

# **9pm Compilation**

**December 2021, (Second Week)**

## General Studies - 2

---

1. Neo-socialism: State's expanding tech biz
2. Tehran's white flag in Vienna
3. The need to reopen anganwadis
4. Putin's visit must be used to realize the potential of India- Russia ties
5. Nagaland killings aren't a mere 'blunder'
6. The learning curve: Why college education for women matters
7. Why India will be scrutinised at Summit for Democracy
8. A new era in public procurement
9. The way to tackle malnutrition
10. A docket full of unresolved constitutional cases
11. The nine lives of India's National Family Health Survey
12. Mediation Bill: Not getting the Act together
13. Surveillance as governance
14. India-Russia summit recognised that each needs the other, and that the drift in bilateral ties needs to be arrested
15. About Swacch Bharat Mission 2.0: Being free of old waste
16. What schools need to do during pandemic
17. Health account numbers that require closer scrutiny
18. High LPG prices are scorching the air pollution fight
19. Women in the post-pandemic workplace
20. Order those jabs: India needs plenty more vaccines & vax-makers need advance notice. GoI take heed
21. Low tobacco tax, poor health
22. Repealing AFSPA will not weaken, only strengthen Constitution
23. India-Russia Relations: Russia, a legacy relationship with limitations
24. Don't ignore context of NFHS data
25. Pavlovian responses like travel restrictions won't stop omicron
26. A better NJAC: Politicians are right on the collegium. But can their solution rise above politics, that's the question
27. Suspension of 12 MPs for entire Winter Session is worrying
28. School education: Children and schooling in the post covid 19 era
29. India-Germany relations: After 16 years
30. About the foreign aids: Imagine: The common good
31. Gujarat HC's strictures against the campaign to stop sale of non-vegetarian food is a much-needed pushback
32. Make the mental well beings of teacher a priority
33. India and its neighbourhood relations: Winning back some neighbours
34. Celebrating NRI success: When 'national pride' trumps obvious questions
35. "Chinese Project at Balochistan port: local protests, global concerns"
36. "Future of jobs: Modernised labour market require social security"

## General Studies - 3

---

1. Wanted: New leaders to tackle climate change challenge
2. On Blockchain: The next big tech revolution
3. The brush with crypto offers some lessons for regulation
4. Cooperation awaits its "finding Raiffesisen" movement

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

5. Fresh air has become a luxury in Delhi
6. Storm surges and relief: Why India should rethink its cyclone response
7. Why the Reserve Bank wants to have its own digital currency
8. Fighting together: Only the political leadership can clear the way for joint theatre commands
9. The farm laws fiasco offers 7 lessons on how to reform in a democracy
10. Proposal to create bad bank for farm loans raises several issues that need careful deliberation
11. MSP is no silver bullet to boost farmers' income
12. We're on a knife's edge between global reflation and stagflation
13. The Goa government's TReDS adoption is worthy of emulation
14. Draft extended producer responsibility policy: How gaps in achieving fundamental goals can be closed
15. Basking in reflected glory
16. Nagaland killings should prompt a broad rethink
17. How to regulate crypto, minus a crypto-specific law
18. NFTs are overhyped, but useful for a creative economy
19. India's labour market distress
20. On fiscal deficit: The turn of the Centre
21. Karnataka Government objects to implementation of Kasturirangan Report
22. Check stubble burning, monitor policy implementation
23. What PLFS tells us about India labour market
24. Aiming for a high, quality of life does influence investment decisions, India needs to loosen up
25. RBI must tackle surplus liquidity on way to policy normalisation
26. Real Cost of MSP For All Crops
27. Open banking puts banks on notice-Digitise or perish
28. A window of opportunity
29. Covid impact on what we may call a relevant market
30. On Agri reforms: Setback for reforms
31. PM-AASHA, price deficiency payment scheme: A fact check on its progress
32. On corporatisation of banks: Companies Needn't Own Banks
33. The NFT promise is overhyped even for creative folks
34. The mountains are calling and they need help
35. Clean Energy from cold nuclear fusion is our Planet's best hope
36. Delhi Pollution-Looking at social, political facets of climate crisis can help in better adaptation
37. Government shouldn't rush to rein in fiscal deficit-NITI Aayog
38. Nagaland's people deserve neither AFSPA nor gun culture
39. How waterways can help improve competitiveness
40. What true MSP means
41. Despite risks, there's great potential in cryptocurrencies
42. Before criticising AFSPA, a full probe is necessary
43. "58 Percent of Potential oil palm acreage identified in 5 states: ICAR study"
44. "Goods and services tax as an unfinished agenda"
45. "Radioactive Pollution in water: A global concern for human health"

# General Studies Paper - 2

## General Studies - 2

### 1. Neo-socialism: State's expanding tech biz

**Source:** This post is based on the article “Neo-socialism: State's expanding tech biz” published in **Business Standard** on 6<sup>th</sup> Dec 2021.

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

**Relevance:** State's direct intervention in digital tech initiatives

**News:** Reuters recently reported that Visa Inc. had complained to the US government about India's “informal and formal” promotion of domestic payments rival RuPay.

In this context, state's direct intervention in digital tech initiatives has been criticised by some as **socialisation of fintech**.

#### What complaints have been raised by Visa Inc and Master card?

**Mastercard Inc**, way back in 2018 had charged India's PM of using nationalism to promote RuPay. **For instance**, in 2018, Indian PM had declared the use of RuPay patriotic.

**Visa** recently complained that, the phenomenal increase in the use of RuPay card is a result of India's informal and formal policies supporting it. **For instance**, the government had abolished the merchant discount rate (MDR) on transactions using the RuPay debit card and the UPI from January 1, 2020.

#### How has govt promoted the use of RuPay and UPI?

Along with PM, **Union Finance Minister has also supported the use of RuPay** when in 2020, she said that RuPay is the only card banks should promote.

Govt also **abolished MDR (Merchant Discount Rate)** for RuPay transactions from 1st Jan 2020, while for Mastercard or Visa debit card, merchants are charged an MDR of 0.4-0.9%.

Further, all Indian companies with an annual turnover exceeding Rs 50 crore have to **compulsorily offer RuPay payment options** to their customers.

#### What are the technological initiatives launched by the government in fintech?

**Esanjeevani:** The government launched a telemedicine platform, esanjeevani.in. It allows anyone to register, consult a doctor, and download a prescription.

**Village-level retail chain:** Recently, the government launched a desi, rural version of Big Basket by creating a village-level online retail chain. This ambitious plan is being led by the Common Service Centres.

**BHIM:** Apart from the UPI and RuPay, the government had launched the payment facility Bharat Interface for Money (BHIM).

**Bharat Bill Pay System:** National Payments Corporation of India (NPCI) launched the Bharat Bill Pay System, a single platform for all utility biller.

**BharatNet:** the launch of BharatNet to provide a minimum of 100 Mbit/s broadband connectivity to all 250,000-gram panchayats in the country, covering nearly 625,000 villages. The author of this article mentions that he is neither in support nor in opposition of these initiatives.

And that he merely wants to point out that while govt wants to sell its share in PSUs and public sector banks, it is venturing deep into fintech business itself.

This, as per the author, has implications for data gathering and privacy.

## 2. Tehran's white flag in Vienna

**Source:** This post is based on the article "Tehran's white flag in Vienna" published in the **Indian Express** on **6th December 2021**.

**Syllabus:** GS 2 International relations.

**Relevance:** Understanding the talks on the revival of the Joint Comprehensive Plan of Action (JCPOA).

**News:** Iran's new delegation joined the seventh round of talks in Vienna for the revival of a joint comprehensive plan of action (JCPOA).

**Read here:** [Relevance of the JCPOA | Joint Comprehensive Plan of Action | Iran Nuclear Deal](#)

### What is the status of progress in talks?

Iran has shown an inclination that all the issues can be negotiated. Iran has maintained that negotiations should not be called nuclear negotiations, as the key objective is the lifting of sanctions. So, the Iranian delegation is composed of legal and banking officials.

### What policies does Iran adopt?

During the suspension of JCPOA, Iran expanded its stockpile of 60% enriched uranium. This was to show that if the USA withdraws from the agreement again, Iran will likely expand its nuclear program.

Iran is linking its economy from JCPOA negotiations, is prioritizing economic diplomacy with Asia to ensure that any backtracking by the USA does not shock Iran economically. Iran is continuing its intensive diplomatic outreach with Gulf neighbors, including, UAE.

Furthermore, Iran has delinked the JCPOA negotiations with its ballistic missile programmes, stating that they are different issues and will only be dealt with by regional partners.

### What should be the way forward?

While Israel presses for a hardline approach against Iran, a well-negotiated deal, which includes Iran in the regional security architecture, will be most conducive for peace in the region.

## 3. The need to reopen anganwadis

**Source:** This post is based on the article "The need to reopen anganwadis" published in **The Hindu** on **6th December 2021**.

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

**Relevance:** Understanding the importance of Anganwadis.

**News:** Due to the Covid pandemic, Anganwadis were closed owing to lockdown.

### What are the services provided by Anganwadis?

Anganwadis play a crucial role in supporting households, low-income families, by providing child care, health and nutrition, education, supplementary nutrition, immunization, health checkup, and referral services.

They play an important role in [Integrated Child development services \(ICDS\)](#), covering 88 million children aged between 0 and 6 years, The largest of its kind in the world.

### Why Anganwadis are important?



A survey by **IDinsight** across five states between Nov. 2018 to Nov. 2019, found that Anganwadi workers were a primary source of nutrition information for families.

According to [NFHS-5](#), in 2019-20, less than 15% of five-year-olds attended any pre-primary school. 58% of women cited home-schooling as the biggest contributor behind an increase in unpaid work at home.

Therefore, [National education policy 2020](#) places Anganwadis at the center of the push for universal access to early childhood care and education (ECCE).

#### **What deficiencies were found by the survey?**

As shown by studies from Delhi and Bihar, **knowledge** of Anganwadi workers about key health behaviours such as complementary feeding and hand washing was low.

-Anganwadi workers **do not have support or training** to provide ECCE.

-**Administrative responsibilities** take up significant time and core services like preschool education are neglected. A typical worker spends about 10% of the time on preschool education, while the recommended time is 120 minutes.

-Niti Aayog found that only 59% of Anganwadis had adequate seating for children and workers, and more than half are unhygienic.

**Read here:** [Anganwadi centres are in urgent need of an overhaul](#)

#### **What can be done to deepen the impact of Anganwadis?**

**Prioritize Interventions:** There is a need to prioritise interventions that have demonstrated success. Studies from Odisha and Andhra Pradesh show that home visits of volunteers engaging with children have significantly improved cognition, language, and motor development.

**Reforms by state governments:** States should improve career incentives and remuneration for Anganwadi workers. Policymakers should try linking Anganwadis with primary schools to strengthen the convergence.

**More investment:** Anganwadis are the largest providers of early childhood care in the world. To improve their outcomes, we need to invest more in Anganwadis and focus on proven innovative interventions.

#### **4. Putin's visit must be used to realize the potential of India- Russia ties**

**Source:** This post is based on the article "**Putin's visit must be used to realize the potential of India- Russia ties**" published in the **Indian Express** on **6th December 2021**.

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

**Relevance:** Understanding the reasons impacting India-Russia relations.

**News:** Russian President Vladimir Putin is on one day visit to India.

#### **What are the expectations from the summit?**

India and Russia are expected to begin a 2+2 dialogue Involving defence and foreign ministers. Both countries are expected to sign a ten-year defence pact. and Mutual logistical support agreement for each other's armed forces.

However, two factors have the potential of limiting cooperation. The first one is the continuing conflict between Kremlin and the West. The second is the absence of a thriving commercial relationship between India and Russia.

### How do China and USA impact India Russian relations?

India is increasing its relationship with the USA. The continuing conflict between USA And Russia impacts India Russia relations. Example CAATSA imposition over [S400 deal](#) with Russia.

The hostility of the USA and China is driving China and Russia closer.

**Read here:** [The sanctions clouds over India US Ties](#)

Russia and Chinese relations are getting stronger, particularly in defence cooperation and they have the alignment of views, particularly over Indo Pacific.

### What is the status of economic relations between India and Russia?

India's trade with Russia is around \$10 billion. On the other hand, India's trade with China and USA is around \$100 billion. This shows that the economic aspect is lacking. Also, Russian businessmen prefer investing in Europe and China, Indian businessmen prefer investing in America and China.

### What can be expected in future?

USA current administration is attempting to mend relations with Russia. In the Geneva summit, both counterparties (Biden and Putin) laid down a broad framework for engagement on wide-ranging issues.

Further, a Virtual summit is expected to discuss and reduce the tensions over Ukraine. Stable USA-Russia relations would be beneficial for the USA in understanding its stance against China.

### What is the way forward for India and Russia?

Russia understands that India US relations are expected to grow in future. India understands that it has no veto over Sino Russian relations. So the best way forward for both countries has let down a path for economic and strategic cooperation and develop a better understanding of each other's imperatives.

**Read here:** [Reviving India-Russia Relationship – Explained, Pointwise](#)

## 5. Nagaland killings aren't a mere 'blunder'

**Source:** This post is based on the article "Nagaland killings aren't a mere 'blunder'" published in **The Indian Express** on **6th Dec 2021**.

**Syllabus:** GS2 -Security challenges and their management in border areas – linkages of organized crime with terrorism.

**Relevance:** Understanding the impacts of incidents on peace and security in North-East.

**News:** In a counter insurgency operation by Assam Rifles, in Mon district in Nagaland, more than a dozen people and a jawan were killed.

Though the union Home Minister has announced a special investigation team to probe the matter, there are reports of violent responses.

### Why N-E is a unique case wrt security and peace?

The Northeast is embedded in a **complex web of identities** and a different history of nation-building.

Their affinity to linguistic, regional, ethnic and clan identity is too deep.

So overt nationalism mixed up with religion and over-securitisation emphasis in peace advancement can have dire consequences.



Its geography, history and political economy are also conducive for insurgent groups to operate.

#### What can be the possible repercussions of this incident?

The **peace** in the region is very fragile. It **can break** at any time if the political leadership, security forces and the civil society cease to be vigilant.

- **Impact on Naga peace process:** There are multiple insurgent groups operating here for years. Among these groups, the **talks with the “NSCN-IM”** for a settlement to end the seven-decade-old Naga insurgency is at an advanced stage. This incident could impact the process.
- The **unrest in Myanmar may spill** over to Nagaland and Manipur. As unrest has reportedly influenced Naga and Manipur insurgent groups that have a base in that country.

#### What is the way forward?

##### Short term:

- End the violence, penalise those responsible for this tragedy, and institute peace in the region.
- The government should immediately reach out to the families of the victims to address the breach of trust between the local population and state agencies.
- All groups, political parties, community leaders, and the security forces, must get together to calm the situation.

##### Long term:

- **In future**, security forces of the region need to be **extra cautious and sensitive to local communities** while doing their job, even under extreme pressure.
- Nation-building here has to be an **extremely cautious** exercise and should be negotiated with multiple stakeholders, having a difference of opinion on different socio-economic and political parameters.

#### 6. The learning curve: Why college education for women matters

**Source:** This post is based on the article “**The learning curve: Why college education for women matters**” published in **Business Standard** on **6th Dec 2021**.

**Syllabus:** GS2 – Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources.

**Relevance:** To understand the correlation between female education and improvement on different parameters.

**News:** NITI Aayog released the first state-wise National [\*\*Multidimensional Poverty Index \(MPI\)\*\*](#), inline with the global index released by the United Nations each year.

The report has found that a quarter of the population in the country was multi-dimensionally poor or deprived on at least a few of the 12 counts.

#### How access to various services varies with female education?

**Female college education** plays a significant role in ensuring access to services:

On **Adequate Nutrition** – In districts where college-educated females were higher than 2.2% of the population, around **30%** of the households were deprived of adequate nutrition.

– In contrast, in districts where college-educated females were less than 2.2%, **42.3%** of the people lacked adequate nutrition.

On **years of schooling** – In districts where college-educated females were lower than 2.2%, 18% of households were deprived. In contrast, the corresponding it is just 8.4% for districts that had more than 2.2% college-educated females.

On **electricity access** – In districts where college-educated females were lower than 2.2%, had 15.9% of households deprived of electric supply. In contrast, only 5.2% of the households in higher female-educated districts lacked electricity.

– Availability of **‘bank accounts’** and **‘drinking water’** were the only two indicators where college **education played no role** in determining access to resources.

## 7. Why India will be scrutinised at Summit for Democracy

**Source:** This post is based on the article “**Why India will be scrutinised at Summit for Democracy**” published in **The Indian Express** on **7<sup>th</sup> Dec 2021**.

**Syllabus:** GS2 – Comparison of the Indian constitutional scheme with that of other countries.

**Relevance:** Understanding the trend of democracy in India and world.

**News:** US will host a virtual “**summit for democracy**”, which will bring together leaders of 100 countries, civil society and private sector representatives.

The summit will convene around 3 broad themes — defending democracy against authoritarianism, addressing and fighting corruption, and promoting respect for human rights.

### Why India is likely to be scrutinised at the democracy summit?

**Reports on Indian democracy:** The Freedom House’s “Freedoms of the World” index categorises India as only “partly free”; Swedish V-Dem calls India an “electoral autocracy”.

**Rights violations in Kashmir**, where India made the record for the world’s longest internet ban, etc.

Artists **‘freedom of Speech’** is facing threat, and the institutions are doing very little to protect the same .

There are instances of political dissent being met with the charges of **sedition, anti-terrorism laws** to silence critics.

Also, usage of **controversial laws, like UAPA** to silent criticism etc.

### What has been India’s response to these criticisms?

**Cultural relativism** – the Indianness of India’s democracy- India has the tradition of its own kind of democracy since ancient past. So, comparing Indian democracy with the western model is not an appropriate way to go about.

– This also find echo in China’s stand that, there was no “uniform model” of democracy, and that dismissing other forms of democracy different from one’s own is itself undemocratic.

The **civil society** has been accused of defaming India’s image in the world by selectively raising human rights violations.

### Why is democracy seeing a decline all around the world?

The decline is marked by myriad policies of powerful countries like the US and other such countries in Asia.

**US policies:** The US came to the region of South Asia in the name of human rights, security and the so-called global war on terror. However, it recently left Taliban to capture Afghanistan and destabilize South-Asia.

Their leaders act pragmatically in choosing strategic allies and partners, irrespective of the fact whether they are democrat, autocrat, dictator or kleptocrat.

**The paradoxical stand of Asian countries:** They talk of cultural relativism in their own matters, to suit their own interests, however the same model is not followed by these Asian

countries when they talk about, let's say, Afghanistan matters. For example, in matters related to gender and minority stand of Taliban.

### 8. A new era in public procurement

**Source:** This post is based on the article “A new era in public procurement” published in **Business Standard** on 7<sup>th</sup> Dec 2021.

**Syllabus:** GS2 – Important Aspects of Governance, Transparency & Accountability and institutional and other measures.

**Relevance:** General Instructions on Procurement and Project Management

**News:** Recently, the Department of Expenditure in the Ministry of Finance, issued a notification on the General Instructions on Procurement and Project Management.

These instructions set out a number of desirable actions in government purchases of works contracts and services. Currently, these are applicable to only Central government entities and Central public sector units.

The recent changes proposed **will improve the ease of doing business** in India.

#### **What are the key changes notified to address the persisting challenges in public procurement?**

– **Tough stance taken on delayed payments:** It mandates that payments of not less than 75% of eligible running-account bills, shall be made within 10 working days of the submission of a bill.

The remaining payment after final checking of the bill is to be made within 28 working days of submitting the bill. The final bill should also be paid to the contractor within three months of completion of work.

It also stipulates that public authorities may put in place a provision to **pay interest in case of delayed payment** of bills by more than 30 working days. This is a **welcome move for the private sector**.

**Facility for contractors to track online the status of their bills:** All project executing authorities implementing contracts involving aggregate payments of more than Rs 100 crore per annum are instructed to have an online system for monitoring the bills submitted by contractors.

**On arbitration and dispute resolution:** It instructs that where there is a decision against the government or a public sector enterprise, the decision to appeal should not be taken in a routine manner.

The decision must first be reviewed by a special board or committee before an appeal is filed against an order.

Further, it instructs paying 75% of the arbitral award to the contractor or concessionaire against a bank guarantee (BG) in cases where ministry or a department has challenged an arbitral award.

**The rules for selection have been reset:** For all consultancy bids, three methods of procurement are already allowed and in place. They are

- QCBS (Quality and Cost-Based Selection)
- LCS (Least Cost System)
- SSS (Single Source Selection)

It now allows for FBS (Fixed Budget Selection) where the price is fixed, and selection is by maximum merit.

### **Lowest Cost Winner framework is dismantled**

For “works and non-consultancy services”, the notification has opened up the QCBS route, which was not generally allowed earlier.

Under QCBS, the maximum weight of the non-financial parameters is to not exceed 30%. So, finally, the much-criticised L1 (Lowest Cost Winner) framework has sought to be dismantled.

### **Allows single bids**

It says that, even when only one bid is submitted, the process should be considered valid. Provided the procurement had met the following criteria

- Satisfactorily advertised,
- Sufficient time was given for submission of bids,
- Qualification criteria were not unduly restrictive
- The bid was found to be reasonable.

### **What are the issues that have not been addressed?**

**Firstly**, the limitation of a maximum 30 per cent weightage for non-financial scores in QCBS shows a lack of boldness in propagating this format.

**Secondly**, the document is silent on Swiss Challenge as a method of procurement.

**Thirdly**, escalation formula provided in the contract documents are not suitable to cover non-routine increases in price for basic materials for construction and need to be addressed.

**Fourthly**, the phenomenon of “irrational bidding” exists where the Indian private sector has not distinguished itself in the past. Mechanisms need to be put in place to eliminate this through statistical measures or enabling discretionary judgement.

**Fifthly**, the concept of “independent engineers” needs rectification, including who hires and pays them.

**Sixthly**, the QCBS method needs to be made applicable to purchase of such sophisticated goods also not just works and services. Goods are currently excluded.

**Seventhly**, the new provisions haven’t addressed the issue of “consequence management.” What happens when public officials do not adhere to these guidelines? More elaboration on this aspect is needed.

**Finally**, Bureaucrats continue to be worried about post-facto action for decisions. Safeguards on this front should be added in any such procurement reform.

## **9. The way to tackle malnutrition**

**Source:** This post is based on the article “The way to tackle malnutrition” published in **The Hindu** on **7th December 2021**.

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

**Relevance:** Understanding the need to monitor the nutrition progress so can fight malnutrition.

**News:** Ministry of Health and Family Welfare (MOHFW) has released the National Family Health Survey (NFHS-5). There has been tardy progress in reducing undernutrition, wasting and stunting.

### **What are the findings of NFHS 5?**

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

### **What are the lacunae in the system?**

Real-time monitoring of PDS is required for ensuring food security. Unfortunately, PDS is a hunger mitigation mechanism and doesn’t ensure nutrition. Further, the government tried to



be averse to transparency when results of the Consumer Expenditure Survey 2017-2018 were withheld.

