, water and food, and hence, often suffer the most when shortages are caused or made worse by the climate crisis.

**No land rights:** They don't usually have land rights, so they are also more likely to be **displaced** in climate disasters. UN report stated that nearly 80% of people displaced by climate change are women.

**Gender-based violence:** The climate crisis exacerbates **gender-based violence** against women. Climate change increases women and girls' risk for marital violence, sexual exploitation and early and forced marriage.

They **lack representation** in influencing decision-making at regional and global level.

#### What are the events voicing women participation at UNFCCC?

**CoP-7** in 2001 stressed on the need need for women's equal participation and representation in bodies established under the UNFCCC or Kyoto Protocol. It was reiterated in CoP16 in 2010.

At **CoP-20** in 2014, parties were formally invited to enhance participation of women in the Convention process. They established the first **Lima Work Programme on Gender** (LWPG).

The **first gender action plan** (GAP) under the UNFCCC was established at **CoP23**.

At **CoP25**, parties agreed for a five-year enhanced 'LWPG' and 'GAP'.

#### What is the progress seen in women representation?

**A marginal increase:** According to UNFCC, since 2013, female representation has **increased** in eight bodies, most significantly the adaptation committee.

IUCN 2015 data showed that only 12% of national environmental ministries were led by women. In 2020, the figure was 15%.

**Inadequate Progress:** Effective gender mainstreaming is not seen in global bodies, and in most national climate policy efforts. **Members** on key panels and decision-making groups are **mostly men**.

## 2. Covid 19 as a tail of job hardship and marginalisation

Source: This post is based on the article “Covid 19 as a tail of job hardship and marginalisation” published in **The Hindu** on **3rd November 2021**.

**Syllabus:** GS1 population and associated issues.

**Relevance:** Understanding problems by Indian women working in West Asia during Covid times.

### News

Covid-19 pandemic has increased the vulnerabilities of women migrant workers residing in the West Asia region.

According to [International Labour Organization \(ILO\)](#), [Gulf Cooperation Council \(GCC\)](#) hosts about 23 million migrant workers. Among these, Women account for 39% of migrant workers, and this count is continually growing.

### How working women in West Asia can be divided?

In West Asia, Working Women can be divided into two categories:

**Skilled:** include persons in the organized sector, mainly health care workers in West Asia.

**Semi/Unskilled:** They are domestic workers, care workers, cleaning crew, manufacturing workers, salon staff and salespersons.

### What are the job hardship and marginalisation faced by women in the West Asia region?

**Skilled women employees:** 1. Increased working hours without any remuneration, 2. Not provided enough safety equipment like masks, PPE kits to health care employees, 3. Increased mental stress levels of nurses and hospital staff.

**Semi/unskilled women employees:** 1. Business enterprises were bankrupt forced women to leave the country or work for lower wages, 2. Not able to finance their health costs as their health insurance does not cover all the costs, 3. illegal employees face more exploitation and abuse.

### How to address job hardship and marginalisation of women employees in West Asia?

1. Address the lacunae in the system to identify the root cause,
2. Implement Right-based policies to safeguard the interest of migrants.

# General Studies Paper - 2

## General Studies - 2

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### 1. Future Imperfect: On unemployment

**Source:** This post is based on the article “Future Imperfect” published in **Indian Express** on **1st November 2021**.

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

**Relevance:** Rising unemployment among youth

**Synopsis:** There is a huge pool of unemployed university graduates with unfulfilled aspirations. The article highlights the present situation and the steps that can be taken to address this issue.

#### Introduction

There has been an increase in number of higher education institutions and rates of enrollment of students from diverse backgrounds. But a scarcity of govt and pvt sector jobs is ultimately leading to large scale unemployment amongst these students.

This group of dissatisfied, disgruntled youth can lead to disastrous consequences for our society.

#### What has led to an increase in the enrollment?

**Reservation:** The reservation for backward classes(OBCs and EWS) has increased the enrollment of students from diverse socio-economic backgrounds.

**Number of Higher education institutions:** The massive increase in the number of higher education institutions has led to an enlargement of the number of available seats. There are more than 45,000 universities and colleges in the country.

The Gross Enrollment Ratio for higher education, which is the percentage of the population between the ages of 18-23 who are enrolled, is now 27 per cent.

#### What are the associated concerns?

**Huge mismatch between enrollment and jobs availability:** The increase in enrollment has not been matched by a concomitant increase in jobs.

**Government jobs:** Employment opportunities in the government have not increased proportionately and have decreased with increased contractualisation.

**Private sector:** Though the jobs have increased with economic growth, most of the jobs are contractual.

**Gig workers:** The majority of the jobs are created in the unattractive sector like call centers and delivery agents for e-commerce or fast food companies.

#### What are the existing challenges with vocational institutions?

**Poor quality of vocational institutions:** They are poorly maintained and lack resources, both physical and human. The curriculum remains outdated and has not been upgraded to include some of the newer skills like maintaining networking and telecom equipment.

**Huge competition for admission:** it is harder to get admission into these institutions compared to the local government colleges. Manufacturing units prefer hiring them for blue-collar jobs since they at least have a modicum of training.



### What is the way forward?

**First**, there is need of concurrent increase in the number of high-quality vocational institutions. There are around 15,000 Industrial Training Institutes (ITIs) in the country currently.

**Second**, upgrading the existing ITIs with high-quality infrastructure and a new curriculum.

**Third**, Industries should be aligned to bring in more funding (via the CSR route) to the institutions.

## 2. Indian students are interesting keen on overseas opportunities

**Source:** This post is based on the article “Indian students are interesting keen on overseas opportunities” published in **Livemint** on **1st November 2021**.

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

**Relevance:** Understanding all the dimensions related to studying abroad.

**Synopsis:** Indian students use many methods to obtain visas to study abroad.

### Introduction

With the international borders began opening up, Indian students are now preparing themselves to get their visas approved for study in foreign countries.

### How do Indian students use various opportunities to study abroad?

Apart from Conventional routes, Indians also use invest-and-immigrate options for their education. For example,

**America EB-5 Immigrant Investor Programme:** It provides a green card to investors and their immediate family members if they invest \$500,00 in a US project that creates 10 American jobs.

**Portugal Golden Visa Programme:** It provides permanent European residency upon investing a minimum of €280,00.

**Read more:** [Brain drain in the health sector – Explained, Pointwise](#)

### Why studying abroad is an attractive option for Indian students?

1. Unmatched Infrastructure,
2. The diverse international community,
3. The flexibility of the system (to switch majors and graduate on time),
4. Foreign university curriculum that opens the doors to research and helps to gain practical experience,
5. Build professional networks and a chance to settle abroad.

### What are the hurdles in studying abroad?

-Most of the countries are opting for the conventional routes like US F1 visas for students, [H1B visas](#) for works.

-Students depend on their universities or employers for sponsoring their visas.

-Residency rights of students are closely tied to the immigration law of the respective country.

**Read more:** [Visa crackdown: On Indian students' arrest](#)

## 3. In the wake of China-US rivalry, India needs to reboot its ASEAN strategy

**Source:** This post is based on the article “In the wake of China-US rivalry, India needs to reboot its ASEAN strategy” published in the **Indian Express** on **1st November 2021**.



**Syllabus:** GS2 Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests.

**Relevance:** Understanding India-ASEAN relations.

**Synopsis:** India needs a comprehensive effort to promote a better India-ASEAN relations.

### Introduction

Indian PM in the recent ASEAN Summit extended his support for the centrality of ASEAN and also to a free, open and inclusive Indo-Pacific.

**Read more:** [Prime Minister co-chairs the 18th India-ASEAN Summit](#)

### India and ASEAN relations

**Read here:** [India-ASEAN](#)

### What are the challenges in India ASEAN relations?

1. Caught between the rivalry of China and the USA in the Indo-Pacific.
2. ASEAN nations are worried about India joining [QUAD](#) as it impacts ASEAN centrality.
3. India's withdrawal from [RCEP](#) and
4. India's Atmanirbhar Bharat initiative is seen as economic inwardness by ASEAN countries, instead of open trade.

ASEAN-India relations are an important pillar of Indo-Pacific. Thus, India should need to build its narrative strongly and convey the same to the members of ASEAN.

### 4. Getting nutrition back on the school high table

**Source:** This post is based on the article "Getting nutrition back on the school high table" published in **The Hindu** on **1st November 2021**.

**Syllabus:** GS2 Issues Relating to Development and Management of Social Sector/Services relating to Health.

**Relevance:** Understanding the need for nutritional requirements for the growth of children.

**Synopsis:** Covid-19 or otherwise, there is a need to ensure children are nurtured or nourished properly.

### Introduction

Covid has heightened the risk of increasing malnutrition. Even before it, India was facing significant nutritional challenges. So, there is an urgent need to immediately tackle and address the nutritional requirements of children and adolescents in schools.

### What is India's triple burden of nutrition in schools?

Indian school faces a combination of problems like 1. **Undernutrition**, 2. **Overweight/obesity**, 3. **Micronutrients deficiency** such as iron, zinc, calcium and several vitamins.

**Read more:** [India's malnutrition challenge](#)

### What are the Social factors impacting nutrition?

–**living environment** under which children are living.

–**lack of diet diversity** are leading to imbalanced micronutrient intake or consumption of high carbohydrate and high sugar foods.

These endanger the child's health by compromising their immunity.

### What is the government's role to tackle the nutritional problems?

The government introduced PM Poshan Shakti Nirman Yojana to tackle the nutritional challenges.

**Read here:** [POSHAN 2.0 and tackling malnutrition in India](#)

### What India should further do to tackle nutritional challenges in schools?

India should **look beyond minimum calorie requirements** and ensure children consume a **balanced diet** in schools.

