

**9pm**  
**Compilation**

**December 2021, (First Week)**

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

### General Studies - 1

---

1. The implications of a skewed sex ratio for India
2. Should the state stop focusing on population control?

### General Studies - 2

---

1. The development turnaround in Nepal and Bangladesh is an inspiring story for South Asia
2. An Indian model that's better than China's
3. Questionable criterion: On EWS quota income limit
4. Get to Business: About India – Pakistan relations
5. Making the House work
6. A gender turnaround in UP spells hope for women all across India
7. Heartland misery: Four states hosting 30% of Lok Sabha seats are among the poorest. That's a message for India
8. What the Omicron variant means for India
9. Helping Supreme Court: Regional courts of appeal can spare SC from many matters. But judicial infirmities will remain
10. The many challenges before trade unions
11. Data regulation in India: All you need to know
12. Reducing poverty
13. Omicron's lesson: We're not covid-safe until everyone is
14. It's time for a paradigm shift in how we treat illnesses
15. On regulation of social media: Social Media Beware
16. The case for a new constitution order
17. Small grant but a big opportunity for local bodies
18. Iran-Pak Rivalry In Afghanistan Works For India
19. Narco-terrorism: Afghanistan, the rise of a narco-terrorist state
20. Protect, don't pander: On suppression of free speech
21. BSF DG's remark on demographic change to justify a wider berth in border areas is flawed, disturbing
22. Why National Security Advisor's advice to IPS probationers is worrying
23. On POCSO Act: Errors of judgment
24. Our National Education policy could yet rescue school students
25. Are crime against women keep them out of the job market
26. CJI's remarks on a different accountability yardstick for judges is worrying
27. What the latest NFHS data says about the New Welfarism
28. There's a clear-eyed vision behind China's maritime build-up
29. Human trafficking survivors identify gaps in draft Bill, seek community-based rehab
30. Draft Data Protection Law: Privacy must be held as a fundamental right
31. Challenges in NIRF: Recast this apples-and-oranges ranking method
32. National Family Benefit Scheme is in urgent need of revival
33. Issue of Bail: Relief to Sudha Bharadwaj is welcome. Prolonged imprisonment of other Bhima Koregaon accused must also be questioned
34. 'More women than men' an overestimate, say experts; demand further evidence

### General Studies - 3

---

1. How to regulate Cryptocurrencies?
2. Stable banking – On Banking reforms

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

3. The great inflation conundrum that policymakers must resolve
4. A new public stocking policy centred on pulses, edible oils and vegetables is needed to manage unseasonal price hikes
5. The T-20 investment path
6. Why India's coal habit won't be easy to shake off
7. The three farm laws were never a solution
8. Not pie in the sky: Satellite-based technology can transform connectivity. GoI needs to enable it
9. Policymakers must break India's cycle of poverty
10. How to increase farm incomes & growth post repeal
11. Crypto-assets: To ban or not to ban?
12. Boosting green hydrogen
13. A launch window for India as a space start-up hub
14. On Cryptocurrency regulation – Arguments against regulating Cryptocurrencies are very weak
15. Rumblings of the coming central bank digital currency
16. On legalising MSP: Supporting farmers
17. India's informal economy has not shrunk
18. India's electric vehicle push will lead to brighter, greener future
19. Law for national security: Vital point on rights is sidestepped in the way SC's Pegasus case is framed
20. A cautionary tale for banking in Reliance Capital's collapse
21. 4G, 5G or 6G, all need wireless backhaul
22. How reforms are building momentum for 'India's century'
23. On Union government accounts – Growth spending
24. On indigenisation of defence products: Adding economy to defence
25. India's repeal of farm laws won't resolve our real crisis of farming
26. Global corporate taxation: The new bare minimum
27. Assessing the case for a legal MSP
28. A white touch to a refreshed green revolution
29. Breathing fresh air into the NCR's pollution control
30. COP27, in Egypt, must focus on food systems
31. A leap forward for fusion power
32. What the NFHS data reveals about inequality in India
33. The tech holes that ensure that crypto can never be effectively banned
34. Corridors of death

# General Studies Paper - 1

## General Studies - 1

### 1. The implications of a skewed sex ratio for India

**Source:** This post is based on the article “The implications of a skewed sex ratio for India” published in **Livemint** on **29th November 2021**.

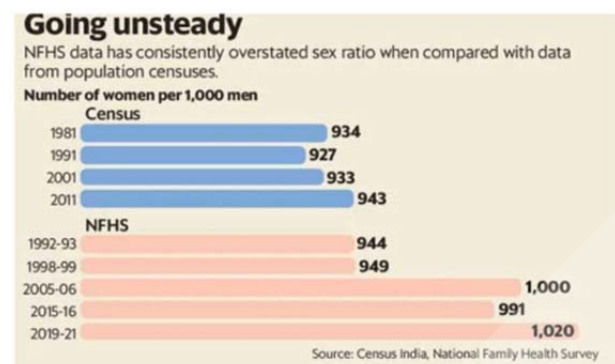
**Syllabus:** GS 1 – Population and associated issues.

**Relevance:** To understand the concerns associated with NFHS data on sex ratio.

**News:** According to the latest round of the **National Family Health Survey** (NFHS 2019-21), India has 1,020 females per 1,000 males.

**Must Read:** [Union Health Ministry releases NFHS-5 Phase II Findings](#)

### What are the concerns associated with the NFHS data?



Source: Livemint

1. **Near-double rate of rising in the population of women** against that of men in the last five years. If the sex ratio were to be 991, as estimated by NFHS 2015-16, the population of women would have comprised 643 million. But according to the recent NFHS, the population of women might comprise 688 million.

2. **Consistently overestimated sex ratio**, compared with population census. In 2005-06, NFHS estimated the sex ratio at 1:1, whereas census 2011 revealed it to be 943 females per 1,000 males.

**Read more:** [NFHS-5 and its findings – Explained, pointwise](#)

### What are the implications of NFHS’s data on sex ratio?

Sex ratio at birth (SRB) estimated by NFHS can be an imperfect proxy for Child Sex Ratio.

[Beti Bachao Beti Padhao \(BBBP\)](#) was launched in 2015 to improve the declining child sex ratio (CSR)—girls per 1,000 boys in 0-6 years.

### What does India need to focus on?

Over the last two decades, India has slipped on the labour force participation rate (LFPR) of females above 15 years, despite an improving sex ratio. This is true even after the NFHS-5 Survey.

According to World Bank data, from 38% in 2001, LFPR of females has fallen to 26% in 2020. The major reason for this is the higher participation rate for Indian women in unpaid domestic duties.

### What the government should do?

To come out of the “Missing Women” tag, India must invest in policies to ensure women are not missing in the workforce.

**Read more:** [What they own: NFHS on women property ownership isn't conclusive](#)

### 2. Should the state stop focusing on population control?

**Source:** This post is based on the article “Should the state stop focusing on population control?” published in **The Hindu** on **3rd December 2021**.

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

**Relevance:** Understanding family planning

**News:** Recent NFHS-5 data revealed that India’s Total Fertility Rate has declined to 2 from 2.2 of NFHS-4.

**Read here:** [NFHS-5 and its findings – Explained, pointwise](#)

### What factors have helped India bring down the Total Fertility Rate?

Women and their aspirations to plan and manage families have helped reduce the [TFR](#). NFHS-4 pointed that women, on average, wanted 1.8 children. This shows the huge unmet need for contraception – 3% in NFHS-4.

There are about 16.4 mn abortions every year. This shows that people are taking family planning seriously. Education, particularly women’s education, has helped delay marriage and also imparted knowledge of family planning to women.

The efforts put by the government in educating administrators, policymakers in controlling all 3 components of population growth – fertility, mortality and migration has helped bring down the TFR.

### Why the decline in TFR does not signal population stabilization?

Kerala has had low TFR for decades, but it still has a growing population. It is because of population momentum and a large young population. Population momentum is when the population continues to grow and there is no negative growth rate. Moreover, data shows that 23% of women are married before the age of 18.

### Should India adopt coercive population control measures?

India should continue with the current policy design. Data from Kerala, TN shows that TFR was controlled without coercive measures.

Even if certain states attain a negative growth rate, the migration will still balance the population.

### What measures should be taken to balance the population?

- Focus on providing spacing between children.
- Focus on girl education and increase the age of marriage.
- Invest in ageing and improving the health of people.
- Adopting coercive measures might target one particular community and create disharmony.
- Propagate and promote temporary sterilization measures.
- Spread awareness about sterilization measures so that women don't end up taking all the burden of sterilization.

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

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

Formulate a comprehensive policy that also covers the estimated 600 mn migrants. This should be backed by increased budgetary allocations and take it beyond the current levels, which are 6% of the health budget. All these should be matched by awareness and behavioral change.

ForumIAS

# General Studies Paper - 2



General Studies - 2

---

**1. The development turnaround in Nepal and Bangladesh is an inspiring story for South Asia**

**Source:** This post is based on the article “**The development turnaround in Nepal and Bangladesh is an inspiring story for South Asia**” published in **Indian Express** on **29th Nov 2021**.

**Syllabus:** GS2 – India and its neighbourhood relations (Roles and function of UNGA)

**Relevance:** UNGA, LDC, Developing country.

**News:** The United Nations General Assembly has adopted a historic resolution to include Bangladesh, Nepal and Laos in the list of developing countries from the category of the least developed countries.

**What are the criteria to qualify in the developing countries’ category?**

Countries must meet at least two of the below criteria in order to qualify for inclusion in the developing countries’ category.

- Per capita Gross National Income of \$1,018 and above.
- A high score of 60 on the Human Assets Index, which includes a health index and education index.
- A low score of 36 on the Economic & Environmental Vulnerability Index.

**What are the pros and cons of this move?**

**Negative implications**

– **Disruption in a country’s development:** As an LDC, a country gets trade related concessions including market access, and development assistance, technical assistance and special pathways to participate in international processes.

But when such benefits are withdrawn suddenly on account of a country’s development from LDC to Developing country status, it could impact its growth.

**Positive implications**

The inclusion of Nepal and Bangladesh as developing countries, plus the scheduled graduation of Bhutan in 2023, are all positive developments for the South Asian region.

The improvement in the economic and social prospects of the people of a country can benefit other nations, particularly those in its neighbourhood.

**What protections have been given to Nepal and Bangladesh to ensure they don’t slip back to LDC status?**

Graduating countries such as Nepal and Bangladesh are given a transition period during which most of the benefits available to LDCs remain available to graduating countries.

Usually, the transition period is **three years**, but this time, in view of the economic, social and other disruptions caused by Covid-9, the UN General Assembly has taken the right step by giving **five years**.

**2. An Indian model that’s better than China’s**

**Source:** This post is based on the article “**An Indian model that’s better than China’s**” published in the **Times of India** on **29th November 2021**.

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

**Relevance:** Understanding the health policy.

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

**News:** The National Family Health Survey 5 indicates that India has defused the population bomb without adopting any extreme measures like the One Child policy.

**Also read:** [Union Health Ministry releases NFHS-5 Phase II Findings](#)

### What does the variation of status in TFR indicate?

According to NFHS 5, India's **Total Fertility Rate** or the average number of children per woman has dropped to 2 below the replacement level (2.1 estimated by WHO).

NFHS 5 showed an increase in the proportion of women using modern contraceptive methods from 47.8% in 2015-16 to 56.5% in 2019-21, a decrease in the unmet need for family planning and improvement in family planning services.

The states with the highest TFR like Bihar, Jharkhand and Uttar Pradesh also have the lowest proportion of literate women and women who have completed 10 years of schooling. They are also the states ranked lowest in the **Niti Aayog's latest multi-dimensional poverty index**.

This is a clear indication of the **importance of underlying characteristics** such as level of women's education, their average marital age, access to contraceptive services etc on population control measures.

### What is the difference between China's and India's policies?

China and India, both had a TFR of 6 in the 1950s, but China reached below-replacement fertility levels by 1990 through a one-child policy. This has resulted in disastrous demographic consequences such as a rapidly ageing population, a skewed gender ratio as people aborted or abandoned female babies, and a shrinking labor force with too few young people to support the elderly.

However, like India, countries such as Bangladesh, Brazil, Turkey, and Malaysia, which started off with TFRs of 6 or more achieved replacement level fertility without such coercive policies.

### What lessons should states need to learn?

India's decadal growth rate reached as high as 24.8% in the 1960s and 24.7% in the 1970s. Since the 1980s, there has been a steady decline in population growth. 2011 census showed that for the first time since 1900 India added fewer people to its population in a decade than in the previous decade.

Despite this refined, overpopulation is described as a cause of countries ills. Many states have introduced punitive measures, such as not letting people in more than two children contest local elections. Such penalty measures could even be counter-productive. There is need to reduce population not stigmatize it.

### 3. Questionable criterion: On EWS quota income limit

**Source:** This post is based on the article " **Questionable criterion: On EWS quota income limit**" published in **The Hindu** on **29th November 2021**.

**Syllabus:** GS 2 Mechanisms, Laws, Institutions and Bodies constituted for the Protection and Betterment of these Vulnerable Sections.

**Relevance:** Understanding the reservation mechanism.

**News:** Recently, the Supreme Court raised questions about the basis on which Centre fixed income limit and criteria for granting reservation to Economic Weaker Section (EWS).

**Read more:** [The new 10% quota, its implications, and more](#)

### What was the SC case all about?

In an ongoing case, the bench is considering the validity of the 27% quota for Other Backward Classes (OBC) and 10% for Economically Weaker Sections, introduced for admission to the **All-India Quota (AIQ) of seats in medical admissions** throughout the country.

**Also read:** [The Mandal case and Reservation in India – Explained, Pointwise](#)

The court wants to know whether there was any study done before the Centre prescribed the norms for identifying EWS beneficiaries based on indicators of economic disadvantage. The court has clarified that it is not examining any policy issue but wants to determine if constitutional requirements have been complied with.

**Also read:** [103rd constitutional amendment present a more difficult judicial examination than usual](#)

### What was the status of the OBC reservation for AIQ seats in medical admissions?

OBC reservation is applicable to admissions done separately by the Union and State governments in their respective medical institutions, but it was not implemented all these years for all-India quota seats. The introduction of the OBC quota in AIQ only brings the admission norms in line with prevailing policy.

This pool is formed by the surrender of 15% of undergraduate seats and 50% of PG seats by the States.

### What was the issue that is still not handled?

The current proceeding will only decide the validity of OBC and EWS reservation in admissions under the AIQ.

The larger issue that still remains is whether reservation can be treated as a poverty alleviation measure or it should also include those not well-off but socially advanced communities too. Constitution Bench should need to address this question too.

## 4. Get to Business: About India – Pakistan relations

**Source:** This post is based on the article "Get to Business" published in the **Indian Express** on **29th November 2021**.

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

**Relevance:** Understanding the importance of normalizing India- Pakistan relations.

**News:** India and Pakistan have partially opened their land border recently.

### Recent trade relations between India and Pakistan

After the Pulwama terror attack, bilateral trade between the two countries plummeted from around \$2 billion in 2017-18 to \$280 million in 2020-21 (April to February).

**Also read:** ["India-Pakistan Relations" – Pakistan to Resume Trade with India](#)

### What steps India and Pakistan should initiate to normalize the relations?

**Pakistan should revoke the unilateral suspension of trade:** After India's decision to revoke [Article 370](#), Pakistan suspended the trade with India, which it should revoke now. Also, this trade suspension by Pakistan is inconsistent with the General Agreement on Tariffs and Trade (GATT) and the South Asian Free Trade Area (SAFTA) agreement.

**Read here:** [Pakistan downgrades diplomatic ties, suspends trade with India](#)

GATT, as part of [WTO](#), allows countries to adopt trade-restraining measures on certain grounds such as public health, national security purposes (Article XXI). Similarly, Article 14 of

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

SAFTA permits trade-restrictive measures for national security and other purposes. Neither the WTO nor SAFTA permits a country to suspend trade with another member country on grounds that it disapproves of domestic law.

**Pakistan to accord Most Favored Nation(MFN) to India:** Pakistan is in breach of Article I of GATT towards India since the formation of the WTO in 1995. So, it is time that Pakistan grants the MFN status to India.

**Most Favoured Nation:** It is a treatment accorded to a trade partner to ensure non-discriminatory trade between two countries vis-a-vis other trade partners.

**India to restore Pakistan's MFN status:** India has revoked the MFN status to Pakistan in the aftermath of the terror attacks in Pulwama and hiked the tariff rates on all Pakistani imports to an unfeasible rate of 200%.

**Also read:** [India revokes Pak.'s MFN status day after terrorist strike in J&K](#)

**Trade agreements to be consistent with GATT objectives:** Article XXIV allows both countries to enter into any special trading arrangement without fully complying with GATT conditions. The only requirement is that these special trade arrangements should be consistent with GATT's objectives. Both countries should frame policies according to that.

### How normalizing relations with Pakistan can benefit India?

The rise of China poses a greater threat to India. According to the **Centre for Policy Research report**, a continuing freeze in relations with Pakistan will “enhance India's external vulnerability to other actors, in particular, China.”

So, normalizing and strengthening trade relations with Pakistan can help India to counter the threat that emerges with the rise of China.

Hence, effective management should be the main objective for fostering economic and trade relations with India and Pakistan.

## 5. Making the House work

**Source:** This post is based on the article” **Making the House work**” published in **Indian Express** on **29th November 2021**.

**Syllabus:** GS2- Parliament —Structure, Functioning, Conduct of Business, Powers & Privileges and Issues Arising out of these.

**Relevance:** Understanding the functioning of Parliament.

**News:** In India, the efficiency of Parliament is measured through the number of bills passed. Given that the government has decided to repeal [three farm laws](#), this will raise questions on the efficiency of Parliament and the net output.

### What questions does it raise for Representative democracy?

Repealing these farm laws will be unique as they had been passed but never implemented. This will also raise questions on the fate of the [Citizenship Amendment Act](#).

**Also read:** [Can a state challenge/reject central laws? On issue of farm bills and CAA](#)

The government has faced severe criticism on human rights and freedom of the press, and [increasing cases of sedition](#) and [UAPA](#).

**Also read:** [UAPA and the recent judgments](#)

Moreover, laws passed by Parliament are being seen as unacceptable by people.

### **What is the role of opposition under present circumstances?**

The opposition and government need to **ensure coordination** on common issues, **standardize the Parliamentary procedures**, give or **represent voices of the suppressed** and marginalized segment. Unnecessary confrontation should be avoided, and adequate respect should be given to differences of opinion.

The opposition should avoid using stalling the functioning of the Parliament. Further, the ruling party should create sufficient space for the opposition to voice their views and concerns. Otherwise, it could lead to factionalism within the ruling party.

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

A vibrant democracy needs a robust civil society. So government should give voice to people, give space to legitimate voices of concern and protests, ensure that democracy is representative all the time.

## **6. [A gender turnaround in UP spells hope for women all across India](#)**

**Source:** This post is based on the article **“A gender turnaround in UP spells hope for women all across India”** published in **Livemint** on **29th November 2021**.

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

**Relevance:** To understand the developments in UP based on NFHS data.

**News:** According to the recent NFHS-5 data, Uttar Pradesh’s (UP) overall sex ratio improved from 995 females per 1,000 males to 1,017. Further, UP also improved in various other metrics on Women empowerment.

### **Why UP’s achievement is significant?**

This is significant as the state has rigid patriarchal norms, historically skewed sex ratio, high son preference and high fertility, low levels of girls’ education, low female labour force participation etc.

**Read more:** [NFHS-5 and its findings – Explained, pointwise](#)

### **What are the concerns associated with NFHS-5 data on UP?**

1. This improvement could be due to male migration to other states for work,
2. Many other northern states still have skewed sex ratios so the data on UP might not reliable.

### **Why does the improvement of UP is significant for India?**

-When a populous and poor state begins to experience large positive shifts, then it has a disproportionate impact on the country’s development picture as UP.

-It signals a much earlier reversal of daughter discrimination in India than anticipated.

-UP is still contributing the largest number of girls ‘missing at birth’ to India’s total. So, the improvement in UP signifies acceptance of girl children among society.

**Read more:** [What they own: NFHS on women property ownership isn’t conclusive](#)

### **Terms to know:**

- [National Family Health Survey \(NFHS\)](#)

**7. Heartland misery: Four states hosting 30% of Lok Sabha seats are among the poorest. That's a message for India**

**Source:** This post is based on the article “Heartland misery: Four states hosting 30% of Lok Sabha seats are among the poorest. That's a message for India” published in TOI on 29th November 2021.