**What steps can be adopted to improve the progress?**

**First**, Anganwadi workers, ASHA workers and Auxiliary Nurse Midwives have to monitor the exclusive breastfeeding process till the infant is six months old. They should also record the timely initiation of complementary feeding with soft gruel.

**Second**, the government should make ensure the regular supply of supplementary nutrition from the Integrated Child Development Service for under-three children.

**Third**, regular monitoring and capturing the regularity and quantity of dry rations supplied to Anganwadi centres and schools for midday meals.

**Fourth**, self-help groups of women have to involve in preparing the menu and procuring locally available vegetables, grains and millets to ensure dietary diversification.

**Fifth**, To know about family earnings, there is a need to monitor the [MGNREGA](#) workdays as well as the wages earned in areas where droughts frequently recur, places record mass migration and places have a high prevalence of malnutrition.

**What should be the way forward?**

[Poshan Abhiyan](#) and [Pradhan Mantri Garib Kalyan Anna Yojana](#) need to be closely monitored with the help of the community to ensure sustainable nutrition security.

**10. A docket full of unresolved constitutional cases**

**Source:** This post is based on the article "A docket full of unresolved constitutional cases" published in **The Hindu** on **7th December 2021**.

**Syllabus:** GS 2 Structure, organization and functioning of the Executive and the Judiciary.

**Relevance:** Understanding how the long delays in constitutional cases impact the judiciary.

**News:** There is a great asymmetry of power between the state and the citizen. Thus, one of the proposals during the making of the constitution was that petitions which challenge the violation of fundamental rights by the state should be decided within one month.

The pendency of critical cases in the judiciary reflects that such proposals should be considered seriously and cases should be resolved as early as possible.

**What are the pending issues?**

**Kashmir:** There is a constitutional challenge to the presidential order which diluted [Article 370](#). The question is whether the centre can use Article 356 at a time when there is no elected Government and assembly in the state, given the political impossibility of returning to the pre-2019 situation. Also, whether union legislature has authority to alter state boundaries under Article 3. The case still awaiting a hearing.

**Article 3** – Formation of new States and alteration of areas, boundaries or names of existing States.

**Article 356 – President's Rule** can be imposed on any state of India on the grounds of the failure of the constitutional machinery.

**Electoral Bonds:** The scheme authorizes limitless, anonymous corporate donations to political parties, making election funding both entirely opaque to the people. Thus, impacting not only the integrity of the election process but also the constitutional right of citizens to an informed vote.



However, other than two interim orders, the Supreme Court has refused to accord a full hearing to the constitutional challenge. The case still awaiting a hearing.

**Central Bureau of Investigation (CBI) status:** In 2013, Gauhati High Court held that the CBI was not established under any statutory authority. This verdict immediately stayed when appealed to the SC. However, later on, it has never been heard. Thus, the CBI continues to function despite a judgment by a constitutional court that has found its very existence to be illegal.

Apart from this, there are several other issues that are also waiting for the final judgment like [Citizenship \(Amendment\) Act \(CAA\)](#), Section 43(D)(5) of the [Unlawful Activities \(Prevention\) Act](#) which makes the grant of bail effectively impossible and others.

**Read here:** [Issue of Bail: Relief to Sudha Bharadwaj is welcome. Prolonged imprisonment of other Bhima Koregaon accused must also be questioned](#)

**How does judicial evasion damage the judiciary itself?**

Court's inaction has a serious impact on the rule of law. As CJI holds the responsibility for constituting benches and scheduling cases, he should make sure that the important constitutional cases need to be heard soon.

### 11. The nine lives of India's National Family Health Survey

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

**"The nine lives of India's National Family Health Survey"** published in **Live Mint** on **7th December 2021**.

**"Thanks to data gaps, NFHS provides a limited picture"** published in **Indian Express** on **7th 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 evolution of NFHS from Demographic and Health Survey.

**News:** The NFHS data evolved much from the Demographic and Health Survey and became a well-structured one.

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

### About the Demographic and Health Survey (DHS)

The declassified **Kissinger report** of 1974 had feared that an 'explosion' in the Third World population would create masses of discontented youth, who would fall prey to communism and undermine US commercial interests globally.

So, the **US Agency for International Development (USAID)** first started its **Demographic and Health Survey (DHS)** programme in the 1980s to study fertility behaviour in the developing world.

But, despite criticism from Left activists and India, the first DHS survey was conducted in 1992-93.

### About the evolution of NFHS

The Health Ministry in India demanded a sample reverification by an independent team. But, the USAID refused to fund. Finally, the ministry used its own funds for the exercise and decided to publish the results as NFHS.

### About the NFHS

**Read here:** [What is National Family Health Survey \(NFHS\)?](#)

**What are the key reasons behind the success of NFHS?**

1. The surveys draw on the **experience of experts** from national and international organisations, besides that of the Government of India, 2. **Technical innovation in data collection** — NFHS relies on high-end organisational machinery and technically trained personnel to conduct the survey work. NFHS uses a bio-marker questionnaire in which entries are recorded after actual clinical, anthropometric and biochemical testing. 3. **Provides a vast range of critical information** on the demographic, health, nutrition and socio-economic status of people, including the SDGs and data for the country's development at the global level.

**What are the challenges associated with NFHS data?**

1. Sampling error margins, as the survey is not designed to estimate a key population characteristic like sex ratio or even the total population, 2. No clear norms for the selection of households. For instance, the NFHS excludes those living in hostels, workers' camps or places that predominantly house men, resulting in a high sex ratio.

**Note:** In the National Sample Survey, the definition of a household includes single members living in institutions, and theoretically it excludes only a section of armed forces personnel and jail inmates.

**What lessons did India learn from NFHS?**

First, **the importance of transparency:** NFHS data is available to everyone. This helped to establish NFHS credibility and improved transparency in government. For instance, the NSS unit-level data was opened up only after the NFHS.

Second, **Indigenisation of data sets:** Nutrition was not the primary focus area of the original DHS programme, but it was the nutritional component of the NFHS that grabbed attention in India.

**Note:** Nutrition received more attention in India because

1. Data on fertility and mortality trends were available from other sources,
2. The 'real time' data generated through [Integrated Child Development Services \(ICDS\)](#) was biased and varied greatly in quality and coverage across regions,
3. More acceptability of NFHS resulted in more and more states beginning to rely on it for nutritional planning.

There is **no alternative to an independent, well-designed survey** like NFHS. The growing demand for credible data in the world's largest democracy ensured NFHS survival. Now, India must continue to track its data ecosystem closely on the lines of NFHS.

**12. Mediation Bill: Not getting the Act together**

**Source:** This post is based on the article "**Mediation Bill: Not getting the Act together**" published in **The Hindu** on **8<sup>th</sup> Dec** 2021.

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

**Relevance:** Draft Mediation Bill, 2021

**News:** The Ministry of Law and Justice has placed the Draft Mediation Bill, 2021 in public domain seeking feedback and suggestions from all stakeholders.

**What is the significance of the bill?**

**Firstly**, it recognises that **mediation has to be treated as a profession**. This is a significant development compared to the previous mediated schemes.

**Secondly**, it **acknowledges the importance of institutes** to train mediators, and service providers to provide structured mediation under their rules.

**Thirdly**, it's **designed for easy implementation**. Parties are required to have at least one substantive session with the mediator where the process is explained to them. Thereafter, they are free to continue or terminate the mediation and follow the litigation path if they so decide. Further, if any urgent interim order is needed, they can bypass mediation at the first stage and return to it after resolving the interim relief issue.

**Fourthly**, it does away with the confusion arising from using both expressions "mediation" and "conciliation" in different statutes.

The bill has defined mediation widely in accordance with international practice.

Conciliation has been included under the wider definition of mediation.

**Fifthly**, it provides for enforcement of commercial settlements reached in international mediation as per the [Singapore Convention on Mediation](#)

**What are the concerns associated with the bill?**

**Firstly**, it **treats international mediation, when conducted in India, as a domestic mediation**. This will have the following implications:

- It would hamper India's dream to become a hub for international mediation in the commercial disputes field. Because, the settlement under the domestic mediation is given the status of a judgment or decree of a court.
- This will be good for cases between Indian parties, but **disastrous when one party is foreign**.
- The reason is that the Singapore Convention does not apply to settlements which already have the status of a judgment or decree. Accordingly, if cross-border mediation is conducted in India, **parties may lose out on the tremendous benefits of worldwide enforceability**. So, parties are forced to go elsewhere other than India to conduct mediation.
- If this drafting mismatch is not remedied, dreams of becoming robust hubs and ease of doing business in India will be impaired.

**Secondly**, the governing mechanism is flawed. The Council has three members, a retired senior judge, a person with experience of Alternative Dispute Resolution (ADR) law and an academic who has taught ADR. However, it doesn't have a single mediator.

**Thirdly**, the bill provides for a long list of disputes which should not be mediated. By doing so, it provides that any settlement of disputes involving them needs the court's approval there by denying the possibility of a beneficial mediated settlement in these cases.

For example, Fraud, Disputes relating to claims against minors, Patents and copyright cases, proceedings before the TRAI etc.

**Read more:** <https://blog.forumias.com/draft-mediation-bill-issued-for-public-consultation/>

### 13. Surveillance as governance

**Source:** This post is based on the article "Surveillance as governance" published in **The Hindu** on **8<sup>th</sup> Dec 2021**.

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

**Relevance:** State surveillance, Right to Privacy, Data protection

**News:** Recently, Amnesty International raised concerns that extensive surveillance of Hyderabad is putting human rights at risk.

### How surveillance is carried out in Hyderabad?

It largely follows a three-pronged approach.

– **Wide web of CCTV cameras:** For example, CCTV coverage in two cities (Kala Pathar and Kishan Bagh) is 53.7% and 62.7% respectively according to the surveys of Amnesty.

Moreover, Telangana's **Nenu Saitham project** aims to transform the Hyderabad City Police into a Global City Police. To help achieve this aim, the public has been encouraged to install CCTV cameras and share footage when required.

Further, the construction of a Command-and-Control Centre, has the capability to support the processing of 6 lakh CCTV cameras from the tri-commissionerates.

– **Facial recognition technology**

– **Cordon and search operations**

### What are the issues/challenges associated with the surveillance measures that were undertaken in Hyderabad?

**Firstly**, according to Amnesty, facial recognition technologies can act as a tool of mass surveillance and pose a risk to disadvantaged communities.

**Secondly**, it leads to alleged **violation of privacy** by the police. **For instance**, during a crackdown against ganja, the Telangana Prohibition and Excise Department teams checked the phones of people to verify if the word 'ganja' was used in their chats. Such incidents underscore crucial issues, the need for a data protection law and the concept of informed consent.

**Thirdly**, Cordon and search operations target lower rungs of society, and are an infringement of privacy. A fact-finding team from Hyderabad which probed cordon and search operations in some areas recently underscored the vulnerability of residents.

**Fourthly**, policing and surveillance is done when no prohibitory orders were in force. For example, **Operation Chabutra**.

Chabutra is a raised surface outside houses where people gather for social interactions. The police have stopped and "counseled" youths to not to take part in such activity. Though there were no prohibitory orders were in force.

### What is the way forward?

While upkeep of law and order is paramount, the right to privacy and informed consent cannot be compromised. They need to be protected by a law that defines the limits of use of citizen's data by the state.

### 14. India-Russia summit recognised that each needs the other, and that the drift in bilateral ties needs to be arrested

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

"A robust friendship" published in **The Hindu** on **8th December 2021**.

"India-Russia summit recognised that each needs the other, and that the drift in bilateral ties needs to be arrested" published in **Indian Express** on **8th December 2021**.

"Balancing Acts" published in **Business Standard** on **8th December 2021**.

"From Russia, With What?" published in the **Times of India** on **8th December 2021**.

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

**Relevance:** Understanding the recent developments in India Russia Relations.



**News:** Recently, 21st India – Russia Annual summit took place. The summit highlighted the “all-weather” partnership between India and Russia.

**Must read:** [Recent developments in India-Russia Relations – Explained, pointwise](#)

### What are the challenges in India-Russia relations?

1. Despite considerable progress with vaccinations, both countries still face public health concerns and face challenges in controlling the pandemic, 2. **Issues with US-Russia ties:** Most recently, U.S. President mentioned that Russia will face “economy-jarring sanctions” if it seeks to occupy Ukraine, 3. An **uneasy truce between India and China on the border.**

Other issues such as 1. India-Russia Relations remains primarily state-led with limited involvement of private players, 2. There are no agreements between India and Russia on the **new-economy front** such as fintech, renewable energy, telecom, etc in the recent meeting, 3. As the Taliban took Kabul, Russia became part of a new axis with Pakistan, China, Iran and Turkey, presenting a serious security challenge to India.

### Why does Russia need India?

After Russia’s annexation of Crimea in 2014, Russia is not particularly welcomed in many parts of the world beyond China. Not Europe, US or Japan or Australia. Further, India is the most welcoming US ally nation and the only real friend among the Quad nations for Russia. Russia’s close relations with China undermines its own interests in Asia. So, India can prevent Russia from falling into the Chinese basket.

### Why does India need Russia?

Indian equipment is mostly of Russian extraction, so it requires spares, upgrades, and other forms of service back up.

### What should be done?

Russia has to ensure a proper focus on **confidence-boosting cooperative initiatives** with India.

A 2019 agreement to [re-operationalise a defunct sea route between Chennai and Vladivostok](#), could be a game-changer, both for trade and for the strategic relationship. So, both nations have to implement it at a faster pace.

## 15. About Swacch Bharat Mission 2.0: Being free of old waste

**Source:** This post is based on the article “Being free of old waste” published in **The Hindu** on **8th December 2021**.

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

**Relevance:** Understanding Swacch Bharat Mission 2.0.

**News:** Main focus of Swacch Bharat Mission 2.0 is to work on solid waste management.

### About Swacch Bharat Mission 2.0

The mission aims to **provide financial assistance** to set up fresh waste processing facilities and bioremediation projects across all the ULBs. Financial assistance is limited to chosen large cities that have a population of over 5 lakh and it also varies according to the states.

**SBM 2.0** allocates funding only to set up waste processing facilities. Requests for buying vehicles for collection of waste, issuing bins for source segregation, or modernizing the collection and transportation system are not covered in its scope.



## Key components of SBM 2.0

Read more: [Key components of SBM 2.0](#)

What are the problems in SBM 2.0?

1) Lack of funding, 2) Lack of techno process knowledge, 3) Delayed DPR (Detailed Project Report) approvals.

This all resulted in unprocessed waste being dumped in several sites, which needs to be processed through bioremediation before space can be created for new waste processing plants.

**Bioremediation** is a branch of biotechnology that employs the use of living organisms, like microbes and bacteria, in the removal of contaminants, pollutants, and toxins from soil, water, and other environments. Bioremediation is used to clean up oil spills or contaminated groundwater.

## 16. What schools need to do during pandemic

**Source:** This post is based on the article “What schools need to do during pandemic” published in the **Indian Express** on **8th December 2021**.

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

**Relevance:** Understanding what precautions need to adopt for ensuring the children's safety.

**News:** School life during and after the Covid-19 pandemic is not going to be the same. The coming of a new sub-variant, Omicron, triggered concerns worldwide on what measures should adopt to protect children.

### What is the exposure rate of adults and children?

According to the [Indian Council of Medical Research \(ICMR\)](#) study, both adult and child populations are almost equally exposed to the virus. The natural infection rates in adults and children are very similar, so staying at home cannot prevent children from getting exposed to the virus.

**Also read:** [Should children be giving COVID 19 jabs](#)

The data from both waves confirm that although infection rates are similar, symptomatic disease in children is much less and the incidence of severe disease requiring hospitalization and possibilities of death are also very rare. The infected children, therefore, may not show symptoms but become part of the chain of the spread of the virus in the community.

### What safety measures should be adopted to protect children from getting exposed to virus?

**Vaccination:** All adults in homes and schools, including teachers and staff members, should receive a vaccination on priority, if not already immunized. The aim is to have children in a vaccine-protected adult environment.

**Follow the advisories:** Schools should work on

1) **Administrative** (attendance and entry rules) 2) **cohorting** (keeping students and teachers in small groups that do not mix) 3) Having safety bubbles or capsules 4) staggering the breaks in schools.

**Infrastructure:** Schools should work on strengthening the infrastructure and resources like ventilation, water supply and toilets. Proper provisions of handwashing facilities should be there and schools should also have separate entry and exit points.

**Safety measures:** Proper precaution should be exercised when students will be on the playground or on school transportation. For children aged 12 years and above, Teachers and

support staff should keep at least one-metre distance from each other. They should also wear masks and wash their hands regularly.

### What are the World Health Organization recommendations?

-The Covid-related “**stay-at-home when sick**” policy should be promoted and effectively practised.

- [WHO](#) said that decision of opening or closing the school should be taken by the local administration, according to the data available or the situation there.

-Districts with no cases are advised to keep all schools open and implement Covid-19 prevention and control measures.

-Districts with cluster transmission can keep most schools open and consider closing schools in areas experiencing an expansion in clusters.

-Areas with community transmission should close schools, especially when there are increasing trends of Covid-19 cases that require hospitalization.

### 17. Health account numbers that require closer scrutiny

**Source:** This post is based on the article “**Health account numbers that require closer scrutiny**” published in **The Hindu** on **8th December 2021**.

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

**Relevance:** Understanding issues related to health.

**News:** The Ministry of Health and Family Welfare has released the National Health Accounts Report for 2017-18.

### How does NHA capture data?

NHA captures health data like out-of-pocket expenditure, insurance premiums from various sources like the “Household social consumption in India: Health” survey of the National Sample Survey Organization.

**Read here:** [Per capita out-of-pocket health expenditure sees decline: report](#)

### What are the challenges associated with the credibility of NHA data?

NHA estimate shows that **out-of-pocket expenditure** as a share of GDP has **reduced**. But this does not mean improved financial protection. **NSSO 2017-18** data shows that **utilization of hospitalization has declined**, which has resulted in reduced Out-of-pocket expenditure.

This could also be due to the fact that the NSSO survey happened immediately after demonetization and GST, which had reduced the purchasing power of the people. Another factor that could explain this is the fact that NSSO estimates fail to capture the richest 5% of the population. Thus, it could be an underestimate.

### What is the government spending on health? What do the NHA data signify?

India’s total public spending on health as a percentage of GDP or in per capita terms has been one of the lowest in the world. The share of current health expenditure has gone down to 88% compared to 92.8% in 2016-17.

Since NHA 2017-18 the expenditure on health has increased and the majority of the increase has been from the contribution of the union government. But the overall increase has only been from 0.27% in 2016-17 to 0.32% of GDP.

Much of this increase is because of the tripling of expenditure of the Defence Medical Services (DMS). This increase benefits only a particular section and not the general population, especially the health of women in the reproductive age group and children below five years who need it the most.

Several policies suggested increasing the public spending to at least 2.5% of GDP. However, it still continues to hover around 1-1.2% of GDP.

### 18. High LPG prices are scorching the air pollution fight

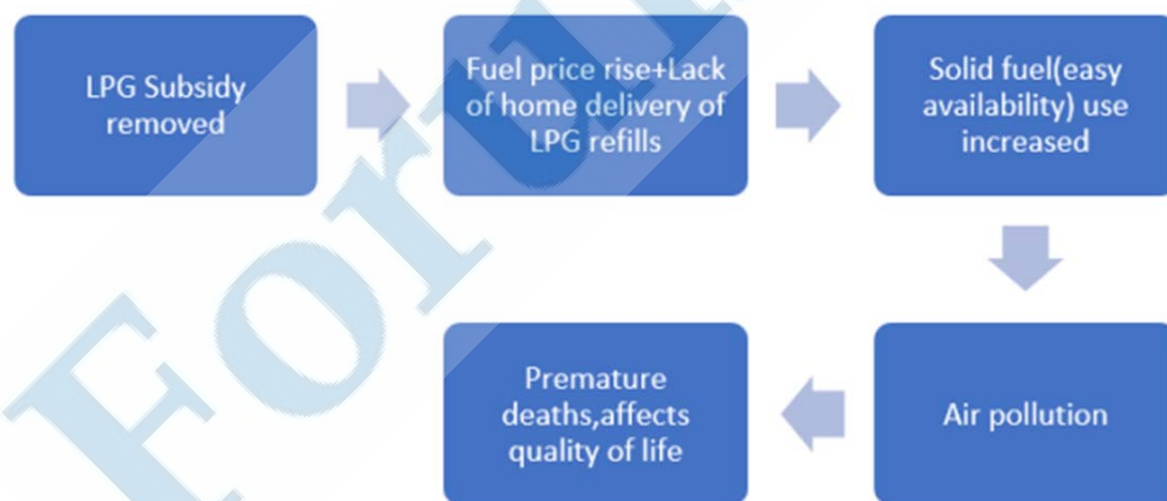
**Source-** This post is based on the article “High LPG prices are scorching the air pollution fight” published in **The Hindu** on 9th Dec 2021.

**Syllabus-** GS Paper 2 (Welfare schemes for vulnerable sections of the population by the Centre and States)

**News-** How Removal of LPG subsidy and subsequent Price rise is affecting the air pollution and its wider acceptance in low income and rural households.

As Per the India residential energy survey (IRES), **LPG** has now replaced **biomass as the most common cooking fuel**. Nearly 85 percent of Indian households have an LPG connection Compared to only 30 percent a decade back. This reversal of trends can be attributed to the **success of Ujjwala, Consumption linked subsidies, and gradual strengthening of LPG distributorship**. Under the Pradhan Mantri Ujjwala yojana, the government distributed more than 80 million subsidized LPG connections. *Recently Ujjwala 2.0 was launched* to distribute 10 million free LPG connections which **shows the government’s commitment and vision** to promote clean cooking fuel.

However, the **battle is only won as around 30 percent of households still rely on biomass as their primary cooking fuel**. If the removal of LPG subsidy is continued it can further worsen the situation.



**What we need to do as a country to move needle further and to sustain country momentum on clean cooking energy access and thereby cleaner fuel for all.**

1. **Reinstating LPG subsidies for low-income households** -At the current refill prices, an average Indian household needs to spend **at least 10 percent of monthly income on LPG to meet its all cooking needs**. This becomes much more important when one factors the loss of livelihood and income due to pandemic.

2. **Government can reduce the number of beneficiaries** and thereby overall cost. It can be done by various methods such as **fixing an income cap on** who can get subsidy or giving subsidy to only those who got their connections through Ujjwala scheme.
3. **Strengthening LPG supply chain** – Around half of rural population has to travel faraway to procure LPG cylinder, urban slum pockets also face gaps in doorstep delivery. Plugging these loopholes is very important to **boost timely availability of LPG for all households in all parts of country**.
4. **Creating a new market for locally available biomass**– Government needs to pilot initiatives that prevent use of biomass in **decentralized processing units** that process that manufacture briquettes and pellets. Similarly, households can be incentivized to **supply locally available biomass like stubble, dung cakes** to compressed biogas plants (CBG) set up **under SATAT(sustainable alternative towards affordable transportation) scheme**. This would enhance local income and livelihood opportunities and also will promote regular LPG use.

## 19. Women in the post-pandemic workplace

**Source:** This post is based on the article **“Women in the post-pandemic workplace”** published in **Business Standard** on **9th December 2021**.