1. The diet should consist of fresh fruits, cooked meat/poultry and sea fish sufficient to meet daily proteins and fats requirements.
2. The diet should have adequate micronutrients as they are essential for the production of enzymes, hormones and other substances for good immune function, healthy growth and development.

### 5. Kashmir's fragility has more complex reasons

**Source:** This post is based on the article "**Kashmir's fragility has more complex reasons**" published in **The Hindu** on **2nd November 2021**.

**Syllabus:** GS 2 Issues and challenges pertaining to the federal structure, devolution of powers.

**Relevance:** Understanding the violence in Kashmir.

**Synopsis:** Recently there has been an increase in violence in Kashmir. This needs careful analysis to avoid the failure of the Kashmir Policy.

#### Introduction

Several civilians and armed forces personnel have been killed by terrorists in a series of violent attacks in Kashmir. This has led to comparisons with the situation that existed during the 1990s and the early years of the 21st century. But one needs to have a look at the ground reality.

#### What is the ground reality?

After the abrogation of [Article 370](#), there was silence and peace in Kashmir. But recent events have created an impression of increasing support to militancy.

**Read more:** [What the attacks against minorities in Kashmir reveal](#)

#### What is the role of Pakistan and China in the violence in Kashmir?

There has been an undeniable role of Pakistan in the violence in Kashmir. This is complicated by the fact that Kashmir is bordered by Afghanistan and China. The Taliban takeover of Afghanistan has further strengthened the role of Pakistan.

**Read more:** [Return of Taliban has implications for India](#)

As India expands its role and world view, the changes of its competitors like China and Pakistan increase manifold.

**Read more:** [What India can learn from China's foreign Policy](#)

#### How India can solve violence in Kashmir?

**Credible and quick intelligence:** India needs a broader set of agencies than the current RAW, IB and National Security Council. This will

1. Prevent any miscalculation (As highlighted by America's war on Iraq, where they failed to find any weapons of mass destruction),

2. Predict the events of the future with precision,

3. Bring lasting peace.

**Engage all segments of society and polity** in reducing trust deficit.

#### 6. Trade and climate, the pivot for India-U.S. ties

Source: This post is based on the article “**Trade and climate, the pivot for India-U.S. ties**” published in **The Hindu** on **03 November 2021**.

**Syllabus:** GS2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

**Relevance:** To understand the trade and climate dimension of Indo-US ties.

**News:** The climate and trade and its interplay have a huge potential in strengthening further relationship between India and USA. However, issues needs to be tackled to realize that potential.

India and the USA have forged a strategic relationship over time. Their recent cooperation in creating a free and open Indo-Pacific advancing democratic values and confronting autocracies has given much boost to the partnership.

However, relatively less explored **areas of climate and trade** needs to be tackled. More areas need to be worked upon.

#### What are the areas of convergence for the two nations?

**China** is viewed by both as a strategic competitor. The shared concerns about China provide the U.S.-India partnership a much-needed impetus. However strategic partnerships cannot be based simply on a negative agenda.

**Climate and trade-** Besides the ongoing ones, the further path of relationship depends on how well India and US collaborate in two less explored areas— climate and trade.

#### How India and US are collaborating on climate and trade?

**Climate-**The U.S. Special Presidential **Envoy for Climate** has visited India twice. India and the U.S. are also collaborating under the **Climate and Clean Energy Agenda** Partnership.

**Trade-**Both countries are now prioritising the bilateral trade relationship by rechartering the **Trade Policy Forum**.

#### What are the challenges and threats to a long term Indo-US partnership?

India's rhetoric of **climate justice**, especially with China, has not been given due importance by US.

The failure of the U.S. and India to articulate a shared vision for a comprehensive **trade relationship** has been seen. **Protectionist tendencies** infect the politics of both countries these days.

An **immediate threat** could be the possibility of tensions were India insists that technology is transferred in ways that **undermine incentives for innovation** in both countries.

Other threat could be if the U.S. decides that imports from India be subject to increased tariffs in the form of carbon border adjustment mechanisms(CBAM's).

#### What is the way forward?

**Solar panel trade-** Both countries should align their climate and trade approaches, starting with a resolution of their disputes in the WTO on solar panels.

**Ethanol trade**– India currently bans imports of fuel ethanol. The two countries could chart a path that allows trade to flow for energy sources, such as fuel ethanol. Concerted action on both the climate and trade fronts is mutually beneficial and will lend additional strength to the foundation of a true partnership for the coming century.

## 7. Summitry in the East and India's Asean ambitions

Source: This post is based on the article “**Summitry in the East and India's ASEAN ambitions**” published in **Business Standard** on **3rd November 2021**.

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

### News

Recently, the [18th India-ASEAN summit](#) and [16th East Asia Summit](#) has occurred.

Over the last few days two major summits, [ASEAN summit](#) and [East Asia Summit \(EAS\)](#), were held. These Summits and their declarations highlighted the changing geopolitical scenario of the region and the world.

Southeast Asia is emerging as the new geopolitical hotspot with the intensifying rivalry of China and the USA. India has to navigate tactfully to secure its interest in the region.

### What are the initiatives adopted by various countries in the ASEAN region?

**USA:** 1. Announced \$100 million initiative to boost investments in healthcare, climate change and economic recovery. 2) Criticized China's record on human rights and its actions in Taiwan.

**China:** 1. Announced \$3.1 million Program to purchase medical relief supplies, 2) Criticized USA for supporting pro-independence groups in Taiwan. 3) Announced a special summit to cement China – ASEAN relations.

**Read more:** [impact of US-China rivalry on India](#)

**Australia:** 1) Announced \$93 million economic package to fund climate change, COVID-19 relief, transnational crime and terrorism. 2) Assured its regional partners that [AUKUS](#) alliance will not hurt regional security.

**Read more:** [With AUKUS dividing the Western bloc, is there a role for India?](#)

**India:** 1. Contributed to COVID-19 mitigation efforts, resumption of vaccine exports, connectivity projects. 2) Extended 1 bn \$ line of credit for physical and digital connectivity. 3) Ph.D. fellowships to ASEAN students.

### What were the challenges within the group of ASEAN countries?

- 1) **Diverse opinion between ASEAN members:** Indonesia and Malaysia have expressed concern at the prospect of an evolving arms race in the region, on the other hand, Singapore, Vietnam and the Philippines have supported AUKUS and other such initiatives,
- 2) Disputed territories in the South China Sea, 3. Human rights violations in Myanmar.

### What should be India's strategy in the ASEAN region?

India can use its expertise its knowledge by Collaborating with the [QUAD](#) countries in various fields like science and technology, sustainable finance, climate change etc. India should make full use of the newly built [Quad Critical Emerging Technologies grouping](#) to develop technical standards and digital infrastructure in Southeast Asia according to its advantage.

**Read more:** [Quad and India: challenges and opportunities](#)



## 8. What we need to fix our judicial system

**Source:** This post is based on the article “What we need to fix our judicial system” published in the **Indian Express** on **6th November 2021**.

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

**Relevance:** understanding issues of judicial infrastructure and processes.

**News:** The recent case involving the son of a famous celebrity highlighted the “bail-jail” connectivity issue.

A recent case has highlighted an important issue, that grant of bail by a court does not automatically immediately releases an accused. Bail orders are required to be deposited in the physical letterbox of prisons, within a timeframe of the day. A delay means, an accused spending an extra day or days in prison.

After the incident, the supreme court had directed the creation of the **FASTER (Fast and Secured Transmission of Electronic Records) System**, which would transmit e-authenticated copies of the interim orders, stay orders, bail orders, and records of proceedings to the duty holders. However, after looking at the past result of such initiatives, the hope for reforms is very little.

### What are the reasons behind issues in bail-jail” connectivity?

In 2014, the phase 2 document for the [e-courts project was launched](#). However, it has failed to set up the transmission of information between key institutions in the criminal justice system. It is suffering from various issues.

**Read more:** [The Pros and Cons of e-Courts project](#)

**First,** The E committee, which runs the e-Court project, is headed by the Chief Justice of India. So the onus of the project and its implementation lies completely with the judiciary. The e-Committee is not accountable to anybody. Neither the [Comptroller and Auditor General \(CAG\)](#) nor [Public Account committee](#) of the Lok Sabha has reviewed the e-courts project.

**Second,** The Department of Justice (DoJ), under the Ministry of Law and Justice, commissioned two evaluations of the project. These evaluations were very limited in their scope.

**Third,** A budget was already approved by the government for Phase I and II of the project. But it did not achieve the expected outcome.

**Fourth,** ensuring Judicial independence has resulted in a lack of public scrutiny. For example, even financial audit reports are not revealed by high courts under RTI.

# General Studies Paper - 3



## General Studies - 3

### 1. Vote for continuity

**Source:** This post is based on the article “Vote for continuity” published in **Business Standard** on 1<sup>st</sup> November 2021.

**Syllabus:** GS3– Roles and responsibilities of RBI

**Relevance:** RBI's response to Pandemic

**Synopsis:** RBI should focus more on inflation management.

#### Introduction

The Union government has given a three-year extension to Reserve Bank of India (RBI) Governor Shaktikanta Das. Many steps have been taken by RBI to tackle the effect of the Pandemic, during his tenure.

#### How was the central bank's response to the pandemic?

**Ensured adequate liquidity in the economy:** It reduced interest rates and flooded the system with liquidity to avoid any friction in financial markets. For instance, RBI introduced targeted repo operations.

**Ensured the proper functioning of financial markets:** unlike several other large central banks, it did well to not directly intervene in the corporate debt market.

