

**9pm**  
**Compilation**

**December 2021, (Third Week)**

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

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2. “Technology can either save or doom capitalism”

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# General Studies Paper - 1

## General Studies - 1

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### 1. Challenges with Globalization: An olde fairy tale of the new world order we must brace for

**Source:** This post is based on the article “An olde fairy tale of the new world order we must brace for” published in **Livemint** on **13th December 2021**.

**Syllabus:** GS1-Globalization.

**Relevance:** Understanding the impact of globalization.

**News:** Current phase of digital technology-enabled globalization has disturbed the fabric of human society and sovereign states.

#### Signs of globalization in the past

Human beings have travelled to distant places to survive, trade, and communicate. Harappan seals dating back to 3000 BCE found in Mesopotamia indicate trade and contacts between ancient civilizations. The number Zero, algebra, gunpowder, religions spread around the world like wildfire.

#### How has globalization impacted nation-states at present?

MNC's began the wave by selling dreams and their products. As they expanded beyond boundaries, Non-profit organizations followed suit, enabled by advances in telecom and communication.

This was famously described by **Jessica Mathews** in her 1997 **article, Power Shift**. She suggested that these networks were inverting traditional nation-state borders, which were established by the 1645 Peace of Westphalia.

**Anne-Marie Slaughter** added to Mathews “new-medievalist” world order that instead of being a weakened State was being transformed into a new trans-governmental order. Here the governments across the world were connected and working together on fields like banking, antitrust environment or justice.

**Also read:** [Globalization is not ending, it's changing:](#)

#### What were the challenges associated with globalization?

**Stieglitz** highlighted the issue that MNC's were impacting the local business like street vendors.

Some opined that these networks also supported the rise of transnational terror networks.

This also created a generation of ‘**Baby Zoomers**’ (new ‘generation’ of babies) driven by social media, e-commerce and AI.

Virtual transnational networks have increased inequalities, particularly during pandemics. Those with access to technology and capital have enjoyed growth and employment. Others have been left behind.

**Also read:** [New Globalization would yield mixed results for India](#)

This shows that the view of **Yuvan Harari's** reality of two worlds, one of the people with technology and capital and another of unskilled and unemployed workers, seems to be coming true.

### 2. “Technology can either save or doom capitalism”

**Source-** This post is based on the article “**Technology can either save or doom capitalism**” published in **livemint** on **13th Dec 2021**.

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**Syllabus**– GS Paper 1(capitalism, socialism etc.- their forms and effect on the society)

**Relevance**– How capitalism is evolving with technological progress and how it will affect the society.

**News**-Tech firms have a key role in preserving open and democratic society. Most often technology is perceived to be an enabler for democracy.

### **Do Democracy and capitalism work on similar philosophical foundations?**

Although both democracy and capitalism uphold liberty as a core value, they also sometimes show inconsistencies. While capitalism leads to an asymmetric distribution of private property ownership, democracy has equal civil and political rights at its core.

Governments have tried to align capitalism with democratic ideals through efforts such as progressive taxation and welfare provisions, etc. But still as the recent World Inequality Lab report shows capitalism has only increased inequality.

### **How new technologies have failed to deliver their promise of an equal world**

1)**Digital technology** – Technology, especially the internet was perceived as a **leveler** that would serve all sections of society equally. The technology-enabled **digital divide has only helped consolidate the hold of the privileged over resources.**

**Example**- Unequal access to resources and digital technology prevented many school going students to attend classes during pandemic.

2)**Intellectual property**– It was supposed to **foster innovation** and usher humankind into an era that would benefit from sharing of knowledge under the protection offered by IPR. Yet it **has failed to deliver the results and has led to polarization of power and wealth.** It has on one side helped some to have supernormal profits while other are completely deprived of it.

**Example**– COVID has revealed how big pharma companies have in the times of a global crisis gave preference to their profits over a faster global recovery and saving thousands of lives.

### **Way forward-**

If technology has to be used for the progress of democratic values and equality there is need for multilateral efforts to address the inequities. Although Individual nations have tried to make some but these are insufficient and can't be a permanent solution.

# General Studies Paper - 2



General Studies - 2

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1. [Defining democracy: Biden's summit is a good context for democracies to remind themselves what the system means](#)

**Source:** This post is based on the article “**Defining democracy: Biden's summit is a good context for democracies to remind themselves what the system means**” published in **Times of India** on **13th December 2021**.

**Syllabus:** GS 2 Role of democracy.

**Relevance:** Understanding the need for establishing the democracy.

**News:** USA President hosted the “**Summit for Democracy**“. There are 100-plus countries that participated in the summit to build a wide-ranging alliance against autocracies.

**Why China is against this Summit for Democracy?**

China claimed it does a better job of reflecting “the people's will”. It also attacked the US dismissal of “forms of democracy” different from its own as itself undemocratic. For instance, Pakistan was invited, and it did not participate. On the other hand, countries such as Bhutan, Bangladesh and Sri Lanka were not invited at all.

**Why the Summit for Democracy is in question?**

While the USA plans to bring together the democracies of the world, it itself left Afghan democracy's forces crushed under the Taliban's brute wheels. Also, there is a painful retreat of democracy from Afghanistan to Hong Kong and Myanmar.

**Also read:** [Why India will be scrutinised at Summit for Democracy](#)

**Why does democracy need to be widened?**

Democracies should also always be alive to what democracy really means. Democracy needs to be widened to look beyond elections and focus on values like liberty, freedom of expression, and vibrant civil society. Thus, democracy should be wider than limited democracy.

2. **Judges cannot be shielded from citizens' questions**

**Source:** This post is based on the article “**Judges cannot be shielded from citizens' questions**” published in **Indian Express** on **13th December 2021**.

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

**Relevance:** Understanding the need for the transparent role of the judiciary.

**News:** CJI has raised his concerns over attacks on judges owing to the judgements they delivered. Although the consumer of justice has every right to critically examine every word of the judge spoken or written, none has the right to make personal attacks on judges.

**Instances of attack on the judges**

**ADM Jabalpur case, 1976:** The court held that the right to life and personal liberty of a citizen under **Article 21** of the Constitution would remain suspended during the emergency. The judiciary is under so much criticism that they had to overrule the judgement.

**Shashi Tharoor speech in Parliament:** He said that the judiciary had failed to stem the tide of militant majoritarianism. He further blamed that the “judiciary's inaction almost always favors those in power”.

**Trinamool MP:** criticized the transfer of former Madras High Court Chief Justice as the Chief Justice of Meghalaya High Court.



**Read here: [There's a need for transparency in transfer of judges](#)**

Also, the [collegium](#) is under question several times for transfer and re-transfer of judges.

**Pending judgment on important cases:** Several cases of national importance and which are obstructing the fundamental right of citizens are waiting for the final judgements. For instance, cases on [Article 370](#), the [Citizenship Amendment Act](#), [electoral bonds](#), and others.

Also, it can be noticed that some bail applications just took only 1-2 days while others are pending for months.

**What is the way forward?**

As suggested by the CJI, the legal community should be obliged to protect vulnerable sections of society from the human rights atrocities perpetrated by the State or any anti-social element.

**3. India-Afghanistan relations: India sending medical aid to Afghanistan is a sign of thaw in bilateral relations**

**Source:** This post is based on the article **“India sending medical aid to Afghanistan is a sign of thaw in bilateral relations”** published in **Indian Express** on **13th December 2021**.

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

**Relevance:** To understand India's aid to boost India-Afghanistan relations.

**News:** Recently, India decided to send a consignment of medicines to Afghanistan. The medicines were sent on a return flight of a plane that brought evacuees to India last week. This along with previous initiatives are aimed to improve India-Afghan ties.

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

**About Afghanistan and assistance from the region**

The Taliban have welcomed India's offer and expect assistance from all countries in the region. For instance, Afghanistan negotiated with Pakistan. As a result, Pakistan has allowed India to send wheat to Afghanistan through the Wagah border, which is the shortest route from India. But the wheat is yet to be transported.

**Read more:** [Aiding Afghanistan: On both humanitarian and strategic grounds, India must provide succour to ordinary Afghans](#)

**Why does this wheat is not sent to Afghanistan so far?**

1. Logistics required to send the 50,000 metric tons is complex,
2. Challenges with paperwork and an interchange of trucks at Wagah border,
3. There is a nearly three-year-long absence of trade relations between India and Pakistan. This has led to the dismantling of systems at the land border.

**What are the other challenges associated with the Taliban in power?**

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

The security concerns, arising from the Taliban's proximity to Pakistan and the terrorist groups based there, will continue to limit Indian efforts. But, the dispatch of humanitarian aid may provide a diplomatic opportunity for India.

**4. Fathoming the new world disorder**

**Source:** This post is based on the article **“Fathoming the new world disorder”** published in **The Hindu** on **13<sup>th</sup> Dec 2021**.

**Syllabus:** GS2 – India and its Neighborhood- Relations.

**Relevance:** Understanding the USA's strategic dilemma post-Afghan withdrawal.

**News:** The inconclusive wars the U.S. fought in recent years has allowed its regional rivals an opportunity wherein they are trying to maximise their influence, even at the risk of triggering more conflicts.

This transition, from American unipolarity into something that is still unknown, has put America in a strategic dilemma:

Should it stay focused on China or continue to guard the liberal order that is under attack from multiple fronts?

American withdrawal from Afghanistan is, hence, a development is going to have far-reaching impact on global geopolitics.

### **What are the two dominant narratives around American withdrawal from Afghanistan?**

There are two dominant narratives about the American withdrawal.

**One**, that the U.S. exited the country on its own will as it is undertaking a larger realignment in its foreign policy. This argument rejects any comparison between the American pull-back from Vietnam in 1975 and its retreat from Afghanistan.

**Second**, that the U.S. failed to win the war in Afghanistan and, like in the case of Vietnam, was forced to withdraw from the country.

This writer of this article believes in the second view.

### **What are the examples of a declining American influence?**

Superpowers suffering military setbacks at the hands of weaker forces indicates **great power fatigue**, prompting both their allies and rivals to rethink their strategic assessments. In the case of the USA, this fatigue and a gradual erosion of its ability to shape geopolitical outcomes in faraway regions is visible in the following events:

- In **Iraq and Libya**, it failed to establish political stability and order after invasions.
- It could not stop **Russia taking Crimea from Ukraine** in 2014.
- In Syria, it was outmanoeuvred by Vladimir Putin.
- Finally, **the way American troops were withdrawn from Afghanistan** and the **return of the Taliban to power** has strengthened this perception of great power fatigue. It has also emboldened America's rivals to openly challenge the U.S.-centric rules-based order.