**Syllabus:** GS2 Women and associated issues.

**Relevance:** Understanding the reasons behind fewer women's participation in the workplace.

**News:** Indian economy is sustained after the shocks of demonetization, GST, and now covid. These economic disruptions have a lot of impact on women's employment status in the workplace.

### What do the stats say about women participation in the workforce?

By 2019, India's **Female Labour Participation Rate (FLPR)** had dropped to 20.3%, from the already low 26% in 2005. There is an argument that FLPR dropped owing to women entering higher education. But there is a need to look at whether women entered higher education because they wanted better jobs or because they could not get good jobs.

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

### Where does the problem lie?

**Attitude:** Work from home was expected to reduce gender bias and incorporate gender equality, and did not impact the productivity of women. But when men working from home didn't see it fit to help women, it is unlikely that employers attitudes would see any change.

**Less management attention on gender inclusion:** The gender dimension has suffered most in the post-pandemic revival. A recent example of the CEO of [better.com](#) firing the entire diversity, equity and inclusion recruitment team is one such example.

## 20. Order those jabs: India needs plenty more vaccines & vax-makers need advance notice. GoI take heed

**Source:** This post is based on the article **“Order those jabs: India needs plenty more vaccines & vax-makers need advance notice. GoI take heed”** published in **Times of India** on **9th December 2021**.

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

**Relevance:** Understanding the need for the continuation of the vaccination process.



**News:** Serum Institute is signalling that their Covishield production will be reduced by half as no new purchase orders are coming from the Government of India.

**Why there is a need to continue the vaccination process?**

- [Indian Medical Association](#) has demanded a booster dose for healthcare workers, amid concerns of a drop in the immunity level.
- With new variants constantly emerging, there is a need to fasten the vaccination process.
- WHO already raised its concerns over rising infection rates in children in Europe. GoI should issue guidelines to vaccine companies on stocks to be reserved for children. So, to quickly cover children with the first dose.

**Read more:** [One billion Covid Vaccines and beyond – Explained, pointwise](#)

**21. Low tobacco tax, poor health**

**Source:** This post is based on the article “**Low tobacco tax, poor health**” published in **The Hindu** on **9th December 2021**.

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

**Relevance:** To understand the need to increase the tax rate on tobacco-associated products.

**News:** The absence of an increase in tax on tobacco products post-GST has impacted revenue and could worsen public health

**What is the status of tobacco consumption in India?**

India is the second-largest consumer of tobacco in the world, with 28.6% of adults above 15 years and 8.5% of students aged 13-15 years use tobacco in some form or the other.

**Read here:** [“World No Tobacco Day” and “Tobacco Consumption” in India](#)

**How is the government dealing with tobacco and associated products?**

Since the introduction of GST, the government has not increased taxation of tobacco products to discourage their consumption. There was only a small increase in the **National Calamity Contingent Duty (NCCD)**, which only increases the average price of cigarettes by about 5%. There is a 3% real decline in GST revenues from tobacco products in the past two financial years. This lack of increase in tax offers more benefits to tobacco-based industries and less to the government.

Before the GST, excise duty and VAT were regularly raised on tobacco products. Because of these policies, there was a reduction of 17.3% in tobacco use among adults in India between 2009-10 and 2016-17, as identified by the **Global Adult Tobacco Survey**.

**How does the lack of tax increase impact health targets and government revenue?**

**Health:** World Health Organization recommended a uniform tax burden of at least 75% for each tobacco product. But, the tax burden in India on bidis, cigarettes, and smokeless tobacco, on average, stands at 22%, 53%, and 64% in 2021. It might bring some current smokers to smoke more now and some non-smokers to start smoking. This might jeopardize India's commitment to achieving 30% tobacco use prevalence reduction by 2025 as envisaged in the National Health Policy of 2017.

**Revenue:** Excise duty on tobacco is very low in India. The share of central excise duties including NCCD in the total tobacco taxes decreased from 54% to 8% for cigarettes, 17% to 1%



for bidis, and 59% to 11% for smokeless tobacco products, on average, from 2017 (pre-GST) to 2021 (post-GST).

### What should the government do?

Government should increase the excise tax of at least ₹1 per stick of bidis while aiming for a significant increase in the excise tax of cigarettes and smokeless tobacco products.

An increase in taxation can affect the affordability of tobacco products, which further led to reduced tobacco use prevalence. It will further help India to achieve sustainable development goals.

## 22. Repealing AFSPA will not weaken, only strengthen Constitution

**Source:** This post is based on the article “**Repealing AFSPA will not weaken, only strengthen Constitution**” published in **Indian Express** on **9th December 2021**.

**Syllabus:** GS2 Various Security Forces and Agencies and their Mandate.

**Relevance:** Understanding the requirement of repealing the AFSPA.

**News:** The death of 14 civilians in Nagaland by the security forces raised the long-pending demand for repealing the AFSPA in the region.

### What is AFSPA? Why demand for repeal of AFSPA is justified?

**Read here:** [Explained: AFSPA and the Northeast](#)

The repeal of AFSPA is necessary not just for restoring constitutional sanity, but also as a way of acknowledging the acts conduct under this act.

### How AFSPA is counterproductive for the army itself?

**First**, providing wide immunity can distort the choice of strategy in counter-insurgency operations. In the words of Rajesh Rajagopalan, it leads to “**conventional war bias**”, emphasizes kills and area domination rather than smarter tactical and political incorporation

**Second**, wider immunity can often reduce the professionalism of the forces rather than increase it.

**Third**, Operations conducted by the army are mostly carried out with less effective local knowledge. Also, even after 70 years, the army is not able to root out insurgency even after the enforcement of AFSPA.

### What are the Supreme Court and various committee's guidelines?

**Supreme Court** laid down guidelines for the use of AFSPA in 1997. It ruled out that unprofessional conduct, crimes and atrocities by the security forces can be prosecuted.

**Read more:** [Respect the recommendation of various committees on AFSPA](#)

### What should be done?

**Accountability:** In the **Extra Judicial Execution Victim Families Association**, the court ordered the probe for 1,528 extra-judicial killings in Manipur. But there have been no hearings in this case for three years. So, there is a need to bring more accountability.

AFSPA is not just a law. It creates a whole culture that creates a culture of fear, interdiction, humiliation and violence. To strengthen the constitutional values and ethos, it is time that government should think of repealing the AFSPA to bring stability to the region.

### 23. India-Russia Relations: Russia, a legacy relationship with limitations

**Source:** This post is based on the article “Russia, a legacy relationship with limitations” published in **The Hindu** on **9th December 2021**.

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

**Relevance:** Understanding the recent developments in India Russia Relations.

**News:** Recently, 21st India – Russia Annual summit took place. The summit highlighted the “all-weather” partnership between India and Russia.

**Must read:** [Recent developments in India-Russia Relations – Explained, pointwise](#)

#### What are the challenges associated with India-Russia relations?

1. There is little organic, people-to-people content to the relationship,
2. India-Russia bilateral trade is around U.S.\$10 billion, far lower than India's trade with China and the United States and even with the U.S.'s trade with Russia,
3. Soviet-era cultural and people-to-people contacts have almost gone.

**Read more:** [India-Russia summit recognised that each needs the other, and that the drift in bilateral ties needs to be arrested](#)

#### About the dynamics of India-Russia Trade

The quadrilateral dynamics among India, China, the U.S. and Russia have different implications. The author explains the dynamics through primary and secondary antagonisms. According to the author, China-U.S. antagonism is the first order relationship and the U.S.-Russia, China-Russia and Russia-India are the second-order relationships.

The second-order relationships are, to a great extent, a product of the primary antagonism. But, the second-tier relationships also have their own unique dynamics and implications. For instance, no matter what the state of global geopolitics is, there is a regional geopolitical rivalry between India and China.

#### How did US parallel rivalries with China and Russia have complicated matters for India?

Even though China remains its primary antagonism, the US has not yet succeeded in divorcing its less challenging second-order antagonism with Russia. This complicated matters further for India.

For instance, An aggressive China will push India towards the US, not towards Russia (in the long term).

Similarly, if Russia has to choose between China and India, it would choose China. Further, China will try to isolate India in the larger Asian region as it suits China's larger game plan.

#### How the dynamics will favour India-Russia relations?

India's desire for a robust relationship with Russia will be more appreciated by the U.S. due to the Chinese aggression against India and the U.S.'s systemic and first-order rivalry with China. The rise of China becomes a concern for Russia, it could potentially open conversations with the US to create a balance vis-à-vis China that suits Indian interests.

#### How India can cooperate with Russia and get benefits?

**First,** Russia provides **more direct opportunities for India in the Central Asian Region.**

With the Americans gone from Afghanistan, India can openly cooperate with Russia, Iran (especially if the [Joint Comprehensive Plan of Action \(JCPOA\)](#) renegotiations succeed), and engage with the Central Asian region.

**Second, Cooperation in Indian Ocean Region:** Russia has been expanding its influence, especially in the western Indian Ocean. So India could fulfil its significant interests in the Indian Ocean by engaging with Russia.

For achieving that, India needs a great deal of diplomatic agility to improve the relationship with Russia amidst high-stakes geopolitical contestations.

## 24. Don't ignore context of NFHS data

**Source:** This post is based on the article “Don't ignore context of NFHS data” published in **Indian Express** on **9th 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 with criticisms of NFHS.

**News:** The NFHS data evolved much from the Demographic and Health Survey and became a well-structured one.

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

**What are the challenges associated with NFHS?**

**Read here:** [The nine lives of India's National Family Health Survey](#)

**Why the challenges against NFHS are wrong?**

According to the author, the criticsers did the same thing as Inequality Report 2021: India's Unequal Healthcare Story. Instead, the data sets have to be examined with respect to a group of indicators rather than only one indicator (Sex ratio) from the NFHS.

For instance, Data such as life expectancy of women, the incidence of institutional deliveries, total fertility rate, mothers who had an antenatal check-up should be examined.

**Note:** In *The Inequality Report 2021: India's Unequal Healthcare Story* published by Oxfam admitted that India at 1.1% had one of the lowest case fatality rates for Covid-19 as compared to richer countries like the US and France (1.8%) or Germany and Belgium (2.4%).

The report mentioned this is due to the demographic dividend, which is tilted more towards the younger population. The report criticised India's low hospital beds to population ratio.

But the report never acknowledged the state of infrastructure, medical providers' excellent jobs, etc.

**What are the parameters India showed improvements in NFHS?**

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

## 25. Pavlovian responses like travel restrictions won't stop omicron

**Source–** This post is based on the article “Pavlovian responses like travel restrictions won't stop omicron” published in **Live mint** on **9th Dec 2021**.

**Syllabus–** GS Paper 2 (Effect of policies and politics of developed and developing countries on India's interests).

**News–** Discovery of a new coronavirus variant in South Africa, called Omicron, has led to countries once again restricting or entirely eliminating the freedom to travel.

**Why these knee-jerk reactions like travel bans are not effective?**

1) Virus is **well on its way to becoming endemic** at many places.

- 2) Also there appears no need to lock away one country when **this virus is already on multiple continents**. After the **initial outbreak**, **travel restrictions have very little impact** on virus spread.
- 3) Unlike 2020 we now have **tests, vaccines and various tools**, so we aren't as helpless as we were then.
- 4) Travel restrictions bring with them **hidden human and economic cost** of de-connecting the world.

#### **What are the steps that should be taken?**

- 1) **Implementing public health and social measures** should be prioritized-Proven personal hygiene measures like **hand washing, social distancing and mask-wearing** should be religiously followed.
- 2) **Using IT tools** –Data-driven decisions, consistent set of health protocols, contact-tracing and screening measures can help governments to keep their borders open without compromising on public health.
- 3) **Vaccines**– Making COVID vaccines available to all. There exists a **wide disparity between the developed and developing countries** in this aspect. We should remember that **no one is safe till everyone is safe**.

#### **26. A better NJAC: Politicians are right on the collegium. But can their solution rise above politics, that's the question**

**Source:** This post is based on the article “**A better NJAC: Politicians are right on the collegium. But can their solution rise above politics, that's the question**” published in the **Times of India** on **10th December 2021**.

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

**Relevance:** Understanding the need of NJAC.

**News:** A demand for introducing National Judicial Appointments Commission has been resurfaced in Lok Sabha.

#### **What is National Judicial Appointments Commission?**

**Read here:** [National Judicial Appointments Commission](#)

#### **Why did the demand for NJAC arise?**

Supporters of collegium cite executive overreach and suspicious government interest in judicial appointments in the 1970s. But after the first and second judges' case, [collegium](#) itself has been mired by opaqueness, nepotism, and lack of accountability.

Also, the political class is not favoring the principle of “**judges appointing judges**”, the model which is not applicable anywhere in the world.

#### **How to make NJAC more accountable?**

**First**, In the earlier NJAC Act, the rule that any two commission members can veto a candidate seems to give the Government of India primacy. This veto power should be changed.

**Second**, the choice of civil society members in the earlier NJAC Act must pass the smell test. i.e., the coherence of both PM and LoP is needed to appoint civil society members.



## 27. Suspension of 12 MPs for entire Winter Session is worrying

**Source:** This post is based on the article “**Suspension of 12 MPs for entire Winter Session is worrying**” published in the **Indian Express** on **10th December 2021**.

**Syllabus:** GS 2 Parliament and State Legislatures—Structure, Functioning, Conduct of Business, Powers & Privileges and Issues Arising out of these.

**Relevance:** Understanding the conceptuality of suspension rules.

**News:** 12 Rajya Sabha MPs have been suspended for the remainder of the session for bringing disorder in the house.

**What are the suspension rules of the Rajya Sabha?**

**Read here:** [Suspension rules of RS](#)

### Why the present suspension is a cause of concern?

**Sub Rule 2 of Rule 256** clearly indicates that the matter of suspension cannot be adjourned to a later period. It has to be solved at that time(Session) only.

So, the present suspension of these MPs did not follow the procedure prescribed in Rule 256. Their suspension was invoked in the monsoon session and the winter session is a new session, so the suspension is not valid for this new session.

From the academic perspective, it can be said that rules under which members were suspended do not allow such suspension. But the House is supreme in these matters, and the chair has absolute powers to interpret the rules.

### What should be done?

The courts have said that courts will intervene in the management of the house only when it does something patently unconstitutional.

So, the Parliament should learn that the solution to disruptions does not lie in suspension.

## 28. School education: Children and schooling in the post covid 19 era

**Source:** This post is based on the article “**Children and schooling in the post Covid-19 era**” published in **The Hindu** on **10th December 2021**.

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

**Relevance:** Understanding the impact of COVID-19 on child education.

**News:** The pandemic has exposed the limits of the Nation’s capacity to look after the collective needs of children. It proved that society and state ignored the conditions under which family copes with the demand of childhood.

### What was the impact of the Covid pandemic on children?

[Right to education](#) and Sarva Shiksha Abhiyaan created infrastructure and systems for universalization of education. Various studies suggest that pandemics exposed fragile systems and structures of education. Even the provision of meals for young children was stopped. Teaching switched to online mode. All these deeply impacted the children

A survey by **Vipla foundation** revealed that the Majority of children from lower social-economic backgrounds could not access online teaching. For the ones that could access it, the reach of comprehension and progress were low.

**Read more:** [ASER Survey and issues in school education – Explained, pointwise](#)



**What are the challenges faced by the recovery plan?**

A committee was set up by Tamil Nadu under professor **R Ramanujam** highlighted various challenges:

- Online education has an addictive effect on young children. This would require De-addiction from the digital world and reconnecting to the physical world.
- Digital activism and its ideology have deeply penetrated the minds of children. This would require counselling of children, teachers and even family members.
- There has been a large-scale shift of children from private schools to government schools owing to economic reasons.

**Read more:** [The decline of the Budget school](#)

**What should be the way forward?**

Inspiration can be taken from the UNESCO report titled “**no teacher, no class** “. This report suggests that India is facing a shortfall of at least 1 million schoolteachers. So, the first step is to improve the terms of employment of teachers in both public and private schools and encourage the profession of teaching.

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

**29. India-Germany relations: After 16 years**

**Source:** This post is based on the article “**After 16 years**” published in **Business Standard** on **10th December 2021**.

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

**Relevance:** To understand the present condition of Germany and its importance to India.

**News:** Recently, Olaf Scholz has been sworn in as chancellor of Germany, ending the 16-year tenure of Angela Merkel.

**About Germany's political system**

The political system of Germany is known for its continuity. The post-War German republic has had just nine chancellors, including Mr Scholz. For the past 40 years, just three individuals have occupied the chancellery.

**What are the policies adopted during Angela Merkel's term in Germany?**

1. Germany emerged from the bruises of reunification,
2. Admitted Syrian refugees to the country,
3. Demonstrate strong and sustained growth in the economy when other countries are struggling with their economic models (Except China),
4. Not declared China as a systemic rival, like France, as their middle-sized enterprises rely on supply chains that are centred in China,
5. Phased-out nuclear power in Germany, which results in various challenges.

**Read more:** [Germany as a development actor in a post-Merkel area](#)

**What are the consequences faced by Germany in phasing-out Nuclear power?**

1. Depend more on renewables and natural gas,
2. Germany became the largest emitter of Carbon in Europe,
3. The country has the highest electricity prices in Europe,
3. Facing challenges in achieving green transition,
4. **Impacted Germany's foreign policy:** German economy needs Russian natural gas. So, they are not condemning Russian actions against Ukraine.

**Read more:** [Nord Stream 2 pipeline between Germany and Russia](#)

### **Why does India need to pay attention to the New Chancellor's actions in Germany?**

Germany is India's largest trade partner within Europe and a significant contributor to manufacturing FDI within India. So the new chancellor's actions in trade, green finance, and supply chains will impact investment and growth in India.

**Read more:** [First of its kind program for lateral entry for women researchers in joint R&D projects between India and Germany launched](#)

### **30. About the foreign aids: Imagine: The common good**

**Source:** This post is based on the article "Imagine: The common good" published in **Business Standard** on **10th December 2021**.

**Syllabus:** GS-2 Effect of policies and politics of developed and developing countries on India's interests.

**Relevance:** To understand the rationale behind aid from developed countries and their impacts.

**News:** In recent years, Canada, Australia, and the UK have merged their independent aid ministries with their foreign ministries. Germany and other countries are also considering such a merger.

### **What are the reasons behind the merger?**

1. Increase efficiency of aids,
2. Enhance cross-government coherence,
3. Aid will serve the national interest. For instance, countries like the US, France, and India, have always accepted that providing aids will strengthen their international objectives.

### **About the types of aid**

Countries can frame aids on two types. 1. Framing aid for altruism (Aid without any self-interest of the donor), 2. Framing aid as an instrument to strengthen their country's objectives. On the other hand, some kinds of aid — humanitarian assistance, disaster relief, combating HIV— were framed beyond altruistic objectives.

### **What is the impact of framing aid to fulfil national objectives?**

Small amounts of aids from donor countries for poverty reduction, improving the lives and livelihoods of people, etc. was not enough to alleviate the root cause such as the drivers of poverty, notable inequality within and outside the donee country. So consultants and researchers from the donor countries and donee countries demanded more altruistic grounds for aid.

**Note:** Instead of the [United Nations](#) model of more equal and transparent funding to all, the developed countries prefer the [World Bank](#) model (quota system). In this, the donee countries had little say in decision-making.

### **Does the merger of aid ministries with foreign ministries help in altruism?**

The merger of ministries is motivated by parochial considerations and stuck with old notions of national interest. So, the mergers are mean-spirited and Hobbesian.

**Note:** Hobbesian means following similar ideas of the political philosopher Thomas Hobbes, especially the idea that humans naturally compete and fight for their own interests.

### What needs to be done?

The pandemic and crisis-ridden times highlight the abysmal global cooperation in the public interest and the need to direct resources towards more efficient ends. The following steps would be needed to achieve them.

**First, promote multilateralism:** Multilateral action would have considerably reduced the impact of the pandemic. So, it is in the national interest to promote multilateralism.

**Second, Global public finance for global public goods:** The successes of global disaster management initiatives and naval cooperation in combating piracy, force nations to work on global public finance for global public goods. It will generate adequate and universal access to global public goods.

**Third, enhance global security through collective action:** To create a globally agreed framework of human rights and global justice, nations have to invest in global security like they do in trade cooperation through the World Trade Organization and **General Agreement on Tariffs and Trade**.

In conclusion, an enlightened mutually beneficial vision of national interest is the only credible alternative. Nations have to focus on this, not on aid that focuses on Altruism and philanthropy.

### 31. Gujarat HC's strictures against the campaign to stop sale of non-vegetarian food is a much-needed pushback

**Source:** This post is based on the article “Gujarat HC's strictures against the campaign to stop sale of non-vegetarian food is a much-needed pushback” published in the **Indian Express** on 11th December 2021.

**Syllabus:** GS 2 Fundamental Rights.

**Relevance:** Understanding the High Court verdict regarding the sale of non-veg food in Gujarat.

**News:** Gujarat HC questioned the Ahmedabad Municipal Corporation about restricting the sale of non-vegetarian food in the city.

### What is the issue all about?

**Read here:** [Targeting food: Gujarat civic bodies' unjustifiable action on vendors selling non-veg fare must be rolled back](#)

### What do the stats show about the dietary habits of Gujarat state?

According to the **Sample Registration System Baseline Survey 2014**, 71% of Indians eat non-vegetarian food. Gujarat has a 40% meat-eating population, which includes not just Muslims, Christians, and Parsis, but also OBCs, Dalits, and tribals.

### Analysis of Gujarat HC opinion

Banning any particular dietary habit or forcing any particular homogeneous idea on people can stigmatize other ways of living as inferior. So, the Gujarat HC decision to reprimand Ahmedabad municipal authorities was a welcome step. It also reminded that the state cannot overstep its limits to interfere in the personal choices of citizens.

### 32. Make the mental well beings of teacher a priority

**Source:** This post is based on the article “Make the mental well beings of teacher a priority” published in **The Hindu** on 11th December 2021.

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

**Relevance:** Understanding the impact of the corona pandemic on teachers.

**News:** Pandemic has impacted the lives of all in one way or another. Teachers are also not an exception in this.

### **What are the issues faced by the teachers due to the pandemic?**

**Security:** Teachers who teach in **low-fee private schools** often have low salaries, poor working conditions and no systemic protection.

**Read more:** [The decline of the Budget school](#)

**Constant monitoring:** New type of “**bullying**” is faced by the teachers who work in medium-range, urban private schools. They are in constant ‘watch’ of parents who pointed out even the tiniest mistakes, including variety in pronunciation in online classes.

They are also under constant pressure to submit records of efforts made to keep learning ‘alive’.

**Media reports:** During the pandemic, media reporting of **teachers drew salary without any work**, affecting the self-image and self-respect of teachers.

**Deployment in other activities:** Under COVID-19 duty, they are deployed in undertaking door-to-door COVID-19 survey, distributing immunity booster tablets, disciplining queues outside liquor shops and other activities, led them to a sense of **loss of identity**.

**Cut off with children:** Many teachers got stressed because of total cut-off from contact with children during the initial months and during and after the second wave.

**Also read:** [“The world is changing rapidly and teachers must meet its challenges”](#)

### **How to improve the mental well-being of teachers?**

**Supportive environment:** Space should be created for teachers where they can easily discuss their stress and other issues.