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

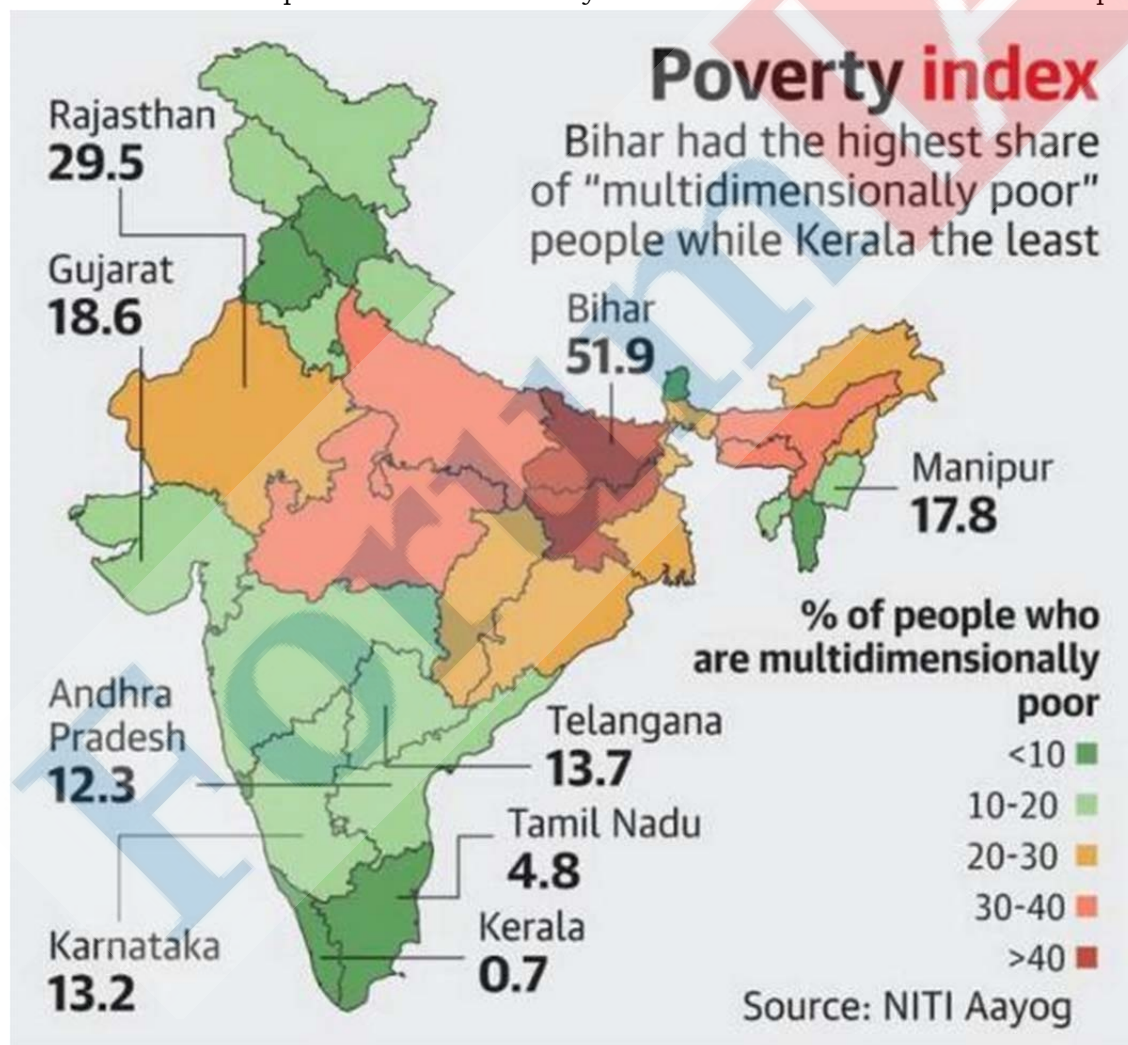
**Relevance:** To understand the poor performance of Heartland states in the recent Multidimensional Poverty Index.

**News:** Niti Aayog has released India's first National [Multidimensional Poverty Index](#).

**Read more:** [One out of every two Bihar households is multidimensionally poor: NITI Aayog](#)

**How much disparity is there between states?**

In 1991, on economic reform-eve, Bihar and Tamil Nadu were nearly at par in per capita GDP. So, the performance of these states in multidimensional poverty index indicators depends on the extent of welfare policies and their ability to deliver household amenities to the poor.



Source:

The Hindu

But, three decades later, TN has reduced its multidimensionally poor to 4.8% of the population, but not the Heartland states. (Bihar stayed at 51.9%. Jharkhand follows with 42%, UP 38% and MP 37%).

### **Why does Heartland state's poor performance is a cause of concern?**

**Governance issues:** These four states cumulatively account for 30% of seats in Lok Sabha and their electoral outcomes play a decisive role in national government formation. But, despite that, the MPI did not improve.

**Massive welfare funding** from Centre for these four states.

**Reversal of farm laws makes even harder to reduce poverty:** These four states failed to reduce the subsidy given to big farmers and did not lead the agri-reforms.

But they collectively account for nearly 5 crore of India's 12.5 crore unviable agricultural land holdings under 2 hectares. So, the farm laws' reversal makes poverty eradication in villages even harder.

### **What has to be done?**

The recent [NFHS-5 survey](#) mentions that 60% of women and young children facing malnutrition. This highlights the limitations of welfarism. This has to be corrected.

To overcome the poverty, importance of economic growth has to be emphasised, and it has to create enough jobs.

## **8. What the Omicron variant means for India**

**Source:** This post is based on the article "What the Omicron variant means for India" published in **The Hindu** on **29th November 2021**.

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

**Relevance:** Understanding the need to globally unite to solve the health crisis arises because of corona new variants.

**News:** Corona's situation is coming to normalize following the deadly second wave in India. But the coming of the new Omicron variant poses a threat to progress made in the Covid fight.

### **What is the present situation amidst the corona pandemic in India?**

The number of corona cases is declining in India even the rise has been seen across much of Europe. According to studies, this is because of two factors:

1. A large number of people already exposed to the virus. Thus providing some level of protection to subsequent infections,
2. The [vaccination drive in India](#). Approximately 44% of Indian adults have been fully vaccinated and 82% have received at least one dose.

### **What is the Omicron variant? Why is the Omicron variant worrying?**

**Read here:** [Why this new Covid strain 'B.1.1.529' is more lethal than Delta variant](#)

It is still unclear, whether the Omicron variant might lead to more severe forms of COVID-19, both in vaccinated and unvaccinated individuals. So, research is needed for the same.

Although the RT-PCR test can still detect the Omicron variant, India should still prepare for handling this variant. If these mutations do lead to greater immune escape, vaccines and treatments like monoclonal, antibodies might need to be reformulated.

### What should be done to control the situation?

As long as the virus circulates, the possibility remains that new variants could emerge. So, the best option available is to **reduce the case numbers and boost the vaccination process**. A single dose of vaccine can reduce dramatically the risk of hospitalization or a worse outcome; two doses do even better.

It has been found that more than 60 countries have vaccinated less than 25% of their population, including South Africa. So, there is a need to **solve the inequity problem** in the vaccination process.

### 9. Helping Supreme Court: Regional courts of appeal can spare SC from many matters. But judicial infirmities will remain

**Source:** This post is based on the article “**Helping Supreme Court: Regional courts of appeal can spare SC from many matters. But judicial infirmities will remain**” published in the **Times of India** on **30th November 2021**.

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

**Relevance:** Understanding the need for establishing a Regional court of appeals.

**News:** To address the Supreme Court’s pendency burden, Attorney General KK Venugopal plea suggested setting up at least four regional courts of appeal (RCAs). He also recommended that RCA should focus solely on constitutional matters.

### How does the pendency of cases affect the functioning of SC?

The pendency of cases in the Supreme Court has increased from 58,000 in April 2019 to 70,000 presently. Over 400 constitution bench matters like [Article 370](#) and [CAA](#) are pending before 5,7 and 9 judge benches.

**Also read:** [Pendency of Cases and Rising Vacancies in the Judiciary – Explained, Pointwise](#)

Ideally, constitutional matters to be heard by benches comprising more judges. But, SC is occupied with adjudicating divorce cases to bail pleas and appeals against orders of lower courts. So, the SC is not able to allocate high judge benches to constitutional matters.

The US court, in comparison, is very selective, and the appeal load is borne by 13 circuit courts under it.

### How should Regional Courts of Appeal (RCAs) work?

The success of RCAs would depend on the **quality of judges**. Otherwise, it would produce sub-par results and litigants would appeal to the supreme court. An [All-India Judicial Service](#) can be helpful in boosting the quality of judicial appointments.

### What measures should need to be further adopted?

1) Vacancies should be filled quickly. 2) Other institutions have to make sure that **miscarriage of justice** does not happen so that fewer cases of appeal to SC.

ForumIAS is now in **Hyderabad**. [Click here](#) to know more

### 10. The many challenges before trade unions

**Source:** This post is based on the article “**The many challenges before trade unions**” published in **The Hindu** on **30th November 2021**.

**Syllabus:** GS 2 – Issues related to Labour laws

**Relevance:** Labour law reforms



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

**News:** Trade unions have intensified their agitation against the Codes in the wake of the government's decision to repeal the farm laws.

The labour code requires repeal for many reasons. However, as opposed to the success of farmers' protests, the trade unions' agitations failed in achieving their demands.

### **What are the problems with the labour codes?**

The Central Trade Unions (CTUs) have criticised the Codes for the below reasons

**Firstly, the Labour Codes were passed with little debate and discussion.** The Central government did not hold adequate consultations with trade unions on the Codes.

The absence of effective dialogue contradicts the International Labour Organization treaty, the Tripartite Consultation (International Labour Standards) Convention of 1976 (C.144), which India had ratified in February 1978.

**Secondly, many clauses in the codes deprive labourers of hard-won labour rights.**

**Thirdly, the Codes disrupt the collective legal and industrial relations intelligence in the country.** For instance, the government introduced changes in major contentious clauses (hire and fire, contract labour) that were not based on robust empirical evidence.

Further, the promises that were made are not backed by credible systems (social security fund, universal minimum wages, and social security).

**Fourthly, liberalization of thresholds would intensify informalisation of the workforce.**

For instance, liberalization of major legal aspects such as contract labor, hire, and fire, standing orders.

**Finally, the codes had many procedural deficiencies.** The codes did not reflect several of the PSC (Parliamentary Standing Committee) recommendations or included clauses not mentioned in the draft Bills sent to the PSC.

### **Why strikes are unsuccessful?**

**The CTUs are divided:** For instance, out of the 12 major CTUs, 10 have been jointly spearheading agitations calling for the repeal of all four Codes while the BMS has been conducting its own limited agitation. Further, thousands of enterprise-based unions lack political consciousness and therefore do not always support the CTUs' agitations.

**Labour Codes matter less even if they are repealed:** This is because of two reasons, One, though the CTUs for long succeeded in blocking labour law reforms at the national level, substantial reforms of laws and inspections have happened at the regional level.

Two, with the support of the government, employers have been able to achieve labour flexibility (the rampant contractualisation of the workforce) denied to them by formal laws. Hence, the Labour Codes matter less even if they are repealed.

**Unorganised:** Though there are around 400 million unorganised and informal workers, they are scattered and not organised in a consolidated manner to mount significant political opposition and demand labour market securities.

**Industrial workers cannot organise longer and larger strikes:** Unlike farmers, they would lose their jobs and wages.

Further, the presence of a huge number of underemployed or unemployed and informal workers weakens their bargaining power.

The failures of the Railway strike of 1974 and the Bombay textile workers' strike of 1982-83 haunt the labour movement.

**Neoliberal order:** Labour reforms agendas such as privatisation, flexible labour markets, etc. are supported by global financial institutions like the World Bank and the International Monetary Fund.

### 11. Data regulation in India: All you need to know

**Source:** This post is based on the article “Data regulation in India: All you need to know” published in **Livemint** on **30th November** 2021.

**Syllabus:** GS 2– Issues related to Privacy and protection of data.

**Relevance:** Personal Data Protection (PDP) bill

**News:** The Joint Parliamentary Committee (JPC) on Personal Data Protection (PDP) bill is finally ready to table its report during the winter session of the Parliament.

The JPC has prescribed a phased approach to implementing provisions of the bill. The Act will be fully active in two years.

#### What are the major recommendations of the JPC?

The JPC has recommended that the bill should be called the Data Protection Bill, and its scope widened.

It said the bill should cover not just personal data within its purview, but also non-personal data and non-personal data breaches.

Non-personal data breaches include any unauthorized acquisition, sharing, use, alteration, destruction, or loss of access to such data that compromises the confidentiality, integrity, or availability of this data.

-Accidental disclosure of non-personal data, including breaches resulting from a lack of proper compliance measures, are also covered under such breaches.

The JPC has recommended that social media firms shouldn't be allowed to function in India without setting up offices here.

Firms that do not operate as intermediaries should be treated as publishers, who will be accountable for the content distributed on their platforms.

Creating an alternative payment system to SWIFT for cross-border payments, digital certification of Internet of Things (IoT) and other digital devices by the DPA, and localization of sensitive data.

Chairpersons and members of the Data Protection Authority (DPA) should be appointed within three months, and the DPA should start work under the Act and register data fiduciaries in six and nine months, respectively.

#### What is non-personal data, and what is the issue related to it?

All data that doesn't personally identify a user is known as non-personal data. For instance, an anonymized data set showing the preferences of users in a particular city or state can fall under non-personal data.

Earlier, a draft report released by the **Kris Gopalakrishnan committee** had suggested that non-personal data should be provided to domestic companies for building products and services.

However, it has been opposed by major social media firms, who think it will take away their competitive advantage.

### 12. Reducing poverty

**Source:** This post is based on the article “Reducing poverty” published in **Business Standard** on 29th Nov 2021.

**Syllabus:** GS2 –Issues relating to poverty and hunger.

**Relevance:** To know about India's own MPI, its datas.

**News:** NITI Aayog has come up with India's first multi-dimensional poverty index (MPI).

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

It is a useful report for policymakers and NGO's to know about the well-being of Indians on a wider set of indicators other than income.

### More about the report:

The report figured usual states like Bihar, Jharkhand, and UP as India's poorest states.

### Read – [NITI report on Poverty](#)

The Indian MPI is based on the same UN's dimensions of poverty which are health, education, and the standard of living with the weighting of one-third ascribed to each.

However, two additional indicators are placed under health and standard of living in the Indian index which are ante-natal care and bank accounts, respectively.

### What is the problem with new data?

The report reveals that 25% of Indians are multi-dimensionally poor. This is nearly 3% points lower than the UN survey.

This might be because of the above two new indicators introduced, where India has done well.

### What is the challenge of sustainability?

The real test of success in reducing multi-dimensional poverty lies in its sustainability. Some projects like “**har ghar me nal**” for safe drinking water is a good move, however, the challenge lies in ensuring that the taps, do not run dry because of a rapidly falling water table in parts of India.

The target of **electrifying** all households, while admirable, demands the provision of 24×7, good-quality power.

Similarly, maintaining a gas connection after **Ujjwala** scheme providing a connection is a challenge.

### 13. Omicron's lesson: We're not covid-safe until everyone is

**Source:** This post is based on the article “**Omicron's lesson: We're not covid-safe until everyone is**” published in **The Hindu** on **1st Dec 2021**.

**Syllabus:** GS2- Issues Relating to Development and Management of Health.

**Relevance:** Omicron, vaccine equity.

**News:** The emergence of Omicron has evoked fresh demands for booster shots.

Rich countries continue to stockpile and administer booster shots, while people in many low and low-middle income countries wait for their first jab.

However, the emergence of new variants from low-vaccination-coverage regions essentially means that covid could be a never-ending battle.

The only way this pandemic can and should be fought is with global solidarity and vaccine equity. The idea of booster shots seems to be irrational.

### Why the idea of booster shots is irrational?

**Vaccine inequity:** Omicron has emerged from Africa, a continent that has just 7% of its total population fully vaccinated. It is this vaccine inequity that weakens our global fight against the pandemic.

Therefore, a decision to introduce booster shots would further divert supplies from the neediest and widen vaccine inequity.

### What steps should India take?

**Focus on full-vaccination coverage:** Though India has more vaccine supply than demand, India should not start providing booster shots. Rather, India should try to achieve full-vaccination coverage of those at the highest i.e. those aged 60-plus and 45-59 with co-morbidities.

**Epidemiological and vaccine effectiveness studies should be commissioned:** This will help to generate evidence that could guide decisions.

For instance, there are evidences that a booster dose of a vaccine on a different platform could be a better approach. The UK, which used the Oxford-AstraZeneca vaccine for its primary schedule, has chosen mRNA vaccines for booster shots.

These mRNA vaccines are not yet available in India. So, India should revive negotiations with mRNA-jab makers, to keep such vaccines as an option in case of a health emergency.

**Investment in vaccine research and development (R&D):** The periodic emergence of new variants is a signal that future vaccines should be developed that are able to tackle multiple strains. In this context, adequate investment in vaccine R&D and domestic & international collaborations can help India tackle the new variants better in the future.

### What is the way forward?

Increasing the vaccine accessibility and affordability is the key to control the emergence of new variants. It can be done by

**First**, granting voluntary licensing and transfer of technology. This can increase dose production at a larger scale.

In this context, India and South Africa's proposal at the WTO for a temporary waiver of intellectual-property protection for covid vaccines needs to be favourably considered.

**Second**, COVAX-abundant nations should share a fixed portion of their stock with a global pool.

ForumIAS is now in **Hyderabad**. [Click here](#) to know more

### 14. It's time for a paradigm shift in how we treat illnesses

**Source:** This post is based on the article "It's time for a paradigm shift in how we treat illnesses" published in **Livemint** on **1<sup>st</sup> Dec 2021**.

**Syllabus:** GS2 – Issues Relating to Development and Management of Health.

**Relevance:** Antibiotics vs. phage therapy

**News:** Antibiotics have become our preferred method of treatment nowadays.

This has made treatments more standardised with no customised treatment for individuals irrespective of their genetic diversity.

But, the indiscriminate use of antibiotics has resulted in the emergence of antibiotic resistance, a worldwide health concern. Hence, we need to push for a better alternative medicine for the treatment of diseases.

In this context, restarting the research into phage therapy can help us to design customised treatment for every individual and every disease.

### What is phage therapy?

It is a treatment protocol that involved the administration of **specific bacteriophage viruses** to persons suffering from identified bacterial diseases.

It has been proved successful against a range of diseases, from bubonic plague to cholera and dysentery.

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

However, owing to the advantages of Antibiotics over Phage therapy, the research in to latter has been restricted to a few countries.

### What are the advantages of Antibiotics over Phage therapy?

**Firstly**, unlike bacteriophages that are specific, antibiotics are effective across a broad spectrum of infections, making them easy to administer even if the exact pathogen has not been identified.

**Secondly**, antibiotics are used for a wide range of purposes, from curing disease to speeding up the growth of livestock

### What are the issues/concerns associated with the antibiotics?

Over-reliance on them has given rise to the phenomenon of **antibiotic resistance**. For instance, the World Health Organization had established a global action plan on antimicrobial resistance (AMR). Recently, FAO has also launched an **Action Plan on AMR (2021-2025)** A report by the US Center for Disease Control suggests that in the US alone, more than 2.8 million antibiotic-resistant infections occur each year, resulting in more than 35,000 deaths In India, antibiotic resistance has led to the **rise of superbugs**, diseases seemingly resistant to multiple drugs.

### Why Phage therapy can be renewed now?

**First**, given the targeted effectiveness of bacteriophages, these treatments have relatively fewer side effects and almost always result in a cure.

**Second**, with advances in genetic sequencing, it is now easier than ever before to identify infection-causing pathogens.

**Third**, advances in genetic sequencing have also made it possible for us to harvest phages from cured patients, giving us a relatively unlimited supply of therapeutic material.

### What are the issues with shifting to phage therapy?

It will require us to completely overhaul our current thinking about pharmaceuticals. For example, Massive centralized facilities should be replaced by **decentralized repositories of bacteriophages**.

Because a virus that is effective against one strain of a disease in Europe could well be ineffective against another strain of the same illness in India. So, **phage therapy needs to be developed locally**.

This will also require **re-training of medical professionals** to focus on accurately diagnosing specific pathogens.

## 15. On regulation of social media: Social Media Beware

**Source:** This post is based on the article “**Social Media Beware**” published in **Times of India** on **01 Dec 2021**.