### **How the US authority is being challenged by its rivals across the world?**

- **Russia** has amassed about 175,000 troops on its border with Ukraine, indicating that Vladimir Putin could order an invasion of Ukraine. He has also backed Belarus President Alexander Lukashenko over the refugee crisis on the Polish border of the European Union.

The Russian President is sending a clear message to the West that the region stretching from the Baltic Sea to the Black Sea, the eastern flank of the North Atlantic Treaty Organization, is a Russian sphere of influence.

Countering Russia can be done via imposing harsher sanctions, but they have achieved little previously. Moreover, economic sanctions will push Russia further towards China.

- **West Asia:** Iran, which has stepped up its nuclear programme after the Trump administration unilaterally withdrew the U.S. from the 2015 nuclear deal, has refused to hold direct talks with the U.S.

If the U.S. lifts the sanctions, it could be read as another sign of weakness. If it does not and if the Vienna talks collapse, Iran could continue to enrich uranium to a higher purity, attaining a de facto nuclear power status without a bomb (like Japan). This would be against America's interests in West Asia.

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– **South China Sea:** China is sending dozens of fighter jets into the so-called Taiwan Air Defence Identification Zone (TADIZ). This has triggered speculation on whether Beijing is considering taking the island by force. As the U.S. is trying to shift its focus to the Indo-Pacific region to tackle China's rise, China is seeking strategic depth in its periphery.

### 5. A global gateway to creating links, not dependencies

**Source:** This post is based on the article “A global gateway to creating links, not dependencies” published in **The Hindu** on 14<sup>th</sup> Dec 2021.

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

**Relevance:** Understanding the Global Gateway strategy of the European Union (EU)

**News:** With its new Global Gateway strategy, the European Union is showing how it can aid investors, partners and people, without any debt traps, and with projects that are sustainable and serve the needs of local populations.

#### What is the Global Gateway strategy?

– Read [here](#)

#### How EU is forging global partnerships with various countries?

##### India:

– In May 2021, at the Leader's Meeting in Porto, the European Union (EU) and India adopted the **Connectivity Partnership**, expanding cooperation across the digital, energy, transport, and people-to-people sectors.

– The European Investment Bank (EIB) has financed over €4.31 billion in the India since 1993, including significant **connectivity projects**. New operations are in the pipeline, such as further EIB investments in **urban metro systems**.

##### Brazil:

Earlier this year, the EU and Brazil inaugurated a new fibre-optic cable between the two continents. This helps scientists in Europe and Latin America to work together, on issues from climate modelling to disaster mitigation. The cable links two continents together, building a data economy that respects the privacy of its citizens' data.

##### Africa:

Recently, the EIB signed a €100 million credit line to support African small and medium businesses to recover from the pandemic and to seize growth opportunities from the **African Continental Free Trade Area** (AfCFTA).

#### How the connectivity challenge is being addressed under the Global Gateway strategy?

For Europe to master the connectivity challenge, it needs not only principles and frameworks, but also adequate resources and clear priorities.

**First**, by using the resources of Team Europe, the EU and its Member States in a smarter, more efficient way. The Global Gateway will mobilise investments of more than €300 billion in public and private funds for global infrastructure development between 2021 and 2027.

**Secondly**, by ensuring that EU internal programmes — InvestEU, Horizon Europe and the Connecting Europe Facility — will support Global Gateway, alongside Member States' development banks, national promotional banks and export credit agencies.

**Thirdly**, capital from the private sector will remain the biggest source of investment in infrastructure. EU is exploring the possibility of establishing a **European Export Credit Facility** to complement the existing export credit arrangements at the Member State level. This would help ensure a more level-playing field for EU businesses in third country markets, where

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they increasingly have to compete with foreign competitors that receive large support from their governments.

**Fourthly**, Global Gateway has identified a number of **flagship projects**. These include **1)** the extension of the BELLA (*Building the Europe Link to Latin America*) cable to the rest of the Latin America, as part of the EU-LAC Digital Alliance, **2)** the expansion of the Trans-European Network to improve transport links with the Eastern Partnership and Western Balkan countries, **3)** scaled-up funding for the Erasmus+ student exchange programme worldwide.

### 6. The case for deeper technological ties with London

**Source:** This post is based on the article “**The case for deeper technological ties with London**” published in **Indian Express** on **14<sup>th</sup> Dec 2021**.

**Syllabus:** GS2 – India – U.K bilateral Partnership

**Relevance:** Technology ties, India-U. K partnership

**News:** This week, Prime Minister of UK is set to address the Carnegie India’s Global Technology Summit convened annually in partnership with the Ministry of External Affairs.

When Delhi thinks of technological cooperation with major powers, the US, Europe and Japan come to mind. But, the missing link in India’s technological space, however, is the United Kingdom.

In this context, a technology partnership with Britain would be a significant gain for India.

#### Why the technological partnership with the UK is significant for India?

**The U.K has a long tradition of scientific research and technological development:** For instance, Britain was the first nation to industrialise.

**Has top-ranking universities:** For instance, the golden triangle of science and innovation (London, Oxford and Cambridge)

**One of the world’s top technology powers:** Britain is ranked 3<sup>rd</sup> in the world’s cyber power index, published by Harvard University’s Belfer Centre, in 2020. This year World Intellectual Property Organization (WIPO) ranked Britain 4<sup>th</sup> in the global innovation index while India was ranked at the 46<sup>th</sup> position.

**Ambitious policy goals for harnessing technological revolution in various reports:** For instance, outer space strategy, artificial intelligence strategy. All these elements in British policy meets with India’s own economic, political, and security interests. The British technology initiatives are also aligned with the technological agenda of the Quad. It is expected to announce a new cyber strategy in 2022.

**London wants to build a coalition of like-minded countries to reshape the global governance of technology:** This includes strengthening technological ties with the traditionally close partners in the Anglosphere (*US, Canada, Australia, and New Zealand*) as well as other partners like Japan and India.

**Strategic Reasons:** India can’t collaborate with Russia as it lags behind its Western cousins in civilian technologies, whereas collaborating with China is out of the question due to President Xi Jinping’s expansionist policies.

**Other significant reasons:** Britain is the world’s 5<sup>th</sup>-largest economy, a permanent member of the UN Security Council and a major financial centre.

#### Why the UK is also rethinking its approach towards the subcontinent?

**Post-Brexit Britain is looking for solid international partners to retain its position at the top of the global order.** As a result, stronger ties with India have become a major political priority for London, too.



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The **steady relative decline of Pakistan** (*its economy is now about a tenth of India's*) and India's deepening strategic partnership with Washington. These factors are also encouraging London to rethink its past approach to the Subcontinent.

### What is the way forward?

A new alliance with Britain will generate domestic prosperity, enhance national security, increase India's place in the global technology hierarchy, and contribute to the construction of a free, open, and democratic global technological order.

India recognises the enormous strategic possibilities with Britain and is willing to invest political capital to build on those synergies.

### 7. "Karnataka government has done right thing by adding eggs to mid day meals"

**Source**— This post is based on the article "**Karnataka government has done right thing by adding eggs to mid day meals**" published in The Indian Express on **14th Dec 2021**.

**Syllabus**— GS Paper 2 (Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes; mechanisms)

**Relevance**— Innovations in the public welfare schemes and their impact

**News**— Karnataka is the last southern state to introduce eggs in its [mid day meal](#) program.

It has recently **introduced eggs to its mid-day meal scheme** in some of its districts to solve the acute malnutrition problem there. Unfortunately, this policy is facing backlash by some religious groups.

### Why adding eggs to mid-day meal menu is a good step?

Eggs (or milk or bananas) are a wholesome food and provide protein, calcium, and vitamins at one go.

According to the National Family Health Survey-5, Karnataka has 35 per cent of children under the age of five and 20 per cent stunted and wasted respectively. Some of its Northern districts even have stunting figures as high as 57 percent.

Large majority of its people have no cultural aversion to eating non-vegetarian food.

Eggs are already served to pregnant and lactating women, and severely malnourished and wasted children, in [anganwadis](#) across the state.

Some sections have called it discriminatory to Vegetarians but Government has also decided to offer bananas to those who do not consume eggs.

### Conclusion—

Public policy should be guided by facts and science and not by short sighted concerns and sectarian interests

This is especially important keeping in mind that India is still struggling to improve its health statistics.

### 8. "State declarations must not be made via twitter"

**Source**- This post is based on the article "**State declarations must not be made via twitter**" published in Live mint on **14th Dec 2021**.

**Syllabus**- GS Paper 2 (Important aspects of governance, transparency and accountability, e-governance)

**Relevance**- Technology in governance

**News**— Prime minister's twitter account was hacked on Sunday.

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A false tweet was sent out claiming that “India has officially adopted Bitcoin as a legal tender” and that “government has officially bought 500 BTC and is distributing them to all residents of the country”.

This is the second such hacking instance of PM’s account in a year, last time the fake tweet appealed for donations in [cryptocurrency](#) to the Prime Minister’s covid relief fund.

### **Not restricted to India but a global problem**

Last July, the handles of former US president Barack Obama, rapper Kanye West, Microsoft founder Bill Gates and others got taken over by scamsters offering to double the money of people who sent Bitcoin via a specified link.

### **What are the concerns regarding using social media for official announcements**

1) **Threat of hacking-** Accounts can easily get hacked as shown by instances mentioned above.

**Vulnerable citizens** -Although such scammers put out messages that are hard to believe but still it is not a guarantee that all receivers of message will not fall prey to it.

**Lead to a difficult situation in a standoff-** Tweets mistaken for official statements by those in high positions of power could compound the problem. This may further weaken the bilateral/Multilateral relation between nations.

Although some leaders in past like Trump has set this precedent to announce major decisions via twitter, but this is not a risk free choice.

### **2) Undue advantage –**

News breaks with market-sensitive information should not be available to a private party even for a moment before it goes public.

Technical delays and content filters lead to time lag in tweets which means that twitter has an information advantage vis a vis twitter users.

In present time even split-second delay can lead to big financial losses and data arbitrage. No company should have any privileged access to valuable material. This may have grave consequences.

**Only Official channels which have assured security should be used for important announcements.**

## **9. “The kind of engineering education we need”**

**Source-** This post is based on the article “**The kind of engineering education we need**” published in The Indian express on **14th Dec 2021**.