**Teacher Training:** Regular teacher training should be conducted for their mental health, well-being, and management.

**Objective Recognition Programme:** It should be focused on the small achievements of teachers. It should also help in building an environment focused on improving the strengths of teachers.

**Read more:** [Naomi Osaka Episode and Mental health in India – Explained, pointwise](#)

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

To create an environment where our children feel secure, safe, and protected with professionally well-trained teachers, then there is a need to take care of the mental health of our educators as a priority.

## **33. India and its neighbourhood relations: Winning back some neighbours**

**Source:** This post is based on the article “**Winning back some neighbours**” published in **Business Standard** on **10th December 2021**.

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

**Relevance:** Understanding India’s efforts in bringing positive changes with its neighbouring countries.



**News:** India started working on strategies to normalize its relations with neighbouring countries. Now, India has been reclaiming some of the ground, it had lost to China.

**What is the major shift from the earlier policies?**

- 1) The government made sincere efforts to win not only the neighbouring governments but also their people,
- 2) The government ignored unjustified advice from television anchors.

**How did India start building its relationship with neighbouring countries?**

**Nepal:** 2015 was the worst year for [India- Nepal relations](#) as issues related to the Nepalese constitution, economic blockade strained their relations. China, although initially, got some benefit from it, but its policies of dominance also bring some tensions between China- Nepal relation.

**Read here:** [Continuing Political Turmoil in Nepal and Opportunity for India](#)

**How India is winning back Nepal's confidence?** India- Nepal started working out to build their relations. To ensure no tensions arise over [Kalapani](#), Nepal is considering a methodology of conducting its 12th national census in that region without a trespass of territory. Recently, Baba Ramdev, inaugurated the Patanjali TV station, dedicated to yoga in Nepal.

**Read here:** [India's Nepal policy needs to change for ensuring long-lasting friendship](#)

**How India is winning back Sri Lanka's confidence?** Sri Lanka turned to India for help and not China when its foreign exchanges ran low. For the first time in history, the Indian Army has signed an agreement to become a sister battalion of a unit in the Sri Lankan Army's Gajaba Regiment, which is also the president's regiment. Also, the project to build West Container Terminal goes to the Adani group

The Chief Guest at the inauguration of [Kushinagar airport](#) was Namal Rajapaksa, who was MP and son of the Sri Lankan prime minister.

**Read more:** [Kushinagar connect to Sri Lanka](#)

**34. Celebrating NRI success: When 'national pride' trumps obvious questions**

**Source:** This post is based on the article "Celebrating NRI success: When 'national pride' trumps obvious questions" published in **Business Standard** on 10th December 2021.

**Syllabus:** GS2 Indian Diaspora.

**Relevance:** Understanding the real merits of acknowledging NRI's success.

**News:** Indians have to be critical about celebrating every time an NRI gets to head a giant corporation. There is a need to look at the kind of company they are running, the nature of products, or their business practices.

**About Indian's performance in a global arena**

One should recognize the achievements or the **hard work** behind their success. Going from India to a new country with a different culture, customs and getting qualified for prized degrees at storied universities, and then working quickly up the corporate ladder to reach the top when still in their 40s or early is no doubt an achievement.

While celebrating first-generation NRIs, India should focus on those who **excel in less conflicted fields** like public policy or academics, and not just the growing list of Nobel laureates.

For eg Recently **Neeli Bendapudi**, a first-generation immigrant chosen to be president of a leading American university. **Gita Gopinath**, named No. 2 at the International Monetary Fund, and **Rishi Sunak**, touted as a future British prime minister.

**Must read:** [Brain drain from India – Explained, pointwise](#)

### **Why should India be critical of celebrating NRIs heading MNC's?**

India should question them for their endless controversies, fines, tax dodges, etc. for the companies in which they work. For Eg Though Indira Nooyi diversified the food range of Pepsico, one should look at the food products that they promote.

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

### **What about the diaspora of other countries?**

It is not only Indians who achieved success in large platforms. Three Africans currently are heads of international organizations: The [World Health Organization](#), [World Trade Organization](#), and International Finance Corporation.

Similarly, the Chinese have a bigger presence in Corporate America, as there are many Chinese students in STEM (science, technology, engineering, and mathematics) courses at US universities. Most of them also have headed back home and built Chinese companies to compare with America's Facebook, Amazon, and others. Something that no Indian has managed till yet.

**Read more:** [What are the implications of Emigration of India's brightest youth?](#)

### **35. “Chinese Project at Balochistan port: local protests, global concerns”**

**Source**-This post is based on article “Chinese Project at Balochistan port: local protests, global concerns” Published in The Indian Express on 11 Dec 2021

**Syllabus**- GS Paper 2(India and its neighbourhood- relations)

**Relevance**- Knowledge of International events, Chinese Interests in India and neighbourhood region.

**News**- Since November, there have been **continuous protests in Gwadar, Baluchistan against mega-development plans of the port city as a part of the China-Pakistan Economic Corridor.**

#### **About Baluchistan-**

Baluchistan is among the least developed even though it is the most resource-rich of Pakistan's four provinces. The main means of livelihood for people in the region is fishing.

### **What are Indian Specific concerns of India?**

Gwadar gives **China the strategic access to the Arabian Sea and the Indian Ocean. It is not just being developed as a trade entrepot but as a dual-purpose port for use by PLAN (the Chinese Navy)** and is intended to expand **Chinese presence in the Indian Ocean region.** With vital military interests in West Asia, the US too is concerned about the Chinese presence in Gwadar.

Given China's ambitions in the Indo-Pacific, and Pakistan's close military ties with it, these concerns will remain.

### **36. “Future of jobs: Modernised labour market require social security”**

**Source**-This post is based on article “Future of jobs: Modernised labour market require social security” Published in The Times of India on 10 Dec 2021

**Syllabus**– GS Paper 2(Issues relating to the development and management of Social Sector)

**Relevance**– Knowledge of Formal and Informal Job market in India

**News**–Pandemic has led to dramatic increase in employees working remotely particularly in white collar jobs.

### What are the other changes to the work models?

With the normalisation of work from home model, companies have also started providing **work contracts and complementarity flexibilities**. It means they are offering different combinations of flexi-work and financial security and medical benefits s per the combination. For instance, HUL has launched 'U-Work' and 'Open2U' offers to employees and gig workers respectively.

### What would be the implications of new work models?

This flexible model or flexi-curity is the key to the talent pool, which is bigger than the office workers pool, looking for an office job on 40-40-40 model.

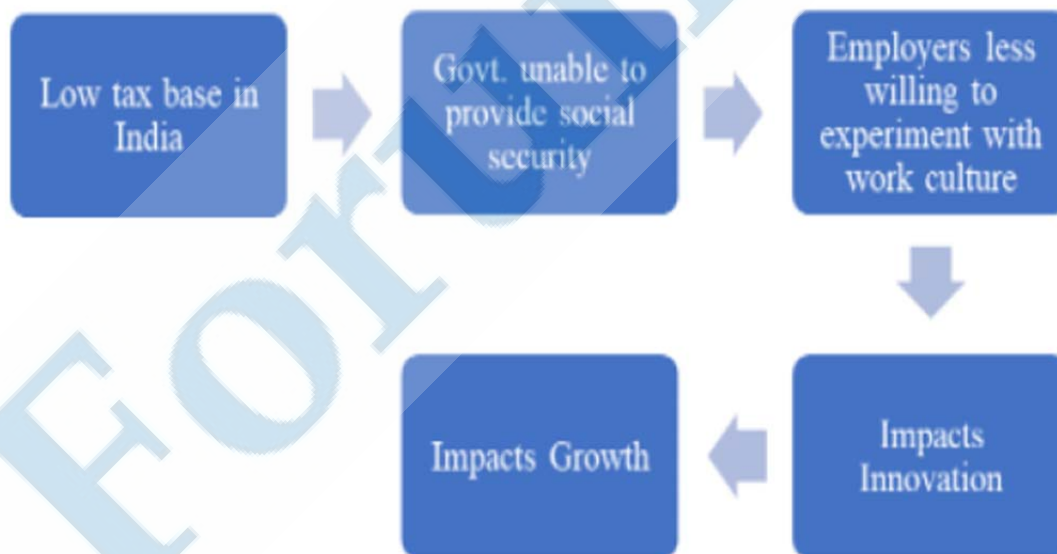
The office model was also blamed for failure to attract investment away from China.

### Way forward

While the new models can be a solution to unemployment problem, but India needs to expand specialised higher education. Also, only good economic growth can increase good jobs.

### How Low social security affects growth in India

We can't paste this image from the Clipboard, but you can save it to your computer and insert it from there.



India unlike other developed countries like USA does not has major social security provisions. This prevents Corporates from experimenting with various work culture models which ultimately hampers innovation. India has been long stuck into the 40-40-40 model, its time that there are changes to this. All this should happen keeping in mind the social security of workers at its core.

# General Studies Paper - 3



General Studies - 3

---

**1. Wanted: New leaders to tackle climate change challenge**

**Source:** This post is based on the article “**Wanted: New leaders to tackle climate change challenge**” published in **Indian Express** on **6<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – issues related to climate change

**Relevance:** Climate change, CoP27, Climate change governance.

**News:** CoP 26 has been successful in making countries commit to climate change mitigation policies. However, many issues have still been left unaddressed due to politics.

COP27, therefore, should be led by a collective of experts and leaders, who can accelerate the implementation of the action plan towards net-zero.

In this context, climate change governance needs leadership that has uncompromising commitment towards the vision of achieving net-zero.

**What is the success of CoP26 summit?**

- 90% of the world committed to a net carbon zero target.
- 23 countries agreed to stop financing fossil fuels by the end of 2022.
- 100 countries committed to end deforestation.
- The accounting systems for calculating carbon emissions were finalised
- The phase down of coal and inefficient fuel subsidies was accepted.

**What are the issues that are not addressed yet?**

- Read here: [Glasgow Climate Pact – Explained, pointwise](#)

**Why the world needs to address climate change sincerely?**

The NGO, Climate Action Tracker, has analysed the consequences of climate change policies.

- In the absence of a climate change policy, global temperatures would rise by between 4.1 and 4.8°C above pre-industrial levels.
- However, if every country implements its non-binding nationally determined commitments for 2030, the temperature rise would be 2.4°C.
- If they met their binding commitments including net-zero targets, the increase would range between 1.8 and 2.1°C.

So, any laxity in the implementation of the action plan towards net-zero carbon will push the increase above an acceptable threshold with devastating consequences.

**What needs to be done to bring down carbon emissions?**

John Doerr (*the author of a recently published book, Speed and Scale — A Global Action Plan for Solving our Climate Crisis*), lays out a six-point action plan for bringing carbon emissions down from the current annual amount of 59 GT to zero by 2050.

- **Electrification of transport:** Improvements in battery technology.
- **Decarbonisation of the grid:** 50 per cent of electricity from solar and wind, no new oil and gas plants after 2021.
- **Food system:** no nitrogen-based fertilisers, contain methane/nitrous oxide emissions from rice farming
- **Protect nature:** net-zero deforestation and elimination of deep-sea trawling
- **Clean up industry:** reduce carbon intensity in cement/steel/aluminium)
- **Remove carbon:** nature-based and engineering solutions

### What is the way forward?

**First**, the current institutions of governance have created a forum for collaborative effort, but the rules of engagement reinforce separateness. This is the reason **institutions need to be redesigned**.

**Second**, the leadership of COP27 should be handed over to experts who are not bounded by the interests of a specific country and are beyond petty politics. They must be capable of driving technological change, catalysing green investment and forging global collaboration.

## 2. On Blockchain: The next big tech revolution

**Source:** This post is based on the article “**The next big tech revolution**” published in Business Standard on **6<sup>th</sup> Dec 2021**.

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

**Relevance:** Blockchain technology.

**News:** Blockchain technology will be the next big tech revolution.

### What is blockchain technology?

A blockchain is a digital ledger that allows parties to transact without a central authority as a trusted intermediary.

**Blockchain** is not a new technology. Rather, it is an innovative way of using existing technologies.

The technologies underpinning blockchain are asymmetric key encryption, hash values, Merkle trees, and peer-to-peer networks.

### How the blockchain technology works?

A blockchain is a digital ledger, in this ledger, transactions are grouped together in blocks, which are **cryptographically chained** together in a way that is tamper-proof and creates a mathematically indisputable history.

The development and maintenance of blockchain are open, distributed, and shared. A team of volunteers around the world maintains the core software for blockchain

### Why the blockchain technology is so promising?

**“Smart Contracts”** is the revolution that blockchain will bring. It will permit trusted transactions and agreements to be carried out among any two parties without the need for a central authority, legal system, or external enforcement mechanism.

It has the following benefits,

- it makes transaction very quick.

**For more benefits and advantages of Blockchain:** Read [here](#)

### Why blockchain and its related technologies are looked at with deep suspicion?

**Firstly**, the use of algorithms to establish the validity of the transaction is viewed with suspicion.

**Secondly**, Part of the reason why blockchain and its related technologies are looked at with deep suspicion is the story about its origins. The development of ‘Bitcoins/ digital cryptocurrency’ had contributed to the mystery of blockchain.

### 3. The brush with crypto offers some lessons for regulation

**Source:** This post is based on the article “The brush with crypto offers some lessons for regulation” published in **Livemint** on 6th Dec 2021.

**Syllabus:** GS3 – Information Technology

**Relevance:** Strengthening India’s sectoral regulators to deal with innovation in technology

**News:** Technology innovation typically remains a step ahead of regulatory frameworks designed with current practices in mind. Problems occur when these innovations push the envelope beyond accepted codes of social and ethical behaviour.

At present, innovations in two sectors are a cause of worry for India’s sectoral regulators: **Proliferation of Cryptocurrency exchanges** and **unregulated digital lending** marked by the rise of dubious digital lending apps.

The government and sectoral regulators should act before it’s too late.

Further, the regulatory architecture must be based on [principle-based regulations](#), rather than [rule-based regulations](#), to allow for flexibility and adaptability in a fast-changing technology environment.

#### **What are the issues/concerns with rise of Crypto exchanges and unregulated digital lending?**

##### **Crypto exchanges:**

Through aggressive media advertising, these platforms have quickly spread their business amongst Indian masses. There are an estimated 15-20 million crypto users in India, many of whom live in Tier-II or Tier-III towns.

They have circumvented responsible norms of advertising, like:

- announcing important disclaimers at high speed
- Not communicating that cryptos are neither currencies nor strictly assets
- Not mentioning that trading platforms are not truly “exchanges
- Not stating that Crypto values are not determined by the usual dynamics governing other income-yielding assets
- Investing in cryptos was an exceedingly risky proposition.

As a result, many scam crypto issuers and exchanges have come up.

##### **Unregulated digital lending:**

A report of the joint parliamentary committee (JPC) on a proposed data privacy law, has pointed at the proliferation of shady **digital lending apps** on the Google Play Store. At least 60 such loan apps are there.

- They are **neither registered nor recognised** by the Reserve Bank of India (RBI) as a Non-Banking Financial Company (NBFC).
- These applications are **owned by Chinese operators or companies**, including those named like other legitimate fintech companies. For instance, ‘Udhaar Loan’ resembles ‘Udhaar’, a fintech focusing on micro loans, recognised by the Government of India.
- These lenders have been found using **unethical methods of lending and recovering loans**.

#### **Why sectoral regulators couldn’t act on this issue?**

Sectoral regulators, such as RBI and [Securities Exchange Board of India](#) (SEBI), were unable to step in and act earlier because they are governed by specific Acts which do not mention cryptos as a category that needs regulation.

### What is the way forward?

The government has now stepped in and is [drafting legislation](#) to regulate cryptos.

**Financial sector regulators should be able to intervene**, by law, whenever any intermediary tries to sell a financial service or any new innovative financial service that poses the risk of disrupting financial stability. For this, relevant enabling clauses must be added to the existing Acts.

The relevant amendments or additions to existing laws should strive to **neither be too open-ended nor become overly sector-specific**.

**NITI Aayog's paper on licensing digital banks** recommends an evolutionary path for digital banks that's RBI-regulated at all stages:

– first a restricted licence, then a regulatory sandbox offering some relaxations, and finally a “full-stack” digital banking licence.

**Recommendations made by RBI's internal working group on ownership guidelines for Indian private sector banks:** RBI has accepted some of the suggestions and modified a few to make entry norms stricter.

### 4. Cooperation awaits its “finding Raiffesisen” movement

**Source:** This post is based on the article “Cooperation awaits its “finding Raiffesisen” movement” published in **The Hindu** on **6th December 2021**.

**Syllabus:** GS3 Money and banking.

**Relevance:** Understanding the relevance of cooperatives.

**News:** India enacted legislation for cooperatives in 1904. All India rural credit survey committee in 1954 pointed out that the cooperatives have failed in their objective.

### How did the cooperative movement start?

It started in Europe with pioneers like Friedrich Raiffeisen and Schulze-Delitzsch In Germany. They were based on principles of self-help, self-governance, and self-responsibility.

### How did the cooperative movement start in India?

In India, it started in Madras presidency with the enactment of the Indian cooperatives act in 1904. Registrar of cooperative societies (RCS) acts as nodal agencies for the cooperatives. Pioneers like Dr. John Mathai, who graduated from the London School of economics, assisted in the initial phases.

**Read here:** [Cooperative model best suited for India, says Shah](#)

### Why did cooperatives fail in India?

In India, cooperatives were created by resolution of the government, Unlike Europe, where they were created Bottom-up. Co-operatives demanded a flexible model, but government grip increased over the years in the form of regulations.

Some cooperatives like Amul, IFFCO performed successfully.

### What should be done to improve the condition of cooperatives?

**First**, the power of RCS should be reduced. They should act as facilitators and not as instruments of inspection and domination.

**Second**, the Rural-urban dichotomy in regulations should be done away with. The regulation should be based on the size of the cooperative or the nature of the business of the cooperative.



**Third**, the regulation and supervision mechanism needs to be streamlined. Currently, urban cooperatives are regulated by RBI and rural by [NABARD](#). The regulatory mechanism should be combined and it should have its own regulator with norms created specifically for cooperatives.

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

We need former commercial banks – cooperative sector linkages, which can provide finances to cooperatives and make cooperatives viable in long term.

### **5. Fresh air has become a luxury in Delhi**

**Source:** This post is based on the article “**Fresh air has become a luxury in Delhi**” published in the **Indian Express** on **6th Dec 2021**.

**Syllabus:** GS3 – Conservation, environmental pollution and degradation, environmental impact assessment.

**Relevance:** To understand the issue of pollution in India and specifically in Delhi.

**News:** Supreme Court (SC) judges expressed dissatisfaction with the Delhi and central governments for not doing enough to correct the dire situation of pollution in NCR.

As per the **World Air Quality Report of 2020**, published by IQAir, 22 out of the 30 most polluted cities in the world are in India.

Delhi's pollution, in November, is generally above 300 on AQI scale. It is the worst amongst the G20 members capital's where AQI is below 50 mostly, as per **World Air Quality Index Project**. Centre and states must work together to tackle this problem of pollution in the National Capital Region.

#### **What are the reasons for this pollution issue?**

A report of the MoEF&CC submitted to the UNFCCC listed the reasons for it.

- Energy generation (largely coal-based thermal power) is the biggest driver.
- Manufacturing and construction; agriculture; transport; industrial processes and product-use, and 'waste burning' in the decreasing order.

As per SAFAR (System of Air Quality Forecasting and Research) data, the pollution in Delhi is driven by different factors in different time of year. One such being “**stubble burning**” during October-November.

#### **What are the other challenges in tackling pollution in NCR?**

**Solar energy**– The land taken for solar farm can't be used for other purposes for a long time. Nothing else can be grown on those corporate solar farms.

**Rice cultivation** in NCR belt and Punjab is creating the problem of disposal of rice straws. Farmers resort to stubble burning.

- Besides, rice cultivation is also leading to depletion of the water table, creating methane and nitrous oxide.

Lack of enough **charging points** for Electric Vehicles(EV) is a hindrance for the EV's smooth rollout and therefore the issue of **vehicular pollution** by fossil fuel based cars persists.

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

**Replacing coal in energy generation:** As a substitute to coal, **solar and wind** derived energy is placed as a solution. Companies are setting up large **solar farms on degraded lands**. This has resulted in solar tariffs to be lower than even thermal power.

We should develop **solar farms on farmers' fields** too, by fixing solar panels at a 10 feet height with due spacing for photosynthesis. These **solar trees** can then become the **third crop** for the farmers, earning them regular income throughout the year.

– **For instance**, Delhi government's pilot project in Ujwa KVK land on these lines showed that farmers can earn up to Rs 1 lakh per acre per year from this 'solar farming'.

The Centre needs to collaborate with neighbouring states and come up with a plan to **reduce the rice area** in this belt.

– Farmers can be incentivised to **switch to other crops** through better returns than in rice cultivation.

**Creating fast charging stations for EVs** in parking lots in offices, housing societies, petrol pumps, etc, can help to create demand for EVs. The government can incentivise it by providing upfront subsidies on EVs.

Delhi also needs a good **carbon sink**. Rejuvenating the Ridge area with dense forests and developing thick forests on both sides of the Yamuna may help.

## 6. Storm surges and relief: Why India should rethink its cyclone response

**Source:** This post is based on the article "**Storm surges and relief: Why India should rethink its cyclone response**" published in **Down To Earth** on **4th Dec 2021**.

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

**Relevance:** To understand the need for a new approach to tackle cyclones.

**News:** Factors such as the cyclone's intensity, high tides and topography results in storm surges, which are the principal cause of destruction in major cyclones.

It is important that, in this period, we recognise that there is more to cyclone risk management than the total number of evacuees. However, the usual approach has certain deficiencies for cyclone management.

### What are the deficiencies with the present approach?

**Over-emphasis on a total evacuee figure, particularly in states such as Odisha:** response effectiveness is calculated by over-emphasis placed on the total **number of evacuation** done from all areas, rather than focussing specially on some vulnerable areas.

– In evacuations in Odisha, the distinct threat from tidal or storm surges is mixed with the impact of high wind speed. Consequently, all areas where the cyclone is likely to travel are given similar scale attention. The high storm surge vulnerable areas don't get specific attention. The current strategy of horizontal evacuation (*Under this type of evacuation, the region where maximum storm surge is likely, is completely secured by moving residents away*) have worked in the past few cyclones only because the tidal surge was limited at the most up to 1 km. It will prove to be inadequate, if tidal inundation reaches up to 20 km.

**Inadequate focus on response aspects other than evacuation:** Our existing approach gives too little attention to key disaster **response** functions **other than evacuation**. Some of them are:

– **Delay in financial assistance** to those eligible for house reconstruction is often delayed beyond a reasonable time period.

– **Distress selling and premature** harvesting because of the cyclone.

– **Power failures for days.**

### What is the way forward?

#### Pre-cyclone:

– India can learn from developed countries such as the United States and Australia, which follow a practice of **identifying the most vulnerable zone** and ensuring that no one except emergency officials are allowed there.

– **Forewarning** the farming communities

#### Post-Cyclone:

– **Farmers need to be provided with financial input and immediate credit** to restart the agriculture work immediately.