**Syllabus:** GS2- e-governance applications, models, successes, limitations, and potential.

**Relevance:** To understand the two-sided use of social media platforms.

**News:** Australian PM has announced new laws to help clean up social media.

### What is the new Australian law?

It is expected to tackle trolls on social media who go around hurting people without consequences.

The new law will **vest liability** with the person making the comment.

Created with love ❤ by ForumIAS- the knowledge network for civil services.  
Visit [academy.forumias.com](https://academy.forumias.com) for our mentor-based courses.

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

In case the troller cannot be identified, the **social media provider** will be deemed to be the publisher of the comment. It would be made to pay any payouts arising from defamatory comments on its platform.

**Significance:** This is a major change in the “unprecedented liability shield” whereby social media platforms have largely escaped the legal implications of content published there.

### Why do countries need such laws?

Social media companies spend **resources** to fact-check and moderate speech, however, it is extremely **unevenly spread** across different countries.

**Inadequate efforts:** Whatever attempts taken by platforms to identify and suspend anonymous perpetrators, whether via algorithmic or human monitors, it is inadequate to solve the problem. Therefore, countries have begun to look to other paths for tackling the hate and misinformation.

### What is the benefit & challenges of anonymity offered by social media platforms?

**Benefit:** It has given voice to various marginalised communities, and to dissidents in repressive regimes.

**Challenges:** In India, anonymous **bullying and harassment** is too common on Twitter. Be it journalists or women, threat of life and rape to women is common and ever-present. The constant contempt and attempt to malice the dignity of someone often **serves political parties**.

### What is the stand of India on it and the way forward?

India's **intermediary rules** refer to voluntary verification of social media users. However, if companies do not tackle the issue, India must look at other options, like mandatory verification.

## 16. The case for a new constitution order

**Source:** This post is based on the article “**The case for a new constitution order**” published in **Business Standard** on **30th November 2021**.

**Subject:** GS2 Indian Constitution—Historical Underpinnings, Evolution, Features, Amendments, Significant Provisions and Basic Structure.

**Relevance:** Understanding functioning of the constitution in India.

**News:** There is deep unrest amongst various sections of our society about how our constitution is functioning. This was evident when farmers refused to accept laws framed by the legislature and declined to listen to Supreme Court when they were asked to present their case.

### What do constitutional amendments suggest?

The USA has made only 27 amendments to its constitution. India has witnessed 105 amendments in the last 72 years. In India, one can easily witness people talking to the streets and dictating framing and repeal of laws.

### What are the challenges faced by the Indian constitution?

There is an imbalance of power between various organs of the state, including the executive, legislature and judiciary.

**Judiciary** has excess power as it can overturn laws, even if they don't violate constitutional provisions.

The **executive** has excess power over the legislature by virtue of anti-defection laws.

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

The **Centre** has excessive economic power compared to states. Similarly, the **States** have excessive power compared to local bodies.

As a result, the bottom of the pyramid is weakening.

### What is the impact of this imbalance?

Because of the imbalances, every organ can stop the other organ from functioning. **Judiciary** has the power to appoint judges. After SC overturned [NJAC](#), the executive has taken power to delay the appointments. Judiciary can even make laws under [Article 142](#), but it can not implement them without the backing of the state.

The **legislature** can make laws but cannot implement them if there is excessive social pressure or street mobs.

Also, sometimes even that top court has been unable to decide many constitutional cases from Sabrimala review to [article 370](#) to [CAA](#).

### How can we address these challenges?

**First**, The concurrent list should be done away with and these powers should be devolved to states.

**Second**, third list, a **list for local bodies** should be created, and it should not be subservient to state bodies.

**Third**, The power between state and judiciary needs to be rebalanced.

**Fourth**, the Higher judiciary needs to be bifurcated into courts of appeal and constitutional court. The power to adjudicate on PIL's must be exercised sparingly, and that too by constitutional courts only.

Thus, India needs to look beyond a piecemeal approach, formulate an all-inclusive committee that should take comprehensive reform of the constitution.

### 17. Small grant but a big opportunity for local bodies

**Source:** This post is based on the article "**Small grant but a big opportunity for local bodies**" published in **The Hindu** on **1st December 2021**.

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

**Relevance:** Understanding primary health care systems.

**News:** 15th Finance commission recommended a health grant of 70,000 crore which is to be released over the next 5 years. Out of this nearly 8000 crore was released to urban and rural local bodies. This would be 2.3% of the total health expenditure. This has the potential of having a huge impact on health services in India.

**Read here:** [Critical Analysis of 15th Finance Commission Recommendations for Local Bodies](#)

### What were the reasons for failure in the past?

In 1992, with **73rd and 74th Amendment Act**, primary health care was transferred to PRI's and ULB's (Urban Local Bodies). But this negatively impacted the ULB's. The government funding for ULB's was not channelled through State health departments. ULB's failed to raise their own resources. This was due to **lack of finances, lack of clarity of responsibility and having different spending priorities**. All this resulted in a financial crunch.

**Read here:** [Local Self Government](#)

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

National Rural Health Mission (NRHM, 2005) although partly reduced the issue of RLBs (Rural Local Bodies) not spending on health. But National Urban Health Mission (NUHM) had a meagre annual financial allocation that never crossed ₹1,000 crores.

Hence, in 2017-18, 25 years after the Constitutional Amendments, the ULBs and RLBs are only contributing 1.3% and 1% of the annual total health expenditure in India.

### **What are the obstacles faced by Urban India in improving the health system?**

Urban India, which holds half the population of rural India, has **just one-sixth of primary health centre's** as compared to rural India. It faces **regular outbreaks of diseases** like chikungunya and dengue. Covid-19 pandemic exposed the **weak testing and hospital infrastructure** of Urban India. There is a **lack of coordination and jurisdiction issues** between various agencies.

Given these circumstances, 15th FC's increased grant for NUHM is a welcome step.

### **What steps are needed to revive the health infrastructure?**

- Sensitize the key stakeholders in local bodies, e.g. PRI representatives.
- Raise awareness amongst citizens about the responsibility of local bodies in health care.
- Civil society organizations should raise awareness, develop local dashboards etc.
- Local bodies should augment the FC grants by raising their own resources.
- Institutionalize coordination mechanism amongst various agencies.
- State governments should open up various types of community clinics in rural and urban areas.

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

While India health system needs funding, it needs to be complemented by various agencies, elected representatives and civil society to ensure that the coveted goal of health for all can be met.

## **18. Iran-Pak Rivalry In Afghanistan Works For India**

**Source:** This post is based on the article "Iran-Pak Rivalry In Afghanistan Works For India" published in the **Times of India** on **1st December 2021**.

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

**Relevance:** Understanding the importance of Iran for India in the Afghanistan context.

**News:** Indian concerns about the repercussions of ISI activities in Afghanistan holds little importance owing to the different interests of the regional powers. Iran, in this context, is important for India as both countries want to resist Pakistan's domination in Afghanistan.

### **Why there is a conflict between Iran and Pakistan?**

Both countries chose their intelligence agency to destabilize each other. Pakistan's ISI used jihadi outfits like Jundullah and Jaish al-Adl to destabilize Iran, whereas the IRGC (Islamic Revolutionary Guards Corps (IRGC) supports Baloch insurgents in Pakistan.

### **About the past relations between Iran and Afghanistan?**

After the ISI-backed Taliban overthrew President Burhanuddin Rabbani's 'national unity' government in 1996, **Iran supported the Northern Alliance** against the Taliban.



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

US invasion of Afghanistan in 2001, holds a significant opportunity for Iran to regain its influence in the region. However, the deterioration of the US-Iran relationship led the IRGC to support the anti-US insurgency.

Thus, Iran started hosting a liaison office between the Taliban and IRGC. IRGC.

### What is Iran's stand today?

Iran is concerned about the Taliban takeover of Afghanistan. Reports of the Influence of ISI and the lack of formation of an inclusive government have further heightened the concerns. The absence of Persian-speaking minority groups and exclusion of IRGC-backed senior commanders from leadership roles is of grave concern to Iran.

Iran's pressure worked to some extent, and the Taliban announced the expansion of the interim government and included IRGC-backed commanders and the selection of ethnic Hazara as deputy minister of health.

### How engagement with Iran is beneficial for India?

With India and Iran both wanting to stop the dominance of Pakistan, India must engage with Iran to secure a favorable balance in its neighborhood.

### 19. Narco-terrorism: Afghanistan, the rise of a narco-terrorist state

**Source:** This post is based on the article "Afghanistan, the rise of a narco-terrorist state" published in **The Hindu** on **1st December 2021**.

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

**Relevance:** Understanding the increasing threat of narco-terrorism on the Indian state.

**News:** According to [United Nations Office on Drugs and Crime \(UNODC\)](#), opium production in Afghanistan has crossed 6,000 tonnes for the 5th consecutive year. It led to an increase in the production of opiates by 8%.

### What were the reasons behind the increase in opium production in Afghanistan?

**Source of income:** Taliban is involved in promoting its production, taxation and smuggling either into Pakistan or Iran. According to **United Nations**, Taliban earned more than \$400 million between 2018-19 from the drug trade. Another report from the **United States Special Inspector General for Afghanistan Reconstruction (SIGAR)** estimated that the Taliban derive up to 60% of their annual revenue from illicit narcotics.

**Strengthening relations with Terrorist groups** like the Organization of Al-Qaeda in the Islamic Maghreb (AQIM), the Islamic State, the Revolutionary Armed Forces of Colombia (FARC), Hezbollah and others.

**No alternate livelihood programme:** Punitive policies were advocated by the international community, which sought the use of force to destroy standing opium crops without adequately compensating the farmers or leaving them without alternative livelihoods.

All this results in flourishing the narco-infrastructure in Afghanistan and developing a symbiotic nexus and indigenous facilities to produce methamphetamine pills.

### What is the cause of concern for India?

There has been an increase in the cases of smuggling and seizures of large consignments of drugs in India. The huge recoveries of heroin, 3,000 kg in September alone signifies that. So, the instability in Afghanistan has initiated narcotic smuggling waves, if unchecked, have the potential of destabilizing India's security.

**What policies should the Indian government adapt to counter the threat of narco-terrorism?**

India should look for alliances in Central, West, and South Asia to prevent the economic collapse of the Afghan state and in preventing humanitarian crises.

**Read here:** [Allow unimpeded aid into Afghanistan, say NSAs in Delhi Declaration](#)

Government should engage with Afghan society including all stakeholders like political leaders, business groups and others who are looking for assistance in having a legitimate, representative and inclusive leadership in their country.

**20. Protect, don't pander: On suppression of free speech**

**Source:** This post is based on the article **"Protect, don't pander: On suppression of free speech"** published in **The Hindu** on **1st December 2021**.

**Syllabus:** GS2 Fundamental Rights.

**Relevance:** Understanding the importance of Freedom of speech.

**News:** Bangalore's show of stand-up comedian Munawar Faruqui has been cancelled owing to the fear that it would create law and order problems and disrupt peace and harmony. Police even arrested the local organizers and those selling tickets for the show which had nothing to do with the content of his performance .

A similar case has occurred where a Tamil writer declared his own "death" in a literary sense after being silenced by conservative and religious groups

**What was the issue?**

Munawar was unjustly arrested in Indore earlier after a complaint that he was about to denigrate Hindu gods in a planned show. He spent 37 days in jail before the Supreme Court granted him bail. Further, many of his shows got cancelled in Raipur, Mumbai, Surat, Ahmedabad and Vadodara for the same reason.

**What should be done to protect the Freedom of speech?**

The state functionaries like police advise people to exercise caution instead of protecting their right to free speech. That practice needs to be reversed.

**Also read:** [An updated analysis on Freedom of Speech and Expression](#)

The supreme court in **Rangarajan vs Jagjivan Ram case** ruled that suppressing freedom of speech in response to the threat of protest or demonstration would be violating the concept of rule of law.

**21. BSF DG's remark on demographic change to justify a wider berth in border areas is flawed, disturbing**

**Source:** This post is based on the article **"BSF DG's remark on demographic change to justify a wider berth in border areas is flawed, disturbing"** published in **Indian Express** on **2nd Dec 2021**.

**Syllabus:** GS2 – issues related to federalism

**Relevance:** Border Security Force (BSF), Federal issue

**News:** Recently, the centre decided to extend the jurisdiction of the BSF to **50 km** from 15 km in border states of Assam, Punjab and West Bengal.

It was stated that the reason for extending the jurisdiction of BSF was to **secure the three border states** from the inflow of narcotics and weapon, infiltration by terrorists.

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

However, the recent remark by the director general of BSF denoting “demographic change” as one probable reason for such change is flawed and disturbing.

### What was the remark made by the director general of BSF?

He stated that “the demographic balance has been upset in border states like West Bengal and Assam over a period of time” and this has led to increase in agitations and revolts in certain states.

The inference is, deploying BSF in these states will help to control agitations and revolts.

### Why the BSF DG’s statement raises concerns?

**First, it undermines the local police and the state government:** The state police are trained and equipped to carry out the tasks such as search, seizure and arrest in case of revolts and undemocratic agitation.

In this regard, the central government’s decision to deploy (BSF), overrides objections by state governments, to engage the civilian population.

**Second, it weaponises the idea of demographic change:** The recent protests against the NRC and CAA were against the framing of Indian citizenship in communal terms. Now, the DGs remark in the same communal lines is disturbing.

ForumIAS is now in **Hyderabad**. [Click here](#) to know more

## 22. Why National Security Advisor’s advice to IPS probationers is worrying

**Source:** This post is based on the article “**Why National Security Advisor’s advice to IPS probationers is worrying**” published in **Indian Express** on **2<sup>nd</sup> Dec 2021**.

**Syllabus:** GS2 – Role of Civil Services in a Democracy.

**Relevance:** Civil services, Civil society, Legislature

**News:** Recently, the National Security Adviser addressed the IPS probationers at the passing-out parade at the National Police Academy, Hyderabad

While addressing the IPS probationers, he made few statements.

**One**, “*People cannot feel safe and secure if law enforcers are weak, corrupt and partisan*”

**Two**, *the implementation of laws is more important than their legislation.*

**Three**, “*The substance of democracy does not lie in the ballot box. It lies in the laws made by the people who are elected through those ballot boxes*”.

**Four**, *wars are no longer an effective instrument for achieving political or military objectives. But it is the civil society that can be subverted to hurt the interest of a nation. So, police should focus on protecting the people.*

The focus in this statement was on those people in India who were determined upon subverting the nation.

### What are the issues on the statements made by NSA?

**Firstly, it failed to recognise that civil society and human rights are fundamentally linked:** Excessive Protection of the state against civil societies will affect human rights. With states becoming more aggressive, the need is to protect civil society from the state. **For instance**, a majoritarian state can pass a range of laws affecting the individual rights and liberty. Only if, civil societies are given due protection, it can resist against the aggression of the state.

**Secondly**, the statement that implementation of laws “is more important than their legislation” cannot be justified always. **For instance**, forced birth control measures during emergency. Further, India ranks 142 out of 180 in the **Global Law index** due to the “draconian and

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

colonial laws that still exist like UAPA, sedition etc. In this context, implementing these laws with full commitment will be disastrous to society.

### What is the way forward?

**First**, while protecting the state, the constitutional right of citizens to protest should not be breached.

**Second**, the more stringent a penal provision, the more strictly it must be interpreted.

### 23. On POCSO Act: Errors of judgment

**Source:** This post is based on the article “**Errors of judgment**” published in **The Hindu** on **02nd December 2021**.

**Syllabus:** GS2 – Mechanisms, laws, institutions and Bodies constituted for the protection and betterment of vulnerable sections.

**Relevance:** To understand the concerns with Allahabad High Court’s recent Judgment on POCSO Act.

**News:** The [Allahabad High Court recently held that oral sex with a minor is not a case of ‘aggravated penetrative sexual assault’](#) under the Protection of Children from Sexual Offences (POCSO) Act.

### About Section 5 and 6 of the POCSO Act

**Section 5(m)** of the Act clearly lays down that “whoever commits penetrative sexual assault on a child below twelve years” is said to commit “aggravated penetrative sexual assault”.

**Section 6** prescribes punishment with imprisonment for a term which shall not be less than 10 years but may extend to imprisonment for life.

**Read more:** [The POCSO Act and associated issues](#)

### Why the Allahabad High Court verdict is controversial?

According to R.K. Vij, a senior IPS officer of Chhattisgarh, the High Court overlooked Section 5(m) of POCSO and convicted the accused of ‘penetrative sexual assault’ with lesser punishment. Further, he mentions the judgment has the following issues with the judgment.

**Firstly**, there is no ambiguity about the language used in Section 5 of the Act. Recently, the Supreme Court, while dismissing the requirement of skin-to-skin physical contact in cases of sexual assault, held that where the language of a statute was clear. So, there was no reason for the Court to deviate from the law and award lesser punishment.

**Read more:** [The significance of Supreme Court’s recent POCSO decision](#)

**Secondly**, the POCSO Act does not provide any discretion in awarding punishment of imprisonment. So, the Court was mandated to adhere to the statutory provisions. Hence, the Court cannot award lesser punishment than the minimum 10 years as prescribed in Section 6 of POCSO.

**Note:** *Earlier, the Courts had discretion under Section 376 (punishment for rape) of the IPC to award lesser punishment. But the SC in the **State of Rajasthan v. Vinod Kumar case (2012)** set aside the High Court order which reduced sentences less than the minimum without recording ‘adequate and special reasons’.*

**Thirdly**, earlier the Supreme Court has held that recording of reasons by a judge is an exercise of judicial accountability and transparency. This makes the decision available for further scrutiny. But, the High Court did not deliberate on the reasons for not considering the offence as being of aggravated nature.

**Fourthly**, it was not even a case where the provision of minimum punishment of 10 years imprisonment for aggravated penetrative sexual assault was under challenge. When there is no such scrutiny, the Court fell into error by not considering the offence under the applicable relevant sections.

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

Since, monitoring the implementation of the Act is the responsibility of the National Commission for Protection of Child Rights, the State Commission for the Protection of Child Rights, and the State government. So they must challenge the High Court ruling.

#### **24. Our National Education policy could yet rescue school students**

**Source:** This post is based on the article “**Our National Education policy could yet rescue school students**” published in **Livemint** on **2nd December 2021**.

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

**Relevance:** Understanding the importance of National Education policy.

**News:** On the recommendations of the **Kothari Commission**, the first National Education Policy was released in 1968. The government has again introduced the [National Education Policy 2020](#), which aims to transform the basic architecture culture and approach of Indian education.

**Also read:** [National Education Policy \(NEP\) 2020: Implementation Plan for School Education](#)

#### **How can the National Education Policy address the learning challenges post covid?**

**First**, NEP’s comprehensive and systematic response to **tackle problems of basic literacy and numeracy** can help students overcome challenges created by the covid pandemic. With proper on-the-ground implementation and policies commitment to transforming the care and education of children, use can be made of the ‘Foundational stages’.

**Second**, As envisaged by the national curriculum framework, there is a need to re-configure and cut down the syllabus to the essentials to meet the learning goals and recover the learning loss. This will help to move children away from rote learning.

**Third**, there is a need to completely redesign the approach to education in 9 to 12 classes, including how board examinations are conducted.

**Fourth**, school complexes should be restructured for better outcomes. They should be transformed into communities of schools, teachers and learners. This should be taken up urgently by the states.

**Fifth**, NEP’s thrust to empower teachers and grant autonomy to institutions will enable institutions to be adaptive and flexible.

#### **25. Are crime against women keep them out of the job market**

**Source:** This post is based on the article “**Are crime against women keep them out of the job market**” published in **Livemint** on **2nd December 2021**.

**Syllabus:** GS 2 Issues Relating to Development and Management of Social Sector/Services relating to women.

**Relevance:** Understanding the reasons, keeping women out of the job market.

**News:** India’s trend of a Female Labour participation rate (FLPR) is a puzzle for researchers.

### **About the status of Female Labour Participation Rate?**

India's FLPR is declining, and it is below the global average of 45%. FLPR has fallen from 31.2% in 2011-12 to 24.5% in 2018-19. The number of working women groups grew by a quarter, but the number of women in jobs declined by 10 million.

Also, India's rank 140 in the 2021 global gender gap index, worsened as compared to the 98th rank in 2006.

**Read here:** [Low labour force participation \(LFP\) of Indian women](#)

### **What is the linkage between education and Female Labour Participation Rate?**

After the enactment of the [Right to Education](#), India attained gender parity in primary education. There is an increase in the number of women pursuing higher education. But the FLPR is declining and the unemployment rate of women is increasing.