**Syllabus-** GS Paper 2(Issues relating to the development and management of Social Sector/Services relating to Health, Education)

**Relevance-** How application based learning can increase innovation.

### **Introduction**

Current education curriculum is completely detached from a student’s life. It is highly theoretical and leaves very less space for intellectual development.

For example- Students of class 10th are expected to learn about DC motors and parallel resistances. Whereas reality is that less than 50 per cent of Class 8 students of rural government schools can do division. (ASER Report 2016-18 by Pratham NGO).

There is need for moving away from deep theoretical education to a practical broad-based one which can lead to development and generation of jobs.



### **How can application based practical learning help in solving day to day problems-**

Case study

As is widely known that subsidized electricity has led to inefficient use of groundwater and thus its depletion.

A study at IIT Bombay by the name Project on Climate Resilient Agriculture has documented a case study about restructuring of electricity distribution network in Washim (Maharashtra).

Here basic engineering knowledge and restructuring was used to improve performance, save cost of installation of new connections and cut down distribution losses.

This reduced the stress and agricultural loss that farmers suffer due to breakdown of supply.

### **What are the advantages of practical learning**

It gives solutions that provide jobs, save resources, and improve the lives of our people.

It does not need cutting-edge research capability in any one discipline. Instead, it needs a multidisciplinary approach which takes best from different fields.

This approach to education provides solutions that make best use of available capacity instead of investing huge amount of resources.

**Example-** Solutions like target of installation of 18 lakh solar pumps under scheme like PM-KUSUM have easy implementation but have low advantage over some practical solutions. These require huge capital which make them a low return on investment option.

([PM -KUSUM](#) was launched for ensuring energy security for farmers in India, along with honoring India's commitment to increase the share of installed capacity of electric power from non-fossil-fuel sources.)

Practical approach involves contextual learning which has better learning outcomes. As seen in some tribal areas that it is a better option than using tribal language as a medium.

**Contextual learning** is a **method** of instruction that enables students to apply new knowledge and skills to real-life situations.

A recent MIT study shows that Contextualized learning and inter-disciplinary approach can teach students how to solve actual problems.

## **10. Hospitals should rationalize their pandemic protocols**

**Source:** This post is based on the article "**Hospitals should rationalize their pandemic protocols**" published in the **Livemint** On **15th December 2021**.

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

**Relevance:** Understanding the need to increase the visitation time of ICU for the speedy recovery of patients.

**News:** Hospitals often adopt restrictive ICU visitor policies with visiting time of merely 15 minutes to max 2 hours in rare cases. This has to change for the betterment of Patient and Hospitals.

### **Reasons behind the restrictive ICU visitor policy**

- 1) Decrease the risk of infections
- 2) Disturbance in the patient's rest
- 3) Interference in the clinical tasks.
- 4) Increase in the workload of hospital staff to manage guests.

### Why there is a need to increase the visitation hours?

**First,** The ICU ambiance with constant lights, equipment noise, etc often results in delirium among ICU patients, which can raise their risk of death. With loved ones near to them and more caregiving by the family, led to a decrease in the anxiety and trust deficit with the medical team. **Lancet study**, reveals that in-person or virtual family visitation reduced the risk of delirium in patients by 27%.

**Second,** Studies show that ICU with expanded visitation hours has not seen an increase in hospital-acquired infection rates. Various campaigns like **Better together and ICU Liberation campaign**, launched in North America to urge hospitals to allow loved ones at the bedside round the clock.

### What policies should the hospitals adopt?

During the pandemic time, most of the ICUs completely banned the visitor's entry owing to an increase in the risk of infections. **Seropositivity Survey** also suggests that up to 2/3rd of the population has been exposed to the covid virus.

But, hospitals need to understand that family and loved ones are not really visitors, but valuable partners in patient care. So, there is a need to ease the restrictions in the ICU visitation timings.

### 11. NDPS Act: a drafting error, its implications, and an amendment

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

**“NDPS Act: a drafting error, its implications, and an amendment”** published in **Indian Express** on **15th December 2021**.

**“A liberalized marijuana policy would do us good”** published in **Live Mint** on **15th December 2021**.

**Syllabus:** GS 2 Government policies and interventions.

**Relevance:** To understand the reason behind the NDPS Amendment Bill.

**News:** Recently, The Narcotic Drugs and Psychotropic Substances (Amendment) Bill, 2021 was passed by Lok Sabha.

### About the Narcotic Drugs and Psychotropic Substances (Amendment) Bill

The 2021 Bill amends the Narcotic Drugs and Psychotropic Substances Act, 1985 and seeks to rectify a drafting “anomaly” created by a 2014 amendment. The bill **amend Section 27A** and change Section 2(viii)a mentioned in that section to Section 2(viii)b.

### About the 2014 amendment

Section 27A of the NDPS Act, 1985, prescribes the punishment for financing illicit traffic and harbouring offenders. Before 2014, Section 2(viii)a contained a catalogue of offences for which the punishment is prescribed in Section 27A.

**Section 27A reads:** *“Whoever indulges in financing, directly or indirectly, any, of the activities specified in sub-clauses (i) to (v) of clause (viii)a of section 2....shall be punishable with rigorous imprisonment” not less than 10 years(may extend up to 20 years) and fined not less than one lakh rupees.*

In 2014, an amendment was made to the NDPS Act to allow for better medical access to narcotic drugs.

-In Section 2(viii)a the amendment defined **“essential drugs”**. The amendment shifted the offences earlier under Section 2(viii)a to Section 2(viii)b.

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-Under Section 9, it allowed the manufacture, possession, transport, import inter-State, export inter-State, sale, purchase, consumption and use of **essential narcotic drugs**.

**Read more:** [Drug usage and the NDPS Act – Explained, pointwise](#)

### **What were the error and its outcome?**

The 2014 amendment **failed to amend Section 27A** from changing Section 2(viii)a mentioned in that section to Section 2(viii)b. This made Section 27A inoperable since 2014.

In 2016, an accused had sought bail in West Tripura in Agartala, citing this omission in drafting. The district judge then referred the legal question to the High Court.

The government had argued that the drafting error cannot be grounds to seek bail and must be overlooked. The court agreed with the government. But the court said the reading could not be applied retrospectively, as this would violate Article 20(1).

**Article 20(1)** says that no person shall be convicted of any offence except for violation of the law in force at the time of the commission of an offence, nor be subjected to a penalty greater than that which might have been inflicted under the law in force at the time of the commission of the offence.

### **What is the issue with the recent amendment bill?**

Earlier, the government brought in an ordinance to rectify the drafting error. But the recent bill mentioned, “It shall be deemed to have come into force on the 1st day of May 2014”. Thus, the amendment makes the law retrospective. The government clarified that the retrospective application is permitted in “clarificatory amendments.”

But the bill is criticised for introducing a substantive sentencing provision in criminal law that has been given retrospective effect by a legislative declaration, 2. Making penal provisions retrospective will lead to more constitutional questions.

### **What are the other issues missed out by the bill?**

**Failed to decriminalize marijuana:** There are many benefits associated with Marijuana. For instance, 1. Multiple sclerosis patients could benefit from therapeutic drugs derived from marijuana. 2. It may also help control pain, seizures and other afflictions, 3. Its commercial cultivation could offer more than medicinal value.

Further, the Global Commission on Drugs, a panel of leaders and thinkers, called for countries to regulate rather than ban cannabis (and narcotics). So, India should decriminalise Marijuana.

**Must read:** [Decriminalising Marijuana in India](#)

### **12. “Bonded labour, child labour-Manual scavenging in India is far from being eradicated”**

**Source**– This post is based on the article “**Bonded labour, child labour-Manual scavenging in India is far from being eradicated**” published in Down to earth on **14th Dec 2021**.

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

**Relevance**– Eradication of manual scavenging and child labour

**News:** Government has recently said in Lok Sabha that it has achieved the target of abolishing manual scavenging.

**What are the issues with these claims?**

**Bonded labour:** There are large number of manual scavengers who are even employed as bonded labourers in the states like Jharkhand, Maharashtra, Odisha, Tripura and Bihar, UP.

**Child Labour:** Manual scavenging is one of the largest employers of children in India just like the agricultural sector. However, the point of concern here is that 97 percent of all these children belong to scheduled castes, engaged in direct scavenging; cleaning railway track, septic tank cleaning.

This is very dangerous as sanitation workers below 16 are also twice more susceptible to be forced to work from time to time as manual scavengers.

**Covid pandemic impact:** Since the novel coronavirus disease (COVID-19) pandemic struck construction of dry latrines has been very rampant specially in states like Bihar and Uttar Pradesh.

These new constructions, being out of surveillance radar, become the hotbed for illegal practices like Child labour and forced labour.

**What corrective steps need to be taken**

**1) Categorization**-Government needs to distinguish between “manual scavenging (which is a caste-based practice of people cleaning human excreta by hand) and the practice of cleaning sewers and septic tanks. So that proper rehabilitation measures can be provided to them.

**2) Proper Implementation of existing laws and schemes** –Even after **Prohibition of Employment as Manual Scavengers and their Rehabilitation act PEMS Act, 2013** there are more than 1.4 million dry latrines in India.

More than 1.5 million manual scavengers are still not identified under it. In case any casualty, their families will not even get proper compensation.

To solve this government may use identified manual scavenger to recognise other unidentified manual scavengers living in their settlement areas.

Over 40 per cent of the manual scavengers have not received any form of one-time cash assistance (OTCA) under **Self-Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)**.

**3) New initiatives** –Government needs to see how the problem of manual scavengers working forcefully as bonded labour can be tackled through new labour code.

Read- [NHRC recommends measures against manual scavenging](#)

**13. “Losing the art of critical thinking and ” and “That CBSE question and what it says about our time”**

**Source**– This post is based on the article “**Losing the art of critical thinking and ”** published in The Hindu on **15th Dec 2021** and “**That CBSE question and what it says about our time”** published in Times of India on **15 Dec 2021**.

**Syllabus**– GS Paper 2 (Issues relating to the development and management of Social Sector/Services relating to Health, Education)

**Relevance**– Education is a foundational pillar of society, it needs to adapt to changing times.

**News:** Recently CBSE has to face some opposition regarding some of the question that appeared in its Board question Paper.



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### What were these instances

- CBSE had to issue an apology for one of its sociology exam question. The question read “The unprecedented scale and spread of anti-Muslim violence in Gujarat in 2002 took place under which government?”.
- Another instance where an English comprehension passage of class 10th exam has come under criticism. It faced such backlash because it conveyed a message in support of Patriarchal mindset.

### What can be learned from these incidents?

1) Educationists and curriculum designers need to acknowledge the importance of emancipatory education.