– The government should consider **writing off the agricultural loans of small farmers**. It should also provide sufficient cattle feed and support to people who own livestock.

– There should be **emphasis placed on the quality and quantity** of the relief distributed.

– **Media's role:** A general pattern in disaster management observed around the world is that the media focus typically is limited to the emergency period. This should change too.

### 7. Why the Reserve Bank wants to have its own digital currency

**Source:** This post is based on the article “**Why the Reserve Bank wants to have its own digital currency**” published in **Livemint** on 7th Dec 2021.

**Syllabus:** GS3 – Information Technology

**Relevance:** Understanding various aspects of a Central Bank Digital Currency (CBDC)

**News:** The Indian government and the RBI are getting ready to launch a central bank digital currency (CBDC). This is indicated by the scheduled introduction of the Cryptocurrency and Official Digital Currency Bill, 2021, in the winter session of the Parliament.

Further, the government has also received a proposal from the RBI in Oct 2021 to amend the RBI Act, 1934, to include currency in digital form under the definition of a banknote.

Hence, it is important to understand what a CBDC really is and what it isn't; what it hopes to achieve; the opportunities it might bring and the problems that it is likely to solve.

### What are the types of Central bank money?

There are two types:

i) Physical cash

ii) Reserves maintained by commercial banks with the central bank. These reserves are in a digital form and are used by banks to manage interbank payments.

Thus, a CBDC won't change much at the commercial bank level, as their cash reserves with the RBI are already in digital form. Retail CBDCs will essentially be digital currency issued by the central bank, which will exist alongside physical cash.

### How a CBDC payment system will be different from the existing digital payment apps?

– **Firstly**, the payment infrastructure is created and managed by the central bank.

– **Secondly**, payments are made using central bank money and not the money created by the banking system.

### Why Central Banks want to have their own digital currency?

**Preventing centralisation of digital payment infra:** Digital transactions have increased over time. But in various countries, a bulk of this new digital payment infrastructure is being managed by a few private companies. **For instance**, in China, 94% of mobile transactions are supported by Tencent or Alibaba. This creates an increased overall risk in the financial system,

with the entire digital payment infrastructure being dependent on a few private companies. It also leads to further problems:

- monopolies
- high entry barriers
- potential misuse of data
- safety and security of technology

Thus, there is a need for central banks to create a new digital payment infrastructure through CBDCs. In the event of serious shocks to the systems of the banks or card companies, a **CBDC could be an alternative form of payment.**

The threat of a monopoly might not exist in India because of the mass popularity of UPI, owned by NPCI (National Payments Corporation of India) which is further owned majorly by Public Sector Banks (PSBs).

### **Why India requires a CBDC?**

Despite the likelihood of a China-like monopoly being almost non-existent in India, it still needs a CBDC for the following reasons:

- **Can simplify the complicated cross-border payments system**
- **China's push for CBDC:** China wants the digital yuan to gain acceptability as a global currency, like the US Dollar. Once it does, it is a matter of time before it starts flowing into the Indian economy. This issue needs to be addressed by India via developing global protocols for the cross-border usage of CBDCs.

**For more:** Please go through the following detailed article:

- [Introduction of a CBDC or a National Digital Currency in India – Everything you need to know](#)

### **8. Fighting together: Only the political leadership can clear the way for joint theatre commands**

**Source:** This post is based on the article “**Fighting together: Only the political leadership can clear the way for joint theatre commands**” published in TOI on 6<sup>th</sup> Dec 2021.

**Syllabus:** GS3 – Various Security Forces and Agencies and their Mandate.

**Relevance:** Understanding issues related to Joint theatre commands in India

**News:** The new navy chief, Admiral R Hari Kumar, recently said that the US military took 50 years to achieve its joint command structure. Although he clarified that he wasn't implying that it would take a similar amount of time to establish India's joint theatre commands, his stress was on highlighting the complexities involved.

### **What India needs to do to effect theaterization?**

Services need to shift from their present individual war fighting structure to **training their personnel to operate under joint command.**

**Consolidation of warfighting assets and streamlining of personnel** to make the services leaner, better trained and agile.

**Reshaping of the current pyramidal command structure:** Theatrisation would need both a clear chain of command and some degree of dilution of hierarchies, while dissolving turf boundaries. **For instance,**

- It's still not clear whether the political leadership should communicate with the chief of defence staff, service chiefs or the prospective theatre commanders
- There's also the issue of **ownership of assets and their allocation to the joint commands.**



### What is the way forward?

The political leadership should take a decisive call on operational matters and clearly lay out responsibilities. Otherwise, theatrisation will be mired in inter-services tussles, defeating its very purpose.

**Must Read:** [Integrated Theatre Commands in India – Explained, pointwise](#)

### 9. [The farm laws fiasco offers 7 lessons on how to reform in a democracy](#)

**Source:** This post is based on the article “**The farm laws fiasco offers 7 lessons on how to reform in a democracy**” published in **TOI** on **7<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Issues related Minimum Support Price (MSP)

**Relevance:** Understanding lessons that can be learnt from the recent farm laws fiasco

**News:** The enactment of farm laws, sustained farmer protests against them over the year and the eventual repeal has many takeaways for the future policymakers. Seven such policy lessons are discussed.

Together they form a toolkit for the future reformer.

### What are key policy lessons from the farm law fiasco?

**Lesson 1: Push for simultaneous elections:** There is an inherent mismatch between politics and economics. A reformer seeks long-term prosperity, while a politician's survival depends on the next election. Clearly, the rollback of the farm laws was influenced by elections in UP and Punjab. The problem, however, is that India is perennially in election mode. Hence, the first lesson is to push for simultaneous elections.

**Lesson 2: Get states to enact laws (not the Centre) on state or concurrent list.** Govt should have encouraged other states to implement the reform. Once farmers of Punjab and Haryana would see farmers' incomes rising in the neighbouring states, they would've realised the benefits of the laws. This happened with VAT in 2005. When some states refused to implement it, the government allowed them to move at their own pace. Within 18 months, all states fell in line. Learning from GST Council's success, the PM should employ the National Development Council of CMs to push the reforms.

**Must Read:** [Legalising MSP: Challenges and way forward – Explained, pointwise](#)

**Lesson 3: Sell the reforms to the public:** Margaret Thatcher, the legendary reformer, used to say, “*I spend 20% of my time doing the reforms and 80% selling them.*”

India still reforms by stealth. People still cannot distinguish between being pro-market and pro-business. Even a reform with obvious benefits needs explaining. Far-reaching reforms need to be sold.

**Lesson 4: Reforms require consent of the governed in a democracy.** The process of reforming is equally important. The farm laws were introduced as ordinances, then converted to bills in Parliament and passed by a brute majority without debate. They escaped the normal process of deliberation in the standing committee. This was a mistake.

**Lesson 5: Reformers need to take a holistic view.** The Indian farmer is poor because there are too many people working on the farm. Our only hope is large-scale expansion of low-tech manufacturing to absorb this surplus labour. The farm laws would have provided breathing time for the economy to create these jobs. If this had been explained to farmers, it would have given credibility to the reforms.

**Lesson 6: Reforms will hurt few in the short term:** Reforms often hurt a small minority while helping the large majority. If the minority is well organised, it can derail the reform. The

cartel of *arhtiyas* who stood to lose when the farmer got the freedom to sell outside the mandi funded the protests. Reformers in future need to incentivise and look after those who lose out.

**Lesson 7: Timing of the reforms:** It is easier to do reforms during a crisis when people are more accepting of sacrifice and radical action. The 1991 reforms went through because the nation was bankrupt. Similarly, it was smart for the govt to embark on agricultural reform during the Covid crisis. Thus, the timing of the farm laws was not wrong, as many critics have alleged.

#### 10. Proposal to create bad bank for farm loans raises several issues that need careful deliberation

**Source:** This post is based on the article “**Proposal to create bad bank for farm loans raises several issues that need careful deliberation**” published in **The Indian Express** on 17<sup>th</sup> Nov 2021.

**Syllabus:** GS3 – issues related to the banking sector.

**Relevance:** The idea of a Bad bank for farm loans

**News:** Recently, at a meeting of the Indian Banks’ Association, the idea of floating an asset reconstruction company (ARC) to improve the recovery from bad loans in the agricultural sector was discussed.

As per the RBI’s Financial Stability Report, bad loans for the agricultural sector stood at 9.8% at the end of March 2021.

In comparison, they were at 11.3% and 7.5% for the industry and services sectors, respectively.

#### What are the arguments in favour of this idea?

**Optimising the costs of the recovery:** As agricultural markets are dispersed, a single institution, as opposed to multiple banks, would perhaps be more suited to deal with collections and recoveries from farm loans.

**Need for creating an effective mechanism for the recovery of dues:** Currently, there is an absence of a unified framework to deal with the enforcement of mortgages created on agricultural land.

#### What are the issues/concerns with a bad bank for farm loans?

**Firstly**, the government has already set up such a framework (under [NARCL](#)) for the resolution of corporate sector loans that have turned bad.

Considering that doubts have been expressed over the effectiveness of this architecture, a more prudent approach would be to assess its experience and then decide.

Moreover, if there is indeed a need to provide for a similar framework for agricultural loans, then the same architecture could be employed.

**Secondly**, banks have far greater presence on the ground than a single ARC. Hence, local bank officials may be more successful in dealing with hundreds and thousands of these small borrowers than a single ARC.

**Thirdly**, rural land markets are characterised by lack of clear titles and multiple stakeholders, so recovery will prove to be difficult. Moreover, land is an emotive and political issue.

**Fourthly**, there is also the possibility that since these issues are state subjects, such an approach could risk being seen as encroaching on the rights of states.

#### What is the way forward?

There are better ways to help farmers –

**First**, ensuring timely access to credit on more favourable terms for farmers.

**Second**, the broader policy framework should facilitate farming becomes a more remunerative occupation.

### 11. MSP is no silver bullet to boost farmers' income

**Source:** This post is based on the article “MSP is no silver bullet to boost farmers' income” published in **Livemint** on **7th Dec 2021**.

**Syllabus:** GS3 – issues related to MSP

**Relevance:** Disparities in MSP benefits

**News:** Even as the central government has announced its withdrawal of the three farm laws, farmer unions have persisted in their demand to make the minimum support price (MSP) a legal entitlement.

But, even if it becomes a legal right, the MSP, in its current form, is unlikely to resolve the problems of Indian farmers across the country.

More broad-based measures such as better access to inputs, crop insurance and agro-advisory would be far more beneficial to farmers.

#### Why legalising MSP cannot resolve India's farm crisis?

**The issue of quantum of price increase:** Over the past 10 years, the compounded annual increase in MSP for most major crops, especially wheat and paddy, has barely matched the rate of general increase in prices.

**Interstate cost variance:** There is a large disparity among states in terms of cost of production of a crop due to factors such as land, labour costs and scale of production. **For instance**, the projected A2+FL for paddy ranges from ₹759 a quintal in Punjab to ₹2,405 in Maharashtra for the 2021-22 kharif marketing season.

However, a single MSP is declared for the entire country based on a weighted average. Thus, farmers in some states benefit far more than others from MSP, and some may even lose out if they depend on this mechanism.

#### Read more in the following articles:

– [After farm laws repeal, farmer unions want legal guarantee for MSP. Should the govt give in?](#)

– [Legalising MSP: Challenges and way forward – Explained, pointwise](#)

### 12. We're on a knife's edge between global reflation and stagflation

**Source:** This post is based on the article “We're on a knife's edge between global reflation and stagflation” published in **Livemint** on **Dec 7<sup>th</sup> 2021**.

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

**Relevance:** Inflation, Reflation, Stagflation

**News:** Massive stimulus packages, given during the pandemic, could lead to high inflation amid low growth, if global production capacity lags overall demand.

#### Why the stimulus packages were given?

As the pandemic spread around the world, demand decreased due to fear and lockdowns. Services, travel, tourism, and retail operations took the hardest hits.

Firms around the world reacted with a swift reduction in capacity. Layoffs of employees followed, which decreased disposable income and contributed further to decreasing demand. In this context, Central banks around the world responded with massive liquidity and monetary support, while governments relied on unprecedented fiscal spending.

#### What is the consequence?

- **Demand pull Inflation:** The increase in prices across various goods and services is now among the broadest the world has seen since the 1970s. From oil prices and food staples to semi-conductors and cars, prices have risen sharply.
- **Supply Shocks:** As demand recovered, this created massive supply bottlenecks, resulting in rising prices.

Read here: [Everything a UPSC aspirant must know about inflation](#)

#### What are the implications for India?

For India and emerging markets, this environment is an opportunity as well as a challenge.

##### Opportunity

As one of the world's fastest growing economies, **India will continue to attract capital** in a world of low interest rates, thus stabilizing its currency, current account and macro-economy. This capital can help **build on the economic gains** of a vibrant startup sector that Indian entrepreneurs have shown a great propensity for.

##### Challenge

At the same time, without significant reforms in factor markets and material improvements in supply chains and logistics, rising demand will only add to India's **inflationary pressures**.

#### What is the way forward?

Central bankers must **remain vigilant on inflation**. Sustained inflation disproportionately impacts the poor and vulnerable in any society.

Demand-led growth must **prioritize investment instead of consumption**. Otherwise, we risk stagflation, a rare but worrisome phenomenon of high inflation with low growth.

### 13. The Goa government's TReDS adoption is worthy of emulation

**Source:** This post is based on the article "**The Goa government's TReDS adoption is worthy of emulation**" published in **Livemint** on **6<sup>th</sup> Dec 2021**.

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

**Relevance:** To understand Goa's government approach to tackle liquidity issue faced by MSME's.

**News:** Central Govt has taken various steps to improve working capital (*capital to manage day-to-day expenses*) situation of small businesses. RBI too had launched [TReDS platform](#) to towards this end. However, many govt procurers lie outside the coverage of TReDS.

It's in this light that an initiative by the Goa govt assumes significance, wherein it registered itself as a buyer on the TReDS platform and in the process became the first state government to do so.

The subsequent improvement in finances of MSMEs, their owners and workers have given a boost to economic activity in Goa.



### Why the Goa state govt took this step?

**Pandemic effect on cash flows:** The economy and people of Goa depend heavily on tourism. However, due to lockdowns and travel restrictions, tourism got severely impacted, resulting in limited cash flows for small businesses.

**Delay in payments:** Further, many were engaged in work for government agencies, with significant receivables. But payments were delayed because the state government itself was dealing with its own set of problems.

It led to a **dip in tax collections** in Goa. This created a vicious cycle where the dip in tax collections caused a further shortage of funds for the govt.

This situation prompted the Goa government to take the initiative of registering on TReDS as a buyer.

### How registering on TReDS as a buyer helped Goa govt clear MSME dues?

It partnered with Receivables Exchange of India Ltd (RXIL) to get on-boarded as a 'Buyer' on this platform.

On the TReDS system, the government used **invoice factoring** (online bidding of invoice by multiple financiers-factors), that helped in quick realization of trade receivables at competitive market rates and better tenures. Finally, automated repayments to financiers from government are triggered on due dates.

### How did this help the MSMEs?

It addresses two issues facing MSMEs.

**One**, it enables the prompt encashment of receivables.

**Two**, factors have no recourse to MSMEs if they don't get paid on the due date. The credit risk is borne by factors.

Goan MSME sellers received the **cash flows they needed on time**. Moreover, the government, as the buyer, was able to make payments on favourable terms and avail the support of financiers, including banks, to ensure timely payments to MSMEs in need.

#### Other benefits:

- Being on TReDS, further enables timely settlement of MSME dues **without immediate expenditure** from the state's treasury.
- Finally, automated repayments to financiers are triggered on due dates

### What are some steps taken by Centre to improve working capital situation of MSMEs?

- The **MSME Development (MSMED) Act of 2006**, provides for the naming and shaming of large buyers that don't pay small businesses on time for goods procured or services received.
- **MUDRA loans** were designed to widen credit availability.
- The **Emergency Credit Line Guarantee Scheme (ECLGS)** of the Centre extends new credit to small businesses.
- The government has made it **mandatory for companies with a turnover of ₹500 crore or more to get registered on the TReDS platform**. The Government's e-Marketplace (GeM) is automatically linked to TReDS.

**14. Draft extended producer responsibility policy: How gaps in achieving fundamental goals can be closed**

**Source:** This post is based on the article “**Draft extended producer responsibility policy: How gaps in achieving fundamental goals can be closed**” published in **Down To Earth** on **6<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Conservation, environmental pollution and degradation, environmental impact assessment.

**Relevance:** Understanding the flaws in draft EPR policy on plastic waste management (PWM).

**News:** MoEFCC has released a **draft EPR** (Extended Producer Responsibility) **policy** for management of plastic waste in India.

The Plastic Waste Management Rules, 2016 introduced the concept of EPR to manage plastics in India.

It has seen **inadequate progress** in the last five years as the policy failed to translate into action, due to the lack of accountability of the producers and lack of enforcement from the authorities.

The latest draft rules have managed to take a small **step in the right direction**. However, the rules lack on certain parameters.

**What are the gaps and flaws in draft rules?**

**Firstly, Plastic waste reduction / minimisation is neglected** in rules. The ‘polluter pays’ principle, thus, failed to translate to policy. Though the PWM Rules, 2016, mandate the generators to minimise generation of plastic waste. However, it is not applicable to the PIBOs (Producers and brand owners).

**Secondly, compostable or biodegradable plastic is not under the ambit of EPR.** India should have an EPR mandate of collection and processing of the same.

– Globally, 1% of the entire plastics produced are from non-fossil sources and are biodegradable. India generates more than 250 tonnes of compostable and biodegradable plastic every day.

This plastic needs to be sent to industrial composting facilities and not be composted at home or littered in the environment. This doesn’t find mention in the policy document. Also, these facilities itself are not available in India.

**Thirdly, no standardised format** of how an action plan is to be submitted by PIBOs. It is mandatory for PIBOs to submit an action plan, according to the draft EPR policy. However, due to ambiguity of words, it will result in a non-standardised action plan submitted by various PIBOs, which will not be comparable.

**Fourthly**, the centralised **portal** developed by CPCB can only be accessed by the PIBO’s, recyclers, pollution control boards.

– Plastic waste processors are supposed to disclose the total amount of plastic waste handled on their website, while the PIBOs, have not been directed to disclose the amount of plastic they placed in the market.

– This has effectively left PIBO’s on their own to ‘green’ their image in the market.

**Fifthly**, the **informal sector’s** waste recycling operations are unlicensed and unregulated, though their waste management operations generate a net profit. It doesn’t find mention in draft rules, too. Even though most of the plastics in India are channelised by the informal sector.

### What is the way forward?

EPR policy should encourage the brand owners to **diversify packaging** material with alternatives such as paper, glass, metals, among other things.

– Offering **EPR certificates** to the brand owners, who diversify their packaging, will also help the brands to develop a green image.

To promote compostable plastics and its bio-degradation, **testing, certification and proper labelling** become important.

– India does have standards for compostable plastic (Schedule I of the Plastic Waste Management Rules, 2021). But the **certification and labelling mechanism is very weak** and needs to be addressed through policy.

A **standard template**, developed by CPCB in consultation with all the stakeholders, is a must. The standardised data, thus obtained, will be comparable across all the PIBOs. It will also help us verify and avoid duplication of data.

### 15. Basking in reflected glory

**Source:** This post is based on the article “**Basking in refl ected glory**” published in **The Hindu** on **7<sup>th</sup> Dec 2021**.

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

**Relevance:** Understanding the issue of brain drain in India.

**News:** The recent appointment of Parag Agrawal, as the CEO of US-based company ‘Twitter’ started renewed debate on brain drain from India.

### What are the reasons for brain drain from India?

It started in the **late-1960s** when private sector companies were few and there were few good jobs available in public sector undertakings.

Unlike India, the **ecosystem** of the U.S. helps spot talent and allows people to rise to the top.

Better graduate and post-graduate **education** in foreign attracts bright candidates from India.

– Many Indian-origin Nobel Laureates in physics, chemistry, medicine and economics pursued their higher education in the U.S. and settled there.

### What is the way forward?

India should **learn from China**. Chinese people did not need to go to the U.S. to rise to the top. They were able to create success stories for themselves, sitting in China.

– Chinese entrepreneurs founded world’s most competitive companies in China.

**India should provide a conducive ecosystem** that creates world-beating companies and institutions that can produce Nobel Laureates.

**Must Read:** [Brain drain from India – Explained, pointwise](#)

### 16. Nagaland killings should prompt a broad rethink

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

“**End the impunity: On Nagaland killing**” published in **The Hindu** on **7th December 2021**.

“**Naga talks: What has caused the stalemate so far, and what impact can killings have?**” published in **Indian Express** on **7th December 2021**.

“**Nagaland killings should prompt a broad rethink**” published in **Livemint** on **7th December 2021**.

“**Justice in Nagaland**” published in the **Times of India** on **7th December 2021**.

**Syllabus:** GS 3 Role of external state and non-state actors in creating challenges to internal security.

**Relevance:** Understanding the tense situations of Nagaland.

**News:** The army operation resulted in the tragic death of 14 civilians in Nagaland.

### **What can be the impact of the killings?**

It can stall the ongoing Naga peace process and has the potential to revive the narrative of India versus the Naga people. The incident can be used by the insurgent groups to recruit and even strengthen the positions.

**NSCN(I-M)**, the key Naga group negotiating with the Centre, has already declared the incident as a “black day” for all Nagas. While, **Naga National Political Group (NNPG)** has blamed the continued implementation of the **Armed Forces Special Powers Act (AFSPA)**, 1958 for such incidents.

**Read here:** [Nagaland killings aren't a mere 'blunder'](#)

### **What is AFSPA? Why controversies surrounding it?**

**Read here:** [All about AFSPA](#)

The law gives security forces sweeping powers of arrest and to continue counterinsurgency operations. Security forces are not charged for their actions because of the shield provided under the AFSPA.

For example, In over 20 years, the Centre has denied prosecution sanctions under AFSPA in all cases recommended by the J&K government against army men. The same law prompted Irom Sharmila to begin her hunger strike because of the tragedies like the Manipur Malom Massacre in 2000.

### **Why there is a stalemate despite the Framework Agreement (FA)?**

**Demands:** Naga people's demand a separate constitution and flag, which the centre is not ready to accept. On the other hand, NSCN (I-M) rejected the centre proposals to have a cultural flag instead of a national flag and deal with issues of a constitution after signing the agreement.

**Read here:** [How has the Naga peace process evolved?](#)

**Vague wordings:** NSCN (I-M) argued that FA states that India and Nagaland would coexist as two entities. This is acceptance of Naga sovereignty, and this consequently of separate flag and constitution. But the centre is clear that there is no question of granting sovereignty to any state within India.

The FA is so vague that it is becoming difficult to arrive at any final agreement. Moreover, since the agreement is with NSCN(I-M), it leaves out many Naga groups.

**Read here:** [Explained: Why has peace process for Naga Accord been stuck, what is the way forward?](#)

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

With Myanmar is reverting to a military junta and India in a standoff with China, there is a need that the Centre should probe the incident in an impartial way. It should grant permission to prosecute soldiers if it requires and review the proceedings of AFSPA.

Also, the government should clearly declare what it cannot give and then ask NSCN(I-M) to negotiate on other issues.