### **What are the factors behind the decline in the Female Labour Participation Rate?**

1) Domestic responsibilities and burden of unpaid care. 2) Lack of safety and mobility 3) Interplay of social norms and identities. 4) Occupational segregation and limited opportunities to enter non-traditional sectors with inadequate supportive infrastructure such as piped water, cooking fuel

In addition to these, crimes against women and girls (CaW&G) is the most important barrier to women's participation.

### **What is the impact of crime against women in women's participation?**

According to [National Crime Records Bureau](#) data, crimes deter women from stepping out to work. This is evident as at the national level FLFPR declined by 8% and CaW&G more than tripled to 57.9%.

State-level analysis shows that there is a negative correlation between FLFPR and crime against women. Data from Himachal Pradesh, Meghalaya, Chhattisgarh and Sikkim show that Low crime against women has led to high FLFPR. States like Bihar, Delhi, Assam and Tripura which have a high crime against women showed low FLFPR.

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

India needs a comprehensive mechanism that involves states, institutions, communities and households to address CaW&G.

For that, adopting a 'SAFETY' framework—focused on Services, Attitudes, Focus on community, Empowerment of women, Transport and other infrastructure, and Youth interventions—can be the first step.

## **26. CJI's remarks on a different accountability yardstick for judges is worrying**

**Source:** This post is based on the article "CJI's remarks on a different accountability yardstick for judges is worrying" published in the **Indian Express** on **2nd December 2021**.

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

**Relevance:** Understanding the role of Supreme Court.

**News:** Chief Justice of India in his speech from Constitution Day (26th November), talked about the role of judiciary and executive in providing justice to people.

### **What is the CJI's viewpoint?**

**Read here:** [Judicial Intervention to nudge exec, not usurp its role: CJI](#)

### What were the changes done by the Supreme Court?

According to the author, SC has given itself powers in the following critical areas:

**Appointment of the judges:** SC, in the second judge's case, diluted Article 124 dealing with the appointment of judges. The constitution says that the president may appoint judges in consultation with judges of the supreme court or High Court. But in practice, a [collegium](#) consisting of the chief justice and four other judges gives recommendations to the president and the word consultation has been interpreted as concurrence.

**Striking laws:** SC has acquired the power to strike down laws and amendments which have been passed by parliament even by an overwhelming majority in the name of basic structure doctrine.

**Basic Structure:** [NJAC](#), which was approved by parliament and 20 of the states, was struck down by the supreme court. Judges selecting judges was declared to be part of the basic structure by the supreme court.

### What should be the way forward?

The Supreme Court is definitely supreme, but this position comes along with great responsibility. The Supreme Court must be cognizant of its boundaries and act within the bounds of the constitution.

### 27. What the latest NFHS data says about the New Welfarism

**Source:** This post is based on the article "What the latest NFHS data says about the New Welfarism" published in **Indian Express** on **3rd December 2021**.

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

**Relevance:** To understand the performance of New Welfarism based on the findings of NFHS-5.

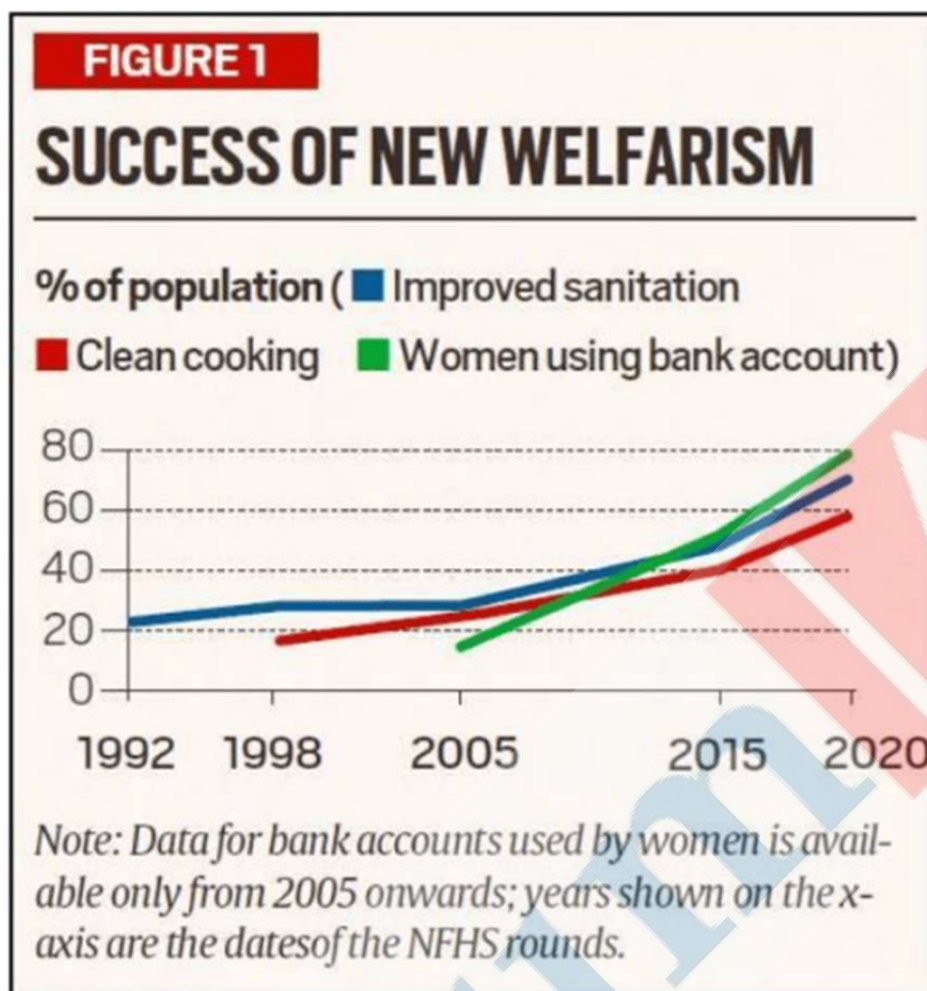
**News:** Recently released [National Family Health Survey](#) (NFHS-5) shows remarkable improvement in New Welfarism.

**Must read:** [NFHS-5 and its findings – Explained, pointwise](#)

### What is New Welfarism?

According to the authors, New Welfarism does not prioritise the supply of public goods such as basic health and primary education as governments have done around the world historically. Instead, New Welfarism has entailed the subsidised public provision of essential goods and services, normally provided by the private sector. Such as bank accounts, cooking gas, toilets, electricity, housing, etc.

### How do NFHS-5 data show the success of New Welfarism?



Source: Indian Express

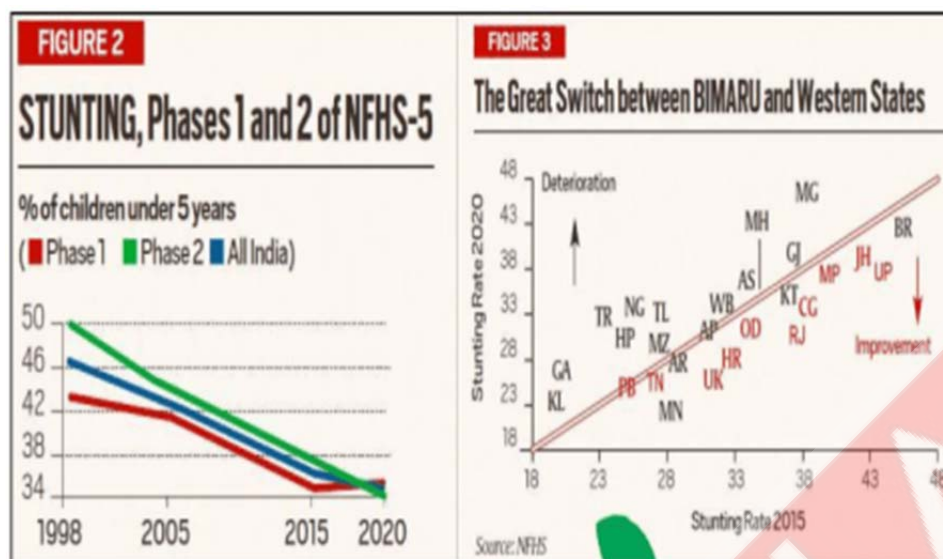
**Firstly**, striking improvements in household access to improved sanitation, cooking gas and bank accounts used by women.

**Secondly**, Improvement in case of stunting and diarrhoea on child-related outcomes.

The interesting pattern is that nearly all the phase 2 states show large improvements, whereas most of the phase 1 states exhibited a deterioration in performance.

**Note:** The survey for the latest data was conducted in two waves, the first before the pandemic and the second during the peak of the second wave.





Source: Indian Express

On child stunting, the old BIMARU states (except Bihar) are no longer the laggards.

If true, then India is seeing not catch-up but the great switch between some of the BIMARU states and the mid-peninsular/western states.

**Thirdly**, India witnesses a non-monopoly of any political party in regional performance. For instance, The improvements in Rajasthan have happened under the Congress, in MP and Haryana under the BJP, in Odisha under the BJD, and in UP under both Samajwadi Party and BJP. On the other hand, stagnation has occurred in Gujarat (BJP), West Bengal (Trinamool), and Telangana (TRS).

## 28. There's a clear-eyed vision behind China's maritime build-up

**Source:** This post is based on the article "There's a clear-eyed vision behind China's maritime build-up" published in the **Indian Express** on 3rd December 2021.

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

**Relevance:** Understanding the China maritime rise.

**News:** American surprise over a secret Chinese military base in the UAE port of Khalifa is unwarranted.

### About China's maritime plan

China in 2019 released **Defence White Paper (DWP)**, declares overseas interests as a crucial part of China's national interests. To address deficiencies in overseas operations and support, China builds far seas forces, develops overseas logistical facilities, and enhances capabilities in accomplishing diversified military tasks.

According to the **Pentagon's 2021 China Military Power Report**, the PLA Navy (PLAN) has "a battle force of approximately 355 platforms, including major surface combatants, submarines, aircraft carriers, ocean-going amphibious ships, mine warfare ships, and fleet auxiliaries." This force already outstrips the US Navy and is expected to grow to 460 ships by 2030.

### About China's maritime developments

**Maritime: PLA Navy (PLAN)** was initially equipped by the Soviets and even their strategy which included guarding the seaward flank of armies and guerilla warfare had Soviet influence.

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

Later, the 2006 DWP expanded PLAN's responsibilities, China started working on increasing its maritime capabilities with integrated offshore operations, strategic deterrence, and developing its capabilities of conducting cooperation in far seas. Later on, it declared, China aims to **not become just a maritime power, but "a maritime great power"**.

**Shipbuilding:** Chinese socialist-style shipbuilding industry remained behind Japanese or Koreans. China then rapidly modernized and corporatized its shipbuilding industry. China designated shipbuilding as a strategic industry. Its civil-military integration ensured a boom in merchant shipping. By 2010 China had become one of the largest shipbuilders.

Examples of China commissioned its first homebuilt aircraft carrier, the Shandong, in four years. In comparison, India's indigenous aircraft carrier took 12 years.

### **What should India do to safeguard its interests?**

As China strengthens its navy, India needs to develop its naval strategy. Though India can't directly compete with China, yet it has to safeguard its vital interests – seaborne trade and energy traffic. India's security interest also includes its maritime neighbours. To this effect, India needs to fasten its projects like **Chabaahar (Iran), Agalega (Mauritius)** and extend its reach further to places like Madagascar, Comoros and Socotra.

Also, the government should **formulate a national strategy for maritime security** which will comprehensively include shipbuilding, ports, seabed exploration etc. It should increase the navy's share of the defence budget from 12 to 18-20%.

### **29. Human trafficking survivors identify gaps in draft Bill, seek community-based rehab**

**Source:** This post is based on the article "**Human trafficking survivors identify gaps in draft Bill, seek community-based rehab**" published in the **Indian Express** on **3rd December 2021**.

**Syllabus:** GS 2 Mechanisms, Laws, Institutions and Bodies constituted for the Protection and Betterment of these Vulnerable Sections.

**Relevance:** Understanding the changes demanded by survivors in the draft trafficking bill.

**News:** **Indian Leadership Forum Against Trafficking (ILFAT)**, a forum set up in 2019 by trafficking survivors, has written to the Ministry of Women and Child Development to identify gaps in the **Trafficking in Persons (Prevention, Care and Rehabilitation) draft Bill 2021**, which is about to table in the Parliament.

### **What are the changes demanded by the survivors?**

**Extend the rehabilitation beyond shelter homes:** The survivors demand a community-based rehabilitation model that provides health services, legal aid, income opportunities and other facilities crucial for ensuring "all-round reintegration of victims" back into their community and family.

**Extended stay:** As the victims got often abused when they go back to their homes, survivors themselves want to decide the duration of their stay in protection and rehabilitation homes.

**Financially independent:** Survivors want the government to allocate funds for their education and vocational training so that they can become financially independent.

**Investigation:** The investigation process took a long time to conclude, and survivors who are the prime witness cannot go home before the proceedings are over. They want their greater say in the rehabilitation process as it was seen often NGOs are reluctant to send survivors back to their communities as they need to show occupancy to be able to get funds.

### 30. Draft Data Protection Law: Privacy must be held as a fundamental right

**Source:** This post is based on the article “Privacy must be held as a fundamental right” published in the **Livemint** on **3rd December 2021**.

**Syllabus:** GS 2 Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

**Relevance:** Understanding the importance of data protection.

**News:** Supreme Court declared the **Right to Privacy as a fundamental right under Article 21**. Considering this, Indian data protection law must be based on the principle that we own our personal data and only specified legal processes can deprive us of it.

#### What are the recommendations by Joint Parliamentary Committee?

**Read here:** [Joint Committee on the Personal Data Protection Bill?](#)

#### What advantages does Individual ownership of data offer?

India has 820 million active internet users. So, the enactment of Data protection law will provide the following advantages.

- 1) Private data collection entities will have to seek individuals’ consent, including the state.
- 2) Any misuse of data will be penalized as per law.
- 3) It would offer protection from data violations by the state.

#### How to ensure data protection from state encroachment?

Pegasus episode has exposed the tendency of some states to spy on their citizens. So, a strong and autonomous **Data Protection Agency (DPA)** is needed. Court warrants can be obtained for access to data. A proper trail of data access should be maintained for audit purposes.

### 31. Challenges in NIRF: Recast this apples-and-oranges ranking method

**Source:** This post is based on the article “Recast this apples-and-oranges ranking method” published in **The Hindu** on **4th December 2021**.

**Syllabus:** GS 2 Issues Relating to Development and Management of Social Sector/Services relating to Education.

**Relevance:** Understanding the reasons behind not to rank state run HEI and Centrally funded institutes (CFI) together under NIRF.

**News:** Ranking of state-run Higher Education Institutes (HEI) with centrally funded institutes (CFI) like IIT’s under the National Institute Ranking Framework (NIRF) is not a good step.

#### What is National Institution Ranking Framework?

**Read here:** [National Institutional Ranking Framework \(NIRF\)](#)

#### Why it is not a good step to rank both state-run HEI and CFI altogether?

**Allocation of financial resources:** According to a study, there are 184 CFI, to which the Government of India allocates its financial resources. While, in comparison, State public universities didn’t receive adequate financial resources. This is after the fact, that out of total school enrolment, the number of graduates is largest in the state public universities.

**No level playing field:** State-run HEI often struggles with the resources. Also, no cost-benefit analysis of State versus centrally funded HEI was done by any agency on economic indicators like return on investment government made into them.

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

**Parameters:** State-run HEI is also lagging among the different parameters on which NIRF ranked. These parameters are:

**1) Adequate faculty strength, Learning and resources:** This is because of continuous retirement, and low recruitment, which further weakened the student-teacher ratio.

**2) Research and Professional Practice:** Laboratories of State-run HEI are often lacking in modernized infrastructure and also not meeting the market demand.

Also, in spite of more share of Ph.D. students (29.8%) in State-Run HEI in comparison with institutes of National Importance(23.2%), central universities(13.6%), fewer funds have been received by them.

**Emerging Technologies:** State HEIs are struggling to embrace emerging technologies involving artificial intelligence, machine learning etc, while CFI has this facility.

So, NIRF should plan an appropriate mechanism to rate the output and the performance of institutes in light of their constraints and the resources available to them.

ForumIAS is now in **Hyderabad**. [Click here](#) to know more

### **32. National Family Benefit Scheme is in urgent need of revival**

**Source:** This post is based on the article “**National Family Benefit Scheme is in urgent need of revival**” published in the **Indian Express** on **4th December 2021**.

**Syllabus:** GS 2 Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

**Relevance:** Understanding National Family Benefit Scheme.

**News:** The National Family Benefit Scheme (NFBS), which is meant to help the survivors in difficult circumstances, is losing its purpose now.

#### **About National Family Benefit Scheme**

- 1) Launched in 1995 under the National Social Assistance Programme (NSAP).
- 2) Restricted to BPL families.
- 3) Rs. 20000 will be given as a lump sum assistance to the bereaved household in the event of the death of the bread-winner.

#### **What are the problems associated with National Family Benefit Scheme?**

**Budget Allocation:** Central expenditure on NFBS declined from Rs 862 crore in 2014-15 to Rs 623 in 2020-21 (budget estimates), with revised estimates for 2020-21 even lower — just Rs 481 crore.

**Government attention:** **The government** is focussing more on promoting other contributory schemes like Atal Pension Yojana (APY).

**Not implementing the committee suggestions:** Mihir Shah panel suggested some changes to improve the lacunae associated with NFBS like higher coverage, extended eligibility of NFBS assistance, but all are simply ignored.

#### **What needs to be done to revive the NFBS?**

**Increase in the amount of emergency assistance:** According to K P Kannan, the initial intention was to peg NFBS benefits at around 80% of India’s per-capita GDP. Based on this benchmark, the benefits should be raised to nearly Rs one lakh.

**BPL households:** BPL lists are outdated, unreliable, and full of exclusion errors in most states. So, there is a need to update that list and include all the eligible families.

**Inclusive Approach:** There is a need to bring simplification, transparency, and people-friendliness in the process. Proper assistance should be provided in accessing information,

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

completing formalities, tracking their application, submitting complaints, and obtaining a response in the event of any grievance.

**Increase in budget allocation:** For making NFBS run smoothly, the government should increase money for investing in this project.

### 33. Issue of Bail: Relief to Sudha Bharadwaj is welcome. Prolonged imprisonment of other Bhima Koregaon accused must also be questioned

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

- **Pique and petulance** published in **The Hindu** on **4th December 2021**.
- **Relief to Sudha Bharadwaj is welcome. Prolonged imprisonment of other Bhima Koregaon accused must also be questioned** published in **Indian Express** on **4th December 2021**.

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

**Relevance:** Understanding the reasons behind the delay in bail.

**News:** Bombay High Court granted bail to lawyer-activist Sudha Bharadwaj, an accused in the Elgar Parishad case.

#### Reasons behind the delay in bail, and what is the High Court's observation on it?

Under the Bhima Koregaon/Elgar Parishad case, the state opposed all bail pleas of the accused, even if some of them were ailing. Even the Bombay High Court granted medical bail to poet Varavara Rao only when his health got deteriorated. Father Stan Swamy succumbed to illness in the custody only, despite his repeated request for bail plea.

**Read here:** [Sudha Bharadwaj bail: how HC spelt out limitations of sessions court](#)

#### How judiciary maintains a balance against state overreach?

It can be seen that the state continues to apply the [UAPA](#) against journalists, lawyers, etc. Here, the court plays the important role in providing relief can be visible in the following cases: Lower courts in Assam granted bail to those arrested under UAPA for social media posts that supported the Taliban's victory in Afghanistan.

In **Union of India v K A Najeeb and Ashim vs NIA**, the Supreme Court has sought to balance the restrictions on bail and the fundamental rights of the accused.

Delhi High Court, while granting bail to anti-[CAA](#)-NRC activists, sought to raise the bar for UAPA in denying bail, but the Supreme Court stepped in to say it will not be treated as a precedent.

**Read more:** [Issue of Bail under UAPA \(Unlawful Activities Prevention Act\) – Explained, Pointwise](#)

### 34. 'More women than men' an overestimate, say experts; demand further evidence

**Source:** This post is based on the article “**More women than men' an overestimate, say experts; demand further evidence**” published in **Business Standard** on **4th December 2021**.

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

**Relevance:** To understand the issues surrounding NFHS data.

**News:** The latest [National Family Health Survey](#) (NFHS) data shows that there are 1,020 women for every 1,000 men in India. But experts question the validity of data.