Emancipatory education is an approach that goes beyond the transfer of knowledge, questioning the dominant structure of socioeconomic and political situation.

This will enable students to think critically and reflect on the issue of National and International significance.

2) Making education value neutral doesn't mean accepting the status quo- Education is about asking difficult questions and striving for a just social order.

**For example-** A student shouldn't just memorise preamble but also be able to reflect upon the meaning of its ideals in real time.

3) If students are allowed to reflect freely upon ideas from different thinkers, cultures, it will enable them to build their own thought processes.

It shouldn't prepare children with a thinking that is appropriate for a post truth society.

Post truth society (Relating to an environment in which facts are viewed as irrelevant, or less important than personal beliefs and opinions, and emotional appeals are used to influence public opinion).

### 14. “Justice truly done-An enlightened SC ruling reminds us of how little attention mental disability gets in India”

**Source-** This post is based on the article “Justice truly done-An enlightened SC ruling reminds us of how little attention mental disability gets in India” published in Times of India on **14th Dec 2021**.

**Syllabus-** GS Paper 2 (Structure, organization and functioning of the Executive and the Judiciary and issues related to health)

**Relevance-** lack of mental health care in India

#### News

Supreme court has recently allowed an advocate who has bipolar disorder to take charge as a judicial officer. This decision came after a long legal battle and scrutiny by medical and judicial experts.

This kind of hearing is not possible in every case. Thus people with mental disabilities may suffer from discrimination and loss of opportunity.

### What is the status of awareness and help available to people with mental health issues?

The lack of psychological help in the country makes situation worse, (Eleven of 12 surveyed states couldn't meet the requirement of one psychiatrist per 1 lakh population; availability of clinical psychologists was even lower).

These figures are worrisome considering that 2020 saw a 10% rise in suicides from 2019.

### 15. [The speaker who stifled debate](#)

**Source:** This post is based on the article “**The speaker who stifled debate**” published in **The Hindu** On **16th December 2021**.

**Syllabus:** GS 2 Parliament and State legislatures—structure, functioning, the conduct of business, powers & privileges and issues arising out of these.

**Relevance:** Understanding the duties of the speaker.

**News:** The Agriculture Minister has introduced the Farm Laws Repeal Bill, 2021 in Parliament. While demanding discussions the Minister stated that the debate would have no tangible results.

#### **What is the issue?**

The farm laws repeal bill was submitted for consideration in the parliament. But the speaker ruling that the discussion will be allowed only when the house is in order. This goes against the spirit of democracy.

The acts needed discussion of various points. Like, all India Kisan sabha pointed out that the acts did not include provisions to prevent profiteering and monopoly for corporates.

**Read more:** [Make House rules more stringent to ensure smooth functioning : Speaker Om Birla](#)

#### **Why the move of repealing laws without discussion is not good?**

Debate holds special significance as it has the capability to influence public opinion. According to **Ivor Jennings**, “It is not the control of the Government by the House but the fact that its dislikes are often a representation of electoral dislikes that makes debate important.”

So, repealing the law without holding a proper debate is undermining the system. In the words of **Erskine May**, Speaker may adjourn the House or suspend the sittings. He cannot stipulate good behavior as a condition for debate.

#### **What powers does the speaker hold?**

The speaker can adjourn the house or suspend any sitting. Also, he has the power to quell disorderly behavior. But according to **Rule 374A**, only the house, holds the final power and can overrule the decision of the speaker.

**Read more:** [How can we guarantee the Speaker’s impartiality?](#)

#### **What do the Rules of Procedure of the house say?**

**Rule 362(1):** says that if a motion has been put unless it appears to be an abuse of rules of the house, the speaker shall put the motion.

**Rule 363(1):** says that whenever a debate extends beyond a limit, the speaker may fix a time limit for the conclusion of the discussion at any stage of the bill. It is the “sense of the House”, not the Speaker’s opinion, which governs.

### 16. About globalization: Mixed signals

**Source:** This post is based on the article “**Mixed signals**” published in **The Hindu** on **16th December 2021**.

**Syllabus:** GS2 International relations and trade.

**Relevance:** Understanding India’s stand on globalization.

**News:** Pandemic imperatives require diversification of supplies, but protectionism is not an answer.



### How does India's quest for globalization shaping?

The covid experience suggests the need for shorter supply chains with more national capacities. The External Affairs Minister (EAM) remarked that India has emerged as a reliable alternative to a resilient supply chain. This was evident when India provided reliable vaccine supplies in wake of covid.

In this, India is also aided by global sentiments not being in favor of China. For instance, China was recently accused of weaponizing trade by Australia.

**Read more:** [An opportunity for India to revive Multilateralism](#)

### What is India's stand on globalization?

EAM termed the notion of foreign companies operating on terms suitable to them as unsustainable. He also addressed the concerns about access to the Indian market and the issue of protectionism. The campaign of Atma Nirbhar Bharat does not entail protectionism. Instead, it will help India to negotiate with partners like the UAE, Canada and EU and others about their concerns.

**Read more:** [Let us revitalize multilateralism: The future of the world is at stake](#)

### What should be the way forward?

Though WTO has failed in addressing the challenges of globalization, protectionism is still not the answer. Thus, India will refrain from protectionism and embrace globalization but ensure that India's concerns are addressed.

**Read more:** [A crisis of multilateralism and Asia's rising stake in it](#)

### 17. India-Bangladesh relations: Making Of Shonar Bangla

**Source:** This post is based on the following articles "Idea of Bangladesh needs to be celebrated, for its social-economic successes, its relegation of religious nationalism" published in **Indian Express** on **16th December 2021**.

"Making Of Shonar Bangla" published in **TOI** on **16th December 2021**.

**Syllabus:** GS 2 India and Neighbourhood relations.

**Relevance:** To understand the success of Bangladesh liberation movement and India's part in it.

**News:** Bangladesh was the first new country to be created after World War II. Today (December 16, 2021) Bangladesh will achieve an important milestone – 50 years of independence.

**Must read:** [Recent developments in India-Bangladesh relations-Explained, pointwise](#)

### Why did East Pakistan demanded a separate country?

Jinnah believed that religion is the most irrefutable instrument for nation-building. In erstwhile East Pakistan, he accused those who are promoting Bengali as an official language alongside Urdu as "enemies" who wanted to weaken Pakistan and enable the re-entry of East Pakistan into India.

He described Urdu as the language that had been nurtured by Muslims of the subcontinent, and is nearest to the languages used in other Islamic countries".

Jinnah failed to grasp that East Pakistan was predominantly Muslim, but more than that, it was Bengali. East Pakistan rejected religious nationalism and demanded empowerment through fair political representation and access to the country's resources.

### **About the status of India while liberating Bangladesh**

At the Bangladesh liberation, India faced the following challenges, 1. Struggling with poverty and drought, 2. The economy was in an uncertain condition, 3. Armed forces were still coming to grips with an inconclusive war with Pakistan in 1965, 4. National morale was yet to recover from the defeat of the India China War in 1962.

### **How did India help East Pakistan?**

Various arms and agencies of the government, as well as the political class, came together under the leadership of Indira Gandhi. India's intervention in the liberation took place in stages over several months, each step timed to achieve the maximum result.

The military intervention, which began on December 3 took less than two weeks to achieve its objectives. It remains the shortest war in history.

### **About the achievements of Bangladesh in past 50 years**

1. The country has a stable 6% economic growth rate for over a decade, 2. Steep declines in infant and child mortality, Fertility rate, etc. 3. Gender parity in access to education; and 4. A global leader in disaster risk management, 5. Second-largest garment exporting hub in the world.

Bangladesh achieved these by 1. **NGO movement of Bangladesh:** Under it, non-state actors organised people in the rural areas, 2. Agricultural reforms ensured farmers take advantage of markets, 3. Government initiative to grant all garment exporters exclusive access to imported inputs duty-free, 4. New industrial policy to remove "licence raj."

**Read more:** [Pending Issues in India Bangladesh relations](#)

### **What should India do now to boost India-Bangladesh relations?**

1. Need to ensure a whole-of-government approach along with the framing of strategic objectives like it did in 1971, 2. India has to avoid communally divisive rhetoric in domestic and foreign policy also, 3. India has to fulfil its past promises to boost its relations by sharing the Teesta waters.

**Read more:** [Improper Comments on Bangladesh will impact India Bangladesh ties](#)

There is goodwill for India for what it did 50 years ago. So, India must safeguard this precious asset, and make it grow.

### **18. [A false conflation between duties and rights](#)**

**Source:** This post is based on the article "**A false conflation between duties and rights**" published in **The Hindu** on **16th December 2021**.

**Syllabus:** GS2 Indian Constitution—historical underpinnings, evolution, features, amendments, significant provisions and basic structure.

**Relevance:** Understanding balance between rights and obligations.

**News:** The question of rights(FR) blending with duties requires careful consideration. The duties here mean the ideals that were written into the constitution as Fundamental Duties (FD), Article 51A.

### **About the opinions of blending FR and FD**

One opinion is that the blending should create a balance between fundamental duties and rights.

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Another view is that citizens should converge fundamental duties and rights. It is clear that when a person holds rights, s/he is owed an obligation by the duty holder, but the government's view is different.

**Read here:** [Difference between Fundamental Rights and Fundamental Duties](#)

### **How is the Government proposal different?**

The government position proposes that rights ought to be made conditional on the performance of extraneous obligations.

### **What was the view held by the constituent assembly?**

The emphasis on dignity was important, and it guaranteed basic human rights like equality, autonomy, liberty, and others. The idea of contingent rights was considered repugnant. But rights were not made absolute, and part III of the constitution also contained limitations of the rights. Any curtailment of rights would thus need legislative sanction and should be reasonable as per the constitution.

### **How did fundamental duties evolve?**

They were not present in the original form of the constitution. They were added after the **Swaran Singh Committee** recommendations through the 42nd constitutional amendment and Article 51A.

It encouraged citizens to cherish noble ideas, uphold and protect the sovereignty of India among other provisions.

**Read here:** [Explained: What Fundamental Duties mean](#)

### **How should a balance between rights and duties establish?**

To balance them, one should discuss the nature of duties that rights create. For example, the right to freedom of expression requires the state to work towards creating an equal society where each person can express herself freely.

## **19. Fixing idealism in humanities education in India**

**Source:** This post is based on the article "**Fixing idealism in humanities education in India**" published in **Indian Express** on **16th December 2021**.