## 17. How to regulate crypto, minus a crypto-specific law

**Source:** This post is based on the article “How to regulate crypto, minus a crypto-specific law” published in **Livemint** on 8<sup>th</sup> Dec 2021.

**Syllabus:** GS3 – Information Technology

**Relevance:** Regulating Cryptocurrencies

**News:** Bringing a new legislation for [Crypto regulation](#) may not be necessary in India until [Cryptocurrency](#) transactions reach a widespread adoption.

Till then, a more prudent approach would be to extend our current regulatory frameworks, along with the associated enforcement apparatus, to regulate cryptos as yet another class of assets.

### What are the challenges the Indian Crypto regulation need to address and possible solutions?

The following complexities and challenges need to be addressed by the proposed Crypto regulation:

Challenges	Possible solutions
<b>Money laundering</b> due to anonymity offered by the Cryptocurrencies	mandating cryptocurrency exchanges to carry out customer verification checks Requiring them to retain transaction records for a stipulated period of time. In some jurisdictions, regulators also require exchanges to employ personnel trained to detect suspicious transactions.
<b>Taxing Crypto transactions:</b> It is hard to determine how services that have been paid for using cryptocurrencies should be taxed under indirect tax regimes such as GST.	Base the actual tax payable on the fair market value of the cryptocurrency as on the date of payment or receipt.
<b>Taxing income from Crypto mining</b>	Given that crypto mining income has no real world equivalent, it might be necessary to amend the tax code so that income earned from this activity is treated as a novel category of income.
<b>Regulation of Crypto exchanges</b>	Mandatory registration in India in order to bring them completely within the purview of Indian regulation. Impose licensing obligations on these exchange platforms, so that their continued operations are subject to compliance with specified conditions.
<b>Regulation of other crypto assets:</b> Regulating other crypto assets (new kinds of crypto tokens, initial coin offers etc) that have all the characteristics of a security but which operate on a blockchain.	Bringing crypto assets under the ambit of securities regulation Requiring issuers to comply with specific disclosure requirements at the time of issue & abide by insider trading and market manipulation regulations while trading in these crypto assets.

In light of the above challenges, a much better approach for the government would be to simply amend existing anti-money laundering, taxation and securities regulations to ensure that they additionally cover the cryptocurrencies and assets.

**Must Read:** [Cryptocurrencies in India: ban or regulation? – Explained, pointwise](#)

**What is the issue with this approach?**

This approach leaves out all those transactions through which certain goods and services can be directly purchased using cryptocurrencies.

At present, most governments have chosen to ignore this category of transactions, relying on the fact that these 'currencies' are still not widely accepted. Further, most people who want to spend the cryptocurrencies in their possession would have to first convert them into regular fiat currency.

**18. NFTs are overhyped, but useful for a creative economy**

**Source:** This post is based on the article “NFTs are overhyped, but useful for a creative economy” published in **Livemint** on **8th Dec 2021**.

**Syllabus:** GS3 – Information Technology

**Relevance:** Understanding Non-Fungible Tokens (NFTs)

**News:** The hype around NFTs may be a gold rush, but it has made an important idea mainstream: Creators need to take back control from Big Tech.

**Are NFTs a speculative bubble?**

Couple of factors due to which some experts believe to be speculative bubbles:

- **Relation of NFTs to Cryptocurrencies, which are in itself based on speculation:** Many NFT-based projects have issued their Crypto tokens and like Cryptocurrency, these tokens are also trading at very high prices depending upon the hype the marketing teams of such projects are able to garner.
- **Uncertainty over Crypto regulation in India:** With the proposed Cryptocurrency Bill to be introduced in the winter session of the Parliament, the regulatory uncertainty that looms over Crypto assets, prevails over NFTs too.

**What is the main idea behind NFTs?**

Over the years, there has been a relentless centralization and growth in power of Big Tech at the cost of everyone else.

NFTs have emerged as a way out of this Big Tech led monopoly wherein instead of creators, the platforms control everything. **For instance:** Take TikTok. Even if a creator is able to attract millions of followers, the ultimate authority rests with the platform. The platform controls how much a creator is paid. There is no direct relation with the fans, with the platform always being in the middle, like an intermediary, a gatekeeper.

**What are the potential benefits of NFTs?**

- Creators are connected directly with fans willing to pay for their creations
- Gives strength to the underlying idea of **direct creator-to-audience platforms**
- Presently, only a few select creators with millions of followers earn a sizeable income, and the rest earn peanuts or nothing at all. With the emergence of the ‘**paid internet**’ mechanisms like NFTs, a **far wider array of creators could earn a good wage**.
- Moreover, it also **frees creators from the tyranny of chasing scale**, wherein they’re not always running after the subscriber count. Just 1000 true fans, will be enough for individual creators to be able to earn a decent wage. This will also ensure that we have **truly creative**

**content** instead of repeated rehashing of old ideas. This also increases the likelihood of the emergence of novel and revolutionary ideas.

**For more on NFTs, please read these articles:**

- [Is Non-Fungible Token \(NFT\), what digital art needs?](#)
- [The use of NFTs by cyber games can explain their utility](#)
- [Similarities between Non-Fungible Tokens and worldwide web](#)

### 19. India's labour market distress

**Source:** This post is based on the article **"India's labour market distress"** published in **Business Standard** on **8<sup>th</sup> Dec 2021**.

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

**Relevance:** Centre for Monitoring Indian Economy, Periodic Labour Force Survey, Employment.

**News:** Data from various employment surveys indicates that India's growth model is in trouble.

#### On what basis it is said that India's growth model is in trouble?

**Labour participation has dropped:** The recent data from the Centre for Monitoring Indian Economy (CMIE), suggests that, the labour participation rate has slipped for consecutive months.

As per CMIE, pandemic has made a structural transformation in India's labour participation rate, bringing it down by 3 percentage points to 40%. This is well below comparable levels, including in other middle-income developing economies.

**Concern about the quality of jobs available:** The CMIE data suggests that job growth in recent times has been concentrated in rural areas, and salaried jobs have been falling.

This is particularly disappointing, given the aspirations of India's youthful workforce for such jobs.

**Thirdly**, the revelations from the [Periodic Labour Force Survey \(PLFS\)](#) is in line with the findings of CMIE. PLFS data has made the following revelations

- The proportion of the non-agricultural workforce in the informal sector went up to nearly 70 per cent.
- There has been a notable increase in those who are working without pay for household enterprises.
- The workers in agriculture had, for the first time in recent memory, increased.

#### What is the way forward?

**Short term measures:** increase in welfare measures and social protections.

**Long-term measures:** sustained increases in productivity, wages, and job security for the vast mass of Indians

### 20. On fiscal deficit: The turn of the Centre

**Source:** This post is based on the article **"The turn of the Centre"** published in **Business Standard** on **8<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Issues related to Fiscal policies of the government

**Relevance:** Budgeting, FRBM act, fiscal consolidation

**News:** The Union Finance Minister Nirmala Sitharaman will present her 4<sup>th</sup> consecutive Budget in just about eight weeks from now.

It is expected that Ms Sitharaman would achieve a 2.7 percentage point reduction in the deficit from 9.5% in 2020-21 to 6.8% in 2021-22.

This steep reduction will provide a lot of flexibility in managing the Budget not only for 2022-23, but also for the following couple of years.

Even targeting a reduction of just about 0.75 percentage point in each of the next four years will be sufficient to stay ahead of the target of 4.5% by 2025-26.

But it would become worse **if she adopts a slow process of fiscal consolidation** in the coming years, taking advantage of the easy target for the Centre by 2025-26. That is because the **condition of the state finances does not look good**.

In this context, it is said that Centre should take more responsibility by achieving a faster pace of fiscal consolidation and give states more room to cut down their deficit reduction.

#### **What were the revised fiscal deficit targets for the centre and state?**

**Centre:** Need to reach a fiscal deficit level of 4.5 per cent of gross domestic product (GDP) by 2025-26 from the current level of 9.5 per cent.

**States:** The target for the combined fiscal deficit of the states has been set at 4 per cent of GDP for 2021-22. Further, they must reach a deficit level of 3 per cent of GDP by 2023-24.

#### **Why states should be given more room to cut down their deficit reduction?**

**Firstly**, the states have been given a tougher target of fiscal consolidation. They must reach a deficit level of 3 per cent of GDP by 2023-24, while the Centre would reach 4.5 per cent two years later in 2025-26.

It appears unfair that while the Centre should enjoy a more relaxed fiscal consolidation schedule, the states should be expected to be more fiscally responsible.

**Secondly**, there is also an equity issue. Before the pandemic struck, the states kept their combined fiscal deficit below the target of 3 per cent, which gave the Centre some space to extend the fiscal deficit. This also helped to bring down the overall government deficit. Now, it is time for the Centre to return the favour.

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

The states should be given a longer period of time to cut down their deficit reduction to 3 per cent of GDP.

### **21. Karnataka Government objects to implementation of Kasturirangan Report**

**Source**– This post is based on the article “Why Implementation of kasturirangan committee recommendations for western ghats is important” published in **The Indian Express** on 7th Dec 2021.

**Syllabus**– Gs Paper 3 – Environment Impact Assessment

**Topic**– Conservation, Environmental Pollution and degradation

**News** – Karnataka Government has submitted its opposition to the Centre against the Kasturirangan Committee report as it can adversely affect the livelihood of people in the region.

#### **What are the important recommendations under the report**

1. It proposes **37 per cent of the total area** of Western Ghats be **declared as Eco-Sensitive Area (ESA)**.
2. (**Eco-Sensitive Zones (ESZs)** are notified by Ministry of Environment, forest and climate change, MoEFCC) around Protected areas. These are declared under Environment



(Protection) Act, 1986. The purpose of declaring ESZs is to create some kind of “shock absorbers” to the protected areas by regulating and managing the activities around such areas. They also act as a transition zone from areas of high protection to areas involving lesser protection)

3. b) It recommended a **blanket ban on mining, quarrying, setting up of red category industries** and thermal power projects.

#### **What are the concerns regarding report implementation**

##### **Some States of are of concern that it may lead to;**

- Loss of **livelihood for people** dependent on forest resources.
- displacement of locals.**

#### **What will be the implications if the recommendations are not implemented**

**Climate change** has grave repercussions for all of the globe and specially India, thus, it is prudent that **governments accept these recommendations**. Otherwise, it can lead to not just an **ecological loss but also an economical one**, as the cost of conserving these ecosystems will be much lower than their restoration and rejuvenation. State governments should **focus on long term benefits**.

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

Central Government can firstly focus **on implementation of clauses that have wide acceptability** and then engage in **consultative process with all stakeholders** on other recommendations of the report, that are cause of concern.

#### **About Western Ghats**

Spread across six states—**Gujarat, Maharashtra, Goa, Karnataka, Tamil Nadu and Kerala**. It is a UNESCO World heritage site and one of the eight biodiversity hotspots in the world.

## **22. Check stubble burning, monitor policy implementation**

**Source**– This post is based on the article “**Stubble burning, monitor policy implementation dated**” published in **The Indian Express** on **8th Dec 2021**.

**Syllabus**–GS Paper 3 – Environmental Pollution

**Topic**– Conservation, environmental pollution and degradation and Agriculture

What is **stubble burning**–

**Stubble burning** is the practice of **intentionally setting fire to the straw stubble** that remains after grains, such as rice and wheat, have been harvested. Farmers resort to the practice due to the limited time they have between the harvesting of kharif paddy and sowing of the rabi wheat. They find it **cost-effective and quick**.

#### **What are the drawbacks of this method**

1. a) It is also one of the **key causes for pollution in North India** specially in winter season.
2. b) It **reduces soil fertility** in the long run.

#### **Government Initiatives against stubble burning and their effectiveness**

–**Ministry of Power** has made **biomass pellets mandatory in some coal-fired thermal power plants that would utilise the agricultural waste** usually burnt by farmers.

**-Crop residue management machinery has been supplied to farmers.** However, reports suggest low utilisation as farmers perceive the purchase or rent of such machineries to be an additional expense. **Farmers prefer ex-situ management of crop residue** through equipment such as balers as opposed to in-situ machinery.

Although Government efforts have given some positive outcomes but these are mainly short lived and also need a comprehensive approach to significantly reduce stubble burning.

#### **What is the way forward –**

**-Awareness generation and trust building exercises** should be undertaken with the support of local civil society organisations.

**-As Stubble burning is fairly concentrated in regions within states so a targeted and cluster-based approach** can be undertaken. Districts with a higher number of stubble burning incidents can be identified and concentrated upon.

**-Introduction of a dynamic monitoring system**, which maps stubble burning events to beneficiaries of the schemes.

**-Ex-situ management of crop residue** can also be explored under the schemes covering products such as **bales and pellets for biomass power generation and supplementary feedstock in coal-fired power plants.**

### **23. What PLFS tells us about India labour market**

**Source–** This post is based on the article “**What PLFS tells us about India labour market**” published in **Livemint** on **8th Dec 2021**.

**Syllabus–** GS Paper 3 and Prelims

**Topic–** Indian economy and issues relating to planning, mobilization of resources, development and employment.

**News–** Periodic Labour force survey (PLFS) data shows that the unemployment rate is close to pre-covid levels that as was in the year 2020.

#### **What is PLFS**

It was launched by **National statistical office (NSO)**.

It **has two objectives** -a) To estimate the key employment and unemployment indicators (viz. Worker Population Ratio (WPR), Labour Force Participation Rate (LFPR), Unemployment Rate) **quarterly for the urban areas only** in the ‘**Current Weekly Status**’ (CWS). b) To estimate employment and unemployment indicators **in both ‘Usual Status’ and CWS in both rural and urban areas annually.**

#### **What current data shows**

Although the **unemployment rate is same for men for both quarters** (pre covid and 2021 first quarter) **but it has increased for women compared to last quarter.**

Higher unemployment rate in the recent report again shows that women bore the brunt of economic and social fallout caused by the pandemic.

#### **Low LFPR for Women can have four key explanations**

- 1) **Rising educational enrolment** of young women-India has made considerable progress in increasing access to education for girls.

- 2) **lack of employment opportunities**– the nature of economic growth in the country has meant that jobs were not created in large numbers in sectors that could readily absorb women, especially for those in rural areas.
- 3) **Effect of household income on participation**–Despite inadequate job creation, household incomes did rise, which potentially reduced women’s participation, especially in subsidiary activities (“income effect”) due to change in preferences.
- 4) **Measurement**– Finally, though most women in India work and contribute to the economy in one form or another, much of their work is not documented or accounted for in official statistics, and thus women’s work tends to be under-reported.

### What is the Way forward

This Problem requires a **comprehensive approach** to improving labour market outcomes for women through improving access to education and training programs, maternity protection, along with the promotion of a pattern of growth that creates job opportunities.

### How are LFPR and WPR defined (Focus should be on constituents of formula and not the whole formula as such)

-LFPR (%) = (Persons employed + persons unemployed x 100) / (Working-age population)

-Worker Population Ratio-(WPR) = No. of employed persons x 1000 /Total population.

### 24. Aiming for a high, quality of life does influence investment decisions, India needs to loosen up

**Source**– This post is based on the article “Aiming for a high, quality of life does influence investment decisions, India needs to loosen up.” published in **The Times Of India** on **7th Dec 2021**.

**Syllabus**– GS Paper 3

**Topic**–Indian Economy and issues relating to planning, mobilization of resources.

**News**– GIFT(Gujarat International finance tech city) management is seeking relaxation in liquor laws in special economic zone (SEZ) area of GIFT city. Gujarat had **banned alcohol consumption since 1960** as a homage to Mohandas Karamchand Gandhi.

#### 1. Why did such demand arose

Investment decisions are influenced by the ease with which people can adapt to a new destination. Allowing people to lead their regular lives, without banning their usual habits will indeed attract investments from the people of other areas.

#### 2. What action should the government take

As per the article, the Gujarat government should respond positively to the GIFT management’s request if it wants to actualise its vision of a vibrant international financial centre. It might take business to a new high.

### 25. RBI must tackle surplus liquidity on way to policy normalisation

**Source:** This post is based on the article “**RBI must tackle surplus liquidity on way to policy normalisation**” & “**RBI’s peculiar path to policy normalization**” & “**Monetary Policy Committee fails to read the signals right... Again!**” published in **Indian Express**, **Livemint** on **9th Dec 2021** respectively.

**Syllabus:** GS3 – issues related to Monetary policy committee of RBI

**Relevance:** Monetary Policy Committee, Inflation, Growth.

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

**News:** Recently, the Monetary Policy Committee (MPC) voted to **maintain status quo on policy rates**.

Some of the key decisions that were taken at the recent the [Monetary Policy Committee](#) meeting are –

- The repo rate is maintained at 4% and the reverse repo rate at 3.35%.
- Forecasts of FY22 GDP growth and CPI inflation are retained at 9.5% and 5.3%.
- The RBI chose to maintain an accommodative policy stance, while many expected that RBI would move towards policy normalisation.

### **Why many experts were in support for a policy change?**

**Excess liquidity:** Since the onset of the Covid-related lockdowns, RBI had injected an unprecedented amount of funds into banks and other intermediaries. This resulted in an excess liquidity in the financial system.

**Inflationary pressure:** Average inflation in the last fiscal was 6.2%, which is above RBI's target range of 4-6%. Latest numbers (October 2021) show wholesale price inflation at 12.54%.

**International trend:** The world over, policymakers are realizing that the limits of easy monetary policy have been reached and further easing is not sustainable. For Instance,

- Fed Tapering by the US Federal Reserve,
- BRIC economies like Brazil, Russia and South Africa have done a course correction,

**IMF caution:** The International Monetary Fund has warned the “Emerging markets,” stating that, tightening by advanced economies can cause capital outflows and exchange rate pressures.

### **Why RBI's decision to maintain accommodative policy stance is being criticised?**

**MPC's rationale is weak:** Growth is really weak, and it needs a lot of support. However, considering India's economic recovery trends, MPC's judgement seems to be unsound.

**Conditions are improving:** The prospects for economic activity are steadily improving, including for contact-intensive services that were hit hard by the pandemic.

- The **production of capital goods remained above the pre-pandemic level** for the third month in a row during September.

- **Imports of capital goods increased** by double digits during October for the eighth consecutive month

In such a scenario, where the growth prospects are promising, the decision by the MPC to support the growth by ignoring rising prices has been criticised.

### **What steps has RBI taken to control the excess liquidity in the system?**

RBI has dynamically used multiple instruments to absorb the excess liquidity over the course of the year.

**Firstly,** Post the October MPC meeting, RBI had stopped buying bonds under the Govt Securities Asset Purchase (GSAP) and done negligible [Open Market Operations](#) (OMOs). It has restricted the addition of voluntary liquidity injection into the system.

**Secondly,** RBI has used the 14-day [variable reverse repo rate](#) (VRRR) auctions window to absorb almost all this liquidity surplus from banks.

**Thirdly,** RBI has again allowed banks the option to prepay the outstanding borrowings from the [Targeted Long Term Repo Operations](#) (TLTROs), thereby potentially extracting another Rs 70,000 crores.



**Fourthly**, RBI has tightened the amount that banks can borrow under its marginal standing facility to 2% of their net demand and time liabilities from 3% earlier.

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

**Firstly**, there is a likelihood of further increase in liquidity, largely through foreign currency funds inflow, particularly in FY23. So, there might be a need for other instruments to absorb these surpluses apart from VRRR auctions.

**Secondly**, RBI should shift to the tightening phase, with hikes in the repo rate followed by a change in stance from “accommodative” to “neutral”.

### **26. Real Cost of MSP For All Crops**

**Source:** This post is based on the article “**Real Cost of MSP For All Crops**” published in **TOI** on **9<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – issues related to MSP

**Relevance:** Legalising MSP

**News:** Even as the central government has announced its withdrawal of the three farm laws, the demands for legalising MSP have grown stronger.

#### **Why Legalising MSP is a bad idea?**

**Firstly**, **The expansion of MSP would impose trillions of rupees worth of additional burden on the taxpayer in the forthcoming decade.**

With the current procurement already well in excess of storage capacity, the extension of MSP to all output can be done only in the form of a **deficiency payment**. However, deficiency payment need to be calculated on the basis of:

- Hectarage devoted by the farmer to the crop,
- Difference between the MSP announced & The market price of the MSP crop.
- Reasonable estimates of the average yield per hectare

This has the following implications

**One**, Farmers sell only a fraction of their output of these crops in the marketplace, keeping the rest for self-consumption.

Evidently, under full-MSP coverage, the deficiency payment would have to be made not just on the output the farmer sells in the market but also on the part kept for self-consumption. This imposes **additional and irrational cost on the taxpayer.**

**Two**, since legalising MSP will fully eliminate price uncertainty for all farmers, every farmer will try to increase their annual output. This increases supply, and would lead to a progressive decline in the market price and a **corresponding increase in deficiency payment.**

Add to this the fiscal burden of the extension of MSP to the entire output of the remaining 21 crops. With minuscule or no procurement currently, It will definitely result in the increase of deficiency payment over time.

**Secondly**, **India's MSP payments already violate the World Trade Organisation (WTO) rules on subsidies.**

A temporary peace clause on public stockpiling for food security has so far protected India from retaliatory actions.

But the peace clause cannot provide a cover against the deficiency payments because

- Deficiency payments would have nothing to do with stockpiling for food security.

The extension of MSP to the numerous commodities are not even a part of the public distribution system.

For more info, kindly read these articles

[- On legalising MSP: supporting farmers](#)

[- Legalising MSP: Challenges and way forward – Explained, pointwise](#)

[- MSP is no silver bullet to boost farmers income](#)

## 27. Open banking puts banks on notice-Digitise or perish

**Source**– This post is based on the article “Open banking puts banks on notice-Digitise or perish” published in **Livemint** on **9 th Dec 2021**.

**Syllabus**-GS Paper 3 (Indian Economy and issues relating to planning, mobilization of resources, growth).

**News**– India has **unveiled Account aggregator framework** in september,2021 that can that could revolutionize investing and credit, giving millions of consumers greater access and control over their financial records and expanding the potential pool of customers for lenders and fintech companies.

### What is Account Aggregator (AA) framework?

An AA is a **new class of NBFC** approved by the Reserve Bank of India (RBI) to manage consent for financial data sharing of users. It will allow lenders to conduct an **easy and speedy assessment of the creditworthiness of the borrower**.

### What advantages does account aggregator offer?

1)**Account aggregators can further ease credit processes**-Digital access to data from credit bureaus, know your customer norms, and GST has significantly reduced the credit processing time for small business and consumers. But there is **still some information like bank statements for which banks resort to hard copies. With the introduction of account aggregators, this data can be assessed digitally**, which would further improve the Indian lending landscape.

2) **Opportunities for new lenders** -All **incumbent banks have lots of account related and behavioural data** related to their customers which only few of them put to optimum use. **Account aggregators framework ensures that such an asset is made available to new age lender which can put it to an optimum use and their digital capabilities will not be constrained due to their limited consumer base.**

### What is open banking?

**Financial experts say opening the network to all customers, as has now been done, is the first step towards bringing open banking in India.** Under open banking, **banks allow access and control of customers personal and financial data to third-party service providers**, which are typically tech startups and online financial service vendors.