**Must read:** [NFHS-5 and its findings – Explained, pointwise](#)

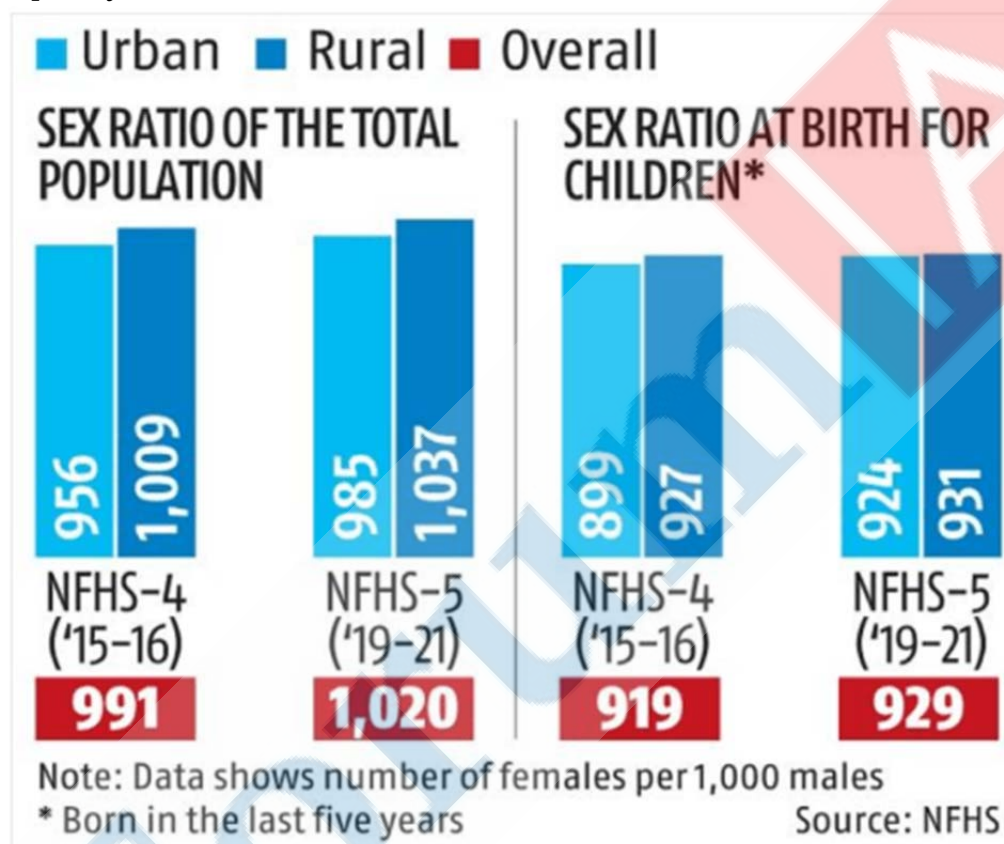
### What are the expert's opinions?

**Firstly**, the International Institute for Population Sciences (IIPS), an autonomous organisation of the health ministry which conducted the survey, clarified that any survey estimate of the sex ratio would be slightly higher compared to the actual figures because the data is collected at a household level.

**Secondly**, Lots of institutions, the homeless, army (personnel), and hostel establishments, which are male-dominated, are not covered by NFHS.

**Thirdly**, the NFHS does not have the framework to cover the institutional population.

**Note:** The next NFHS would be conducted in 2023 in the post-pandemic background. The technical advisory committee will decide what kind of changes need to be made to the survey to capture the impact of Covid.



Source: Business

Standard

### What will be the impact of NFHS data?

Researchers and policymakers look at its publications, so the data that women outnumber men could adversely affect the ongoing programmes fighting sex-selective abortions and neglect of women in education, health, and access to property rights.

**Read more:** [With India's demographic transition, come challenges](#)

### What should the government do?

The skewed sex ratio at birth shows a strong son preference and continued sex-selective practices in India. So, the government must invest in girls' education, women's empowerment and make efforts towards improving gender equality and increasing the value of the girl child.

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

NFHS-5 should have put a strong warning, at least in a footnote, that its sex ratio figures are unlikely to be valid for the total population.

ForumIAS

# General Studies Paper - 3



## General Studies - 3

---

### 1. How to regulate Cryptocurrencies?

**Source:** This post is based on the article “How to regulate Cryptocurrencies?” published in **Business Standard** on **29th Nov 2021**.

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

**Relevance:** Regulation of Cryptocurrencies

**News:** Indian regulators can leverage the simple money management approach towards regulating Cryptocurrencies. The task of financial-economic policy is to address market failure, i.e. the four problems of – systemic risk, resolution, prudential regulation, and consumer protection.

### Does cryptocurrency merit financial regulation in India?

The role for financial regulation in any situation can be analysed using four parameters below:

**Systemic risk:** Does a financial firm or market (*Crypto market in this case*) present an issue to the soundness of the overall financial system in the event of a default? If so, there can be a market failure. This can be a reason for the government to get involved, either through rules that reduce the failure probability, or rules that make resolution more orderly.

– In the case of cryptocurrency, the magnitudes involved in India are as yet tiny and there is no hint of systemic risk. When any single player gets to a balance sheet of perhaps Rs 3 trillion, or 1% of gross domestic product, this can become a consideration.

**Must Read:** [Cryptocurrency: Ban or regulation? – Explained, pointwise](#)

**Resolution:** Does a financial firm present significant difficulties for resolution through the route of Insolvency and Bankruptcy Code (IBC)? For instance: Resolving defaulted financial firms having no retail depositors, such as DHFL, through the IBC process of handing power to the committee of creditors is optimal. But, in case of retail depositors of a bank, a specialised Financial Resolution Corporation is needed.

– The simple process of owning and trading cryptocurrency does not elicit questions about resolution.

**Prudential regulation:** If an organisation makes promises about future payouts, then unsophisticated consumers worry whether these promises will be fulfilled or not. To reduce this risk, governments can engage in “prudential regulation”, to bring failure probabilities down to low values.

– These concerns do not arise when dealing with the process of buying or owning or transferring cryptocurrency assets.

**Consumer protection:** Financial firms often treat consumers unfairly, leading to consumer retreat from formal finance, in favour of informal finance or gold or overseas assets. Regulators need to intervene in such cases.

– With thousands of cryptocurrency assets, there is a risk for unsophisticated consumers making mistakes and then retreating from cryptocurrencies as a class. This would be an excessive retreat from an entire sector.

### What is the way forward for Indian regulators?

Indian regulators can deploy a reasonably simple strategy, akin to that used with money management.

**Money management approach:** In money management, unsophisticated users must go to highly regulated mutual funds. Once a customer is above a certain minimum ticket size (e.g. Rs 500,000) they are presumed to have knowledge or the means to acquire the requisite knowledge.

Indian regulators could force Indian financial firms offering cryptocurrency trading to have a “market lot” of at least Rs 500,000. This would ensure that unsophisticated users, would not come into this field. **Access to the field would be for sophisticated participants.**

It is not the job of regulators to ensure that users make profits. It is not the job of regulators to prevent people from making losses.

A regulator’s job is to ensure that a market failure doesn’t happen.

## 2. Stable banking – On Banking reforms

**Source:** This post is based on the article “**Stable banking**” published in **Business standard** on **29th Nov 2021**.

**Syllabus:** GS3- Issues related to the banking sector.

**Relevance:** Corporatisation of banks and Banking reforms.

**News:** The RBI last week announced that it had accepted 21 of the 33 recommendations of the internal working group set up to examine the ownership guidelines and corporate structure in private sector banks.

One of the key recommendations made by the internal working group was that industrial houses be permitted to promote banks after necessary amendments to the Banking Regulation Act, 1949.

However, the RBI has decided not to open up the banking sector for industrial houses, at least for now.

### **What are the arguments in support of opening up the banking sector to industrial houses?**

- **International examples:** There are very few countries that explicitly prohibit industrial houses from setting up banks.
- India needs more banks to cater to the **diverse needs of both businesses and consumers.**
- **To improve innovation:** More competition in the banking sector will increase innovation and help improve the flow of credit.
- **Poor performance of state-owned banks:** The Indian banking sector is dominated by state-owned banks, which as a group are not in a position to cater to the needs of the Indian economy. This is due to a variety of issues, including recurrent asset quality problems.

### **What are the risks involved in opening up the banking sector for industrial houses?**

**First,** the issue of connected lending, could lead to higher systemic risks,

**Second,** corporatisation of banks will lead to concentration of power.

**Third,** India has fairly limited regulatory capability to contain both the concentration of market power and risks

Hence, the experts are of the opinion that mixing industry and finance will negatively impact growth, public finances, and the future of the country itself.

### **What are the other recommendations that has been accepted by RBI?**

**Firstly,** the RBI has accepted the proposal for allowing the promoter holding cap to be raised to 26% of the paid-up voting equity capital in banks. This will enable promoters to bring in more capital if required.

**Secondly**, the RBI has also accepted the recommendation of subjecting large non-bank financial companies (NBFCs) to tighter, bank-like regulation. This is critical as some NBFCs have gained significant size and are systemically important.

**Thirdly**, the minimum capital requirement for setting up banks has also been increased. The capital needed to set up a universal bank, for example, has been increased from Rs 500 crore to Rs 1,000 crore. A higher level of capital will certainly make the bank more stable.

### 3. The great inflation conundrum that policymakers must resolve

**Source:** This post is based on the article “**The great inflation conundrum that policymakers must resolve**” published in **Livemint** on **29th Nov 2021**.

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

**Relevance:** Inflation and its impact on the economy

**News:** Economies around the world, including Argentina, Brazil, Turkey, India, and, most importantly, the US are witnessing an increase in price levels.

The increase of inflation in the U.S and other economies will have adverse effects worldwide because its spill over effects are far-reaching.

#### What has been the inflation trend across the countries?

While present inflationary trends have a common cause, namely, the rebound from the pandemic-induced slowdown, countries’ diverse responses to this novel crisis have led to varied economic performance.

**U.S:** Some experts think that the current inflationary pressure is a short-term episode triggered by supply-chain disruptions. While others see it as the result of the large spending under US President Joe Biden’s American Rescue Plan.

As a result of sustained inflation, Americans expect their financial situation to worsen in the near term, a level of pessimism not seen since the Great Recession of 2008-09.

**Turkey:** Turkey has an alarming annual inflation rate of 19.9%. Making matters worse, its president Recep Tayyip Erdoğan believes the right response is to reduce interest rates. However, reducing interest rates will not be a good policy choice for now.

**Brazil:** Brazil has recently joined the list of countries with double-digit price growth. Inept policymaking by the government has created fears that the economy is on the verge of a technical recession.

#### How India’s experience has been till now?

India, especially, faces a tricky inflation problem. **Retail inflation** is elevated but not at the level seen in many other economies.

But **wholesale price inflation**, that increased sharply to 12.5% year-on-year in October, has reached its highest levels since the late 1990s. This poses an unusual policy challenge.

#### Why India’s inflation issue is said to be tricky?

The **wide divergence** between wholesale and retail inflation is impacting the small manufacturers, the self-employed and workers.

Those who buy from the wholesale market and sell on the retail market are seeing a fall in their profits. They are cutting back production and this, in turn, is adversely affecting workers.

Here is the problem:

– If this divergence is allowed to persist, **growth will likely decline** as small businesses, already under strain, reduce output and cut employment and possibly shut down.

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

– But if the government tries to narrow the gap by letting retail inflation rise, **consumers will be hit hard.**

### What is the way out for India?

The only reasonable way out is for policymakers to **tackle wholesale price inflation directly.** This will require a **combination of fiscal and monetary measures**, like reducing the high tax on fuel and slashing all non-essential spending while also supporting those hit hardest by the pandemic.

It may also be time for the Reserve Bank of India to **consider hiking interest rates.**

### **4. A new public stocking policy centred on pulses, edible oils and vegetables is needed to manage unseasonal price hikes**

**Source:** This post is based on the article “**A new public stocking policy centred on pulses, edible oils and vegetables is needed to manage unseasonal price hikes**” published in **Indian Express** on **29th Nov 2021.**

**Syllabus:** GS3- Food inflation and its negative consequences

**Relevance:** Food inflation, climate change

**News:** Unseasonal price spike in Tomatoes and onions

The cost of many vegetables such as tomatoes, cabbage and other greens become relatively affordable during winter. This is because of increased supply, since planting of these crops is done during August-October, and they are all 50-to-100-day crops.

But in the current winter, all these vegetables are being sold at high prices.

### What is the reason behind the deviations in prices?

**Erratic rainfall:** For instance, Maharashtra recorded excess rains in September and October, hitting production of both kharif onions and tomatoes. Whereas, in the south, due to excess rains in November standing kharif tomato crop suffered extensive damage.

### What are the implications?

**Impact on inflation and, inflation expectations among the public:** Increasing inflation for vegetables at a time when there is a sharp increase in petrol, diesel, LPG and edible oil prices costs the poor more. Further, it becomes more difficult for the RBI to continue with its accommodative monetary policy stance.

**Concerns over Long-term impact due to climate change:** This is a second successive year when the south India has had heavy unseasonal rains in September-October, destroying the harvest-ready kharif crops.

### What is the way forward?

**First,** need for a new public stocking policy away from rice and wheat to pulses, edible oils and vegetables that are more vulnerable to climate and global price risks.

**Second,** Vegetable storage can even be done in dehydrated/processed form such as potato flakes, onion paste and tomato puree.

### **5. The T-20 investment path**

**Source:** This post is based on the article “**The T-20 investment path**” published in **Indian Express** on 29th Nov 2021.

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

**Relevance:** To understand the changing nature of investment in economy.

**News:** Parliament is about to come up with a bill banning crypto-currencies, which are today the most sought after investment option for today's generation.

### **Why do people prefer to invest in new options like crypto currency?**

Bank deposits **returns are quite low** with respect to other options-2.75% in a savings account or 5% in a fixed deposit.

-Interestingly, banks today are discouraging deposits with low rates as this is the only way they can manage their balance sheets.

The RBI's reverse repo offers around 3% making bank's own deposit with RBI sub-optimal.

Everyone wants **instant gratification** and more so because one could lose a third as **taxes**, which makes such savings option un-tempting.

A **new culture** nudges us to borrow more for satiating our immediate needs rather than to save for future.

The **willingness to take risk** in high return instruments. This is a major change we see today. Making money on a currency that has no underlying asset like a metal or other currency and is traded on faith is unique.

**Unicorns** have delivered excellent results. So instead of investing in the Nifty companies, the new age start-ups is where people likes to invest in equity.

### **6. Why India's coal habit won't be easy to shake off**

**Source:** This post is based on the article "**Why India's coal habit won't be easy to shake off**" published in **Times of India** on 29 November 2021.

**Source:** GS3- Infrastructure: Energy, Ports, Roads, Airports, Railways, etc.

**Relevance:** To understand India's dependence on coal.

**News:** In the climate summit at Glasgow, India spoke of a "phase down" rather than a "phase out" for coal, and it was backed by China, South Africa and some other countries.

It shows India's huge dependence on coal for its energy requirements and is likely to be so by 2030. A phase-out may hurt developing countries that rely heavily on coal more.

### **Why a "phase out" for coal is not possible in the case of India?**

For now, 67% of India's generated power comes from coal. By 2030, the share may drop, but coal will still remain the largest source of power under existing policies.

**India's energy demand is growing** at one of the fastest rates in the world and unlike many other countries, it does not have large oil and natural gas reserves or nuclear power infrastructure to fulfill the excess demand created.

Six of the world's 10 largest coal consumers are in the Asia-Pacific region, led by China and India. Still, India's consumption is likely to rise by another quarter by the end of 2023.

Coal-fired power plants are hard to shut in developing countries because they are **cost-effective and convenient**.

### **What are the issues with coal based power?**

This fossil fuel has a higher percentage of carbon compared with oil or natural gas, and when burnt, it produces more carbon dioxide per unit of energy than oil and gas.

-In 2010, CO2 emission from coal crossed 1 billion tonnes mark and has seen a steady increase since then. It was only last year that a slight dip was recorded.

### **What are the steps taken by India to 'phase down' coal based energy?**

At the Glasgow summit, however, India committed to increasing the share of renewables in total energy use to 50% by 2030 in an attempt to reduce its dependence on coal.

Over the past 20 years, India has retired at least 38 coal power units generating 13.7GW and cancelled plans for another 401 units with a capacity of 577GW in the last decade.

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

Decommissioning some of the old coal fired plants early could save India in huge retrofitting costs.

Countries that have recorded large volumes of historical coal emissions and still have higher per capita emissions than others, are better placed to make the shift to low carbon economy.

### **7. The three farm laws were never a solution**

**Source:** This post is based on the article **"The three farm laws were never a solution"** published in **The Hindu** on **30th November 2021**.

**Syllabus:** GS 3 – issues related to the Agricultural sector

**Relevance:** Role of states in regulating agricultural sector

**News:** On November 29, the Farm Laws Repeal Bill was passed in the Lok Sabha without discussion

One of the significant issues with the farm laws was that the centre tried to regulate agricultural markets.

However, it must be noted that, While the Centre has the capacity to make landmark changes, true reform and action rests with local governments.

Because, states are better placed to assimilate and respond to the diversity of institutional and socio-economic contexts and agroclimatic regions. They are often better placed to incorporate local concerns for robust and sustainable solutions.

### **How the states are affected by the farm laws?**

**Transfer of regulatory authority from the States to the Centre:** The APMC Act mandated that states can regulate, designated physical premises called the 'market yards', via their respective APMCs. However, through the farm laws, the Centre assumed control of market areas outside these yards, now called 'trade areas', from the States.

This particularly hurt States that had the most deregulated systems. A State that had no APMC Act, for example, suddenly found that all deregulated areas within the State would now come under the Centre's regulatory ambit and control.

Further, by exempting private players from adhering to any State law in agricultural marketing, it effectively nullified the power of States to control agricultural markets.

### **Why the central governments should not regulate agricultural markets?**

**Firstly**, there is no systematic evidence to suggest that the Centre is better informed and better equipped to regulate agricultural markets.

**Secondly**, during the COVID-19 lockdown, the Centre was almost unable to implement relief measures for agricultural marketing. In contrast, States, regardless of the ruling parties, offered a more timely and relevant response to manage the fallout of the COVID-19 lockdown on agriculture.

**Thirdly**, beyond agricultural marketing, the central government's efforts in the past such as One Million Ponds, 10,000 FPOs, and One District One Product are often disconnected from local needs for robust and sustainable solutions for agriculture.

**Fourthly**, Centralisation of authority to influence the functioning of trade areas, would facilitate consolidation of big business, a trend that is evident globally.

For instance, the recent memoranda of understanding that the Government of India has signed for building data stacks with Cisco, Jio, ITC, NeML, etc. has raised fears.

These select few companies have been granted limited access to “data from the federated Farmers’ database” for specific areas.

A “trade” area under full control of the central government would potentially offer the big business a digital data consolidation route to controlling supply chains.

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

**For state governments:** States need to implement the suggestions that many expert committees have proposed for agricultural market reform, i.e., delinking the regulatory and operational roles of the APMCs.

**For the center:** The Centre, in the short term, should try to offer a stable and predictable policy environment vis-à-vis imports and exports, the functioning of national commodity exchanges, and futures markets.

Further, it should work towards providing inclusive platforms for discussions on State-level market reform, public procurement, and price support, designing safeguards against the consolidation of corporate interests, and framing data policies.

### **8. Not pie in the sky: Satellite-based technology can transform connectivity. GoI needs to enable it**

**Source:** This post is based on the article “**Not pie in the sky: Satellite-based technology can transform connectivity. GoI needs to enable it**” published in the **Times of India** on **30th November 2021**.

**Syllabus:** GS 3 IT and communication.

**Relevance:** Understanding satellite-based connectivity.

**News:** The Department of Telecommunications (DoT) has reprimanded Elon Musk’s Starlink Internet Services for pre-selling and booking the satellite-based internet services without having obtained the necessary licences in the country. After which the company applied for the license.

This showcases the challenges that the government of India faces while balancing the advancement of technology along with regulating the services.

**Read more:** [Satellite communications could improve quality of existing mobile networks](#)

### **How can the technology transform connectivity?**

5G is expected to provide much better services than 4G. Satellite-based services can bypass hurdles associated with terrestrial networks in creating a 5G network.

**Read more:** [5G technology in India – importance, challenges and solutions](#)

Technology has enabled the reduction and cost of launching satellites. The cost has come down from \$18,500 per Kg to \$2720 per Kg. This has made satellite-based networks economically viable.