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

**Relevance:** Understanding the need for bringing changes in our education sector.

**News:** Chief Justice of India expressed his view of bringing more focus on humanities in education and not on professional studies.

### **Why idealism in humanities is required?**

Today in college, leaders and even corporates are focusing on social justice. They are concerned about issues like equity, diversity, and social change. But this might lead to polarization instead of social justice.

For example, in America, the linking of idealism and ambition in education has been a failure. Everyone Schools, parents, professors, etc seems to be in conflict with each other on topics of social justice. For eg: Democrats lost elections in Virginia(USA) because of the feeling that the party demonised parents concerned about a new "social justice"-oriented curriculum in schools as racists and even terrorists.

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The lesson that can be learned is that the kind of social justice taught in America has failed in promoting equality and promoted division along the class lines.

### What is the problem with the Indian system?

In Indian society, polarization has divided it into left and right silos. This is being institutionalized into permanent divisions along lines of class and education.

Indian humanities education needs to look beyond caste, class and gender. At present, education is influenced by Christian theological ideas of moral self-formation or western ideologies. Instead, it has to be indigenous.

### What changes need to be changed?

CJI while delivering his speech spoke out in his mother tongue Telugu. He recalled the three important principle values – matrubhumi, matrubhasha and matrudesam. He said that children should look beyond the physical classroom. They should learn from the lessons all around.

### 20. [CEC's, EC's interaction with the PMO-Why this raises questions and breaches a red line](#)

Source– This post is based on the article “**CEC's, EC's interaction with the PMO-Why this raises questions and breaches a red line**” published in **Indian express** on 17<sup>th</sup> Dec 2021.

**Syllabus:** GS2 – Separation of powers between various organs

**Relevance–** Separation of power, Independence of Election commission

**News:** Recently, a letter written by the Law Ministry to the Election Commission (EC) on November 15, has come under criticism.

The letter states that the Principal Secretary to PM ‘**expects**’ the Chief Election Commissioner (CEC) to be present during a discussion.

### Why this is a cause of concern?

**Compromises the independent image of the EC:** The Election Commission is a Constitutional authority whose **functioning is insulated** from the Executive. Attending meetings or discussions called by officers of the government compromises the **independence of the commission** in the public eye.

The **tone of the letter** also raises questions because **as per protocol**, an officer of the government, no matter how senior, cannot call the CEC for a discussion.

### What are the Supreme Court's views on Election Commission's independence?

The independence of the Commission from the executive has been reiterated by the top court in its 1995 judgment in the **TN Seshan v Union of India and Ors**, wherein it observed that:

*It is inherent in a democratic set-up that the agency which is entrusted the task of holding elections to the legislatures should be **fully insulated** from the party in power or executive of the day. This objective is achieved by the setting up of an Election Commission, a permanent body, under **Article 324 (1)** of the Constitution.*

**Must Read:** [Independence of EC is reducing – Explained, pointwise](#)

### 21. Importance of data during pandemic: Reflections on flying blind into the storm

**Source:** This post is based on the article “**Reflections on flying blind into the storm**” published in **The Hindu** on 17th December 2021.



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**Syllabus:** GS2 Issues relating to development and management of Social Sector/Services relating to Health.

**Relevance:** Understanding the importance of data in handling health pandemic.

**News:** Omicron cases are increasing in various countries like the UK, Denmark, etc. Concerns have been raised in India if it is prepared, for the third wave after the deadly 2nd one.

**Read here:** [Pavlovian responses like travel restrictions won't stop omicron](#)

### What is the present status of vaccination in India?

More than 50% of the adult population are vaccinated with both doses. Approximately 85% have received one or two doses. Discussions are going on for the booster shots for frontline healthcare workers and for vaccines of the 12-18-year population.

**Read here:** [Should children be giving COVID 19 jabs](#)

### How the pandemic-related data can help to manage the spread of infection?

Let's say there is test data spread across months, it can be used to infer about reinfection. It can also give the status of vaccine breakthrough.

South Africa presented a good response in wake of the Covid pandemic. A high-quality surveillance system and commitment towards transparency allowed South Africa to detect and rapidly share data with the world.

From the experience, it is clear that the presence of data can help in faster decision-making towards vaccination policies.

**Also read:** [Covering the gaps in the game of data](#)

### How the void in data can affect the system?

[Indian Council of Medical Research](#) holds data on every COVID-19 test conducted in India. But, it is worrying that these data are not correlated to data in the Cowin platform. Even, Data on hospitalizations, etc. are apparently available at the State level but seem inaccessible. This void shows the poor functioning of the government in handling the data.

Only the data which is accessible now is data collected by voluntary organizations like Covid19India.org. Here data were collected from multiple sources like individual reports by States, informal sources, such as journalist groups or citizen science reports, etc.

### What should be done?

There is a need to understand that data availability is a must for ensuring the public good. The more widely data are shared, the greater the likelihood of integration of the rapidly shifting scientific research with clinical practice.

## 22. [Covid 21 months after it struck: Is it a replay of the Spanish Flu?](#)

**Source:** This post is based on the article "Covid 21 months after it struck: Is it a replay of the Spanish Flu?" published in **Livemint** on **17th December 2021**.

**Syllabus:** GS2 Issues relating to development and management of Social Sector/Services relating to Health.

**Relevance:** Understanding the spread of covid.

**News:** The current pandemic pattern shows the present situation of covid worldwide.

### What are the official mortality data shows?

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The data on mortality from Covid-19 shows that the pandemic seems to be reducing. Covid mortality has declined. There have been two distinct waves, and America and Europe are reeling under the third wave.

**The pandemic's disproportionate toll**  
Official mortality data shows that Europe and the Americas have been hit significantly harder than other parts of the world.

	Timeline	Global	15 European group	10 Americas	7 South & East Asia
<b>Population share</b>	2020	69%	10.2%	12%	47.4%
<b>Covid deaths</b>	6 Dec 2021	5,276,788	1,429,916	2,288,861	701,088
	% of global	100	27	43	13
<b>Deaths per million during 6-weekly intervals</b>	6 Mar-20 Apr	21	131	53	1
	20 Apr-6 Jun	30	94	179	3
	6 Jun-21 Jul	28	32	173	8
	21 Jul-5 Sep	32	19	185	12
	5 Sep-21 Oct	35	54	151	16
	21 Oct-6 Dec	51	227	153	9
	6 Dec-21 Jan	73	249	270	8
	21 Jan-6 Mar	66	208	297	6
	6 Mar-21 Apr	60	176	269	11
	21 Apr-6 Jun	88	134	254	50
	6 Jun-21 Jul	53	64	193	29
	21 Jul-5 Sep	39	66	96	20
	5 Sep-21 Oct	65	156	209	12
21 Oct-6 Dec	43	200	95	6	
<b>Total</b>		<b>683</b>	<b>1,810</b>	<b>2,578</b>	<b>191</b>

Source: Worldometer

### What are the challenges facing a virus pandemic?

Knowledge of viruses and their evolution is limited. Even classification of the virus as dead or alive is not clear. Viruses mutate rapidly, making vaccine development difficult. Unusually, mortality is higher in developed countries like America. Some viruses can be infectious and some lethal. When a virus which is a combination of both emerges, that becomes a health challenge.

### What can one learn from the experience of the Spanish flu?

The mortality was not high at the epicenter like in the case of Covid in China. There are multiple mutations that lead to multiple waves like Covid second wave. While the initial mutations are deadly, the later variants become less deadly.

### Read here: [Why did the people not take lessons from the past?](#)

Though viruses remain mysterious, the healthcare systems have reduced mortality. The knowledge of the past shows that pandemics have been handled well and the rate of recovery has been good. So, rapid advances in technology are required to limit the transmission and spread of viruses.



### 23. Addressing cross border insolvency

**Source:** This post is based on the article “Addressing cross-border insolvency” published in **Indian Express** on 17<sup>th</sup> Dec 2021. **Syllabus:** GS 2- Important international institutions

**News:** Recently, the Ministry of Corporate Affairs (MCA) has published a draft framework for cross-border insolvency proceedings based on the UNCITRAL Model Law.

#### Why there is a need for a separate law for cross-border insolvency?

Cross-border insolvency involves a situation where an insolvent debtor has assets or creditors in more than one country. Thereby, a single legal system will not be sufficient to address the issue of insolvency. So, there is a need for a separate law for cross-border insolvency.

#### What are the steps taken in this regard?

To handle such cases involving cross-border insolvency, the United Nations Commission on International Trade Law proposed the **UNCITRAL Model Law on Cross Border Insolvency**.

It has provisions allowing foreign insolvency courts, and officials access to domestic courts. It also provides for recognition of orders and judgments passed by insolvency courts located in foreign jurisdictions.

Countries can adopt the UNCITRAL Model Law with modifications, that suit their domestic context. The Model Law has to date been adopted by 49 countries.

#### What is the status in India?

The insolvency proceedings of Jet Airways and the Videocon Group that had assets and claims from outside India highlighted the need for enacting a law, harmonious with the international best practices.

Consequently, the Ministry of Corporate Affairs (MCA) has published a draft framework for cross-border insolvency proceedings based on the UNCITRAL Model Law.

#### Why it is considered a step in the right direction?

As of now, India enters into bilateral arrangements with countries for recognizing our insolvency proceedings on a reciprocal basis. This is not a permanent solution.

Entering into separate agreements with countries is time-consuming and involves multiple negotiations.

Moreover, as businesses expand beyond national borders, it is critical for countries to adhere to a common set of principles governing cross-border trade.

For example, take the case of the **United Nations Convention on Recognition and Enforcement of Foreign Awards**, popularly known as the **New York Convention**.

It has been signed by 167 countries. Thereby, an arbitral award passed in any of the signatory countries will be readily enforceable in the other signatory country without having to initiate separate proceedings.

#### What are the key provisions in the draft framework for cross-border insolvency?

**Firstly**, it enables the assistance of foreign courts or representatives during insolvency proceedings pending in India and vice versa.

**Secondly**, it enables the central government to exclude a certain class of entities, such as those providing critical financial services (banks, insurance companies, etc.) from being subjected to cross-border scrutiny.

**Thirdly**, NCLT is vested with the power to recognize a foreign proceeding as either a “main proceeding” or a “non-main proceeding”

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**Main proceeding** – a country where the debtor company has its center of interest

**Non-main proceeding** – a country where the debtor merely has an establishment.

**Further**, the NCLT has been vested with the power to impose moratoriums to preserve the assets of the foreign entity in India.