**Eased regulations for common man:** RBI extended forbearance at a critical time.

**Accumulation of Forex reserves to strengthen India's external sector:** India's reserves have gone up by over \$160 billion since April 2020. The RBI's intervention is necessary to avoid undue appreciation in the rupee, which can not only affect India's external competitiveness but also create financial stability risks.

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

One area where the RBI has faced problems during the pandemic period is **inflation management**. The average inflation rate in the last fiscal year was above the tolerance band and risks continue to persist.

#### Should RBI follow IMF's Suggestion?

The latest India report of the International Monetary Fund suggests that a further accumulation of reserves is not advisable and intervention should be limited to addressing crisis conditions.

However, RBI may not change its position on foreign exchange management. Lower than desired intervention in the aftermath of the global financial crisis, for instance, led to a near currency crisis in 2013.

#### What is the way forward?

RBI should ensure timely and non-disruptive unwinding of excessive policy accommodation along with bringing the inflation rate close to the 4% target on a durable basis.

This will also require coordination between the RBI and the government because of potential fiscal costs.

### 2. How to decarbonize: On decarbonization

**Source:** This post is based on the article “How to decarbonize” published in **Business Standard** on 1<sup>st</sup> November 2021.

**Syllabus:** GS3– issues related to Energy sector

**Relevance:** Decarbonization and decentralized planning

**Synopsis:** Central planning in decarbonization will impose excessive costs upon society.

### Introduction

Fossil fuels are so deeply intermixed into the fabric of the modern economy that decarbonization has far-reaching impacts all across society.

In this context, a large-scale change in the mechanisms of production and consumption of energy is required.

This makes Governments an essential entity to the process of decarbonization. State coercion is required in order to reshape the incentives of the polluter.

However, the change will be achieved at the lowest cost to society if it is not centrally planned.

### Why the state's role is essential?

Each person that emits CO<sub>2</sub> is imposing a negative externality upon every other person in the world. This is a market failure. If people are left to themselves, there will be excessive CO<sub>2</sub> in the air.

Hence, the state's role is essential in addressing this market failure.

### What are the drawbacks of a centrally planned decarbonization process?

India has envisaged many initiatives towards decarbonization such as National Solar Mission, the National Hydrogen Mission, the National Electric Mobility Mission Plan, and others.

All the centrally planned programs are accompanied by physical targets established by the Union government, and then command-and-control systems which try to force implementation of the target. **The central control increases the cost of decarbonization.**

It has to be understood that, owners of energy-intensive factories will put their facilities in locations where energy is cheap. Hence, increasing costs due to centralized planning will **drive companies out of India.**

In addition, the central planners are not maximizing the objectives of the people, and are held back by **low state capacity.**

### Why locally suitable mechanisms for decarbonization are best suited for India?

At every location in India, there are different efficient mechanisms for decarbonization. As an example, near Mumbai, the step function into the Western Ghats creates natural opportunities for energy storage by pumping water into natural and artificial reservoirs.

In Rajasthan, there is a lot of sunlight. All along the border with Nepal and Bhutan, there are natural opportunities to buy hydel power.

Hydrogen can be made, using solar electricity in the Middle East, and shipped to locations all along the Indian coast.

### Why carbon tax is considered the right mechanism to induce local innovative thinking towards decarbonisation?

Carbon tax would drive up the price of fossil fuels. Once this is done, at every location, self-interested private people would look for the most efficient solutions.

This process of discovery will deliver the required decarbonization at the lowest cost to society.

**What are the strengths in achieving decarbonization through the price system, backed by a carbon tax?**

**Firstly**, it induces responses on supply as the economics of renewables producers would improve when compared with users of fossil fuels.

**Secondly**, it induces responses on demand e.g., data centres would move out of India into countries with a low cost of capital and high renewable energy opportunities.

**Thirdly**, it is a decentralised process i.e., the thinking and problem-solving at each location of the country would be done reflecting local conditions.

**Fourthly**, it involves constant adaptation based on technical change since both supply and demand will respond to the changing global technological frontier.

**Finally**, it avoids the difficulties of the state i.e., most of the work is done by private people, who are self-interested, as opposed to the state which has its own objectives and has low capabilities.

**What is the way forward?**

**First**, the job of the state is to establish present and future values of the carbon tax, and should decentralise decarbonisation process.

**Second**, state should review tax rates every five years, to ensure that the overall CO<sub>2</sub> emissions are on the desired path.

**3. Our pandemic failures should inform climate-response talks**

**Source:** This post is based on the article “Our pandemic failures should inform climate-response talks” published in **Livemint** on **1st November 2021**.

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

**Relevance:** Lessons to be learnt from pandemic to combat climate change

**Synopsis:** The fight against COVID and climate change has suffered from misinformation. Both require strong measures and popular support.

**Introduction**

COVID-19 has affected the entire planet and many lives, global economies and hit the poorest disproportionately hard. Like the pandemic, limiting climate change will test governments’ ability to adapt and cooperate across borders.

**How COVID has been a series of failures?**

**Failure of the Governments:** Govts should have been better prepared to use their resources. The least wealthy 52 countries have 20% of the global population but just 4% of vaccinations. The Covax vaccine initiative has also fallen short of its promises.

**Data deficiencies:** Poor record-keeping and testing mean that in much of the developing world there is no data about how many people died of COVID.

**What do these failures have to do with climate?**

**Increasing risk of pandemic:** factors such as climate change, like deforestation raise the risk of pandemics.

**The consequences of global warming:** altered weather patterns and habitats, create opportunities for pathogens to find new hosts and for diseases to leap from animals to humans.

**What are the lessons leaders and officials meeting in Glasgow should keep in mind?**

**Underplaying the problem and delaying action:** In January 2020, as the first cases of covid were detected in the US, President declared coronavirus “very much under control.” British Prime Minister spoke of business as usual, even as Italy was already in crisis. This should not be repeated.

**Multilateralism is the key to success:** The limited role of the World Health Organization, and the unwillingness of states to share resources and information cannot be repeated with global warming. When it comes to organizing a global response to the pandemic, WHO should take the lead.

**Private enterprise is vital to the solution:** Investing in capacity to help countries adapt quickly. Governments need to step up, set climate targets, invest, and enable regulators to get tough on disclosure and green-washing.

**What is the way forward?**

**First**, talks in Glasgow must narrow the gap between countries’ commitments and deliver on promises of financial support for developing nations. The already-promised annual \$100 billion should have been reached in 2020.

**Second**, ensuring the burden of climate responses is spread and also capitalize on signs that frequent extreme weather is moving public opinion from alarm to action.

**4. The Court’s order on Pegasus still falls short**

**Source:** This post is based on the article “The Court’s order on Pegasus still falls short” published in The Hindu on 1st Nov 2021.

**Syllabus:** GS3 – Cyber Security, challenges to internal security

**Relevance:** Pegasus spyware case

**Synopsis:** Instead of constituting a committee to inquire into the allegations made in the Pegasus case, SC could have made use of other prerogative powers available to it.

**Introduction**

On October 27, the Supreme Court of India appointed an independent committee to inquire into the Pegasus case. But the court’s order still falls short of delivering justice.

**Must Read:** [SC judgement on Pegasus spyware case – Explained, pointwise](#)

**What should have the SC be done instead?**

In place of constituting a committee, SC could have taken the following steps:

- **Frame a set of questions:** the **Court** could have framed a set of specific questions demanding answers from the state. These might have included the following: did the Government purchase Pegasus? Did it use the software on the phones of Indian citizens? If so, was such use backed by law? What were the reasons for which the use was authorised?
- **Issuing of the writ:** If answers to these questions were still not forthcoming, the Court could have drawn what is known as an “**adverse inference**”. A party that fails to answer questions put to it will only risk the Court drawing a conclusion of fact against it. The Court then can grant any number of remedies: it can make a declaration that the Government was wrong, and it can issue a writ compelling the Government to disclose all materials relevant to the purchase and use of Pegasus.



### What is the way forward?

The cases are next scheduled to be listed in 8 weeks' time. If SC finds that the Government has been delaying or obstructing the committee, it must proceed to issue a mandatory order to the state compelling it to perform its constitutional duties.

**Must Read:** [Pegasus spyware case – Explained, pointwise](#)

## 5. COP26, Covid & our species

**Source:** This post is based on the article “COP26, Covid & our species” published in **Business Standard** on 1st Nov 2021.

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

**Relevance:** Climate change and increased incidence of zoonotic diseases

**Synopsis:** With a worsening trajectory of climate change parameters across the world, an increased incidence of zoonotic diseases is also being witnessed.

### What are the key drivers of the increased incidence of zoonotic viruses?

Viruses account for almost 50% of new and emerging diseases. Since the mid-20th century, about 75% of all emerging viruses are zoonotic, they spill over into humans from wild animals. The key drivers of this process are **deforestation** and **climate change**.

The 20th century had three pandemics (Influenza 1918, 1957, and 1968) but the 21st century has already experienced two (Swine Flu 2009 and Covid-19) with a few narrow misses like SARS, Ebola, and Zika.

### Why zoonotic disease incidence is increasing?

Though humans comprise only 0.01% of the Earth's biomass, we have changed this planet so much that we are in Anthropocene or the Age of Man since the mid-20th century.

**Increasing livestock population**, with genetic links to wild animals and proximity to humans, acts as a natural intermediary for the spillovers. South and Southeast Asia with high densities of human and livestock populations are particularly at risk.

**Deforestation** brings wild animals near both livestock and humans, increasing the risk. For example, Malaysia cleared about 5 million hectares of primary forests between 1983 and 2003 for industrial logging, palm oil plantations, etc.