### How Banks can take benefit of this new opportunity(AA)?

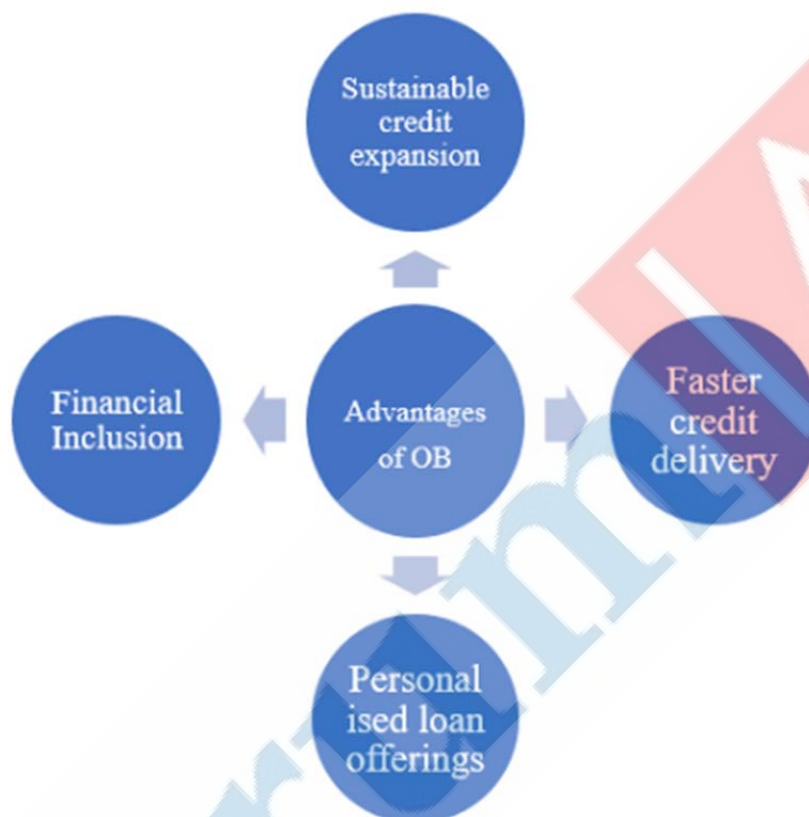
1)Banks should start **building up their data analysis capacity** and act by reaching out to customers with appropriate offerings.

2)They should **identify consumers who are dissatisfied with their services** and try to earn their loyalty

3) **Banks should see their data holistically**-Banks have customer data from websites ,branch visits, call centres, mobile apps. This **data if properly captured and analyzed can tremendously benefit banks and provide them with a sustainable source of competitive advantage.**

4) **Data privacy law** – All countries that have enacted OB have data privacy laws, India also needs to enact one soon. This would **provide customers confidence and also facilitate investment by various players in customer protection data system**. Also, government needs to legally enable data sharing to the extent needed.

**Conclusion**– Proper utilization of Account aggregator framework will help to harness the **potential of Open banking**. This has potential to give a **fillip to credit processing and help us achieve our goals of financial inclusion**.



## 28. A window of opportunity

**Source**– This post is based on the article “**A window of opportunity**” published in **Business standard** on **8th Dec 2021**.

**Syllabus**– General studies paper 3 (Indian Economy and issues relating to planning)

**News**– How we can leverage the advantages that are generating due to Strict COVID policy of China and other restrictions going parallel to it.

### Where we stand vis-a-vis China?

China's economy is over five times of India's. it has a **\$14-trillion economy, to India's \$2.7-trillion economy**. We are too dependent on China for everything from active pharmaceutical ingredients to smartphones. And China's total R&D spending is 20 times that of India's.

### How the current situation offers a chance to India of catching up?

1) Even though China has fully vaccinated over 90 per cent of its total population (we are at 50 per cent of our adult population), it continues to **follow a zero-covid policy**. This self-isolation is **having an impact on China's economy — domestic travel is well below even last year's**

level, domestic consumption is depressed, and increasingly draconian zero-Covid practices are having an impact.

2) Further, **new controls on China's tech giants** and **increasingly anti-business rhetoric** from top leaders of the country has generated concerns regarding ease of doing business in China. As a result, **private equity investors from across the globe are all expressing concern** about an excessive reliance on China. There is a **widespread undercurrent of wanting to diversify away**.

3) China has an extractive institution model in political sphere (due to its authoritarian regime) and inclusive economic institutions but as the book **why Nations fail** argue, this is not sustainable in the long run, and **inclusive economic institutions can only survive if they are supported by inclusive political institutions** and this may create some opportunities for India.

**Conclusion**-As China struggles, a window of opportunity for India to catch up has opened. We must take full advantage, but that means being clear of what makes us unique as a country, where our strengths really lie, and how we can play to them.

## 29. Covid impact on what we may call a relevant market

**Source**– This post is based on the article “**Covid impact on what we may call a relevant market**” published in **Livemint** on **9 th Dec 2021**.

**Syllabus**– General studies Paper 3 (Indian Economy and issues relating to planning, mobilization of resources).

**News**– All-India Mobile Retailers' Association recently threatened to approach the Competition Commission of India (CCI) against Chinese phone-maker Xiaomi's alleged bias in favour of online marketplaces over offline retailers.

Recently Supreme court allowed CCI to go ahead with an investigation against e-commerce players Flipkart and Amazon.

In all these cases terms like Relevant market, dominant position occurs recurrently. India's Competition Act, 2002 defines these terms. Though the act provides a definition of relevant market but question is whether our online and offline markets constitute a single relevant market. Rulings by Indian courts have not been consistent in this aspect. Even though courts increasingly favoured the view that online and offline markets fall in the same relevant market, there have been contrary views.

### Offline versus Online market ,advantages to the latter?

1) **Online retailers** have **significantly lower customer-reach costs** than offline retailers.

2) **Offline** retailers **bear the costs of setting up a warehouse, transporting products** there, and so on, while online retailers can serve customers across a large area with a single warehouse.

3) **Transportation costs of products are often passed on to end customers**. Savings on these allow online retailers to **sell customers the same products at lower prices**.

4) Internet retail services lower the transportation costs of customers, **allow quick and convenient product searches, offer a variety of products in a range of price brackets, and provide detailed product information** that is often not available at regular retail stores.

**Conclusion**-COVID pandemic has altered shopping circumstances, attitudes and habits over the past 20 months or so, with an increased number of retail consumers now relying on online purchases for reasons that go beyond price differences ,it is imperative that the case for the definition of relevant market is settled.



### 30. On Agri reforms: Setback for reforms

**Source:** This post is based on the article “Setback for reforms” published in **Business Standard** on 10<sup>th</sup> Dec 2021.

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

**Relevance:** Agri reforms in India

**News:** Farm groups have ended the protests against the three agricultural laws.

The Green Revolution policies have **benefitted only those who grow wheat, rice, and sugar** and in limited regions. These policies offered heavily subsidised inputs and an assured market and price for their products.

For the **majority of the farmers** growing other crops and dependent on the monopolistic licensed marketing system, it has been a case of **diminishing returns**. For instance, according to the data released by the statistics office, farm income growth for (2013-2019), the all-India average earning per household stood at Rs 8,000 to Rs 10,000.

By repealing the laws, the **government has missed a big opportunity** to introduce meaningful reform in Indian agriculture to increase farm incomes.

#### Why repealing farm laws is a setback for reforms?

**Price support schemes** were introduced as a solution to increase farm incomes. However, this proved of limited value and have **imposed heavy burdens on government finances**.

Now, several states have started recognising that **farmers urgently need marketing freedom** to obtain better prices for their products and amended their marketing laws.

Had the farm laws been passed, it would have enabled this process on an all-India scale. However, such reforms will now have to wait.

#### What is the way forward?

**First**, the government should engage with farmers from across the country to find feasible ways to increase farm incomes.

**Second**, increasing the ambit of MSP could permanently damage the prospects of reform in the agriculture sector and must be avoided.

**For more articles on issues related to MSP, please go through the following:**

- [Legalising MSP: Challenges and way forward – Explained, pointwise](#)
- [Assessing the case for a legal MSP](#)
- [Real cost of MSP for all crops](#)
- [MSP is no silver bullet to boost farmers' income](#)

### 31. PM-AASHA, price deficiency payment scheme: A fact check on its progress

**Source:** This post is based on the article “PM-AASHA, price deficiency payment scheme: A fact check on its progress” published in **Business Standard** on 10<sup>th</sup> Dec 2021.

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

**Relevance:** Agri reforms in India

**News:** After the repeal of farm laws, farm groups are demanding for a legal guarantee for the minimum support price (MSP).

As of now, various options are being suggested to meet the demand of protesting farmers. One of the schemes that has found repeated mentions in various commentaries is the **price deficiency payment scheme (PDPS)**.

It was modelled on the lines of the [Bhawantar Bhugtan Yojana \(BBY\)](#) started by the Madhya Pradesh government a few years back.

**What is PM-AASHA scheme?**

– Read more here: <https://blog.forumias.com/pm-aasha-an-analysis/>

**What are the significant provisions under PM-AASHA scheme?**

**Cap on procurement:** Under PM-AASHA, procurement is done on request from the state government and purchases are capped at 25% of the total production of the crop in the state. This can be expanded up to 40% if the commodity is used for PDS or for any other state welfare scheme.

**No tax:** No state could levy any tax such as mandi tax on such procurement.

**Cap on central expenditure:** The central expenditure on all the three components of PM-AASHA is limited to 25% of the state's total production of oilseeds and pulses.

The state would have to arrange funds from its own resources if it wants to procure or support over and above the mandated 25%.

**Timely compensation:** Another important guideline of PM-AASHA is that farmers, whether under PDPS or Price support scheme (PSS) or private sector pilot, will have to be paid their remuneration within a fixed time period.

For instance, in case of PSS, the purchase price should reach farmers within three days of receipt of their produce.

**How the PM-AASHA Scheme has progressed so far?**

Acc to the recent report of [The Commission for Agriculture Costs and Prices \(CACP\)](#), the **PSS has made significant progress** in terms of procurement of pulses and oilseeds by NAFED. However, **PDPS and PPSS have not made much progress.**

The commission pointed that **absence of regular disposal mechanisms** and **market infrastructure** unlike wheat and paddy for oilseeds and pulses as the main problem.

**Recommendation:** The commission recommended that **PDPS and PPSS can be strengthened by addressing the procurement issues of oilseeds and pulses.**

**How was the experience with PDPS so far in Madhya Pradesh?**

Since the beginning, the experience with the PDPS scheme in Madhya Pradesh is not favourable. The scheme is plagued with many issues such as,

**Firstly**, the method of calculation was complicated as well as the process of registration and the multiple paperwork involved.

**Secondly**, a large number of farmers did not register themselves on the portal, and they had to sell their produce at prices which were lower than the announced MSPs.

**Thirdly**, there were allegations that farmers were conspiring with traders to keep prices down to widen the differential between the actual price and MSP.

**Fourthly**, Madhya Pradesh farmers lost almost Rs 200 crore due to manipulation in the scheme as per a report by scroll.in, based on RTI responses.

**32. On corporatisation of banks: Companies Needn't Own Banks**

**Source:** This post is based on the article “Companies Needn't Own Banks” published in TOI on 10<sup>th</sup> Dec 2021.

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

**Relevance:** Corporatisation of banks

**News:** Recently, RBI's Internal Working Group (IWG) on ownership guidelines of private sector banks recommended that large corporates and industrial houses be allowed to be promoters of banks.

However, recent trends suggest that the **financial system can meet the growing demand for credit** for the next three to five years, without taking on the risk of issuing licences to industrial houses.

Read more: <https://blog.forumias.com/corporates-as-bankers-bane-or-boon-for-economy/>

**Why it was proposed that large corporates and industrial houses be allowed to be promoters of banks?**

**Increased in demand for loans:** Indian Economy needs new investments in the financial system to sustain its growth. If the economy has to grow in double digits every year in nominal terms (real growth plus inflation), demand for loans is likely to grow.

But the **credit growth from PSBs has been poor** compared to private banks. For instance, Private banks share of bank loans increased from 21% in 2010 to 36% in 2020, as the share of PSBs fell from 74% to 60%.

Considering, even if all current private banks grow at twice the nominal GDP growth and non-banks and bond markets show healthy growth, it will be **difficult to meet economy's future demand**.

In this context, it was suggested that large corporates and industrial houses be allowed to be promoters of banks.

However, the potential capacity of India's financial system has been boosted meaningfully in the last two years. This has forced a rethink.

**What are the recent steps taken to boost India's financial system?**

**Decision to privatise two PSBs:** This can hopefully trigger better governance and performance in the remaining PSBs.

**Setting up of the new development finance company** with a lending target of Rs 5 trillion within three years (this is 3% of total outstanding private credit in FY21), will supplement financial capacity.

**Surge in equity investments in technology-enabled financial firms (FinTech):** Through better use of data and analytics, these firms identify lending opportunities, making the risk more manageable compared to risk-averse lenders like PSBs.

**IWG's suggestions helped to add equity capital in the system:** For instance, Increasing Promoters' stake to 26%, higher than the 15% permitted earlier.

Non-promoter shareholding threshold being raised to 15% from 10% is a potential opportunity for getting more private equity investments into some of the smaller private banks.

**Increasing bank base:** Several existing licensed firms are also progressing from being payment banks to small finance banks, onward to becoming universal banks within few years.

### 33. The NFT promise is overhyped even for creative folks

**Source:** This post is based on the article "**The NFT promise is overhyped even for creative folks**" published in **Livemint** on **10<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Information Technology.

**Relevance:** Non-fungible tokens (NFTs)

**News:** The NFT promise is overhyped.

Recently, a column titled **[NFTs are overhyped but useful for a creative economy](#)** appeared in Mint.

The author of that article opines that non-fungible tokens (NFTs) and the allied technology can alleviate the work-monetization challenges.

Without NFTs, the artists and other independent content creators, are left at the mercy of online platforms.

But, the author of this article “**The NFT promise is overhyped even for creative folks**” has contradicting views. He has pointed out various flaws in the utility of NFTs himself.

**What are the various flaws pointed out by the author?**

**NFTs are not plagiarism-proof.** Because nothing stops counterfeits or piracy. **For example**, let's say a web pirate downloads a Bhuvan Bam's video from YouTube and circulates it on WhatsApp.

Now, BB stands to lose some ad revenue. This problem will persist even if he uploads all his videos as NFTs. While Bam may be the undisputed owner of the said video, he will not be protected from online piracy.

**The argument that NFTs are a solution for independent creators seeking freedom from Big Tech is extremely weak.**

Big techs earn a part of revenue generated by its users. Justifiably, they provide a range of services from streaming servers, seamless payment devices and subscriber management and more.

This is a simple function of demand and supply. So, there is nothing wrong in big tech charging content streamers.

**The argument that NFTs will improve the gains of artist as it will help creators to directly connect with their audience is false.** Artists must still depend on their fame or social media clout, or spend time and effort to market their art to a prospective buyer.

**NFTs need heavy upfront investments.** In comparison, it takes a single free Gmail ID and about 30 seconds to set up a YouTube channel.

**Finally, the adoption of NFTs has no bearing on sale prospects or prices.** Mere listing of NFTs on marketplaces does not guarantee sales. The chance of an artist successfully selling NFTs at high prices still depends on the individual's reputation and track record.

**34. The mountains are calling and they need help**

**Source**– This post is based on the article “**The mountains are calling and they need help**” published in **Live mint** on **9th Dec 2021**.

**Syllabus**– GS Paper 3 (Conservation, environmental pollution, and degradation, environmental impact assessment) and GS Paper 1 (Geography Section), Essay Paper.

**News** – Plastic Pollution is increasing in the Mountains, especially Himalayas.

Mountains are most **environmentally sensitive ecosystems**, and are being impacted by the **adversities of climate change and other environmental hazards** such as increasing plastic waste, at a rapid rate. **Waste Management** in mountains is crucial for their sustainability.

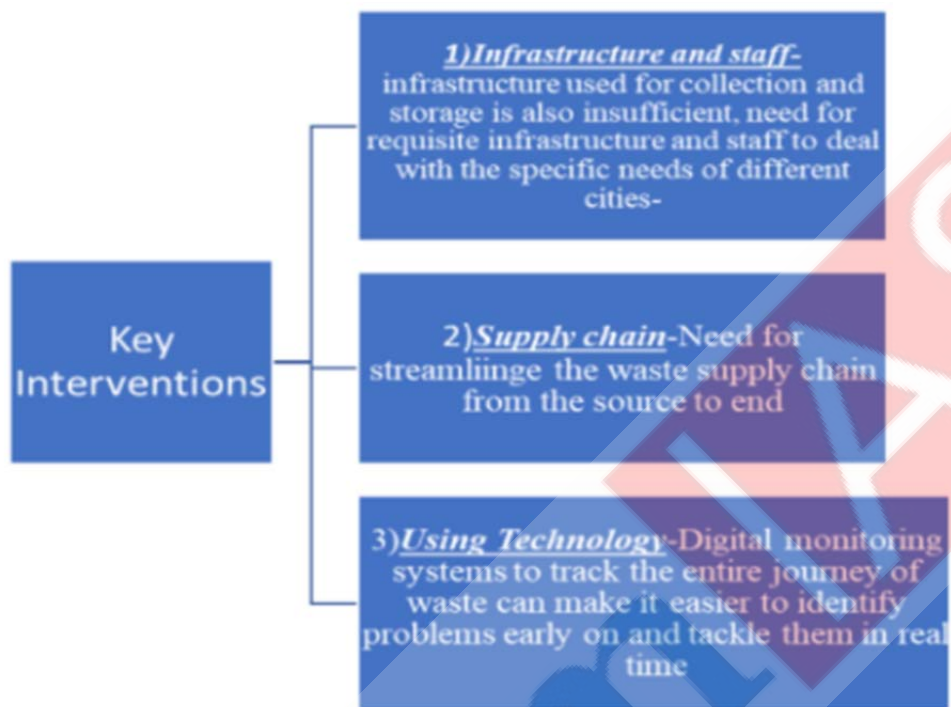
**Sources of Plastic waste –**

1. High **tourist** footfall.
2. Plastic used in **Packaging**
3. Presence of various **manufacturing industries**. **Example**– Pharmaceutical Industry in Himachal.
4. **Household waste**

This problem requires **Multi stakeholder approach** as follows –



- 1) **Administrative level**– Following steps can be taken by civil administration for waste management.



2) **Business Level/Corporate responsibility** – Success of business relies on a healthy planet, they should strive to reduce the waste and emissions while simultaneously optimizing production measures through a comprehensive action plan.

3) **Community Participation and Behavioural Change** – **Littering and not segregating waste** at household level are two primary reasons which make waste management much more complex, **high tourism footfall** in hills makes it much more difficult. There is a need to **foster partnerships** among local non-profit organizations, trader associations and schools, **providing bins at key locations, door to door awareness drives** and sector-specific training modules.

**Conclusion**–True essence of sustainable development lies in **fulfilling present needs without compromising the needs of future generations**. We all have an obligation towards one another, our future generations and other species to sustain the planet and make it a better place, which would require a **collaborative approach**.

### 35. Clean Energy from cold nuclear fusion is our Planet's best hope

**Source**– This post is based on the article “Clean Energy from cold nuclear fusion is our Planet's best hope” published in **Livemint** on **9 th Dec 2021**.

**Syllabus**– GS Paper 3 (Science and Technology- developments and their applications and effects in everyday life)

**Context**–Author presents the view that although **most technologies and tech products deplete our natural resources and contribute heavily to global warming** and climate change. However, there is **one tech that stands out** and rather helps to save the planet that is **–Cold Fusion**.

**What is Cold Fusion or Nuclear Fusion?**

Nuclear fusion or cold fusion is **not a new concept**, scientists have known about it since Einstein's times. It is an **inexhaustible supply of energy, without pollution or global warming**, and the phenomena that **powers our Sun**.

**How is it different from Nuclear Fission**

Fusion is not the same as **fission**. **In fission, the nucleus of an atom splits into two or more smaller nuclei**, releasing the vast amounts of energy holding them together, thus powering nuclear reactors and thermonuclear bombs. **In a fusion reaction, two light nuclei merge to form a single heavier nucleus**. The process releases energy because the total mass of the resulting single nucleus is less than the mass of the two original nuclei. The leftover mass becomes energy.



### Do we have working Nuclear Fusion models?

Physicists have since 1950s **tried to generate energy through nuclear fusion** but the problem is that the energy used to make this happen exceeded the energy released. Which defeats the purpose and making the process 'hot' and not 'cold' fusion. But recent attempts by both government and private sector have been encouraging and there have been **definite progress if not complete success**.

If any of these attempts succeed, it will give us unlimited clean fuel to power our planet forever, much like the sun has been doing. Cold fusion energy could be our best bet against climate disaster.

### 36. Delhi Pollution-Looking at social, political facets of climate crisis can help in better adaptation

**Source**– This post is based on the article “**Delhi Pollution-Looking at social, political facets of climate crisis can help in better adaptation**” published in **Down to earth** on **9th Dec 2021**.

**Syllabus**– GS Paper 3 (Conservation, environmental pollution and degradation).

**News**– Rising Pollution level is a health hazard and a violation of Article 21.

India is currently ranked the fifth-most polluted country in the Global Air Quality Index list. interventions dictated by policies, so far, have been binary in nature. This is primarily because we have been treating air pollution as a technological problem or as one that requires the actions of individuals alone, **whilst ignoring its social and political facets**. Political action becomes crucial given the silent and short-spanned, yet cyclical nature of air pollution. **A shift from air pollution as a technological problem to a political one** will enable parties to be held accountable on this front.

### How transition of pollution from technological solutions to social and political solutions will happen?

1) **Public Interest Litigation** – They Provide an excellent path to hasten policy drafting and enable public participation.

2) **Raising issue of pollution as a Violation of Article 21**–Degrading levels of air in cities can be approached as a violation of Article 21 of the Constitution. Article 21 **states “no person shall be deprived of his life or personal liberty except according to a procedure established by law”**. As supreme court has reiterated in various of its judgements that meaning of life under **Article 21 does not merely mean “the physical act of breathing, it does not connote mere animal existence or continued drudgery through life”**.

This becomes much more important in the light of the facts **that fund for Union Ministry of Environment, Forest and Climate Change has been halved and also many Environmental laws have been repealed those environmentalists deem important**.

3) **Public Participation** – Huge public awakening is paramount to solve this crisis and this requires not just moral action but also a democratic one based on human rights.

### What are some measures to Prevent further worsening of pollution?

- Switching to clean energy sources for cook stoves
- Measures to reduce road traffic by raising parking fees
- Levying congestion charges
- Creating vehicle-free zones and cycle paths
- Emphasizing on improving standards of industrial efficiency.



### 37. Government shouldn't rush to rein in fiscal deficit-NITI Aayog

**Source**– This post is based on the article “Government shouldn't rush to rein in fiscal deficit-NITI Aayog” published in **Times of India** on 10th Dec 2021.