### **What are the concerns in the draft framework for cross-border insolvency?**

**First**, there is no provision for enforcement of insolvency-related judgments.

**Second**, the term public policy that has been included as one of the major grounds to resist the recognition of foreign proceedings has not been defined.

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

**First**, need to include the provisions for the enforcement of insolvency-related judgments and orders as per the CBIRC's recommendation.

**Second**, considering the wide ambit of the term "public policy", the lawmakers should streamline its scope to lend clarity to the process.

## **24. Summoning CEC, EC to PMO is outrageous**

**Source:** This post is based on the following articles: "**By not standing up to a virtual summons from government, Election Commission undermines itself**" published in the **Indian Express** on **18th December 2021**.

"**Summoning CEC, EC to PMO is outrageous**" published in the **Indian Express** on **18th December 2021**.

**Syllabus:** GS 2 Separation of Powers between various organs Dispute Redressal Mechanisms and Institutions.

**Relevance:** Understanding the need for the independent role of the Election Commission.

**News:** Chief Election Commissioner and two Election Commissioners were summoned by the PMO to **attend a meeting** with the Principal Secretary(PS) to the PM. This move has come under criticism, as the independent Election Commission of India(ECI) is a gift of the Constitution to the nation.

**Must Read:** [Independence of EC is reducing – Explained, pointwise](#)

### **Why the summoning is a cause of concern?**

The PMO summoning or "inviting" not just the CEC but the full bench is in violation of the Constitution, irrespective of how important or urgent the issue is.

Also, The CEC is very high in the warrant of precedence (9th), while the PS to PM is 23rd. So, summoning a high constitutional functionary to attend a meeting is in a violation of the spirit of the Constitution.

**Read here:** [CEC's, EC's interaction with the PMO-Why this raises questions and breaches a red line](#)

### **How Election Commission has evolved in India?**

The institutions undergo constant evolution. EC was made a formidable body under TN Seshan in the 90s. He upheld the rules, including the [model code of conduct](#).

The equilibrium does not remain the same and in the last few years, the government mount pressure on unelected bodies. The decisions of EC has also faced a few challenges like delay in announcing the election schedule in Gujarat in 2017, its evasiveness in banning campaign activity amid the second Covid surge in West Bengal.

Read here: [The Issue of Public trust on ECI | Election Commission](#)

#### What should be the way forward?

EC should shed its image of not upholding the rules and norms. It should ask the law ministry to submit its replies on record. Government should also recognize that undermining EC can weaken the system.

#### 25. For an honest broker: On Russia and India-China ties

**Source:** This post is based on the article “**For an honest broker: On Russia and India-China ties**” published in **The Hindu** on **18th December 2021**. **Syllabus:** GS 2 Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests.

**Relevance:** Understanding the role of Russia in normalising India China Relations.

**News:** Recently, the Russian President visited India for 21st India – Russia Annual summit.

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

#### Talks about China during the visit

During the visit, India’s problems with Chinese aggression were raised. In return, Russia ensured to hold a trilateral summit of the leaders of Russia, India and China (RIC) in the near future.

#### What are the challenges in the holding RIC meeting?

Earlier, the RIC Summit occurred on the sidelines of the [Osaka G-20 summit](#) in 2019. Along with the [Modi-Xi Mamallapuram summit](#), the RIC meet also ensured peaceful coexistence and growth between the neighbours. But much has been changed since then. These include,

1. **[China’s aggression at the Line of Actual Control](#)**: It dented the hopes of peaceful coexistence and growth, 2. **No face to face meeting between Indian and Chinese leaders since 2019**: Due to issues in LAC, they have not spoken directly, even though they attended the same multilateral summits (BRICS, SCO, G-20, etc.), 3. The summit will not take place **until the promises made by the Chinese Foreign Minister** in meetings with the External Affairs Minister **are fulfilled**.

**Read more:** [China-India Relations and India’s Weakening Geo-Political Position](#)

#### Why Russia’s role as an honest broker of India-China talks must be scrutinised?

Even though India bought [S-400 missile defence systems](#) and improved its relations with Russia, the Russian role as a facilitator needs closer attention. This is because,

1. Russia and China have consolidated their support for each other in the face of U.S. concerns over Russian action against Ukraine and Chinese action on Taiwan, 2. Russia is deeply dependent on Chinese investment, 3. On Afghanistan talks, Russia has shown that it was prepared to cut India out of negotiations held by the Troika plus group with the U.S., China and Pakistan.

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

#### What India needs to do?

1. India must continue to balance its relations between Russia and the US, and its partners in Eurasia versus those in the Indo-Pacific, 2. India has to follow an independent path in foreign policy.

**Read more:** [Why India Needs to Balance Relations with China, Russia and US?](#)

## 26. Soft power: Who does it help?

Source: This post is based on the article **“Soft power: Who does it help?”** published in **Business Standard** on **18th December 2021**.

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

**Relevance:** To understand the importance of Soft power.

**News:** Nations export culture, ideology, and people to create soft power. They export because they have a competitive edge, superior education system, rich culture, superior political system, and military might.

**Read more:** [Hard knocks for soft power](#)

### What are the benefits of Soft power?

1. **Competitive edge for the “exporter” nation:** Since people retain cultural ties and residual loyalties to the land of origin, 2. **Create a feedback loop and reinforce hard power:** For example, South Korean movies, music, games and dress codes are influencing millennials everywhere.

### About India's soft power during ancient times

India has soft power in Southeast Asia and the Far East. Buddhist missionaries won hearts and minds. Naval conquests established Indophile cultures in Indonesia and Cambodia.

### About the soft power of the UK during Colonial times

The soft power of the UK was accumulated during the time when the sun never set on the British Empire. That soft power still has its impacts. For instance, 1. The **EU's business language is English** (though the UK is no longer a member), 2. Pop music everywhere has English lyrics, 3. **English is America's official language** and is widely spoken in many countries like India.

**Read more:** [Why does China consistently beat India on soft power?](#)

### Does soft power always benefit exporter nations?

No, if the soft power is being exported for the wrong reasons, then the soft power exported can rebound horribly wrong on the exporter. The lessons of Germany, Italy and Japan in the 1930s is a classic example.

### How did the soft power of Germany, Japan and Italy lead to the demise of their own?

In the 1930s, Japan started dreaming of a **“Greater East Asia Co-Prosperity Sphere”** created by annexing chunks of mainland Asia. Similarly, Germany's Third Reich started fantasising about a **Greater Germany** (Gross Deutschland) and the enslavement and extermination of inferior races.

For achieving that purpose, Jews, Gypsies, Catholics, etc., were herded into extermination camps in Germany. Citizens left Japan in search of greater political stability. The Italians left as Mussolini tried to grab chunks of Africa, and spoke about a New Roman Empire through the “Right of Blood“. This resulted in

-Emigrant scientists and engineers (including Italians like Enrico Fermi, non-Jewish Germans, and many Jews) invented nuclear weapons and gathered information about the Axis war efforts.

-General Dwight David Eisenhower, who oversaw the Allied invasion of Europe was born into a German immigrant family.

-The US Army's 442nd Infantry Regiment, which won more gallantry awards than any other US formation, was entirely composed of volunteers of Japanese descent.



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The advocates of Gross Deutschland and the Greater East Asia thing mostly ended up dead, after killing millions of their own countrymen. So, Soft power can rebound horribly to the exporter, if exported for the wrong reasons.

**Read more:** [India's soft power is very effective in Afghanistan](#)

### 27. For disabled citizens to have the police they deserve

**Source:** This post is based on the article “**For disabled citizens to have the police they deserve**” published in **The Hindu** on **18th December 2021**. **Syllabus:** GS2 mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

**Relevance:** Understanding the need to empower disabled people.

**News:** Ministry of Home Affairs(MHA) has released draft guidelines for building disabled-friendly infrastructure in police stations, prisons etc.

#### Why does the need arise?

Effective policing is needed of the hour, and more so for the disabled who face challenges of accessibility. Even the Supreme Court had pointed out in **Patan Jamal Vali vs The State of Andhra Pradesh** case that women with disability are more prone to sexual violence.

**Read here:** [Disability – policy and challenges](#)

#### What is provided in the MHA guidelines?

- It sets out models for building new police stations and upgrading old ones to modern, gender-sensitive, and accessible with features like disabled-friendly toilet or entrance, etc.
- Standards recognize that services and spaces must be barrier-free by design.
- Enable disabled people to enjoy their rights. It also talks about treating persons with disabilities who are accused of committing any crime in an appropriate way.
- Provide direction under disability-inclusive training for persons involved in disaster relief.
- It introduces accessibility norms for services associated with police stations and services. This helps to promote the use of ICT to facilitate communication, development of websites, use of ICT for enforcing accessible infrastructure, sign language, etc.

#### What are the inadequacies in the provisions?

**First**, the cover letter is embedded in an image, so for a screen reader, this could become difficult.

**Second**, directions for deployment for directional signage also need auditory signage for visually challenged.

**Third**, they provide recommendations like deploying one personnel to assist visually challenged, but this has been kept optional.

**Fourth**, standards state that police staff on civil duty could be persons with disability, but this is inconsistent with the memorandum issued by the Department of Empowerment for persons with disabilities in August 2021. According to it, 4% reservation is provided to persons with disabilities under government jobs like IPS, IRPF, and other services.

#### What are the suggestions provided by SC?

In the case of Patan Jamal Vali, SC suggested having special educators and interpreters be connected with police stations to operationalize reasonable accommodations embodied in the Criminal Law (Amendment) Act, 2013.

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**Also read:** [Disability must be viewed as a strength, Not burden](#)

It further recommended suggesting up a database in every police station of such educators, interpreters and legal aid providers to facilitate easy access and coordination

**What is the way forward?**

Enacting the standards into law will mark a big step towards making our law enforcement apparatus disabled-friendly.

**Also read:** [Right to Person with Disability- An analysis](#)

ForumIAS



# General Studies Paper - 3

## General Studies - 3

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### 1. The stepping stones in the post-pandemic world

**Source:** This post is based on the article “**The stepping stones in the post-pandemic world**” published in **The Hindu** on **13<sup>th</sup> Dec 2021**. **Syllabus:** GS3 – Issues related to Economy, growth and development

**Relevance:** International partnerships, pandemic recovery, Trade facilitation

**News:** India must leverage international partnerships for ensuring a robust and sustained economic growth path.

#### **Why International partnerships are important ?**

**Firstly**, the COVID-19 pandemic has affected growth, trade and investments, and employment, among others. In this context, international cooperation is critical to combat the current & future challenges related to growth.