**Redistribution of species:** Climate change is leading to increased global expansion and redistribution of the Aedes mosquito, which is the vector for several known human diseases such as yellow fever, dengue, chikungunya, rift valley fever, Zika, and lymphatic filariasis.

## 6. A Climate Power

**Source:** This post is based on the article “A Climate Power” published in “Times of India” on 31st October 2021.

**Syllabus:** GS3 – Indigenization of technology and developing new technology.

**Relevance:** To understand the need for a tech-driven climate solution.

**Synopsis:** There are multiple challenges in achieving a global consensus on climate goals. What are the solutions for India?

### Introduction

Achieving climate goals require clean technology. However, India, a major economy that hopes to grow fast cannot simply just wait for tech transfers from the West.

### What are the challenges in achieving climate goals?

#### World:

**Consensus building**– Nations don't agree even on the most important baselines like net-zero emissions or the when and how much of green financing is to be done. **For example**, the UK's proposal on phasing out coal in a short time looks to be un-doable for large coal-dependent economies like China and India.

**Clean technology**– The low-income group countries are unable to invest in clean technology research. This is worsened by the apathy of higher-income groups towards the transfer of technology.

#### India:

- **Economy vs Ecology**–For example, **India** has a large number of people dependent on the coal economy for jobs and 70% dependence on energy needs.
- **Political economy**– Industries like thermal power, cement, iron, and steel are major economic players in some states. The long transition from a coal economy can witness **stiff regional political pushbacks**.
- **Standard of living**– With higher incomes, people will buy more air-conditioners and cars in India. All this is potentially climate negative.

### What steps should be taken by India?

**Green hydrogen**– A clean fuel that's well within India's technological capacity to produce in very large quantities, must be executed fast.

**Separate fund and fiscal incentives**– GoI should create a separate fund for incubating clean tech, and incentivise private players further via huge tax breaks.

The fund should be managed by professionals from industry and academia, free of bureaucratic interference.

## 7. Biden's billionaire levies must not cue bad ideas

**Source:** This post is based on the article "**Biden's billionaire levies must not cue bad ideas**" published in **Livemint** on **1st November 2021**.

**Syllabus:** GS3 – Planning, Mobilization of Resources, Growth

**Relevance:** To understand wealth inequality in the world and challenges in taxing them.

**Synopsis:** The US plan to impose a tax on the super-rich, will not work in India.

#### Introduction

US President Joe Biden has promised to finance the social-spending plan by taxing only the super-rich.

#### About the wealth inequality

Globally, wealth inequality is getting sharper. Easy-money policies and asset inflation have sharpened the divergence. For example, the number of billionaires in the US has risen from 614 to 745 since the Covid Pandemic. So, many economists like Thomas Piketty called for imposing wealth taxes on the Super rich.

### Who are Super rich and How the US plans to tax them?

Super rich include persons having above \$1 billion in wealth or earning \$100 million as income for three years at a trot. The US tries to tax them in 2 ways. 1. Impose a levy on marked-to-market 'capital gains' made by them on their investment portfolios, even if nothing is traded or liquidated. 2. Imposing an inheritance tax.



**Must read:** [Oxfam Report Findings – Rising inequality in India](#)

### Why does taxing the super-rich will not work in India?

1. **Inheritance tax** will tax the future heirs, not the past inheritors. This is against inter-generational equity.
2. Further, wealthy families might emigrate or stash money offshore and decrease tax compliance in the economy.
3. Unlike the US, few of our wealthiest made their fortunes themselves. So, a levy on marked-to-market 'capital gains' will lead to a sudden flight of capital to tax heavens.

**Must Read:** [Pandora Papers and Illegal offshore investments from India – Explained, pointwise](#)

### 8. Why India needs a Ministry of Energy

**Source:** This post is based on the article “**Why India needs a Ministry of Energy**” published in **Indian Express** on **1st November 2021**.

**Syllabus:** GS3 – Infrastructure: Energy, Ports, Roads, Airports, Railways, etc.

**Relevance:** To understand the need for a dedicated energy ministry.

**Synopsis:** The current energy value chain works in silos. What India needs is an integrated point of reference.

#### Introduction

The recent coal shortage shows flaws in the entire energy production chain. There is no public body at the government level with executive oversight, responsibility, and accountability for the entire energy value chain.

#### What are the challenges leading to the energy crisis?

##### Structural issues: The cycle of blame game-

- The problem of the failure of 'Coal India' in managing the production process has roots in power generation companies, which in turn is related to the DISCOMs inability to pay back the dues.
- DISCOMs ultimately blame the politics for compelling them to sell electricity to residential and agricultural sector consumers at subsidized tariffs, whereby the cost of energy is not recovered. There is **no energy strategy** with the executive authority. NITI Aayog and planning commissions policies are mere recommendations without executive force.

#### What is the solution?

The government should pass an Act granting energy the '**constitutional sanctity**' and frame for the formulation and execution of an integrated energy policy.

Laying out measurable metrics for **monitoring the progress** towards the achievement of energy independence, security, efficiency, and “green” energy.

**Single ministry** -'Ministry of Energy' should be created to oversee the currently siloed verticals of the ministries of petroleum, coal, renewables, and power.

- As it could be politically challenging, therefore an executive 'department' can be created under PMO. The objective would be to identify and handle all of the issues that currently challenge the value chain.

### What are the potential benefits?

This would increase investments in the energy sector if the current fragmented and opaque regulatory, fiscal, and commercial systems and processes were replaced by a transparent and single-point executive decision-making body for energy.

### 9. Mixed signals on growth-inflation dynamics

**Source:** This post is based on the article “Mixed signals on growth-inflation dynamics” published in **Indian Express** on **2nd November 2021**.

**Syllabus:** GS3 – Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

**Relevance:** To understand India’s growth-inflation dynamics.

**Synopsis:** The post pandemic trajectory of economy has some trends and facts which are both challenging as well as encouraging.

#### Introduction

The current economic cycle is a rare one, induced by a major public health shock.

To revive the economy, massive monetary stimulus was provided by various central banks by following loose monetary policy.

We are now at that point in the cycle where major central banks have begun to signal normalisation from the unprecedented loose monetary policy stimulus.

However, globally the data signals that the ‘**recovery momentum**’ in the first half of 2021 is **decelerating** in many countries.

### What are the current trends and challenges w.r.t economic recovery?

–**China’s policy** and economy is the most salient risk for a sustained global recovery.

–**Inflation** in almost all major economies continues to remain high. **Crude oil prices** remain the biggest concern besides inflation in natural gas, metals, minerals, ores, and select foods.

–A risk of the global economy going into “**stagflation**(growth stagnation plus inflation)”.

In **India**, RBI notes that “*the external environment, which had been supportive of aggregate demand over the past few months, may lose momentum for a variety of reasons*” including exports, financial markets volatility and imported inflation.

### What are some trends indicating continuation of economic recovery of India?

**Demand** for both consumer non-durables (**FMCG**) and durables is doing well. Owing to festive season demand for consumer loans is strong.

As the economy opens up, with risk of a third wave receding, **demand for “contact” services** in travel, tourism, entertainment, etc, is **evident**.

–**Rural demand** for FMCG has remained robust, post the rabi harvest, which are likely to continue with the largely normal ongoing kharif crop season.

–**Urban demand** is also reviving.

**Real estate** is reportedly doing well.

–**Residential real estate** is reportedly doing exceptionally well, with low-interest rates on home loans, cuts in stamp duty and registration charges, and behavioural shifts towards own home ownerships.

–**Commercial real estate** sector is reviving, with demand from IT, tech, data centres, and city centre warehousing for e-commerce companies.

**Inflation**-India's retail price inflation rate eased to 4.35 percent in September of 2021 mostly due to lower food prices.

### 10. The green issues of tomorrow

**Source:** This post is based on the article **"The green issues of tomorrow"** published in **"Times Of India"** on **02 November, 2021**. **Syllabus:** GS3- Conservation, environmental pollution and degradation, environmental impact assessment.

**Relevance:** To understand some potential environmental issues besides the ongoing ones.

**Synopsis:** While the world is gathered at Glasgow for COP26 meeting and finalizing the climate action roadmap for the coming years, new threats to environment have already come up. Countries need to start thinking about solutions to these issues right away. Otherwise, a decade down the line, they will find that they are in a worse mess than ever.

#### Introduction

The COP26 Climate Change Conference would debate over topics such as reducing the use of fossil fuels, cutting down greenhouse gas emissions, and increasing the world's carbon sinks. Even while these efforts are underway, **new threats to the environment are cropping up**. Some of these have not received the attention they should have gotten.

#### What are the new threats to the environment?

##### Giant data centres:

As the world gets increasingly digitised, data centres and server farms are proliferating, that consume energy and generate heat.

Millions of litres of water are often required to keep them cool, particularly if the data centres are not set up in extremely cold regions.

Many regions where big data centres are located are already water stressed and their problems could get worse.

##### The carbon footprint of solar:

The sharp fall in prices of solar panels has played a role in the popularity of solar power.

But, most of the world's cheap solar panels come from China where companies have largely depended on **thermal power for manufacturing solar panels**.

Producing solar panels using cleaner energy sources also increases their costs, thus creating a dilemma for policy makers.

##### The recycling problem:

The recycling issue of discarded solar panels, wind turbines and an increasing mountain of electronic waste is a major issue.

The average lifespan of a solar panel is 25 years, but their efficiency starts declining much earlier. Quite often they are replaced after a decade and a half. This was not a problem a decade ago when solar panels were not being installed at such a rapid pace. Over the next decade, it will become a major headache for all countries that have installed large solar power farms.