The constellation of satellites, being as low as 10 kgs, placed in low Earth orbit or acting as drivers of satellite-based connectivity.

### **What steps have been taken by the government of India to promote this?**

In November 2020, telecom regulator TRAI was asked to recommend a licensing framework for satellite-based connectivity. The TRAI recommended to tweak the existing telecom policy for universal licenses to pave way for satellite-based connectivity.

That advancement in technology should be promoted and enabled by the policy. This can transform connectivity and pave way for India's success in the digital world.

### **9. Policymakers must break India's cycle of poverty**

**Source:** This post is based on the article "**Policymakers must break India's cycle of poverty**" published in the **Indian Express** on **30th November 2021**.

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

**Relevance:** Understanding challenges to India's poverty.

**News:** Many reports suggest widespread unemployment and consequent poverty on the rise in India.

As per **CMIE data**, 5.46 million Indians lost jobs in October. The youth unemployment rate was 22.26% in 2021 – compared to 15.66% in 2016–17. There are about 20 million Indians entering the job market annually. But in August 2021, around 33% of all employable youths were estimated to be unemployed.

### **How policies adopted by India have led to this situation?**

Major sectors like textile have become **stagnant and less competitive**. For example, labour cost of producing one shirt in India is \$0.5, as compared to \$0.22 in Bangladesh. As per a **World Bank** estimate, 12 million jobs in the textile sector shifted from China to Bangladesh, while India's textile sector remained stagnant.

Inflation has raised prices of petrol to rupees 100 per litre. Yet, as per estimates, owing to **poor government incentives and policies**, electric vehicle sales are low and are likely to comprise only 8% of total sales by 2030. This is in contrast to China, which is expected to have 40% of Electric cars.

Moreover, the government has **pushed for domestic LPG** for household consumption. India should have **instead pushed for electric cookstoves** which would have helped reduce the import demand and would have shielded the consumers from price hikes.

India also find prices of edible oils rising almost 30 to 40% over the last year. This is due to dependence on the import of palm oil and also a **push for the Production of biodiesel**.

### **How have these aggravated the poverty?**

An **average farmer's net worth** declined by 33.8% between 2013 and 2019. An average **entrepreneur's** wealth declined by 30% on a real value basis. Between 2012 and 2018 the **debt of rural households rose** by 35% and urban households by 22.4%.

The poorest category of people were given loans at rates which were as high as 25 to 40%.

All this happened, while 1% of rich Indians hold 73% of national wealth as quoted by Oxfam in 2017.

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

MSMEs are the driver of growth and employment. While the push for formalization is required, it should not reduce the growth potential of the MSMEs.



### 10. How to increase farm incomes & growth post repeal

**Source:** This post is based on the article “How to increase farm incomes & growth post repeal” published in **Times of India** on **30th November 2021**.

**Syllabus:** GS 3 Issues related to Direct and Indirect Farm Subsidies and Minimum Support Prices.

**Relevance:** Understanding why there is a need to increase farmers income.

**News:** Government has decided to repeal the three farm laws. The laws had the potential of transforming agriculture and farmers’ income. But now, agricultural growth will be a challenge.

#### **What are the challenges facing agriculture and its growth?**

India has reported the fastest agriculture growth of 4.4% in the 1980s when the green revolution was at its peak. Then there is the challenge of **selling the output**. Selling surplus in the Indian market will depress the prices and reduce farmer income. If we export the food surplus, the importing countries will put countervailing duties to counter or subsidies.

**Diversion of food crops:** In three decades starting from the 1980s, the area under food crop has fallen marginally only from 73.9% to 62.3%. Moreover, its prospects have been further hurt by the repeal of these laws.

#### **What can be the solution to this challenge outside the domain of agriculture?**

There are two main work areas:

-Creating **gainful employment opportunities** for the current farm population.

-Creating **more income transfers** for those who continue to remain in agriculture.

This will be aided by the fact that the government has enacted reform measures.

- 1) Insolvency bankruptcy code
- 2) Goods and services tax
- 3) Labour reforms and labour codes,
- 4) Competitive corporate profit tax

These measures supported by privatization and monetization of assets can help in job creation and accelerating growth.

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

The government needs to create a **liberal trade regime**. This would augment the positive effect of the above-mentioned reforms. It would also dispel fears of any further rollbacks of reform measures.

The government needs to announce a program of **import liberalisation**. It should bring down the high customs duties in a phased manner. Further, it should **enter pre-trade agreements** with European Union and the United Kingdom.

These measures will help increase farm incomes and put India into a double-digit growth trajectory.

### 11. **Crypto-assets: To ban or not to ban?**

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

“**Regulation, not ban: on cryptocurrencies**” published in **The Hindu** on **30th November 2021**.

“**Crypto-assets: To ban or not to ban?**” published in **Business Standard** on **29th November 2021**.

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

**Relevance:** Regulation of Cryptocurrency.

**News:** The government has listed the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021 for the upcoming winter session of Parliament.

Read more: [New cryptocurrency bill seeks to ban private players](#)

**About the Banning of Cryptocurrencies and introducing National Digital Currency**

Read here: [Introducing National Digital Currency in India – Explained, Pointwise](#)

### How do other countries view cryptocurrencies?

- [El Salvador becomes first nation to adopt bitcoin as legal currency](#). Further, the country is on the way to develop a dedicated [Bitcoin](#) city.
- Canada, Japan and Thailand permit the use of virtual currencies as a payment method.
- [China started a trial run of their digital currency e- RMB](#) amid pandemic. They plan to implement pan-china in 2022.

In general, some jurisdictions regulating them as digital assets, and others as a commodity. Canada and the U.S. closely monitor virtual currency activity to ensure they do not run afoul of laws on financial crimes.

### Why does India need to regulate cryptocurrency?

Cryptocurrencies, or more correctly crypto-assets. So, if regulated, India can earn tax revenue on transactions like Canada.

Post-liberalisation India moved from outright bans to “controls”. So, India shouldn’t ban cryptocurrencies.

**Innovation and entrepreneurship:** Like fintech, there are strong links between crypto-assets and India’s sunrise industry, IT services.

The government can’t ban cryptocurrency as it is a “technological and financial innovation.”

Read more: [Cryptocurrencies in India: Ban or Regulation? – Explained, pointwise](#)

### What are the challenges in regulating Cryptocurrencies?

Regulators are bound by their existing mandates under their parent legislation. But neither the RBI nor the Securities and Exchange Board of India (Sebi) is specifically empowered to deal with “crypto-assets.”

### What should India do?

As 20 million Indians (and mostly young) hold crypto assets, the government **respect the economic freedom of citizens**. Further, instead of banning crypto-assets altogether, the government should work on customer protection.

India should avoid the temptation to join China in proscribing virtual currencies and instead **aim to tightly regulate their trading** through monitored exchanges **and earn revenue**.

The **Financial Sector Legislative Reforms Commission** in 2013 had said that “the present arrangement has gaps where no regulator is in charge”. The report recommended the setting up of a **unified financial agency** that would implement consumer protection law and micro-prudential law for all financial firms other than banking and payments. It is time for India to setup unified financial regulatory architecture to regulate an unregulated activity.

Given the characteristics of crypto-assets, regulators ought to build capacity in, both, the technological and economic aspects of crypto-assets.

## 12. Boosting green hydrogen

**Source:** This post is based on the article **”Boosting green hydrogen”** published in **The Hindu** on 29th November 2021.

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

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

**Relevance:** To understand the green hydrogen energy and economy.

**News:** Prime Minister recently announced that India would aim for net-zero carbon emissions by 2070.

At present, nearly 75% of India's energy needs are met by coal and oil. Thus, to reduce dependence on coal and oil, the synergy between renewable energy and green hydrogen must be tapped.

### **What is the global scenario with regard to Green hydrogen?**

At present, more than 30 countries have hydrogen road maps and over 200 large-scale hydrogen projects across the value chain.

According to Hydrogen Council, governments worldwide have committed more than \$70 billion in public funding to develop a hydrogen economy.

### **What is the significance of green hydrogen as a source of renewable energy?**

**Read – [All about green Hydrogen](#)**

India has already increased its solar capacity nearly 3,000 times in less than a decade, now it can use this experience in increasing green hydrogen production.

Nearly 70% of the investment, required to produce green hydrogen through electrolysis, goes into generating renewable energy.

Green hydrogen improves the long-term **energy storage capabilities** of renewable energy. It is also the most promising solution to decarbonise sectors like cement, steel, and refineries.

India can reduce its carbon emissions and annual import bills by developing a value chain for hydrogen from its production to its diverse applications.

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

Attract private investments through government funding and progressive long-term policies.

Hydrogen's uses in different sectors should be encouraged, according to each sector's cost and ease of adoption.

-Firstly, a few key **sectors with low transition costs**, such as refineries, fertilizers, and natural gas, should be mandated to use hydrogen to bring down costs.

-Secondly, as part of medium-term goals new demand from steel, cement, and road mobility should be exploited.

-Thirdly, in the long run, heavy-duty vehicles should receive government incentives. For example Shipping, aviation, solutions for energy storage should be mandated to use green hydrogen in the long run.

## **13. A launch window for India as a space start-up hub**

**Source:** This post is based on the article “**A launch window for India as a space start-up hub**” published in **The Hindu** on 30th Nov 2021.

**Syllabus:** GS3-Achievements of Indians in science & technology; indigenization of technology and developing new technology.

**Relevance:** To understand the need of private sector participation in space sector and the hindrances faced by them.

**News:** The boom of private sector participation in space technology.

### **How has the space sector evolved?**

**Space race 1.0**– The great space race of the 20th century started with the Soviet Union's **launch of Sputnik** in 1957.

Created with love ❤ by ForumIAS- the knowledge network for civil services.  
Visit [academy.forumias.com](https://academy.forumias.com) for our mentor-based courses.

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

-It reflected the Cold War agenda in the space field and a test of their ideologies.

**Space race 2.0**– This time, **private players** are taking the next leap for mankind and democratizing space usage to build commercial value.

### **Privatisation of the space sector in India?**

India is a leading space-faring country, with end-to-end capabilities to make satellites, develop augmented launch vehicles and deploy interplanetary missions.

**Investment and new ventures:** The total early-stage investments in space technologies in FY21 were \$68 billion, India was in fourth place.

Already 350 plus start-ups such as AgniKul Cosmos, Skyroot Technologies, have established firm grounds for home-grown technologies with a practical sustainable business model.

**Encouragement to private participation:** Further, GOI recently created a new organisation- INSPACE (Indian National Space Promotion and Authorisation Centre)- as a supplement to the ISRO.

-It is a single-window nodal agency established to boost the commercialization of Indian space activities. It will promote the entry of private entities through a friendly regulatory environment and by creating synergies through already existing necessary facilities.

### **What are the challenges faced by the Indian space sector?**

Despite this achievement, though the space economy is a \$440 billion global sector, India has less than 2% share in the sector.

In India, brain drain has increased by 85% since 2005 and thereby low private participation. This is due to:

**Investor confidence**-The hindrances faced by private space ventures to **attract investors**, making it virtually non-feasible to operate in India.

**Lack of clarity in laws**-The absence of a framework to provide **transparency and clarity in laws** is the reason for the lack of independent private participation in space.

**-Timelines not fixed**– Due to the technicalities involved in the space business, timelines on licensing, issuance of authorisation, and continuous supervision mechanism need to be defined into phases.

-Lack of **insurance and indemnification** clarity in space law, particularly about who or which entity undertakes the liability in case of a mishap, creates challenges for a smooth rollout.

The private entities in this sector currently work on **leased licenses** from ISRO rather than having their own IP for a product.

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

The **laws need to be reformed** and reframed into multiple sections, each to address specific parts of the value chain and in accordance with the Outer Space Treaty.

India can learn from France in license timelines where there are four obtainable licences in addition to case-by-case authorisation.

India can also learn from several western countries with an evolved private space industry, where there is a **cap on liability** and the financial damages that need to be paid.

-The **insurance provision** can be brought in by the law. For example, in Australia space operators are required to hold insurance of up to AUD\$100 million under Australian space law.

For independent existence, Indian space private companies need to generate their **own IP** for their product or services. With this, the **market** for them should also be not limited to ISRO. This will help open the door to global markets.

ISRO needs to go beyond taking small manufacturing support from private players and start involving them in complex operations. This will help both players by reducing costs and turnaround time with innovation and advanced technology.

#### 14. On Cryptocurrency regulation – Arguments against regulating Cryptocurrencies are very weak

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

“**Arguments against regulating Cryptocurrencies are very weak**” published in **Livemint** and “**Controlling the Crypto genie**” published in **The Hindu**, on **1st Dec 2021**

**Syllabus:** GS3 – Information Technology

**Relevance:** Regulation of Cryptocurrencies

**News:** Despite all the arguments being put forward for non-regulation of Cryptocurrency, government should push forward and regulate it.

#### Why Cryptocurrencies need to be regulated?

– **Self-regulation is not the solution:** Once one exchange puts out a misleading advertisement, making false claims of higher returns, rival exchanges are left with no choice but to match such claims. Hence, we need proper regulation.

**Must Read:** [Crypto Assets: To ban or not to ban?](#)

– **Any Investment sector requires regulation:** Instead of competing with fiat money, as intended by its founders, Crypto has emerged as an avenue for investment and any form of investment needs to be regulated.

– **Possibility of a regulation being bypassed is no reason to not regulate any sector:** Another argument being made is that crypto investors don't need Crypto platforms as they can move to peer-to-peer exchanges (P2P) exchanges located outside India.

– A regulated market will certainly **keep illegal activities supported via Crypto transactions to under control** to some extent.

– Most of the common investors will comply with the rules and **substantial money will be gained from taxes.**

#### How Crypto can be regulated in India?

In *The Future of Money*, Eswar S. Prasad talks about three different approaches that countries have taken to regulate cryptos:

– **Banning:** Countries like **China** have banned cryptos entirely.

– **Passive intolerance:** Then there are countries which have adopted passive intolerance. This involves not banning cryptocurrencies but discouraging their use by financial institutions and, in many cases, not clarifying the legal status of such currencies. **South Korea** has taken this approach.

– **Regulatory framework:** The third and the most practical approach would involve not limiting investors from investing in cryptos and at the same time creating a framework in which to regulate them and any related to financial products.

**Must Read:** [How to regulate Cryptocurrencies in India?](#)

#### What is the way forward?

**First,** Crypto exchanges can be mandated to deduct a certain amount of tax when anyone sells tokens to make a capital gain. This will help maintain an accounting trail to check whether the right amount of tax was paid.

**Second**, the government needs to clearly specify the tax that needs to be paid on capital gains made by investing in cryptos.

**Third**, the use of the word 'currency' while talking about cryptos is something that needs to be outlawed because it misleads people, given that the word and the government are intricately related.

**Fourth**, it should be conveyed clearly to everyone that cryptos are not legal tender.

For more, read the following articles:

**Must Read:** [Cryptocurrency in India: Ban or regulation?](#)

### 15. [Rumblings of the coming central bank digital currency](#)

**Source:** This post is based on the article "**Rumblings of the coming central bank digital currency**" published in **Livemint** on **1st Dec 2021**.

**Syllabus:** GS3 – Information Technology, Indian Economy

**Relevance:** Central Bank Digital Currency (CBDC)

**News:** A senior RBI official has said that the pilot launch of a new central bank currency could happen as early as the first quarter of next financial year.

A lot of the ongoing debate on an Indian CBDC is focused on what RBI should do, and far less attention is paid to the equally important question of how households will respond.

Private demand for a CBDC must be studied in due depth for a useful understanding of its economic policy implications.

*A survey of central banks earlier this year by the Bank of International Settlements (BIS) showed that 14% of the surveyed institutions had launched pilot projects on CBDCs, while 60% were experimenting with the technology.*

#### **What is the demand and supply side of a CBDC?**

**Supply side** entails questions like, whether it would initially be open for retail or wholesale payments, for domestic or international payments, and how it can be made interoperable with the existing payments system, to data protection concerns.

**Must Read:** [Everything to want to know about CBDC](#)

**Demand side:** There are three sets of issues worth highlighting when it comes to understanding the potential demand for CBDCs from the private sector (households and businesses) –

– **A sudden movement of financial savings:** In India, household have ₹17.3 trillion of bank deposits, and ₹2.4 trillion of cash. There will be a minimal impact in case **cash is converted into CBDC holdings**, since one type of central bank money is being converted to another. However, a sudden movement of savings **from bank deposits to a CBDC** could create financial instability, especially during times of economic stress.

**Must Read:** [Inside RBI's digital currency dream](#)

– **Design of CBDC and interest rates involved:** One of the major factors affecting demand side behaviour will be the interest rate offered on CBDC holdings. Zero interest rates on these holdings will in effect mean that they are no different from cash, and people will then hold the CBDC only for payments. Also, the **ease of using the CBDC**, through existing digital wallets or the United Payments Interface, will be an important determinant of household behaviour, esp. switching b/w the [CBDC](#), cash and bank deposits.

– **Macroeconomic factors:** Estimates show that demand for a [CBDC](#) will be sensitive to macroeconomic factors such as household income, income distribution, the share of household

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

funding of the banking system etc. Most of the estimates available right now are for rich economies, so more work needs to be done on this in the Indian context.

**Must Read:** [The merits of an RBI digital currency outweigh risks](#)

**Note:** You can read even more about CBDC in the following articles:

– [Introducing India's National Digital Currency – Explained, pointwise](#)

– [RBI for widening scope of 'bank note' to include digital currency](#)

– [What a digital currency from RBI must get right?](#)

### 16. On legalising MSP: Supporting farmers

**Source:** This post is based on the article “**Supporting farmers**” published in **Business Standard** on **1<sup>st</sup> Dec 2021**.

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

**Relevance:** Legalising minimum support price and its challenges

**News:** Farmers are now protesting for a legally guaranteed minimum support price (**MSP**)

In terms of policy intervention, it is well accepted that incomes in the farm sector have fallen behind, compared to other sectors of the economy, and farmers need to be fairly compensated.

But a legal price guarantee is not the solution. There are a number of valid reasons why it should not be accepted.

#### Why MSP should not be legalised?

**Market distortion:** Guaranteed MSP will incentivise farmers to grow only those crops and neglect others. This will create an imbalance in the market. As a result, there will be a large surplus of some crops and a shortage of others.

**Affect small farmers the most:** it has been suggested that private traders be mandated not to buy below the MSP declared by the government. This will kill private trade in agriculture, and small farmers will be left with unsold surpluses.

#### What is the way forward?

The government needs to find less distorting means to compensate farmers. In this context, Income transfer could be a better option.

The already existing cash transfer scheme for farmers, can be modified to account for the level of landholding.

Further, government need to find ways to bring tenant farmers and agricultural labourers into the net.

Finally, the government would need to engage more widely with all stakeholders to be able to make the right policy interventions.

**Must Read:** [Legalising MSP: Challenges and way forward – Explained, pointwise](#)

### 17. India's informal economy has not shrunk

**Source:** This post is based on the article “**India's informal economy has not shrunk**” published in **The Hindu** on **1<sup>st</sup> Dec 2021**.

**Syllabus:** GS3 – issues related to formalisation of the workforce

**Relevance:** Formalisation vs informalisation

**News:** SBI Research study claimed that there is greater formalisation of the economy

According to a [recent State Bank of India \(SBI\) Research report](#), the informal economy in India has been shrinking since 2018.

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

The report claims that the share of the informal sector is just 15-20% in 2021 compared to 52.4% in 2018.

According to the report, Formalisation, has taken place through the gross value-added (GVA) route, consumption through increased digital payments, and the employment route.

However, the report's claim is unfounded.

### **What is the definition for informal enterprises?**

According to ILO, informal enterprises are defined as,

*Household enterprises not constituted as separate legal entities independently of the households or household members that own them, and for which no complete accounts are available and those without social security.*

### **Why the report's claim is unfounded?**

**Firstly**, The SBI study **adopts multiple definitions of formality** (digitisation, registration in GST, cashless payments), which are not used by anyone.

**Secondly**, The SBI study confuses the shrinking of the informal sector's share of the GDP due to demonetisation and COVID-19's impact on the economy with formalisation.

**Thirdly, the formal sector has been treated as a homogenous entity** in the study. In reality, there are various layers within the formal sector. Not all workers engaged in the formal sector are 'formal'. There has been large-scale informalisation of the formal sector over the last three decades through contractualisation and outsourcing of labour. As a result, the proportion of non-permanent, casual and contract workers increased in the organised sector from 1999-00 to 2011-12.