**Secondly**, strengthening global partnerships will help in building resilience to cope with the threats posed by pandemics and other man-made and natural disasters.

**Thirdly**, Global partnerships will help in building mutual trust and understanding by agreeing upon common rules and standards and sharing of best practices.

**Fourthly**, for India, integration with the world economy can help to attain a faster growth path.

#### **What are the areas that necessitates international partnerships and how it can be done?**

**Sustainable Growth:** Mechanisms for reviving growth in certain parts of the world should be coordinated effectively so as not to disrupt it in other parts of the world.

Because, Massive stimulus packages given to stimulate growth is currently posing risks to economic and financial instability.

**Inclusive development:** The issue of growing inequality of incomes among countries as well as within countries must be addressed.

**Resilient Global supply chain:** Partnership to build back resilient global supply chains is very critical. Because, the pandemic had severely disrupted the global supply chains and this has led to decline in trade.

**Trade facilitation:** Countries across the world should facilitate trade partnerships at both regional and multilateral levels to better protect consumers and producers. It can be done by promoting open and transparent markets, technical assistance and reduction of complex process and arrangements.

**Entrepreneurship and innovation:** New opportunities in potential high growth sectors such as manufacturing and start-ups must be leveraged. It will contribute to enhancing productivity and generating employment.

**Digital economy:** The rise of telemedicine, remote work and e-learning, delivery services, etc. necessitates equitable adaptation to advanced technologies and tools, building robust infrastructure, and occupational transitions. Skill development and worker training, investments in education and vocational training etc, should be focused to fill the technology gaps and to nurture new and existing talent.

**Investments in innovation:** Global collaboration in areas including research and development and Industry 5.0 and investments in digital and corporate strategy can become key drivers of industrial development.

**Climate change:** International alliances and cooperation on building sustainable solutions, green technology, resource efficiency, sustainable finance, etc., must be promoted to achieve sustainable development goals.

### What is the way forward for India?

**First**, in the post-pandemic world, it will be critical for India to improve on its investment climate and target its export capabilities across sectors and regions.

**Second**, ease of doing business and new free trade agreements with major markets will help India to integrate closely with the world through trade and investment partnerships.

### 2. The good and not so good of new bank ownership norms

**Source:** This post is based on the article “**The good and not so good of new bank ownership norms**” published in **Business Standard** on 13<sup>th</sup> Dec 2021. **Syllabus:** GS3 – Issues related to banking sector

**Relevance:** Guidelines on the ownership and corporate structure of private sector banks.

**News:** RBI's internal working group, set up in June 2020, had made 33 [recommendations](#) on the ownership and corporate structure of private sector banks.

The RBI has accepted 21 of them, with minor modifications in some cases. The rest, are under examination.

### What are the key recommendations made by the RBI's IWG?

**Entry of corporate and large non-banking financial companies into banking:** IWG recommended that large corporates and industrial houses be allowed as promoters of banks but only after necessary amendments to the Banking Regulation Act, 1949.

**Changes in Promoter's shareholding in a bank:** A promoter can hold at least 40 per cent stake for the first five years and by the 15th year, it can be reduced to 26 per cent. All intermediate sub-targets between five and 15 years have been removed.

**Changes in Capital requirement for universal banks, SFB's and cooperative banks:** Capital requirement for universal banks has been raised to Rs 1,000 crore from Rs 500 crore and that of SFBs, to Rs 300 crore from Rs 100 crore.

For an urban cooperative bank that wants to transform itself into an SFB, it will need to bring in Rs 150 crore capital, but in five years the capital must be doubled.

**Recommendation regarding the Corporate structure of a bank:** Non-operative financial holding company (NOFHC) should continue to be the preferred structure for all new licenses to be issued for universal banks where the promoters have other companies under their fold.

However, existing banks, which have been following the NOFHC structure, could be allowed to exit from such a structure if they do not have other business entities within the group.

**Timeframe for listing:** The new SFBs are required to be listed within eight years from the date of commencement of operations, but for the universal banks, the timeframe for listing is six years.

**Harmonisation of Different Licensing Guidelines:** IWG recommends for a comprehensive document on the licensing and ownership guidelines, making all norms equal for legacy as well as the new banks.

**The criteria for selecting CEOs:** The call for a monitoring mechanism to ensure that control of a bank doesn't fall in the hands of persons who are not found to be fit and proper is welcome.

However, the observation that the existing criteria to assess the 'fit and proper' status of promoters are appropriate and may be continued is a cause of concern

### Why the continuation of the 'fit and proper' status of promoters is not welcomed?

Recent developments in some banks in India put the spotlight on role of the board of banks, the CEO, corporate governance and conflict of interest.

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In this context, it is necessary for RBI to scrutinise appointment of CEOs and the role of the board of the banks. But the Banking Regulation Act has only given limited powers for RBI in this regard. For instance,

**One,** The Banking Regulation Act empowers the RBI to supersede the board of directors of banks in public interest. But this is only for a period not exceeding six months.

**Two,** The RBI's prior approval is a must for the appointment and reappointment of the CEO. Further, the central bank could seek the CEO's removal also. But the Act doesn't specify what qualities a CEO should possess apart from solvency.

So, the existing measures are not enough. It is time to review the 'fit and proper' criteria for banking licence, particularly with reference to individual CEOs.

### 3. The question of US monetary policy

**Source:** This post is based on the article "The question of US monetary policy" published in **Business Standard** on **13<sup>th</sup> Dec 2021**.

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

**Relevance:** Fed tapering, Inflation targeting,

**News:** Headline inflation in the US has reached 6.8%, the highest value in 40 years.

In this context, if the US Federal Reserve resort to monetary tightening policy (Fed Tapering) to control inflation, it will have important consequences for the world economy.

#### What are the implications of Fed tapering?

**Flight of capital from the emerging markets:** High interest rates in the US suck capital into the US.

**Value Erosion:** In international asset pricing, the cost of capital goes up, and the net present value of Indian equities will decline.

**Financial Scandals will get exposed:** Many dubious schemes fall apart, as we saw with the financial scandals in India from 2008 to 2013.

**Autonomy of monetary policy:** The retreat of capital will generate currency depreciation. To fight the currency depreciation, high interest rate hikes are required, which is often harmful for the local economy.

**Read more here:** <https://blog.forumias.com/us-inflation-and-impact-on-india/>

### 4. The curious case of India's rising forex reserves and falling rupee

**Source:** This post is based on the article "The curious case of India's rising forex reserves and falling rupee" published in **Livemint** on **13<sup>th</sup> Dec 2021**.

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

**Relevance:** Managing inflation and currency volatility.

**News:** Further expansion of RBI's balance sheet without normalizing credit offtake (demand for credit) will only raise economic risks.

#### How RBI manages its balance sheet?

RBI's balance sheet consists of the asset side and the liability side.

**Reserve Money (RM) or base money – Asset side:** It consists of net domestic assets (NDA) and net foreign assets (NFA).

**Reserve Money (RM) or base money – Liability side:** it is composed of Currency in Circulation (CIC) and Deposits made by banks.

During normal operations, RBI balances the two accounts, the Asset side and the Liability side.



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However, during extraordinary situations like the Pandemic, the RBI gets inundated by cheap money from overseas due to 'quantitative easing'.

This disturbs the RBI's balance sheet by making the Asset side component disproportional to the liability side.

In order to balance, RBI adjusts the liability side by increasing the **Currency in Circulation** (CIC), thereby creating new money.

But again, when monetary policy normalization occurs in the developed world, capital flight occurs in emerging markets like India. During this phase, capital flight creates demand for dollars, depreciating the rupee.

RBI intervenes in the open market to stabilize the rupee, selling some of its dollar reserves. While reducing its **net foreign assets (NFA)**, this process increases its **net domestic assets (NDA)**.

### **How excess liquidity created during the quantitative easing phase is being managed?**

Theoretically, CIC already created leads to the formation of broad money with the help of a multiplier effect.

The subsequent liquidity in the system will be absorbed into RBI's balance sheet through the **liquidity adjustment facility** (LAF), balancing out the asset side and liability side as per the state of credit demand.

Additionally, an expanding economy and a rise in credit demand results in a steady deposit rate. Resultantly, bank deposits with RBI in the form of a **cash-reserve-ratio** (CRR) increase, completing the Reserve money adjustment on the liability side.

### **What is the current anomaly?**

Throughout the current crisis, the continuous inflow of foreign money increased foreign currency assets, creating new money that had nowhere to go.

This dilemma was caused by weak credit offtake for much of the pandemic, along with rising deposits.

RBI responded via massive reverse repo operations, that resulted in increasing its deposit account and contributed vastly to reserve money.

### **What are the implications due to flight of capital?**

**Opportunities:** While market volatility is creating a difficult situation for the rupee, for RBI's balance sheet, such conditions are supportive. Global volatility involving outflows raises the value of foreign holdings on the asset side.

**Risks:** As credit offtake picks up, reverse repo operations will decline, opening space for an increase in CIC. This is often inflationary and may result in the rupee losing value.

Any further growth in Net Foreign Assets (NFA) without simultaneous degrowth in deposits will create incremental CIC, expanding RBI's balance sheet unintentionally.

Also, in the event of rapid rupee depreciation, RBI will have no option but to use its reserves to safeguard the currency, exposing its balance sheet to external shocks.

## **5. Poverty and Hunger stalk India's countryside**

**Source**– This post is based on the article "Poverty and Hunger stalk India's countryside" published in Live mint on 12th Dec 2021.

**Syllabus** – GS3 – Inclusive growth and issues arising from it.

**Relevance**– Issue of rural economy, Economic and social effects of Pandemic

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

**News:** Although Macroeconomic Indicators are showing an improvement, but rural India shows a different reality. Pandemic has only heightened the problems faced by people of hinterland. This is a direct consequence of the **inadequate safety net amid pandemic-induced joblessness and pitifully low wages**. This can lead to a vicious cycle: low demand leading to lower wages, which, in turn, leads to lower incomes and a further slide in demand.

### **What challenges/issues is rural India facing due to the pandemic?**

**i). Declining rural wages:** Real wages in Rural areas are declining along with **rising input prices of fertilizer and diesel**. Workers are struggling to get work even for 15 days a month and even if they find some, the wage paid is significantly lower than the minimum wages for informal workers.

**ii). Unavailability of work under MGNREGA:** Funds allocated to MGNREGA have been even lower than last year. People were already facing **problem in getting work under MGNREGA** due to heightened demand after pandemic and involvement of local politics which show bias for some beneficiaries. Less allocation of funds only compounds the problem.