Earlier, rich countries would send their e-wastes to poorer countries but now increasingly the latter are declining to become dump yards for e-waste

### 11. The crypto conundrum

**Source:** This post is based on the article **"The crypto conundrum"** published in **The Hindu** on **1st Nov 2021**. **Syllabus:** GS3 – Science and Technology- Developments and their Applications and Effects in Everyday Life.

**Relevance:** Cryptocurrencies and their future

**Synopsis:** Controlling money supply and issuing money are at the root of the power and influence that the governments of this world command. Leaving the limited use case and exchange value aside, if Cryptocurrencies pose any real challenge to the existing fiat currencies it may result in a stern policy action.

### **Introduction**

Bitcoin and other private cryptocurrencies have been on a bull run recently. Unlike previous rallies, the current rally in bitcoin has witnessed the increasing participation of retail investors in India. Yet, the future of bitcoin and other cryptocurrencies is unlikely to be as bright as many believe it to be.

### **What attracts retail investors towards Cryptocurrency?**

The key feature which has attracted many retail investors is the **limited supply** of Cryptocurrencies. With increased demand, scarcity of anything will push up its price. A similar thing is happening with Cryptocurrencies.

As more and more investors are buying them, their price is going up.

And as their price goes up, more and more investors are lining up to buy them.

Now, consider the case of fiat money whose supply is unlimited and depends upon the central bank of a country. A central bank can create any amount of it as per its will. This increased supply of money in the economy devalues it further. The more money a central bank prints, the lesser its value.

Hence, scarcity of Cryptocurrencies is a key reason behind their popularity.

But, is it enough for large scale adoption?

### **Why scarcity is not sufficient for large scale adoption of Cryptocurrency?**

Scarcity alone is not sufficient to facilitate the adoption of cryptocurrencies as money.

– Any asset must have either **use value** or **exchange value** in order for it to possess any **fundamental value**. This fundamental value, in turn, is reflected in the price of these assets in the long run.

**For instance:**

– **Stocks and bonds**, for instance, possess exchange value that is based on the expected future cash flow from these assets.

– **Commodities such as oil and steel** possess use value because these assets are used to run vehicles and build real estate.

– **Gold and silver** have traditionally served as hedges against inflation because they possess fundamental value derived from their use as jewellery and money.

Cryptocurrencies may be scarce but its doubtful whether they possess any use value or exchange value. Presently, Bitcoin can buy very few real goods and services.

In short, cryptocurrencies possess no significant fundamental value to sustain their current high prices.

### **What are the benefits of private alternatives to fiat currencies?**

Private alternatives to fiat currencies offer people greater choice in what currencies they choose to use as a medium of exchange. The benefits of free market competition in money were elaborated by economist *Friedrich Hayek* in *The Denationalization of Money*.

Most notably, competition between currencies to cater to the demands of customers would ensure that fiat currencies that are printed indiscriminately simply go out of use.



### **Why increased acceptance of Cryptocurrencies increases likelihood of a govt crackdown on them?**

The monopoly that governments (and central banks) possess over the issuance of money is at the root of their power and influence.

If cryptocurrencies like bitcoin are going to challenge fiat currencies like the U.S. dollar as a medium of exchange, they would essentially be challenging the authority of the government to print and spend. This is not an assault that governments will tolerate for long. They will allow cryptocurrencies to exist only as long as these currencies remain a speculative asset and not a medium of exchange.

Hence, the more cryptocurrencies are accepted in exchange for goods and services, the greater the chances of governments cracking down on them.

### **12. COP26 | PM's Modi word: Net Zero 2070, clean & green 2030**

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

**'National Statement by Prime Minister Shri Narendra Modi at COP26 Summit in Glasgow'** published in PIB on 1<sup>st</sup> Nov 2021

**'PM's Modi word: Net Zero 2070, clean & green 2030'** published in The Indian Express on 2<sup>nd</sup> Nov 2021

**'India sets net-zero climate goal by 2070'** published in The Livemint on 2<sup>nd</sup> Nov 2021

**'CoP26 summit | India will achieve net zero emissions by 2070, says PM Modi'** published in The Hindu on 1<sup>st</sup> Nov 2021

**'CoP26: Modi offers 'Panchamrita' concoction for climate conundrum at Glasgow'** published in Down to Earth on 2<sup>nd</sup> Nov 2021

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

**Relevance:** The ongoing COP26 meeting at Glasgow

**Synopsis:** India has made significance announcements at the ongoing COP26 meeting, including a target year for reaching net zero. Now the ball is in the developed world's court wrt climate finance wherein India expects developed countries to provide \$1 trillion at the earliest.

### **What has been India's track record wrt its efforts on climate change?**

Today India is at number four in the world in installed **renewable energy capacity**. India's non-fossil fuel energy has reached 40% of our energy mix.

**India's railway system** has set itself a target of making itself **'Net Zero' by 2030**. This initiative alone will lead to a reduction of 60 million tonnes of emissions annually.

Similarly, **India's massive LED bulb campaign** is reducing emissions by 40 million tonnes annually.

India has also given institutional solutions to cooperate with the world at the international level. It initiated the **International Solar Alliance**. It also created a **coalition for disaster resilient infrastructure (CDRI)** for climate adaptation.

### **What are the new announcements made by India at Glasgow?**

India made five big-ticket announcements terming them as 'Panchamrit', at the climate change meeting in Glasgow:

**First–** India will reach its non-fossil energy capacity to 500GW (*India had earlier extended its target to 450GW out of which 100GW is already installed*) by 2030.

**Second–** India will meet 50% of its energy requirements from renewable energy by 2030.

**Third–** India will reduce the total projected carbon emissions by one billion tonnes from now onwards till 2030. India's emissions are rising, at about 4 to 5% every year. So the total emissions between now and 2030 is expected to be in the range of about 40 billion tonne. It is in this amount, that a one billion tonne reduction has been announced.

**Fourth–** By 2030, India will reduce the carbon intensity of its economy by less than 45%.

**Fifth–** By the year 2070, India will achieve the target of Net Zero.

**Note:** 'Panchamrita' is a traditional method of mixing five natural foods — milk, ghee, curd, honey and jaggery. These are used in Hindu and Jain worship rituals. It is also used as a technique in Ayurveda.

### What is LIFE?

India has also given the idea of LIFE at Glasgow.

LIFE is shorthand for **L**ifestyle **F**or **E**nvironment Today which entails the need for all of us to come together, together with collective participation, to take Lifestyle For Environment (LIFE) forward as a campaign.

### Comparison of announcements made by India at Paris and Glasgow

Sector	Paris (COP21)	Glasgow (COP26)
<b>Emission intensity of GDP</b>	Reduction by <b>33%–35%</b> by 2030 below 2005 levels	Reduction by less than <b>45%</b> by 2030 below 2005 levels
<b>Share of renewable energy in India's total energy generation</b>	Increasing the share of renewable energy to <b>40%</b> by 2030.	Increasing the share of renewable energy to <b>50%</b> by 2030.
<b>Carbon sink</b>	To create an additional (cumulative) carbon sink of 2.5–3 GtCO <sub>2</sub> e through additional forest and tree cover by 2030.	No new announcement.

### Why are the latest announcements by India at Glasgow important?

The latest announcements assume significance since this is the **first time India has taken any climate target in terms of absolute emissions.**

Before this, the closest reference to altering its emissions trajectory used to be in the form of emissions intensity.

This is because under the international climate change architecture, only developed countries are mandated, and expected, to make reductions in their absolute emissions.

### 13. Decarbonization mustn't overlook the rich-poor divide

**Source:** This post is based on the article "**Decarbonization mustn't overlook the rich-poor divide**" published in **Livemint** on **2<sup>nd</sup> November 2021**.

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

**Relevance:** Suggestions to achieve decarbonisation

**Synopsis:** Unless the world addresses the distributional and inequality-causing impact of highly carbon-intensive economic models, our job towards limiting temperature rise to 1.5°Celsius will remain unfinished



## Introduction

With increased carbon emissions the global carbon budget is also decreasing. We need to make suitable changes to our lifestyles to make them less and less carbon intensive. At a global level we need to reduce the fossil-fuel subsidies as they contribute to global warming.

## How much subsidies does India spend on fossil fuels?

As per an estimate of the **Council on Energy, Environment and Water**, India's subsidy bill on coal, gas and oil alone was roughly \$11 billion.

Another ₹800 billion annual subsidy goes into the transmission and distribution of electricity, which is mainly coal based, and hence an indirect fossil-fuel subsidy.

By comparison, our subsidies on renewable power and electric vehicles till 2018-19 were barely ₹99 billion, i.e., just about one-seventh of the direct subsidy on fossil fuels. With higher global oil prices, subsidies have also risen.

## How much carbon space is available as of now?

The planet has a finite "carbon budget"; i.e., how much cumulative carbon dioxide concentration the atmosphere can tolerate and still keep the planet below 2° C of warming.

Already, our atmospheric carbon dioxide (CO<sub>2</sub>) concentration is 420 parts per million, which is 50% above pre-industrialization levels.

The world is fast running down its carbon budget at its current rate of CO<sub>2</sub> emission. Unless drastically cut, we will exhaust the budget in just seven or eight years.

Beyond 2° C, the world will suffer irreversible change, causing havoc with weather cycles, a rise in ocean levels, the submergence of island nations, as well as droughts, floods and food shortages. No amount of greening the economy or net-zero targets will help thereafter.

## What is the way forward?

**First**, focus on solar energy, steep carbon taxes, and cut in carbon subsidies, will help to some extent.

**Second**, more than the poor, the rich, with their resource-intensive lifestyles, need to bear the burden of carbon taxes.