**Fourthly**, registration under miscellaneous laws does not imply that they have become formal. For instance, registration under acts like local municipal acts or tax laws does not indicate formalisation.

**Read more here:**

[- High cost of India's illusive quest for formalization](#)

[- An estimate of a big formal shift that stretches credulity too far](#)

[- Big claims of rapid economic formalization are suspect](#)

## **18. India's electric vehicle push will lead to brighter, greener future**

**Source:** This post is based on the article "India's electric vehicle push will lead to brighter, greener future" published in the **Indian Express** on 1 Dec 2021.

**Syllabus:** GS3 – Conservation, environmental pollution and degradation, environmental impact assessment.

**Relevance:** Understanding the need for a transportation revolution in India.

**News:** Decarbonisation of global economy, including India's, entails decarbonisation of the transport sector. Moreover, it is in line with the India's climate change commitments, will help boost manufacturing sector and also help ensure energy security.

India supports the global "EV30@30" campaign, which aims for at least 30% of new vehicle sales to be electric by 2030.

It requires a **transportation revolution**, having many components like better 'walkability', public transportation, railways, roads and better cars (likely to be electric).

### **Why India needs to transit towards electric mobility?**

**Huge car market:** India is the **5th largest car market** in the world and has the potential to be in top three in near future.



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

**Expensive fuel:** These cars are running on expensive **imported fuel**. India imports over 80% of its overall crude oil needs.

**Vehicular emissions:** The vehicular **emission** released is huge, causing health and environmental issues.

**Crowded cities:** It crowds up already overcrowded cities, suffering from **infrastructure** bottlenecks.

**Opportunities in battery manufacturing:** With rising levels of per capita income, there has been a tremendous demand for consumer electronics in the areas of mobile phones, UPS, laptops, power banks etc. requiring advanced chemistry batteries. This makes manufacturing of advanced batteries one of the largest economic opportunities of the 21st century.

**Must Read:** [Glasgow Climate Pact \(GCP\) – Explained, pointwise](#)

### What are the challenges India is facing in transitioning to electric mobility?

The absence of a **manufacturing base for batteries** in India, leading to sole reliance on imports to meet rising demand. It is estimated that by 2030, India's cumulative demand for batteries would be approximately 900-1100 GWh.

– **High Import bill**– India imported more than \$1 billion worth of lithium-ion cells in 2021.

### What are the likely benefits?

Transitioning to EVs has multiple benefits:

– It would help India to fulfil its **global commitments** like Paris goal, to **reduce carbon emissions** in order to limit global warming.

– It is likely to contribute in improving the overall **energy security** situation of India.

– Using EVs would help India **save foreign exchange**.

– The would develop a complete **domestic supply chain and attract FDI** (foreign direct investment) in the country.

– It is expected to play an important role in the **local EV manufacturing** industry for **job creation**. The battery manufacturing unit would make India's EV path sustainable.

– Through several **grid support services**, EVs are expected to maintain secure and stable grid operation. Also it would help in higher **renewable energy penetration**.

### What steps have been taken by the government?

– Government remodelled Faster Adoption and Manufacturing of Electric Vehicles (**FAME II**) **scheme** to tackle the demand side.

– It introduced production-linked incentive (**PLI**) **scheme** for Advanced Chemistry Cell (**ACC**) for the supplier side.

– Also the government launched PLI scheme for Auto and Automotive Components for manufacturers of electric vehicles.

## 19. [Law for national security: Vital point on rights is sidestepped in the way SC's Pegasus case is framed](#)

**Source:** This post is based on the article “**Law for national security: Vital point on rights is sidestepped in the way SC's Pegasus case is framed**” published in **TOI** on **2<sup>nd</sup> Dec 2021**.

**Syllabus:** GS3 – Challenges to internal security

**Relevance:** Understanding the implications of Pegasus spyware case, right to privacy, SC's judgement in Pegasus case

**News:** A month back, Supreme Court had appointed an independent expert technical committee to examine allegations that the government used an Israeli spyware, Pegasus, to

Created with love ❤ by ForumIAS- the knowledge network for civil services.

Visit [academy.forumias.com](https://academy.forumias.com) for our mentor-based courses.

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

snoop on its own citizens. This decision of SC received near-universal acclaim, reaffirming its institutional credibility.

But, the constitutional court could have done more in terms of the outcome of the case.

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

### Where the SC's judgement fell short of the desired outcome?

**Critical question not answered:** The court had to determine whether the possible purchase and use of the Pegasus by official agencies violated the fundamental right to personal liberty and privacy of citizens. Usually, in such cases, SC declares whether the government either violated or did not violate fundamental rights. Yet in this case, the basic determination transformed into a question of whether the committee would be set up by the court itself or the government.

**Committee was not required:** A fact-finding committee may be a necessity in complex governance questions. But, in cases such as Pegasus, where certain individuals came to court claiming a remedy for a violation of their rights, it was not a technical determination. It simply required a yes-or-no answer.

But, why was SC pushed to act in this case?

A major reason is the absence of a national security law that regulates surveillance for lawful purposes through a sensible procedure.

### What does a lack of a national security law indicates?

The lack of such a law means three things –

**Firstly**, that surveillance happens through decisions of bureaucrats and diktat. This **approach is inefficient** for anyone doing intelligence work.

**Secondly**, when a violation of privacy is alleged, the court is left with a question of balancing the right to privacy with the requirements of national security. If courts are left with such **wide discretion**, intelligence gathering will be contingent on the subjective views of various judges. In the absence of a law, **outcomes are bound to be dictated by pro-security or pro-liberty inclinations of judges**.

**Thirdly**, the absence of a national security law, **creates a culture of fear and apprehension**. Intelligence gathering must be done through a procedure established by law. This will ensure responsible investigations and enjoy the confidence of the public too.

### 20. A cautionary tale for banking in Reliance Capital's collapse

**Source:** This post is based on the article “**A cautionary tale for banking in Reliance Capital's collapse**” published in Live mint on **2<sup>nd</sup> Dec 2021**.

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

**Relevance:** Corporatisation of banks

**News:** Recently, the RBI said that it had superseded the board of a financier controlled by Anil Ambani, appointed an administrator, and would soon be sending the firm to the bankruptcy tribunal.

The Reliance Capital saga shows why RBI remains reluctant to allow big business groups into the banking sector, as recommended by its [internal working group](#).

**What lessons does the failure of Reliance Capital episode teaches us with respect to corporatisation of banks?**

**One**, collapse of a bank would **significantly affect savings and current account customers**. Ultimately, it can cause a loss of trust in the Indian banking system, pushing them towards riskier assets like Bitcoin.

**Two**, the issue of **connected lending**. It will take far greater supervisory skills to stay on top of 'connected lending' between banks and the non-bank business interests of controlling shareholders, especially if they happen to be politically influential.

**21. 4G, 5G or 6G, all need wireless backhaul**

**Source:** This post is based on the article "4G, 5G or 6G, all need wireless backhaul" published in **Business standard** on 2<sup>nd</sup> Dec 2021.

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

**Relevance:** 5G technology, Telecom sector

**News:** The recent Parliamentary Committee report titled, "India's Preparedness for 5G" states that while 59 countries had deployed 5G, India had not done so.

In this regard, the Parliamentary Committee has highlighted the issues/challenges that are hampering India's transition towards 5G technology.

**What are the issues/challenges highlighted by the Parliamentary Committee?**

- **Inadequate spectrum**, with only 50 MHz per operator, half the global average. For 4G, average spectrum per operator was even less, at a quarter of the global average.
- Exorbitant spectrum prices
- Insufficient development of 5G use cases
- Low fibre network availability
- Deficient backhaul capacity

**What are the solutions to address the above challenges?**

**To increase accessibility**, there is a need to increase investments in wireless backhaul (*backhaul generally refers to the side of the network that communicates with the global Internet*). India has many urban and rural sites where fibre is not feasible, because of factors such as congestion, distance, limited commercial potential etc. Wireless backhaul can fill in where fibre is not accessible or affordable.

**To overcome the issue of inadequate spectrum**, India should start using the E and V bands for backhaul, similar to other countries like Japan and South Korea. Also, wireless V and E bands are now reasonable alternatives for distances of about 1 km, and 3-4 km or more.

**To improve coverage, reduce costs, and for faster deployment**, India can consider an **active network sharing model**. For instance, A McKinsey report in 2018 cited network sharing had reduced the total cost of ownership by 30%, while improving network quality. India should plan for a mix of technologies going forward as 4G continues to evolve over the next decade. Policies that result in full 4G coverage of good quality is the need of the hour.

**To ensure better outcomes**, coordination across government departments and consultation with industry as stipulated in National telecom Policy needs to be adhered.

**22. How reforms are building momentum for 'India's century'**

**Source:** This post is based on the article "How reforms are building momentum for 'India's century'" published in the **Indian Express** on 2 Dec 2021.

Created with love ❤ by ForumIAS- the knowledge network for civil services.  
Visit academy.forumias.com for our mentor-based courses.

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

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

**Relevance:** Understanding the reforms taken to uplift the economy in the short and longer-term.

**News:** The repeal of the three farm laws is seen through different lenses. Some see it as a sign of stepping back from progressive laws, while others see it as something in the interest of farmers.

Despite taking back some progressive steps, to reform certain sectors like agriculture, due to lack of political consensus, many positive steps have been taken by the government for structural improvements in the economy.

### What are the steps taken for the economy's structural shift?

#### Reforming banking sector:

-**Insolvency and Bankruptcy Code(IBC)**-Since its enactment in 2016, it helped recover Rs 2.5 trillion from corporate defaulters, yielding a recovery rate of 36% as of June 2021.

-Government **recapitalized banks** and empowered debt recovery tribunals(**DRT**). A dedicated **Stressed Asset Management** Vertical was formed.

#### Reforming infrastructure:

-**Asset Monetisation** Program for revenue generation, Productivity Linked Incentive(**PLI**) Scheme to boost 14 sectors, was launched. Recently, work has started on Asia's biggest airport in UP.

-**National Infrastructure Pipeline(NIP)** envisages infrastructure investment of Rs 111 lakh crore over 5 years(FY 2020-25). This huge cost is expected to be met through asset recycling and monetisation and by creating a 'development finance institution'.

**Reforming PSU's:** Air India's privatization and others lined up.

### What factors are driving the economy's uplift?

**Lesser covid restrictions**-Corporates resume capital expenditure across sectors. Core sectors and IT, pharma, are taking the lead in investments.

**Government push** for PSU's to buy more in order to create a demand and supply cycle. Also, the reduced corporate tax rates with the elimination of many compliances, have made reforms easier.

**On the Monetary front**- The **low-interest rates**, an **accommodative monetary policy** has instilled confidence among corporates to invest more.

The quick resolution of commercial disputes by making **mediation** the preferred route rather than judicial litigation.

### What is the significance of these reforms?

The reforms in the infrastructure sector are vital for overall **economic growth** and recovery.

-Due to its **backward linkages**, infrastructure reform creates core sector demand. It **creates employment** too.

These reforms would pave the way for a '**digital economy**', and **green economy**, which will help India to rise over the next decade.

## 23. On Union government accounts – Growth spending

**Source:** This post is based on the article "**Growth spending**" published in **Business Standard** on 2nd December 2021.

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

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

**Relevance:** To get an idea of the new Q2 economic data of the fiscal year 2021-22.

**News:** Union government accounts for Q2 of 2021-22 were released.

### What does the report say?

It showed that the government has a comparatively **better fiscal position due to better revenue collection**. Total revenue receipts were over 70% of the budget estimate.

– **Higher nominal growth**, will also expand the economy and help contain the fiscal deficit as a percentage of GDP.

**GDP** in real terms, though increased, is still not at par with the pre-pandemic level. Similarly, **Private consumption** is still lower.

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

– Overall **expenditure is less** than the last fiscal year. Similarly, the **capital expenditure** is also less and reached only 45.7% of the budgeted amount. For the economic recovery, the government needs to push the capital expenditure up.

**Additional expenditures** will push up the fiscal deficit, such as

– **Food subsidy bill** increased due to the extended distribution of **free food grains** till March 2022.

– As the rural **job guarantee programme funds (MGNREGA)** have been exhausted, the government needs to significantly increase its allocation.

– Also, the government has to fund additional **fertiliser subsidies** and pay **arrears for export incentives**.

### 24. On indigenisation of defence products: Adding economy to defence

**Source:** This post is based on the article “**Adding economy to defence**” published in **Business standard** on **3<sup>rd</sup> Dec 2021**.

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

**Relevance:** Indigenisation of Defence products

**News:** On Independence Day, Prime Minister handed the indigenously designed & developed Light Combat Helicopter (LCH), over to the Indian Air Force (IAF). It has been manufactured by Hindustan Aeronautics Ltd (HAL).

The issue here is, it's confusing how the PM chose the LCH as an indigenous product, even while the **cabinet has not given manufacturing clearance** for 15 LCHs till now.

Despite the LCH qualifying under,

– The **Defence Procurement Procedure of 2016**, that mandates a minimum indigenous content of 40%, and

– The **Defence Acquisition Policy of 2020**, which requires the indigenous content to be above 50%.

The Cabinet Committee on Security, has been objecting to the LCH on the grounds that its indigenous content is too low for it to qualify as a “Made in India” product.

### Why genuinely Indian-developed products fail to qualify for indigenous status?

The central reason for this, is the tendency of the Ministry of Defence (MoD) to place such **small orders** (for example, 15 LCHs) that it remains uneconomical to manufacture many components in the country to carry out import-substitution.

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

**For example**, Indigenisation costs for components that are not used in large numbers will be very higher than buying from a global original equipment manufacturer.

### **What needs to be done to increase the indigenisation of Defence equipments?**

India needs to **create more demand**, such that it remains economical to manufacture many components.

**For instance**, instead of building just a few dozen LCHs, a manufacturing of several hundred would genuinely lower costs.

Hence, more and more indigenisation of components, sub-systems and systems needs to be done.

### **How the demand can be increased?**

**Firstly**, there should be a **large-scale employment of the LCH in the defence services**. This creates demand and an economic feasibility for manufacturers for indigenising more and more components.

**Secondly**, there is a **need to boost export orders**. It can be done via:

- combination of a low prices, and a maintenance and overhaul package.
- providing prospective customers with lines of credit that would incentivise purchase.
- Organising exporters into trade bodies that can lobby in prospective buyer countries

**Finally, need to focus on areas of technology and equipment that presents the maximum opportunities for indigenisation**. For India, the answer is Aero engines. Because, aero engines account for one-third the cost of a new military aircraft.

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

– **Development of Aero engines**: India is going to buy foreign military aero engines worth Rs 3.5-4 trillion over the next two decades. Yet, successive governments have neglected the **development and manufacture of aero engines**. Also, DRDO has been less successful in developing highly efficient aero engines with limited resources. For instance, the Kaveri engine for the Tejas fighter.

The need of the hour is, **India needs to replicate its successful missile development program**.

By clearly identifying an aim, allocating technological manpower and leadership, and spending about enough can make the aero engine project successful.

## **25. [India's repeal of farm laws won't resolve our real crisis of farming](#)**

**Source:** This post is based on the article **"India's repeal of farm laws won't resolve our real crisis of farming"** published in **Livemint** on **3<sup>rd</sup> Dec 2021**.

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

**Relevance:** Agricultural reforms

**News:** The repeal of Farm laws is unlikely to end farmer worries. The need of the hour is to reform agriculture.

### **What are the issues being faced by the agricultural sector?**

Farming in India is faced with many problems that makes farmers livelihood unsustainable. **For example**, the sector is faced with rising input costs and low-price realizations, with demand in decline across our economy since 2016-17.

These concerns have got aggravated over the past year, with **input expenses** on diesel, electricity and fertilizers **rising faster** than output prices.

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

Recent rural-wage data of farmers confirm **declining rural wages and income** from crop cultivation.

In this context, farmers' demand for a guaranteed Minimum Support Price (MSP) is in line with commitments by successive governments to fair remuneration for farmers, and the Swaminathan panel recommendation

### What are the areas that need to be reformed?

There is a need to reform our MSP system. The problems that need to be addressed include,

- Political interference in MSP-setting
- Crop-wise and regional imbalances in MSP-led procurement operations,
- Inefficient distributional and stocking policies,
- Undue and ad-hoc interference in tariffs and trade restrictions.
- Similarly, reforms are needed in case- research priorities, extension services and investment priorities. Most of these have seen drops in public expenditure and support, with little institutional reform of regulation.

### 26. Global corporate taxation: The new bare minimum

**Source:** This post is based on the article “**Global corporate taxation: The new bare minimum**” published in DTE on 3<sup>rd</sup> Dec 2021.

**Syllabus:** GS3 – issues related to taxation of MNC's

**Relevance:** Global minimum corporate tax, tax evasion, OECD

**News:** Recently, the G20 nations approved a new global minimum corporate tax. The new taxation regime covers 90% of the global economy.

While OECD countries see this as a significant reform in a digitalised and globalised world economy, many see this deal as not inclusive of the developing countries.

### What are the important provisions under the deal?

Under this deal, there are two “pillars” of taxation on corporations.

**Pillar-1:** The tax provision empowers countries to **tax companies where they earn their revenue**. Under this, companies' excess profit–defined as in excess of 10% of total revenue–will be taxed at 25%. It is estimated to affect the world's top 100 companies.

**Pillar-2:** It will be applicable to **overseas profits of multinational firms** with €750 million (about 6,400 crore) in sales globally. If a company pays less than the 15% tax, the government of its home country would have the power to levy a tax to bring it to the minimum.

– **For more:** Read [here](#)

### What is the reason for bringing in a new global minimum corporate tax?

**Want for more resources by states:** Countries, rich and poor, needed more resources to fight the pandemic and the consequent economic fallouts.

OECD estimates that with the new minimum rate, countries will have \$150 billion annually in additional revenues. This money they could use to fund critical development requirements.

**International demand:** India and other countries in G24 (a sub-group of G77) pushed for a nation's right to tax based on location of a company's employment and sales.

– **For more:** Read [here](#)

**What are the issues/challenges in the new deal?**

**Firstly**, according to experts, the rate will hardly help meet the main objective of stopping profit-shifting and evasion. Though Pillar 2 sets a global minimum rate, with very low tax rates at 15%, the incentives to shift profit will remain substantial.

**Secondly**, the deal applies to a very small part of the corporate profits and is also limited to a few companies.

**Thirdly**, Experts say the 15% tax rate is not ambitious enough. Earlier this year, UN Financial Accountability, Transparency and Integrity (FACTI) recommended 20-30 per cent global corporate tax.

**Finally**, many developing countries, though signatory to the deal, have expressed concerns about the implementation of these new taxing rules. Condition on countries to remove all unilateral taxes on technology companies will significantly impact their revenues. Because, many countries earn a significant revenue by levying tax on digital services. This tax covers a larger number of companies for tax revenue and in many cases, they earn more than the expected tax under the new regime.

– **For more:** Read [here](#)

**What is the way forward?**

Only a **UN tax convention**, where global rules are determined by democracy not plutocracy, can make tax havens a thing of the past

The recent initiative by heads of states to agree on a UN-led tax global convention based on the tax reform blueprint prepared by FACTI is a step in the right direction.

**27. Assessing the case for a legal MSP**

**Source:** This post is based on the article “**Assessing the case for a legal MSP**” published in **Business Standard** on **2nd Dec 2021**.

**Syllabus:** GS3 – Issues related to Minimum Support Prices

**Relevance:** Demand for legalisation of MSP

**News:** After getting the three farm laws repealed, the farm unions are now demanding a legalisation of MSP.

But legalising MSP must be backed by a programme with requisite resources (like MGNREGA) and a time-frame within which governments would expand and diversify their procurement portfolios, in line with agro-ecology.

**Why the state continues to intervene in agricultural markets?**

In India, for almost 50 years, the state has intervened in agricultural markets to protect both farmers and consumers.

**Protecting farmers:** During bumper harvests, farm revenues decline for the vast majority of India’s small and marginal farmers. This happens as farmers lack storage facilities, so they have to come to the market at the same time, resulting in an increased supply. And an increased supply with almost no increase in demand causes the prices to fall.

**Protecting poor consumers:** The market for foodgrains is unregulated. So during a drought, the poor consumers either starve or are further made poor by being forced to buy very expensive commodities, conveniently hoarded by traders.

Thus, the government brought in the MSP regime to procure crops from the farmers and then distribute these crops at subsidised rates via Public Distribution System (PDS).