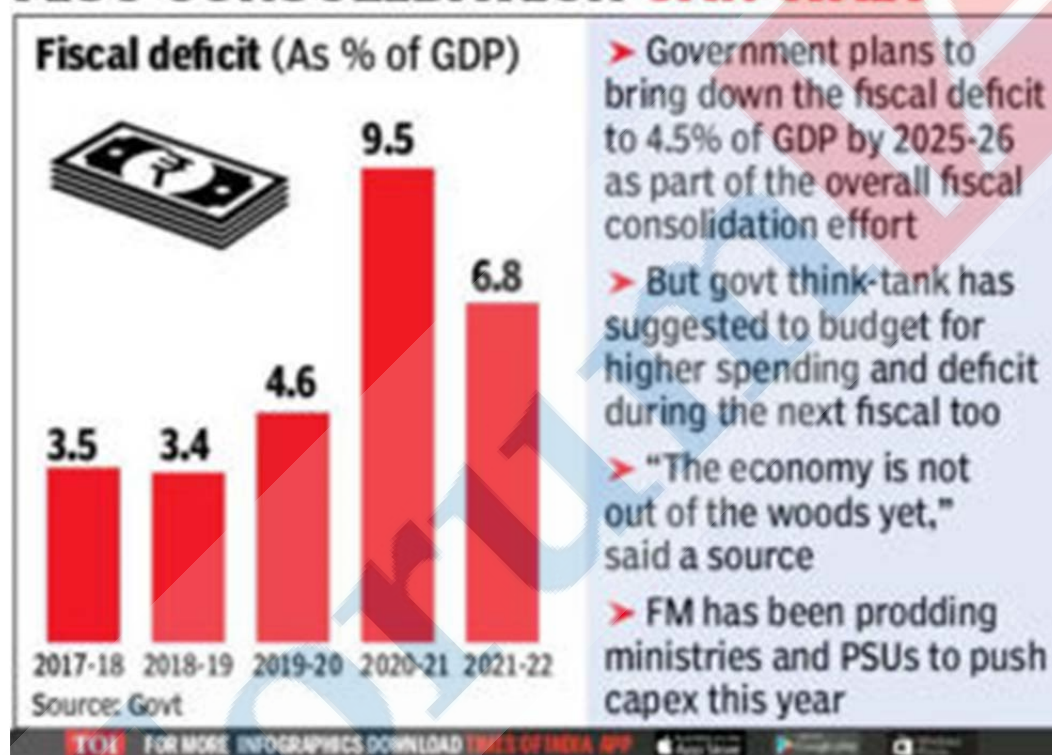
**Syllabus**– GS Paper 3 – (Indian Economy and issues relating to planning, etc.)

**News**–NITI Aayog has suggested that **government should not rush to lower fiscal deficit**. This would help economy and will provide a safety net to economy from new emerging variants. While the government has kept the fiscal deficit target for current financial year as 6.8 percent of GDP but it is targeting to lower it to 4.5 percent of GDP by year 2025-26.

#### What is Fiscal deficit and what has been its trend

A fiscal deficit is a **shortfall in a government's income compared with its spending**. It is calculated as a percentage of gross domestic product (GDP).

### FISC CONSOLIDATION CAN WAIT



**Figure.** Fiscal Deficit trends over the last Five years.

Finance Ministry has also **been prodding ministries and public sector companies to spend more** but several ministries have not performed adequately on this aspect.

#### What will be the effects of stepping up Capital expenditure?

Stepping up Capital expenditure will **boost demand for raw materials** and **create jobs** which will **strengthen economic recovery**.

### 38. Nagaland's people deserve neither AFSPA nor gun culture

**Source:** This post is based on the article “Nagaland's people deserve neither AFSPA nor gun culture” published in the **Indian Express** on 10th December 2021.

**Syllabus:** GS 3 Security Challenges and their Management in Border Areas – Linkages of Organized Crime with Terrorism.

**Relevance:** Understanding the present situation in Nagaland.

**News:** The death of innocent civilians by security officers in Nagaland caused outrage of repealing the Armed Forces Special Powers Act (AFSPA).

**What is AFSPA? What are the challenges associated with it?**

**Read here:** [All about AFSPA](#)

**Regional Disparity of AFSPA:** There is also a question that why AFSPA is only applicable to North-East states and J&K alone when other Indian states also face instances of internal rebellion like left-wing extremism. The reason behind this is NE and J&K is still considered “alien” to the nation because of racial and cultural dissimilarities.

**Also read:** [Repealing AFSPA will not weaken, only strengthen Constitution](#)

**What are the various groups in Nagaland, and how do they proceed?**

**Naga National Political Groups (NNPGs):** They are Nagaland-based groups and speak exclusively for Nagaland.

**NSCN (IM):** The majority of their cadres belong to Nagas from Manipur. In the past, they mercilessly gunned down rival factions.

**Nagaland Gaon Bura Association:** It is the apex body of Nagas, which includes all the 16 recognized tribes and the NNPGs. It barred the NSCN (IM) from its group.

The NNPGs and the Gaon Bura Association of Nagaland doubt NSCN(IM)’s ability to bring lasting peace in Nagaland.

Further, their representatives do not demand a separate flag or constitution or sovereignty. They also understand that Manipur, Assam and Arunachal Pradesh will not be reorganized. So, the group petitioned several requests to PM and Home Minister to solve the issues through peaceful means.

**Read more:** [Nagaland killings should prompt a broad rethink](#)

**What is the present situation?**

The **Free movement regime (FMR)** between India and Myanmar across the 1,643 km border allows movement up to 16 KM inside each other’s territory for trade and commerce. This is misused by militants to smuggle drugs and arms.

Also, the People of Nagaland feel being held hostage by the Center and NSCN(IM). The incidents of misuse of AFSPA alienate people from the center.

**What should the government do?**

To bring stability in Nagaland, the government should work on these issues.

Further, To strengthen the nation-building process, the government should think of repealing the AFSPA to bring stability to the J&K and NE region.

### 39. How waterways can help improve competitiveness

**Source:** This post is based on the article “How waterways can help improve competitiveness” published in **Live Mint** on 10th December 2021.

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

**Relevance:** To understand the importance of Inland waterways and government actions to promote them.

**News:** Despite being cost-effective and environment-friendly, domestic waterways play a limited role in hinterland connectivity.

**About inland waterways in India**

India has an extensive network of inland waterways, but they are highly underutilized for freight transport.

The development of inland waterways has been effective in increasing the movement of cargo by about 13% in 2020-21, compared to 2019-20.

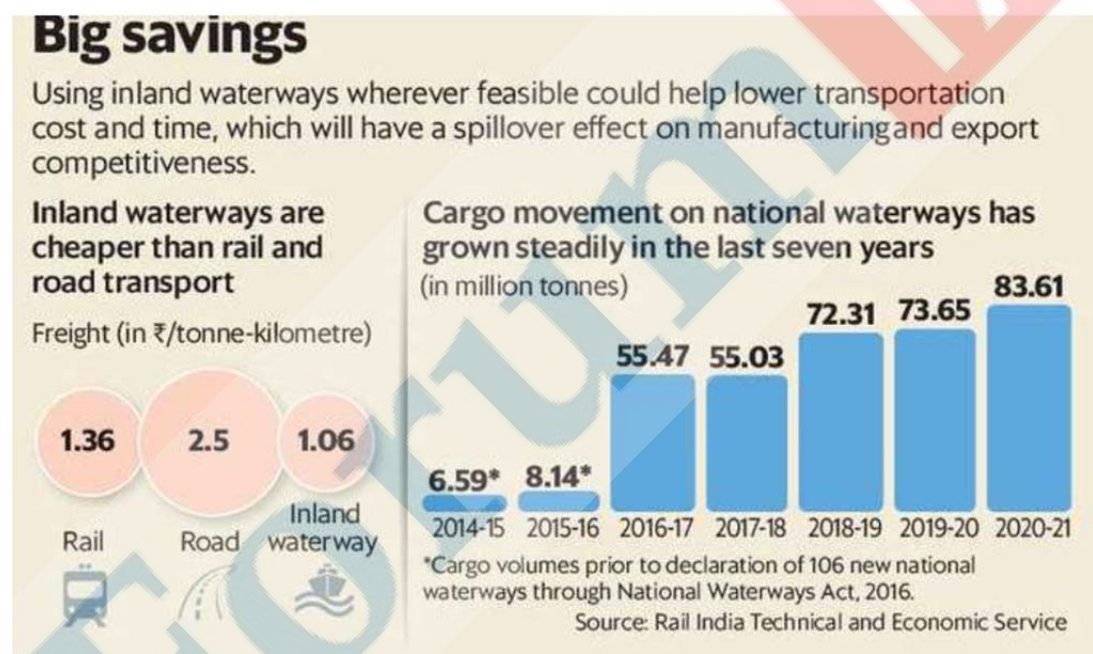
The [Inland Waterways Authority of India \(IWAI\)](#) says 25 of the 111 National Waterways (NWs) are fit for cargo and passenger traffic. Out of these 25, developmental activities are underway for 13.

**Must read:** [Inland Waterways in India- Issues and Challenges](#)

**What are the benefits of Inland waterways?**

Source: Livemint

According to Rail India Technical and Economic Service, an arm of the Indian Railways, inland water transport is significantly



cost-efficient compared to rail and road transport, 2. Help in de-congestion of overcrowded rail and road networks,

*Inland waterways and regional trade*

-the addition of seven new ports of call on each side of India and Bangladesh will increase the accessibility of inland water transport modes for trade,

-Inland waterway mode has been agreed for inclusion in the trade treaty between India and Nepal.

-Stone exporters from Bhutan have identified inland waterways as an alternative mode of transportation. The IWAI supervised and executed the first such movement in July 2019.

**Read more:** [Connecting India by inland waterways](#)



### *Help the economy*

India's logistics cost as a share of gross domestic product (GDP) is estimated to be at around 14%, and the Centre's aims to bring it down below 10%.

Inland waterways will help to lower transportation costs and time. This will have a spillover effect on manufacturing and export competitiveness, as the price of most items also depends on transportation costs.

### **How's India developing inland waterways?**

1. Introduced various schemes, programs and Bills such as [Jal Marg Vikas Project](#), [Interlinking of Rivers Programme](#), [Sagarmala Project](#), [Inland Vessels Bill](#), etc.
2. Ministry of ports, shipping, and waterways last year waived user charges for a period of three years,
3. The government came up with digital solutions such as a portal giving information on cargo and cruise movement and a portal for river navigation and infrastructure information

**Read more:** [Indian Vessels Bill, 2021](#)

### **40. What true MSP means**

**Source:** This post is based on the article "**What true MSP means**" published in **The Indian Express** on **11th Dec 2021**.

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

**Relevance:** Understanding various dimensions of the demand for legalisation of MSP.

**News:** Farm laws have been repealed by the Govt. Further, it has also conceded to the demand of the unions to set up a committee to ensure minimum support prices (MSP) for all farmers along with other assurances. Amongst them, perhaps the most controversial and ambiguous is the demand for a guarantee of MSP.

As to what a legal guarantee for MSP entails, there are two prevailing opinions:

- As a mandatory enforcement of trade in agricultural produce, including private trade to be necessarily at or above the MSP for that crop, **or**
- The nationalisation of agricultural trade, whereby the government promises to buy all the crop produced at MSP.

Both these formulations are not correct.

Implementing MSP in the true sense requires the government to intervene when market prices fall below a pre-defined level, not buy all the produce.

**Must Read:** [Legalising MSP: Challenges and way forward – Explained, pointwise](#)

### **What is the context in which farmers' demand for a statutory MSP needs to be seen?**

- **twin droughts** of 2014 and 2015
- **declining commodity prices** since 2014.
- **The twin shocks of demonetisation and hurried rollout of GST:** It crippled the rural economy, primarily the non-farm sector, and also agriculture.
- **The slowdown in the economy after 2016-17, followed by the pandemic:** This has ensured that the situation remains uncertain for the majority of the farmers.
- With **rural wages declining in real terms since 2014** and **lack of employment opportunities**, the crisis in the rural economy has actually worsened.
- **Higher input prices** for diesel, electricity and fertilisers



In this context, the demand for ensuring remunerative prices is only a repeat of the promise made by successive governments to implement the **Swaminathan Committee report** in letter and spirit.

#### **What are the issues with current MSP regime?**

Presently, the **current MSP regime has no relation to prices in the domestic market**. Political interventions have meant that actual procurement is way more than actual requirements for NFSA, leading to excess stocks. Apart from being a waste of resources, this is also inefficient and counterproductive, contributing to price distortions.

Despite repeated demands, **there has not been any progress in including pulses, edible oils and millets in PDS**.

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

**A policy for market intervention:** Govt should intervene whenever the market prices fall below a pre-defined level, primarily in case of excess production and oversupply or a price collapse due to international factors. It should buy only to stabilise prices at the MSP level. A mechanism to monitor the prices already exists, a policy for requisite market intervention is missing.

**Boosting nutritional security:** MSP can also be an incentive price for many of the crops which are desirable for nutritional security, such as coarse cereals, and also for pulses and edible oils for which we are dependent on imports. This will also

- ensure geographical balance, as most of these are grown in rainfed and arid regions.
- increase the pool of farmers likely to benefit from MSP interventions to include small and marginal farmers who grow millets, pulses and edible oil.

**Less financial burden:** A true MSP may also not cost much, given that the market intervention is needed only in the case of a price collapse and only for the commodity for which it occurs. The cost of such an operation is unlikely to be significant as long as the Govt has a mechanism to sell the grain procured in the open market or the export market.

#### **41. Despite risks, there's great potential in cryptocurrencies**

**Source:** This post is based on the article “**Despite risks, there's great potential in cryptocurrencies**” published in **The Indian Express** on 11th Dec 2021.

**Syllabus:** GS3 – Information Technology

**Relevance:** Regulation of Cryptocurrencies

**News:** Reports indicate that the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021, is to be introduced in this winter session of Parliament.

While it is unclear what the Bill will contain, if India goes the China route and bans cryptocurrencies, **it would be unfortunate**.

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

- The underlying **blockchain technology** can make our payment systems more efficient and should be encouraged.
- There should be a **regulatory mechanism that mandates the maintenance of customer and transaction records**.
- India can **learn from the mistakes and best practices of countries** like Dubai, Singapore, Switzerland and the United States which are struggling with legislation to regulate cryptocurrencies.

– Issues of money laundering and ransomware can always be dealt with by **modifying existing statutes**.

**Read more:** [Cryptocurrency in India: ban or regulation? – Explained, pointwise](#)

#### 42. Before criticising AFSPA, a full probe is necessary

**Source:** This post is based on the article “Before criticising AFSPA, a full probe is necessary” published in the **Indian Express** on 11th December 2021.

**Syllabus:** GS 3 Security Challenges and their Management in Border Areas – Linkages of Organized Crime with Terrorism.

**Relevance:** Understanding the present situation in Nagaland.

**News:** Recently, the army operation resulted in the tragic death of 14 civilians in Nagaland, due to mistaken identity as insurgents. The incident occurred in a district inhabited by the Konyak tribe, who have generally been supportive of the government.

**Must read:** [Nagaland killings should prompt a broad rethink](#)

#### What was the response to the incident?

**The Army:** Set up a court of inquiry headed by a Major General to probe the circumstances.

**State government:** Set up a special investigation team, which has been directed to complete its work within one month.

**Read more:** [Nagaland's people deserve neither AFSPA nor gun culture](#)

#### How did security forces perform so far?

1. Security forces are performing an extremely difficult and complicated task in the midst of multiple insurgencies in the Northeast, 2. Security forces facing challenges for political mismanagement since the mid-Fifties when trouble erupted in the Naga Hills.

#### About the Naga peace process

**Read here:** [How has the Naga peace process evolved?](#)

#### Some global examples of such incidents

Global examples for such incidents include 1. In 2017 unintentional death of 14 civilians occurred while striking ISIS in Iraq, 2. In 2015, 13 civilians were killed in Syria due to the proximity to the target location, etc.

#### What is the present status of the Armed Forces Special Powers Act (AFSPA)?

In the last four years, the Government has already been gradually withdrawing AFSPA from different areas. The Act was withdrawn from Tripura in 2015 and Meghalaya in 2018 while in Arunachal Pradesh it is now restricted to the three districts of Tirap, Changlang and Longding. At present, the whole of Assam, Nagaland and Manipur (except the Imphal municipal area) continue to be under AFSPA.

**Read more:** [Armed Forces Special Powers Act \(AFSPA\) – Explained, pointwise](#)

#### What should be done?

The present incident needs to be carefully investigated, and if there was any mala fide or excessive use of force, the guilty must be punished.

The government must re-examine the Jeevan Reddy Commission report to repeal AFSPA. The government must consult with all stakeholders and a well-considered decision must be taken with the view of national security.

#### 43. "58 Percent of Potential oil palm acreage identified in 5 states: ICAR study"

**Source**-This post is based on article "58 Percent of Potential oil palm acreage identified in 5 states: ICAR study" Published in Business standard on 8 Dec 2021

**Syllabus**- GS Paper 3(Major crops and cropping patterns in various parts of the country)

**Relevance**- Knowledge of important agriculture imports and facts about palm oil cultivation.

**News**- Centre's relaunched National Mission for Edible Oil-Oil Palm (NMEO-OP) to expand area under oil palm, largely in southern and north-eastern parts of the country. Recently ICAR also launched report on palm oil cultivation in India.

#### What does ICAR study says about oil palm cultivation

ICAR analysis shows oil palm cultivation requires **less water than rice, banana and sugarcane**. Thus, it will be a suitable option for **crop diversification, especially** as an **alternative to rice**.

#### What is National Mission for Edible Oil-Oil Palm (NMEO-OP)

At present, less than 0.5 million hectares is under Oil Palm cultivation in India domestically, largely in Andhra Pradesh and a few North-Eastern states. **Mission plans to raise oil palm cultivation to 1.7-1.8 million hectares by 2029-30.**

#### How mission plans to Increase area under Oil palm cultivation-

- 1) **Price assurance to farmers**- Government has approved a benchmark purchase price for oil palm along the lines of the existing Minimum Support Price (MSP) and Provide Viability gap Funding to protect farmers' interest.
- 2) **Incentive to oil palm processors** if they set up their units in North-Eastern states.

#### What are the apprehensions regarding oil palm plantation

1. **Large scale deforestation**- According to World Wildlife Fund (WWF), the expansion of oil palm plantations is likely to cause huge forest loss.
2. Felling and burning of forests impact populations **of endangered wildlife, disrupts local livelihoods and contribute to global warming.**

#### What can be challenges in realising the goals of Mission

**Previous such efforts have not yielded much results** due to the following reasons

1. **Firstly**, farmers have to **wait for four years** for the trees in India to start yielding palm fruit bunches, which would then give palm oil and palm kernel oil.
2. **Secondly**, Indian farmers **generally have very small farm holdings**, making investments in a sector like palm with varied and geographically diverse marginal farm holdings challenging.
3. **Thirdly, Corporate sector investments** in oil palm are **limited** as compared with Malaysia and Indonesia.

For plantations **to be successful, these have to be taken up on a large scale to create efficiencies.**

#### 44. "Goods and services tax as an unfinished agenda"

**Source**-This post is based on article "Goods and services tax as an unfinished agenda" Published in The Hindu on 11 Dec 2021

**Syllabus**– GS Paper 3(Indian Economy and issues relating to planning, mobilization of resources)

**Relevance**– Knowledge of GST, Budget, tax collections.

**News**– GST was launched in July,2017 with the vision of “one nation one tax”, it has seen quite some adaptations since then but still lacks in some key aspects.

### **What was the vision behind GST’s Introduction**

It was expected to improve tax-GDP ratio, end tax cascading, enhance efficiency, competitiveness, growth, and ensure lower prices. Many exemptions, along with different tax rates, have been accommodated to protect the interests of different stakeholders.

### **What are key features of GST**

- 1) **GST Council and GSTN**-Its Foundation is built on GST Council and the GST Network (GSTN). While the former is the key decision-making body, chaired by the Union Finance, the latter generates high-frequency data and subjects them to analytics for informed policymaking.
- 2) **Revenue neutrality and GST compensation** for the States serve as its two key pillars. Although assured revenue neutrality remains a mirage and many States have experienced a declining tax-GDP ratio.
- 3) It is a **destination-based consumption taxation**, with **input tax credit**.
- 4) GST is **applicable to all goods and services except alcohol for human consumption and five specified petroleum products**.

### **International experience and need for improvement in GST**

- 1) GST could be improved by **limiting zero rating, tax-exemptions and harmonising tax rates**.
- 2) Experience of other countries indicates that transfers through **social security or subsidies tend to be more progressive than subventions or exemptions**. It is because reduced rates or zero rating do not usually get passed on to target groups or industries as happening in India.
- 3) GST is shared equally between the Centre and States despite **two expert committees recommended for a higher share for the States**. Also, GST compensation has also recently gone through much debate and controversy, this is not conducive to sustainable co-operative federalism.
- 4) GST is sometimes seen as **discriminatory to manufacturing States**, indicating the need for a revenue sharing formula that duly incentivises exporting States.
- 5) Need for **swift and transparent functioning of the input tax credit system** through a flawless IT infrastructure, the **massive and invaluable data being generated via GSTN has to be put to effective use**.

GST should be seen purely from a revenue point of view and as a fiscal policy tool for efficiency, competitiveness and growth. Profiteering and cascading will prevent both states and consumer to take true advantage of GST and also prevent the true vision behind GST to become a reality.

### **45. “Radioactive Pollution in water: A global concern for human health”**

**Source**-This post is based on article “Radioactive Pollution in water: A global concern for human health” Published in Down to earth on 10 Dec 2021



**Syllabus**– GS Paper 3(Conservation, environmental pollution and degradation, environmental impact assessment)

**Context**–Although Water pollution has been a concern since many decades .But, radioactive pollution of water is newly emerging threat. Recently, radioactive contamination and associated health impacts have been reported in many parts of the globe.

Radioactivity is the phenomenon of spontaneous emission of particles or waves from the unstable nuclei of some elements.

**What causes radioactive pollution-**

1) **Natural causes**– Percolation of naturally occurring radioactive materials (NORM) from the soil to the aquifer causes groundwater contamination.

2) **Anthropogenic sources**– These can be divided into two types-

- a) **Major sources**–Nuclear reactors and nuclear warhead experiments, Nuclear submarines, nuclear power houses(which also use water as a coolant) and dumping of radioactive waste.
- b) **Minor sources**- Application of radioisotopes in industries and scientific laboratories,

**How these sources contaminate water**

Dumping of these radioactive wastes in surface waterbodies causes water pollution. However, Radioactive contamination is more prevalent in groundwater as compared to surface water since it is much exposed to radioactive elements found in the rocks.

**How does this effect human health**

Small amount of radiation is found in all types of water but the extended amount of radiation is harmful to human health.

1. **Immediate consequences**– Distressing skin, lungs, genitals, and causing hair fall.
2. **Long term effects**-Exposure to radiation causes various disorders in human physiology, including cancer, leukaemia, genetic mutations and chromosomal disruption, etc.Sometimes it can be fatal also.
3. **Hereditary disorders** -Ionizing radiation induces mutations in germ cells resulting in structural alteration in germ cell DNA that are passed on to offsprings. Example of nuclear accidents- Chernobyl

**What can be done to prevent this**

Treatment methods like aeration, reverse osmosis, ion exchange and granule carbon adsorption are effective remedial measures for treating the radioactive contaminated water.