The rich world, including the small segment of high and middle-income earners in developing countries like India, needed to significantly alter their lifestyles. A reduction in consumption is imperative.

## 14. A good synthesis of climate and transport economics would help

**Source:** This post is based on the article "A good synthesis of climate and transport economics would help" published in **Livemint** on **2nd November 2021**.

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

**Relevance:** Significance of Public transport, Transit cities

**Synopsis:** An analysis of urban India's need for sustainable mobility suggests that we must rely heavily on clean public transit systems.

## Introduction

Road transport contributes about 10% of global emissions and is rising faster than any other sectors. Hence the emphasis of developed countries is towards shifting away from car possession.

**Why slow transition towards zero-emission vehicles looks difficult for India?**

**Road-infrastructure:** It majorly focuses on satisfying pressing traffic needs and creation of new transport infrastructure may result in decongestion for a temporary period.

**Lack of motivation to use public transport:** Transport policies and investment patterns in India's fast-evolving cities influence the country's mobility pattern. Almost all metropolitan cities are presently saturated with traffic. The development of new expressways in these cities favours automobiles as a dominant mode of urban mobility, with increased car ownership taken as a given.

**Unauthorized street parking:** it is another major cause of traffic congestion.

**What are 'transit cities' & How India can develop transit cities?**

Transit cities are characterized by a package of services so comprehensive, convenient and integrated that it acts as an alternative to car ownership.

Transit cities are developed in response to traffic-saturation crises, where cars are considered a luxury instead of necessity.

The need is to focus on public-transport investments which is oriented towards mass-transit planning. It needs greater emphasis on improving 'mobility' and 'accessibility'.

If road space for cars is reallocated, it may reduce congestion delays, increase traffic speed and reduce overall traffic levels by significant amounts.

**What are the challenges in designing a transport system?**

**Dilemma:** The conventional theory of roadway design argues that wider, straighter, flatter and more open streets ensure traffic safety.

However, climate-change economics argues for measures to improve the 'accessibility' and 'place' functions of any street to restrict private cars and improve public transport.

**Trade-offs between development and values:** the most prominent issue being displacement. As the stakeholders in development projects are varied, some sections may be more comfortable than others with private-vehicle usage.

**What is the way forward?**

**First,** Indian policy needs redesigning of street parking so that the most crowded places charge the highest parking fees. A rising trend in cities is for new shopping areas, buildings, etc, to have 'minimum parking requirements'.

**Second,** we need street parking management with more effective and up-to-date enforcement and pricing practices

**Third,** public transport must combine accessibility to stops/stations, connectivity, frequency, span of coverage, speed, civility, fairness, simplicity, reliability and presentation.

**Fourth,** the integration of cycling pathways with public transit systems. It requires gentle track- bends and cyclist-friendly junctions, could attract car owners to use bicycles instead.

**Fifth,** there is need to redesign the timing, frequency and connectivity of bus and train services, etc, so as to synchronize the same with various other services such as Metro and monorail networks that are run by metropolitan and state governments.

**Sixth, Implement transport-sector investments that favor environmental sustainability:** for example, Delhi Metro, earned carbon credits from the United Nations under its Clean Development Mechanism (CDM).

Expanded Metro networks by 2030 can go some distance towards attaining the sustainable development of safe, affordable and accessible transport systems for all, with improved road safety as an additional benefit.

### 15. Improved finances gives Centre leeway to slash fuel excise duties, but a renewed spending spree is avoidable

**Source:** This post is based on the article “Improved finances gives Centre leeway to slash fuel excise duties, but a renewed spending spree is avoidable” published in **Indian Express** on 2<sup>nd</sup> November 2021.

**Syllabus:** GS3 –issues relating to Planning, Mobilization of Resources, Growth, Development.

**Relevance:** Resource mobilisation and Fiscal policy of centre

**Synopsis:** Reasons for the increase in Centre’s gross tax revenues during April-September 2021.

#### Introduction

The Centre’s gross tax revenues have grown 64.2% year-on-year during April-September. This has resulted in a reduced fiscal deficit for the first half of 2021-22 that is, just 35% of the budget estimate for the whole year.

According to the Swiss investment bank Credit Suisse, this is the lowest since 2007-08 and way below the 10-year-average of 74%.

#### What are the reasons?

There are two probable reasons for the above,

**One, due to the increasing formalisation of the economy.** Demonetisation, GST (goods and services tax) and the lockdown have led to organised sector firms gaining market share from informal enterprises.

**Two, improved tax compliance.** For instance, e-way bills and other systems now for tracking transactions and plugging leakages, has translated into overall improved tax compliance.

**Three, increased corporation and income tax collections.** For example, corporation and income tax collections during April-September 2021 was higher than their corresponding respective levels for April-September 2019.

**Four, increased fiscal resource through petrol and diesel taxes.** The Centre’s revenues from excise duties (mainly on fuels), have grown 79% over the same period two years ago.

#### What should be the way forward?

**First,** the Centre should start consolidating its fiscal gains. That is important in the current scenario where yields on its 10-year bonds have been increasing. With most central banks signalling their intent to suck out excess liquidity in response to inflation concerns, the pressure on yields may only go up.

**Second,** Improved finances gives the Centre enough space to slash fuel excise duties necessary to curb inflation expectations.

### 16. Small, medium issue: Economic recovery gaining steam. But low-income groups’ demand & MSMEs are concerns

**Source:** This post is based on the article “Small, medium issue: Economic recovery gaining steam. But low-income groups’ demand & MSMEs are concerns” published in **The Times of India** on 1<sup>st</sup> November 2021.

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

**Relevance:** Understanding the recovery of the Indian economy post-Covid times.

**Synopsis:** Targeted support should be ensured to ensure desired growth of the sectors.

### Introduction

Recent economic data shows that the Indian economy is bouncing back and is likely to exceed the pre-pandemic levels. RBI's October Bulletin also indicated a GDP growth of 9.6% in the July-September quarter. But still, there are some sectors that are lacking in growth.

### What are the improvements recorded?

**Employment:** The total employment estimate was at 406.2 million in September, almost at the level of the pre-Covid estimate of 408.9 million in 2019-20.

**Salaried jobs** rose sharply in September to touch 84.1 million, once again almost at the pre-Covid level of 86.7 million.

**Advance tax collection** in April-September 2021 was 14.6% higher than the pre-Covid collection in 2019-20.

### What are the matters of concern?

**Poor availability of Informal Jobs:** MGNREGA Demand in the April-September 2021 period was higher than the pre-Covid 2019. This reflects the poor availability of informal jobs in the market. This may translate to poor purchasing power in rural India and might impact the economic recovery.

**Increase in Personal Loans:** During the second quarter of the current financial year, outstanding personal loans overtook industrial credit for the first time. Personal loans now makeup about 27% of the total credit, propelled mainly by home loans.

**Fund crunch for MSMEs:** MSMEs contribute about 45% of manufacturing output. The decrease in industrial credit shows the inability of MSMEs to get institutional credit.

Thus, there is a need for targeted support to ensure that the current growth momentum is maintained.

### 17. Digitization could ease MSMEs' access to supply-chain finance

**Source:** This post is based on the article "Digitization could ease MSMEs' access to supply-chain finance" published in **Livemint** on **2nd November 2021**.

**Syllabus:** GS3 – Indian Economy and issues relating to planning, mobilization of resources.**Relevance:** To understand the need to link the GST system and TReDS Platform.

**Synopsis:** Access to formal credit to MSMEs can be provided by linking the GST system and TReDS platform.

### Introduction

Access to formal credit continues to be a challenge for micro, small and medium enterprises (MSMEs). Lack of reliable financial information is one of the main reasons. This can be solved by linking India's [GST system](#) with the [TReDS \(Trade Receivables Discounting System\)](#) platform.

### Why India should link the GST system and TReDS platform?

The **Parliamentary Standing Committee on Finance**, while reviewing **The Factoring Regulation (Amendment) Bill, 2020**, recommended that the GST e-invoices above a certain threshold should flow directly to the TReDS platform.



### How to link GST System and TReDS platform?

The creditworthiness of MSMEs can be judged from three data points on the GST system: 1) [Input tax credit \(ITC\)](#) being claimed by the MSME; 2) Trade volume as per the [e-way bills \(EWBs\)](#) created by it, and 3) Trade volume as per the electronic invoices raised by MSMEs.

But the ITC and EWBs may not be useful to link with the TReDS platform due to shortcomings like

-ITC does not provide the break-up of ITC seller-wise or invoice-wise.

-EWBs only applies to manufacturers/traders that supply physical goods and one EWB may correspond to multiple buyers.

In the e-invoicing system, a supplier generates a unique 64-character alphanumeric code called the IRN (invoice reference number) with details of its GSTIN, invoice date, internal invoice number. These invoices can be identified with their IRN and can be sent to the TReDS platform to be made available for factoring.

But, to link GST data with the TReDS **requires GST Council approval.**

**Must Read:** [Analysis of GST regime in India – Explained, Pointwise](#)

### What are the benefits of linking the GST system and TReDS Platform?

An EWBs that is coupled with an e-invoice can act as a supporting document for a factoring unit, enhancing MSMEs authenticity.

Help digitize the supply chain of MSMEs, making their access to finance much easier.

Can provide for buyers' acceptance, which would serve as valid proof, like a goods receipt note.

The GST system can develop a rating system for all taxpayers based on their tax compliance.

This may prove valuable for factoring agencies on the TReDS.

## 18. Finding a way out of India's deepening water stress

**Source:** This post is based on the article "[Finding a way out of India's deepening water stress](#)" published in **The Hindu** on **2nd November 2021**.