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

This intervention protected farmers during bumper crops and protect poor consumers during droughts by having adequate buffer stocks.

### What is the rationale behind the demand for legalisation of MSP?

– Read here: [Legalising MSP: Challenges and way forward – Explained, pointwise](#)

### Why MSP-based procurement needs to be expanded to include other crops?

– **Diversified cropping pattern:** Govt should expand and diversify its MSP-based procurement operations to include climate resilient crops like millets (nutri-cereals), pulses and oilseeds, which are better suited to the agro-ecology of each region. This will incentivise farmers to shift to a diversified cropping pattern.

– **Include locally procured crops into anganwadi supplementary nutrition and school mid-day meal programmes.** This would ensure a large and steady market for farmers. This will also make a huge contribution to tackling India's **twin syndemic** of malnutrition and diabetes as these crops have a lower glycemic index, & higher content of dietary fibre, vitamins, minerals, protein and antioxidants.

Hence, India's MSP regime needs to be expanded, but what is the best way of doing it? Should MSP be legalised or is there any better alternative available?

### What is the way forward?

**The MGNREGA example:** The scheme does not guarantee 365 days of work to every person who seeks work. The legal guarantee is for 100 days per family per year, around 1/10<sup>th</sup> of the former. But even such a small intervention has resulted in the tightening of the labour market, with rural wages and livelihood security improving. Something very similar can be done through the 2018 PM-AASHA scheme, wherein 25% of the production for the season is to be procured by the government (*to be expanded up to 40%, if the commodity is part of the PDS*).

– For more: Read [here](#)

But, merely reforming MSP regime is not going to end the farm crisis.

### How to resolve the farm crisis?

In a forthcoming paper in the journal Ecology, Economy and Society, Mihir Shah has outlined multiple issues that need to be addressed:

- correcting uneven regional distribution of investments, which has led to the neglect of India's drylands
- moving away from commodity-centric R&D towards a whole systems understanding of farming
- Altering the pattern of subsidies that is overwhelmingly biased in favour of chemical inputs
- Taking the understanding of soils beyond narrow GR thinking
- Strengthening the legal and regulatory framework governing chemical inputs
- Making massive investments in post-harvest infrastructure to support safe and nutritious food; and
- bringing agriculture education out of the 50-year-old Green Revolution paradigm.

## 28. [A white touch to a refreshed green revolution](#)

**Source:** This post is based on the article “**A white touch to a refreshed green revolution**” published in **The Hindu** on **3rd Dec 2021**.

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

**Relevance:** To understand the different models used in White and Green revolution.

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

**News:** 26<sup>th</sup> Nov, 2021 was celebrated in Anand, Gujarat as the 100<sup>th</sup> birth anniversary of Verghese Kurien, the leader of India's 'white revolution'. The white revolution resulted in increased incomes and the wealth of millions of cattle-owning small farmers in India, many of them women.

The Amul model, of a socio-economic enterprise, also has an immense potential to aid India's crop-growing farmers.

**Must Read:** [Indian Agriculture needs a Verghese Kurien](#)

### What are difference b/w Green and White revolutions?

**Objective-**The purpose of the green revolution was to increase the **output of agriculture** to prevent shortages of food. However, white revolution focussed on increased **incomes of small farmers** in Gujarat, not the output of milk.

**Method used-** The green revolution was largely a **technological exercise**, driven by science and the principles of efficiency. It required inputs, like chemical fertilizers, to be produced on scale and at low cost. Therefore, large fertilizer factories were set up. Large dams, irrigation systems and Monocropping were also required to make use of the inputs like water and fertiliser at scale. Thus, farms became like large, dedicated engineering factories designed to produce large volumes efficiently

Whereas, the white revolution was a **socio-economic exercise** driven by political leaders and principles of equity.

Sardar Vallabhbhai Patel and Tribhuvandas Kishibhai Patel had a vision of a cooperative movement of Gujarati farmers for increasing their incomes.

Meanwhile, IRMA, or the Institute of Rural Management Anand, which Kurien had founded, convened a workshop to celebrate his 100<sup>th</sup> birth anniversary to discover what can be learned from the white revolution to increase the farmer incomes in India.

### What are the insights provided by IRMA workshop?

**i). Inclusion and equity** in governance must be integral to the design of the enterprise. Increase in the **incomes and wealth** of the workers and small asset owners in the enterprise must be the purpose of the enterprise, rather than going for just the firm's profit.

**ii). The 'social' side of the enterprise** is as important as its 'business' side. Therefore, the social fabric of the enterprise must be strengthened via learning and application of non-corporate methods of management.

**iii). The solutions must be local**, rather than global. Enterprise derives input resources from local community, and therefore its output must take care of locals. The resources in the local environment (including local workers) must be the principal resources of the enterprise.

**iv). The science** used in process must be **practical and useable** by the people on the ground. The scientists can also learn practical and useful science from people on the ground.

**v). Sustainable transformations** are brought about by a **gradual evolution**, and not by a drastic revolution.

-Large-scale farming using modern scientific methods, in USSR and USA, though achieved spectacular results but wiped out peasants and small farmers.

- The **top-down ownership of enterprises**, whether by the state (in the Soviet model), or by remote investors (in the capitalist model) **is a wrong solution**.

## 29. [Breathing fresh air into the NCR's pollution control](#)

**Source:** This post is based on the article "[Breathing fresh air into the NCR's pollution control](#)" published in **The Hindu** on **3rd Dec 2021**.

Created with love ❤ by ForumIAS- the knowledge network for civil services.  
Visit [academy.forumias.com](https://academy.forumias.com) for our mentor-based courses.

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

**Syllabus:** GS3 – Conservation, environmental pollution and degradation, environmental impact assessment.

**Relevance:** To understand the problem of air-pollution in NCR, our approach and global examples.

**News:** Supreme Court questioned government and role of Commission for Air Quality Management (CAQM) for the lack of actual ground results in the fight against air-pollution in Delhi.

At a hearing, the Court gave the Centre and Delhi government 24 hours to come out with suggestions to control air pollution.

### **What is the problem with CAQM's approach to tackling NCR's air pollution?**

The performance of **CAQM** is not up to the mark. It has been unable to tackle the **interdependent causes behind air pollution**, driven by complex urban issues.

**For instance: Urban transformation** is a social process (people, services, lifestyles) of how cities evolve over time, rather than a physical problem (congestion, technology, regulation).

Therefore, CAQM should focus on cities' organisation, that requires collaboration between multiple stakeholders.

### **What lessons can India learn from Beijing in controlling air pollution?**

#### **Similarities b/w Beijing and Delhi's approach to tackle air pollution:**

Both Delhi and Beijing, share a **3-stage approach** to tackle air pollution and both have **comparable size of population**.

– The 3 stage approach starts with addressing air pollution at source, gradually moving to tackle primary pollutants (SO<sub>2</sub>, NO<sub>2</sub>, PM<sub>10</sub>, and CO). Later, secondary pollutants (PM<sub>x</sub>) leading to smog, primarily PM<sub>2.5</sub> becomes the main focus for control with a regional coordination mechanism.

#### **Differences b/w Delhi and Beijing's approach:**

The **UNEP's review** of Beijing's strategy, points to a system characterised by:

– systematic planning, strong monitoring capacity, local standards, specific enforcement mechanisms and public awareness

**A network for early warning:** The combined high-resolution satellite remote sensing and laser radar and over 1,000 PM<sub>2.5</sub> sensors throughout the city gives accurate data to identify high-emission areas and periods. In case of forecasted heavy pollution, warnings are issued at least **24 hours in advance** through the media, in addition to daily air quality reports and forecasts.

**Approach to urbanisation:** Major cities including Beijing, rather than shutting down industries or restricting personal car and travel, have taken a different approach to urbanisation. It includes:

– Mixed *Land use planning* in cities like New York and Beijing provides more space for public transport and minimises the need for travel. In China, 72% of travel is completed by public transport, compared with 37% in Japan, 17% in Europe and 10% in the U.S.

**Source apportionment studies:** When it comes to air pollution, particulate matter is the most difficult to control, leads to smog and serious health issues. A systematic study on PM<sub>2.5</sub> source apportionment in Beijing found that on-road diesel vehicles formed the largest part of pollution sources. The policy focus, hence, gradually changed from gasoline vehicle emissions to heavy-duty diesel vehicle emissions.

Phasing out older vehicles made the most significant contribution. In Delhi, source apportionment is still being debated.

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

**Source Apportionment (SA)** is the identification of ambient air pollution sources and the quantification of their contribution to pollution levels.

**Innovative implementation steps** were instituted in Beijing. Economic incentives designed were specifically tailored to a problem. **For instance:** A **differentiated fee** was charged, according to the concentration of waste gas emissions, from those who chose to remain in production. Also, an attractive level of subsidy was given to high-polluting enterprises to close their production.

– Enforcement at the municipal and State levels is **coordinated**, with each level having different responsibilities and mechanisms for cooperation.

Lastly, **independent evaluations** review the air quality management system, assessing the pollution reduction effects in selected areas, and provide recommendations for enabling further improvement in air quality and building public support.

### 30. COP27, in Egypt, must focus on food systems

**Source:** This post is based on the article “**COP27, in Egypt, must focus on food systems**” published in **The Hindu** on **4<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Issues related to climate change and food security.

**Relevance:** WFP, Climate change, Sustainable food systems

**News:** The United Nations Special Envoy for Food Systems Summit, has called for an unprecedented focus on food systems — food and agriculture — by ensuring that COP27 (in Egypt) has a dedicated focus on this.

There is a need to **reimagine our food systems**, which requires us to look at food systems through the angle of climate change adaptation and mitigation.

Food systems should be made **more resilient** to climate change while making them green and sustainable.

#### How are food systems and climate change related to each other?

The **climate crisis impacts all parts of the global food system** — from production to consumption. It destroys land and crops, kills livestock, depletes fisheries, and cuts off transport to markets. This impacts food production, availability, diversity, access, and safety.

At the same time, **food systems impact the environment and are a driver of climate change.**

– **Climate change & Hunger:** Analysis by the United Nations World Food Programme (WFP) shows that a 2°C rise in average global temperature from pre-industrial levels will see a staggering 189 million additional people in the grip of hunger.

– **Climate change & Vulnerable communities:** A vast majority of such communities, who rely on subsistence agriculture, fishing, and livestock, have to bear the impacts of climate change with limited means to adapt.

– **Climate change & Nutrition:** As per the latest IPCC report, climate change threatens nutrition through multi-breadbasket failures.

Hence, climate change is inextricably linked to how we develop and implement our food system across the world.

#### What is the role of WFP in this regard?

The WFP is working with communities to **adapt to the changing climate** that threatens their ability to grow food, secure incomes, and withstand shocks. It has supported 39 governments, helping them realise their national climate ambitions.

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

In 2020, the WFP implemented **climate risk management solutions** in 28 countries, which are now better prepared for climate shocks and stresses and can recover faster.

In India, the WFP and the Ministry of Environment, Climate Change, and Forestry are planning to develop a **best practice model** on adaptation and mitigation with potential support from the Adaptation Fund.

### **What are the key areas that we need to focus upon?**

**First**, creating resilient livelihoods and food security solutions by protecting and improving the livelihood of vulnerable communities.

**Second**, the adaptation of climate-resilient food crops, such as millets, for nutritional security.

**Third**, enabling women's control and ownership of production processes and assets and increased value addition and local solutions.

**Fourth**, promoting a resilient agriculture sector. This can be done by creating sustainable opportunities, access to finance, and innovation for small-holder farmers, with climate information and preparedness.

**Fifth**, building capacity and knowledge of civil society and governments for vulnerability analysis. This will increase food security by addressing the link between food security and climate risk.

**Sixth**, need to increase climate finance for adaptation. Multilateral development banks, other financial institutions, and the private sector need to explore innovative approaches for mobilizing finance for **the adaptation fund**.

**Seventh**, investment from governments and the private sector in supporting farmers while maintaining biodiversity, and offering attractive income and work environment to smallholders and youth.

### **31. A leap forward for fusion power**

**Source:** This post is based on the article “**A leap forward for fusion power**” published in **Business Standard** on **4<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Science and Technology

**Relevance:** Nuclear Fusion/ thermonuclear bomb/ hydrogen bomb

**News:** Physicists at the National Ignition Facility, Lawrence Livermore National Laboratory, in Livermore California, claim to have generated nearly as much energy as they put into an inertial confinement system.

This development is regarding the break through research in nuclear fusion process. Though Nuclear fusion has many benefits, some drawbacks make it unviable as of now.

### **What are the benefits of nuclear fusion process?**

Nuclear fusion is a potentially inexhaustible source, and it has no dangerous side effects.

Fusion causes no poisonous radiation. There are no emissions of carbon compounds, or any other pollutants.

### **What are the challenges associated with nuclear fusion process?**

**Firstly**, triggering fusion reactions requires temperatures of 100 million degrees Celsius, and pressures of 100 billion Earth atmospheres.

**Secondly**, currently nuclear fusion process is triggered by nuclear fission process. However, this process is very destructive, as the fission explosion also releases lethal radiation that may last for millennia.

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

A more usable form of fusion would require a less destructive trigger, and it would release fusion energy in a controlled, usable format.

### What are the options available to make nuclear fusion sustainable?

Both the methods given below are capable of generating controllable energy rather than explosions, and they don't cause radiation.

**Magnetic confinement designs/ Tokamak's magnetic fields:** It creates a very powerful magnetic field, which confines the fusion material.

**Inertial confinement:** In this process, fusion material is stored inside a physical capsule, which is squeezed.

However, creating a **Tokamak's** magnetic fields and sustaining it, or bombarding an inertial containment capsule, takes **large amount of energies**. In this context, the recent breakthrough that claims to have generated nearly as much energy as they put into an inertial confinement system holds significance.

### 32. What the NFHS data reveals about inequality in India

**Source:** This post is based on the article "**What the NFHS data reveals about inequality in India**" published in India Express on 4<sup>th</sup> Dec 2021.

**Syllabus:** GS3 – Issues related to inclusive growth

**Relevance:** Convergent, and inclusive pattern of development

**News:** The release of the NFHS data and the NITI Aayog's study on developing a **multidimensional index of poverty** (MPI) has led to a considerable amount of discussion.

In recent articles, experts have pointed out the existence of regional inequality in development, using many statistics in support of their argument.

However, a **detailed examination (by the authors), of the summary statistics reported in the NFHS data** (large and small states of India for the two years 2015-16 and 2019-21) reveals the opposite.

### What are the key changes revealed?

There has been a remarkable **convergence in living standards**, in the space of just five years (2016-2021).

There has been a **large 31% increase in the aggregate level of development**, and a very **large decline of 41%, in inequality of development**.

Less developed states (BIMARU) have shown higher improvement, which is an evidence in support of **catch-up growth**. States such as UP, Bihar and Jharkhand are fast approaching similar standards for select indicators as some of the "developed" states.

This further suggests that **regional imbalances are reducing**, and in some indicators, rapidly. For instance, Female empowerment has improved more than 50%.

### What is the reason for such a remarkable convergence in living standards in a span of 5 years?

It is an outcome of an approach that involves **targeted interventions** to improve developmental outcome. Such targeted intervention measures include:

**One**, the issue of challenges associated with lack of access to modern sanitation, as directly addressed by the construction of 110 million toilets.

**Two**, the problem of asthma due to indoor air pollution generated by incomplete combustion of wood used for cooking was addressed by the **PM Ujjwala Yojana** which provided 86 million LPG connections.

*Three*, holistic development of an entire region by identifying the most backward districts of the country.

### **33. The tech holes that ensure that crypto can never be effectively banned**

**Source:** This post is based on the article “**The tech holes that ensure that crypto can never be effectively banned**” published in **Business Standard** on **3rd Dec 2021**.

**Syllabus:** GS3 – Information Technology

**Relevance:** Why banning Crypto is not possible?

**News:** Experts have stated that it is not possible to enforce an effective ban on cryptocurrency in a foolproof manner.

#### **Why banning Cryptocurrency is not possible?**

**Peer to Peer networks:** Users can always transact using peer-to-peer networks. This is exactly what happened in India post RBI’s restrictions on Indian banks in 2018.

**Defi platforms:** Users can trade or transact in Crypto via Decentralised finance (Defi) platforms. These platforms can be used without any intermediaries like banks or standard crypto exchanges. User sign-ups are **completely anonymous** on these platforms, without any identity markers like name, email-id or location.

**Banning ports would lead to unintended consequences:** One way to block these DeFi platforms and cryptos would be to ban the ports, which are the interfaces that allow computers to communicate regarding a software with each other. But this would mean blocking other genuine software that use a particular port. **For instance:** Port 8333 is used by Bitcoin, but also by cloud computing major VMware.

**Exchanges can move abroad:** The simplest option for a ban is to block local crypto exchanges in the country. In that case, the exchanges would move abroad and attract users through virtual private networks (VPNs). It would just reduce the government’s ability to track and tax transactions. There will be money laundering and scams.

**A ban on crypto in India would not stop people from amassing such assets in other jurisdictions.** For example, a crypto user giving freelance services to a company abroad, can take the payment in crypto. His Crypto assets could sit in the foreign jurisdiction untouched until they are traded in INR transactions in India.

Also, as per **Financial Action Task Force recently issued Guidance on Virtual Assets and Virtual Asset Service Providers**, the proliferation of these instruments requires accommodation in any governance model.

#### **What have been the implications of a blanket Crypto ban?**

At present, two countries have banned Crypto: Nigeria & China, and both have failed at curbing their usage.

**A ban only boosts adoption of Crypto:** In countries where a blanket ban was imposed, it eventually resulted in an even greater adoption of Crypto. **For instance:** Nigeria & China

– **Nigeria:** Nigeria’s central bank curbed local banks from working with cryptocurrencies in February 2021. It warned of severe regulatory sanctions and freezing accounts of companies and users using them. But a Reuters report in October said that **crypto adoption in the country increased** following the ban.

– **China:** In May 2021, China first cracked down on crypto mining operations in the country and then followed it up with a blanket ban on all crypto related activities, including trading, in

September. But, there has been an **increased activity on decentralised finance (DeFi) platforms**.

#### **Why Defi platforms cannot be banned?**

Unlike crypto exchanges like CoinSwitch Kuber, WazirX or CoinDCX that are based on the respective servers of the companies, decentralised platforms are not controlled by a single server or group of servers.

They are like **distributed peer-to-peer networks** that are run by computers across the globe. This means that there is **no single point of failure**, meaning shutting down a few computers would not lead to blocking access for others.

#### **34. Corridors of death**

**Source:** This post is based on the article “**Corridors of death**” published in **The Hindu** on **4<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Conservation, environmental pollution and degradation, environmental impact assessment.

**Relevance:** To understand the issue of unnatural death of Elephants.

**News:** The recent deaths of Elephants in Tamil Nadu and Assam in train collisions has again highlighted the gaps in efforts to reduce **man-animal conflicts** in the country.

Of the 29,964 elephants in India, the majority are in the southern region.

#### **What are the reasons behind it?**

Project Elephant division (MoEF&CC) reported **unnatural killing of 1,160 elephants** over 11 years ending December 2020.

**Railway accidents** accounted for 186 cases. **C&AG** in its latest compliance audit report on the Ministry of Railways has confirmed greater number of casualties getting reported are in elephant passages.

Other causes being **poaching** for 169 and **poisoning** for 64 cases of deaths out of 1160.

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

**To prevent electrocution** – Installing hanging solar-powered fences, as has been planned in Tamil Nadu and Kerala, can help save elephants from electric shock.

-The authorities should ensure that there are no illegal electric fences or barbed wire fences. Instead, it can be replaced with the solar-powered ones.

**Preventing train hits** – Planting ‘citronella’ and ‘lemon grass’, as done in Golaghat district (Assam), to deter elephants.

**Participation of local communities** is crucial for conservation of local ecosystem. Everyone, and especially those living close to elephant corridor, must be conveyed the critical role elephants play in biodiversity conservation.

**Eco-corridor:** The ministries of Railway, & Environment Ministry must cooperate to quickly complete projects of **elevated-passes** (Eco-corridor) **and under-passes** for safe wildlife crossings.

– C&AG reported that after the construction of underpasses and overpasses in the areas of East Central and Northeast Frontier Railways, there was no death reported.

The authorities should also work upon other **recommendations made by the C&AG**. These are:

- Periodic review of identification of elephant passages
- More sensitisation programmes for railway staff



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

- Standardisation of track signage
- Installation of an **animal detection system** (transmitter collars) and '**honey bee**' **sound-emitting devices** near all identified elephant passages.

ForumIAS