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

**Relevance:** To understand India's water crisis.

**Synopsis:** India's water crisis will increase in future, so the government, people, and all should come together to solve the issue.

### Introduction

Recently, the [draft National Water Policy](#) has been submitted by the [Mihir Shah committee](#).

### What are the reasons behind the water crisis in India?

**Lack of sustainable urban planning:** Many cities in India are developing by encroaching flood plains and reducing green cover. This will reduce the water retention capacity of the city. This is reflected exactly in Chennai. The city face floods during rainfall and droughts during the shortage of rainfall.

**Continuous extraction of groundwater:** In the rural areas, 80%-90% of the drinking water and 75% of the water used for agriculture is drawn from groundwater sources. In urban areas, 50%-60% of the water supply is drawn from groundwater sources.

**A case of Punjab:** The success of the green revolution and continuous cultivation of water-intensive crops in Punjab has turned the water into saline. The draft report of the Central Ground Water Board concluded that Punjab would be reduced to a desert in 25 years if the extraction of its groundwater resources continues unabated

**Ever-increasing demand:** The [composite water management index](#) of NITI Aayog, points out that by 2030, the demand for water is projected to be twice the available supply. The introduction of [Jal Jeevan Mission](#) will play a significant role in this.

#### **What can be done to address water crisis?**

**Integrate the ongoing work of different Ministries and Departments:** This will enhance coordination and protect water bodies, groundwater sources, wetlands and green cover. It will also enhance wastewater recycling and water recharge activities.

**Note:** In 2019, Ministries of Water Resources, River Development and Ganga Rejuvenation and the Ministry of Drinking Water and Sanitation were merged as the Ministry of Jal Shakti.

**Replenish groundwater:** The government has to create a participatory groundwater management approach with a combination of water budgeting, aquifer recharging and community involvement.

**Water governance and management plans with expert opinions:** Increase interactions from the expertise of fields such as hydrology (watershed sustainability), hydrogeology (aquifer mapping and recharge) and agriculture sciences (water-sensitive crop choices and soil health). In conclusion, India needs to encourage conserving water resources and efficient usage of water.

#### **Terms to know:**

- [National Water Policy](#)

### **19. Leaders vow to protect forests, plug methane leaks at COP26**

Source: This post is based on the article “**Leaders vow to protect forests, plug methane leaks at COP26**” & “**CoP26 summit | Leaders pledge to cut methane and save forests**” published in **ToI** and **The Hindu** on **3rd November 2021**.

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

**Relevance:** CoP26 (Glasgow) , Paris agreement goals, Climate change

**News:** World leaders promised to protect Earth’s forests, cut methane emissions and help South Africa halt itself off coal at the U.N. climate summit.

#### **What is Global methane Pledge?**

The Global Methane Pledge, first announced in September, now covers emissions from two-thirds of the global economy

Nearly 90 countries have joined a U.S.-and EU-led effort to slash emissions of methane by 30% by 2030 from 2020 levels,

China, Russia, and India have not signed up, while Australia has said it will not back the pledge.

#### **Why it is needed?**

Methane is more short-lived in the atmosphere than carbon dioxide but 80 times more potent in warming the earth.

Methane is generated in cows’ digestive systems, in landfill waste, and in oil and gas production. It is estimated that Methane has accounted for 30% of global warming since pre-industrial times.



**What commitments were made to reverse deforestation and land degradation?**

More than 100 national leaders pledged to halt and reverse deforestation and land degradation by the end of the decade.

They also established \$19 billion in public and private funds to invest in protecting and restoring forests.

The private sector has also pledged to stop investing in activities linked to deforestation such as cattle, palm oil, and soybean farming and pulp production.

Effective role Indigenous communities in preventing deforestation have been acknowledged.

The agreement vastly expands a commitment made by 40 countries as part of the 2014 New York Declaration of Forests, and promises more resources.

**What commitments were made to support South Africa towards renewable energy transition?**

United States, Britain, France and Germany announce a plan to provide funds and expertise to help South Africa phase out coal, a major source of greenhouse gas emissions.

South Africa, which gets about 90% of its electricity from coal-fired plants, will receive about \$8.5 billion in loans and grants over five years to roll out more renewable energy.

**20. Explained: When can PSU bank staff be probed for NPAs?**

Source: This post is based on the following articles

- **“Banking accountability”** published in **Business Standard** on **3rd November 2021**.
- **“Explained: When can PSU bank staff be probed for NPAs?”** published in **Indian Express** on **3rd November 2021**.

**Syllabus:** GS3- Indian Economy and issues relating to planning, mobilization of resources.

**Relevance:** To understand new staff accountability guidelines.

**News**

Recently the Finance Ministry has issued a fresh set of norms to guide state-owned banks in adopting a uniform staff accountability framework for non-performing assets (NPAs) up to Rs 50 crore.

**Must read:** [PSBs to introduce common staff accountability guidelines for NPAs](#)

**What are the reasons for the introduction of accountability guidelines for PSBs?**

**The extremely cautious and risk-averse approach of PSBs:** The Punjab National Bank fraud in 2018 and a series of other unrelated frauds and tough action against bank officials led to a situation where PSBs stalling credit deployment and impacting **economic growth**.

**Fear of 3Cs:** In 2019, the Finance Minister mentions that Officials of the bank fear the scrutiny of “3Cs – CBI (Central Bureau of Investigation), CVC (Central Vigilance Commission) and CAG (Comptroller and Auditor General)” and holding banking decisions.

**What can be done to improve PSBs performance further?**

Solving the accountability issue of PSBs is a good step, but the government needs wider reforms to address the core issues,

1. Strengthen their credit-appraisal system: To sharpen PSBs credit-pricing skills and reduce loan write-offs, 2. Providing regulatory powers to RBI to regulate PSBs like they regulate private banks, 3. Guaranteed functional autonomy for PSBs and adequate opportunities to defend in case of investigations, 4. Alignment of job incentives with commercial outcomes.

All these will increase 1. The lending confidence of PSBs, 2. Instil discipline among PSBs, 3. Reduce NPAs and Frauds, 4. Improve the operational efficiency of PSBs and 5. Raise the valuations of banks put up for privatization.

**Note:** PSBs have written off loans worth more than Rs 8 trillion over the past seven years, which is more than twice the capital infused by the government during the same period. This is not a viable way to banking.

## 21. Ensuring that policy outcome matches the intent

Source: This post is based on the article “Ensuring that policy outcome matches the intent” published in **Indian Express** on 3rd November 2021.

**Syllabus:** GS 3 – Budget and resources.

**Relevance:** Understanding budgeting and state financing.

### News

Structural limitations of the polity in India has led to a phrase that the government is spending a rupee to provide 50 paise of benefits.

States need to invent their own development models to escape the Financial mismanagement and the structural issues in budgeting and resource allocations.

### What are the issues associated with State Funding?

The government in India provides public services at subsidized prices and at times is even willing to take losses. But Financial mismanagement in public services rise due to, 1) Policy differences between the centre and the states. 2) Differences between parties and coalitions. 3) Structural issues in the budget.

### What are the structural issues in the Budget?

**Accounts preparation:** The Financial Accounts (FA) are presented to the legislature after 18 to 24 months of budget approval along with the Revised Estimates (RE) for the current year. This means that less attention is paid to the outcomes of the previous budget as the focus is more on the current budget.

**Cash accounting:** Governments sticks to outdated cash accounting as opposed to accrual(Accumulation) accounting. This leads to 1. A spending rush at the end of the year, 2. Funds marked as spent might be held in some off-balance account and hidden from the government's finance department.

### How did the Tamil Nadu government addressed the structural issues?

TN government adopted a set of 5 reforms, these include – (1) Collect and analysing data to develop a deeper understanding, (2) Data-centric governance, (3) public asset and risk management, (4) disseminating results into the public domain and generate a public debate, and (5) strengthening the role of the legislature and course correct with public feedback.

### What is the outcome of TN government initiatives?

**First,** Approx Rs 2,000 crore of funds have been verified as “lapsed” and will be returned to the state treasury.

**Second,** procedures are being established to ensure that moving/parking of funds cannot happen outside the finance department's oversight.

**Third,** Many discrepancies like ghost pension etc. have been identified which will translate to savings for the government.

All these steps, if executed diligently by the Centre and State governments, can overcome the issues of financial mismanagement and provide enough fiscal space to the government to meet its desired outcomes.

## 22. Charting a trade route after the MC12

**Source:** This post is based on the article “Charting a trade route after the MC12” published in **The Hindu** on **6th November 2021**.

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

**Relevance:** Issues with WTO

**News:** An improvement in global trade scenario provides an ideal setting for Trade Ministers to revisit trade rules which can help maintain the momentum in trade growth.

The World Trade Organization (WTO)’s 12th Ministerial Conference (MC12) is being convened in Geneva, Switzerland at the end of this month. The MC12 is being held at an important juncture when the global trade scenario is quite upbeat.

### What is the current outlook on global trade?

**Expansion:** Recent WTO estimates show that global trade volumes could expand by almost 11% in 2021, and by nearly 5% in 2022, and could stabilise at a level higher than the pre-COVID-19 trend.

**Buoyancy:** It has played an important role in supporting growth in economies such as India where domestic demand has not yet picked up sufficiently.

### What are the key points which MC12 should consider?

**Securing a share in the growth for economically weaker countries** is mandated by the Marrakesh Agreement Establishing the World Trade Organization. There is also need to discuss adoption of WTO rules on electronic commerce, investment facilitation, and fisheries subsidies.

**Issue of IPRs:** there is demand that technologies necessary for producing vaccines, medicines, and other medical products for COVID-19 treatment should be available without the restrictions imposed by intellectual property rights (IPRs).

**Equitable access to vaccines:** Pharmaceutical companies controlling the global markets have used their IPRs to deny developing countries access to technologies and know-how, thus undermining the possibility of production of vaccines in these countries.

**Proposal of India and South Africa:** both countries had tabled a proposal in the WTO in October 2020, for waiving enforcement of several forms of IPRs. This proposal, supported by nearly two-thirds of the organisation’s membership but it was opposed by the developed countries battling for their corporates.

**Fisheries, e-commerce:** the current drafts on this issue are completely unbalanced as they do not provide the funds to rein in large-scale commercial fishing that are depleting fish stocks the world over, and at the same time, are threatening the livelihoods of small fishermen in countries such as India.

**Discussion on e-commerce firms:** the proposal by the members of the OECD and the G-20 members to introduce global minimum taxes on digital companies has made headlines. But in the WTO, discussions on e-commerce are being held in the WTO since 1998.

The more substantive outcome was the decision to “establish a comprehensive work programme” taking into “account the economic, financial, and development needs of developing countries”.

**Objective of the negotiations on e-commerce is to facilitate expansion of e-commerce firms:** In 2021, the issues on negotiating table are relating to the liberalisation of the goods and services trade and guarantee for free flow of data across international boundaries, all aimed at facilitating expansion of businesses of e-commerce firms.

**Divisions over investment:** the current focus of the WTO is to promote the global interests of oligopolies. For example, investment facilitation agreement.

In 2001, the Doha Ministerial Declaration had included a work programme on investment, but it was soon taken off the table as developing countries were opposed to its continuation. The opposition was due to the fact that the discussions were geared to expanding the rights of foreign investors through a multilateral agreement on investment.

**One-sided negotiations:** The negotiations on e-commerce and investment facilitation owe their origins to the so-called “Joint Statement Initiatives” (JSI) in which a section of the membership has developed the agenda with a view to producing agreements in the WTO. This will then be offered to the rest of the membership on a “take-it-or-leave-it” basis. India and South Africa have forcefully argued in a submission against the JSIs early this year.

### 23. How to define a farmer

**Source:** This post is based on the article “How to define a farmer” published in **Indian Express** on **6th November 2021**.

**Syllabus:** GS3 – Issues related to Agriculture

**Relevance:** Problems of small and marginalised farmers.

**News:** Categorising farmers based on dependence on farm income, land ownership is inappropriate.

Harish Damodaran and Samridhi Agarwal argue that India’s farming population is much smaller than is usually estimated. They used the 2019 **Situation Assessment of Agricultural Households** (SAAH) survey to establish their argument.

They claim that while the official estimate of the number of agricultural households in India was 93.09 million in 2019, the number of “serious”, “full-time” or “regular” agricultural households was only 36 million.

They categorise only farmers that earn at least half of their total household income from crop cultivation as serious/regular.

The authors go on to suggest that the agricultural policy should target only serious/regular farming households as they “genuinely depend on farming”.

However, their argument is flawed on several counts. Some of the key problems with the Damodaran-Agarwal argument is highlighted in this article.

#### **What are the key problems with the Damodaran-Agarwal argument?**

**Firstly, the categorisation of farmers as serious/regular based on a single ratio of farm income dependence and an arbitrary threshold of 50% is a non-serious exercise.** Such identification completely ignores the varied historical trajectory of development and livelihood diversification in diverse regions of India.

For example, in a poor yet mineral-rich state like Jharkhand, livelihood diversification may have been driven by poverty and local conditions of both farm and non-farm work, which may have intensified such coping mechanisms over time. Such a situation does not make the poor farmers who use their land for subsistence, and pursue other occupations in the lean season, any less dependent on farming.



**Secondly, Using the term “Kisan” to identify farmers complicates the social and economic relations, including exploitative ones, that exists within agriculture.** Farmers are not a homogenous category. They are differentiated into classes and castes. More realistic and useful categories of rich/middle/poor farmers or capitalist/petty-producer/agricultural labour is needed to identify those engaged in agriculture.

**Thirdly, it does not take in to account the contribution made by the remaining 70%, that is, marginal farmers possessing less than 1 hectare of land.** According to Damodaran-Agarwal, their 50% “serious farmer” threshold is crossed at the all-India level by farmers with more than 1 hectare of land. This is possessed by only 30% of agricultural households.

**Fourthly, the recommendations by Damodaran and Agarwal also have serious ramifications for socially disadvantaged communities.** The historical and contemporary practices of caste-based exclusion and the failure of the state to undertake meaningful redistributive land reforms means that a large majority of the Dalit community remains landless.

Withdrawing state support to smallholders will have a disproportionate impact on the socially marginalised groups and would further push them into **asset poverty**.

**Fifthly, the land and natural resource question was not addressed.** If 70% of agricultural households are identified as non-serious farmers who should be moved out of agriculture, what happens to their land resources!

Moving non-serious farmers out of agriculture will lay the foundation for agri-business monopolies. Also, it is unlikely that agro-based industries will be able to create enough jobs to absorb the millions displaced from their lands.

**Finally, the authors seem to be unaware of the function of agriculture as a social safety net in providing a source of sustenance to millions.**

Damodaran and Agarwal do not discuss that the SAAH data also shows a fall in real average crop incomes between 2013 and 2019. The fall in returns from cultivation is driven by rising input prices and dwindling output prices.

Marginal and small farmers face disproportionate hardships in acquiring subsidised inputs or getting remunerative prices from public procurement. Smallholders also rely more on informal sources of moneylending, which adds to indebtedness.

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

For several decades now, successive governments have pursued policies that have led to worsening agrarian distress.

This has pushed millions into low-paying petty jobs and continues to plague those who are compelled to depend (even partially) on agriculture for survival.

The solution to the problem of Indian farmers needs a serious rethink of the economic policies and surely cannot lie in simply excluding them by redefinition.

## **24. How inflation could rescue the govt's fiscal deficit act in FY22**

**Source:** This post is based on the article “How inflation could rescue the govt's fiscal deficit act” published on 6th November 2021 in Indian express

**Syllabus:** GS Paper 3, Indian Economy – Inflation and fiscal consolidation

**News:** Inflation is increasing, which is going to be helpful for the government in achieving the fiscal deficit target for FY22.

According to the finance ministry data, government is likely to achieve 6.8 per cent fiscal deficit target for FY22. It is due to following factors:



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1. The aggregate borrowing of the states is 10 per cent less than their projections.
2. The average cost of borrowing of the center is within the acceptable limit.
3. Sale of BPCL and the listing of LIC may bring in the projected Rs 1.75 trillion to the government receipts.
4. A higher inflation (consumer price index or wholesale price index).
5. A higher-than-expected tax revenue.

### How a higher inflation affects fiscal deficit?

A fiscal deficit is a difference between total expenditure and total receipts of the government. It is calculated as a percentage of the nominal GDP. The Nominal GDP is calculated on the current prices, which includes the inflation component. Higher inflation thus shrinks the fiscal deficit.

However, in the long run, high inflation will have a negative impact on the fiscal deficit, due to the consequent rise in the interest rates.

### What are the challenges in the way of fiscal consolidation?

Fiscal consolidation, which includes rationalizing the government expenditure, attracts foreign borrowers. However, it will not be an easy task due to following factors. 1) Increasing food and fertilizer subsidies on social sector schemes like PM Garib Kalyan Anna Yojana. 2) The bar on Government's expenditures on salary and office expenses has been lifted. 3) States and centers will have to cut their capital expenditures, which may halt the boost to the economy.

## 25. The right time for India to have its own climate law

**Source:** This article is based on “The right time for India to have its own climate law” published in **The Hindu** on **6th November 2021**.

**Syllabus:** GS Paper 3- Environment – Climate Change

**News:** India has announced its environmental targets are Glasgow. To achieve those targets efficiently, India needs a climate law.

Our Prime Minister has recently a ‘[Panchamrit solution](#)’ which aims at reducing fossil fuel dependence and carbon intensity (reduce one billion tonnes of total projected carbon emissions by 2030). But before adopting new energy pathways, we must also consider the question of climate hazard, nature-based solutions, and national accountability.

Thus, India should frame a climate law to achieve its goals of climate justice, carbon space, and environmental protection.

### Why do we need a climate law?

**Inadequacy in present laws:** Our existing laws like Environment (Protection) Act (EPA), are not adequate to deal with climate change. For example, Clause 24 of EPA says that if an offence is committed under the EPA or any other law, the person will be punished under the other law (for example, Code of Criminal Procedure). It means the EPA is subordinate to every other law.

**To ensure comprehensive climate action:** There is a need to integrate climate action — adaptation and mitigation — and monitor progress. Comprehensive climate action is not just technological i.e. changing energy sources or carbon intensity, but also nature-based i.e. restoration of ecosystems, reducing natural hazards, and increasing carbon sinks.

**To avoid inequality:** Climate actions need to ensure that our stated renewable energy goals like 500 Gigawatts by 2030 goal do not increase inequality or poverty.

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**Ensuring compliance:** environmental interventions are not followed properly at present. For example, NGT order to NTPC to cover coal wagons with tarpaulin on railways is not followed. It not only increases emission from coal, but also results in presence of respirable coal dust in the air.

### **What steps can be taken?**

**Setting up a 'Commission on Climate Change'** that monitors action plans for climate change with the power and the authority to issue directions. The Commission could have quasi-judicial powers with powers of a civil court to ensure that its directions are followed in letter and spirit. It will ensure compliance with the environmental guidelines.

**A legally enforceable National Climate Change Plan** to ensure liability and accountability at short-, medium- and long-term levels.