**iii) Non-Functioning anganwadis** – Many anganwadis are shut since pandemic and many of opened anganwadis have no proper clean spaces, no well-maintained toilets, no water connection and they also don't provide cooked meals (which is a violation of ICDS which mandates providing cooked meals to all children in the age group of 0-6 years).

**iv). Beneficiaries left out of the NFSA**– Some beneficiaries (some of whom are landless and are daily wagers) complain of being left out of the NFSA Beneficiaries list. It deprived them of the additional 5 kg of free grains supplied per person per month towards pandemic assistance.

**v) Education-** Although Government schools are seeing increased enrolment recently, but they face some challenges like lack of funds for midday meals, etc.

### **What are the implications?**

**Collapsing demand:** Due to declining real wages and farm income, demand in rural areas is collapsing. This fall in income forces families to sell ration they get under scheme to buy other necessary consumables like oil, spices, etc. to meet their other essential demands

**Lack of nutritious food** – This often translated into lack of nutritious food. Recently released National Family Health Survey (2019-21) show that more than a third of children in rural India continue to be underweight (low weight for age). This is also impacting the nutrition status of poor households.

**Widening knowledge gap**– This may widen the knowledge gap that has arisen in the pandemic due to prolonged shutdown of schools.

## **6. Challenges associated with China's economy: Dragon Stumbling, World Ok**

**Source:** This post is based on the article “**Dragon Stumbling, World Ok**” published in **Business Standard** on **13th December 2021**.

**Syllabus:** GS 3 Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

**Relevance:** To understand the challenges associated with the Chinese economy and the global economy.

**News:** At present, China's economy is growing significantly slower than other emerging markets for the first time in three decades. But the present rapid slowdown in China does not impact the world economy like it used to be. This is against the popular saying that as China goes, so goes the global economy.

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China accounted for around 35% of global GDP growth in the years before the pandemic, but that share dropped in 2020 and is now around 25%.

### Why Chinese economy is slowing down?

China is facing the drag of a [shrinking population](#) and its [massive debts](#).

-**China has been turning inward**, replacing a growth model driven by trade with one driven by domestic consumers. China launched Made in China 2025 campaign in 2015 to become more self-sufficient by buying more supplies and developing more technology at home. That means relying less on the US and other emerging markets.

-The US and other European nations adopted **policies to “decouple” from China**. This resulted in buying more supplies from China’s commercial rivals, like Mexico, Vietnam and Thailand.

**Read more:** [Economic Survey suggests Chinese formula to create 4 crore jobs by 2025](#)

### Why the global economy is not slowing when China is slowing down?

-Earlier, other economies were in close sync with China. But **economic links have weakened** during the pandemic,

-**Promotion of greener technology:** This is raising prices for all kinds of raw materials, which are the main exports for many emerging markets. “Green metals” like aluminium and copper, which are essential to electric vehicles as well as wind and solar power, are supplied mainly by emerging markets such as Peru and Chile.

**Other global growth drivers are gaining momentum:** The digital revolution is raising demand for computer chips and other high-tech products, boosting exports out of advanced emerging markets like Taiwan and South Korea. Similarly, Mobile internet technology is rapidly transforming the domestic economies of larger, less advanced emerging markets.

**Note:** *Worldwide, mobile technology accounts for about 10% of cumulative income growth, and these gains are expanding faster in emerging markets than in developed ones. For example, Indonesia, India, etc. Much of this boost comes from online services, ranging from finance to entertainment and shopping, which can grow rapidly and simultaneously in all emerging markets.*

**Read more:** [Economic lessons for India from the Evergrande crisis in China](#)

## 7. How the pandemic has worsened inequality in India

**Source:** This post is based on the article “**How the pandemic has worsened inequality in India**” published in **Indian Express** on **13th December 2021**.

**Syllabus:** GS3-Inequality

**Relevance:** Understand issues of inequality

**News:** Inequality in India is rising. Covid has exacerbated the issue.

### What are the latest findings?

The latest edition of the **World Inequality Report** shows that the top 10% earn 57% of national income, and within that top 1% earns 22% while the bottom 50% earn only 13% of the income. This deeply impacts social mobility. This has also translated to inequalities in education and the labour market.

**Read more:** [World Inequality report 2022: World’s most extreme inequality increase in India](#)

### **What trends emerge from labour market analysis?**

Since the onset of the pandemic, there has been a decline in labour force participation. This means that despite a young population, the number of people looking for jobs has fallen.

Second, over the same period, the unemployment rate has risen from 7.5% to 8.6%. So among those looking for jobs, those unable to find jobs, even at lower wages have risen.

Third, among those in jobs, the casualization of labour has increased.

### **How does inequality affect social mobility?**

Rapid growth lowers the obstacles to mobility. But subdued or uneven growth leads to disproportionate benefits to richer people. For instance, there will be disparities in consumption, income, and wealth.

According to [ASER Report](#), the learning gaps between children from poor and affluent households will widen with inequality.

This will lead to greater demand for redistribution. Thus, this scenario needs to be arrested for better social mobility.

## **8. Poverty and Hunger stalk Indias countryside**

**Source**– This post is based on the article “**Poverty and Hunger stalk Indias countryside**” published in Live mint on **12th Dec 2021**.

**Syllabus**–GS paper 3(Inclusive growth and issues arising from it)

**Relevance**– Issue of rural economy, Economic and social effects of Pandemic

**Introduction**– Although Macroeconomic Indicators are showing an improvement but rural India shows a different reality. Pandemic has only heightened the problems faced by people of hinterland.

### **What are the issues facing rural India as an effect of pandemic and what are their implications?**

#### **1) Declining rural wages:**

Real wages in Rural areas are declining along with **rising input prices of fertilizer and diesel**. Workers are struggling to get work even for 15 days a month and even if they find some, the wage paid is significantly lower than the minimum wages for informal workers.

**Unavailability of work under MGNREGA:** Funds allocated to MGNREGA have been even lower than last year. People were already facing **problem in getting work under MGNREGA** due to heightened demand after pandemic and involvement of local politics which show bias for some beneficiaries. Less allocation of funds only compounds the problem.

**Implications**– Due to declining real wages and farm income, demand in rural areas is collapsing. This fall in income forces families to sell ration they get under scheme to buy other necessary consumables like oil, spices, etc. to meet their other essential demands

#### **2) Food Security**

**Non-Functioning anganwadis** – Many anganwadis are shut since pandemic and many of opened anganwadis have no proper clean spaces, no well-maintained toilets, no water connection and they also don't provide cooked meals (which is a violation of ICDS which mandates providing cooked meals to all children in the age group of 0-6 years).

**Beneficiaries left out of the NFSA**– Some beneficiaries (some of whom are landless and are daily wagers) complain of being left out of the NFSA Beneficiaries list. It deprived them of the additional 5 kg of free grains supplied per person per month towards pandemic assistance.



**Implications** – This often translated into lack of nutritious food, recently released National Family Health Survey (2019-21) show that more than a third of children in rural India continue to be underweight (low weight for age). This is also impacting the nutrition status of poor households.

### 3) Education-

Although Government schools are seeing increased enrollment recently but they face some challenges like lack of funds for mid-day meals, etc.

**Implications**– This may widen the knowledge gap that has arisen in the pandemic due to Prolonged shutdown of schools.

### Conclusion–

This is a direct consequence of the **inadequate safety net amid pandemic-induced joblessness and pitifully low wages**. This can lead to a **vicious cycle: low demand leading to lower wages, which, in turn, leads to lower incomes and a further slide in demand**.

### 9. “The Parliament attack was 20 years ago, are we more prepared today?”

**Source**– This post is based on the article “**The Parliament attack was 20 years ago, are we more prepared today?**” published in The Indian express on **13th Dec 2021**.

**Syllabus**– GS Paper 3(Role of external state and non-state actors in creating challenges to internal security)

**Relevance**– Idea of internal security challenges in India specially the gaps in intelligence gathering

**News**– 20 years of 2001 Attack on parliament, an analysis of how much we have improved.

### What has been the scene in Internal security landscape since the 2001 attack on parliament

Despite the innovations and improvements in intelligence infrastructure there have been several terrorist attack on India since the 2001 attack like 2008 Mumbai attacks, Uri, Pathankot attack, 2019 pulwana strike, Chinese incursions in Ladakh and many more.

### How can India improve its situation

1. Most of the times government responds to terrorist attacks with immediate retaliatory measures which have short shelf life. Example- Operation Parakram after the parliament attack. However what is needed is a **clear political strategy**
2. Strong **hard power capability**. Example- Israel conveys its firm anti-terrorism stand by having a robust intelligence gathering mechanism and social media messaging.
3. **A social environment** needs to be created which does not give impetus to such activities. **Adversaries can take advantage of unstable social environment.(discord)**
4. India needs to undertake **reform of its intelligence infrastructure** and there is also pressing need **for robust intelligence gathering mechanism** .
5. There **is need to fix accountability** given that there are **plethora of intelligence agencies** in India and they have often **overlapping functions**.
6. India’s efforts at reforming its security architecture and processes have historically been **reactive, piecemeal and only incremental rather than holistic**. For example, in the aftermath of the kargil War with Pakistan in 1999.

### Conclusion

India needs to undertake **proactive reforms** and not just implement corrective measures subsequent to these crises.

### 10. “The dream of being a Chip hub”

**Source**– This post is based on the article “**The dream of being a Chip hub**” published in The Hindu on **13th Dec 2021**.

**Syllabus**– GS Paper 3 (Science and Technology- developments and their applications and effects in everyday life).

**Relevance**– Emerging technologies and their growth in India

**News**-India is aiming to manufacture silicon semiconductor chip, it has recently made efforts to set up a fabrication plant with the help of Taiwan, which is a leader in the Chip making industry.

### Have there been any initiatives for setting up Chip making Industry in the past

NASSCOM had in the past tried to set up ecosystem for establishing chip making industry in Andhra Pradesh

### What are the factors that make any place an ideal location for chip making Industry

Availability of water, sand (raw material for making silicon ingots), connectivity to all three major transport means (air, rail, road) and availability of human resource (technical experts).

### What other factor should be taken care of while setting up the foundation of chip making industry

Although establishment of Chip making Industry is an important step, but what is needed is a system on a chip ecosystem (SoCs).

SoCs is a combination of chip making, designing and intellectual property.

Intellectual Property will enable India to take complete advantage of chip making capability, in the absence of which it will just remain a mere manufacturer of base material.

### Way forward-

Government needs to take definite steps to enable India to make a mark in niche chip making industry. Also, it needs to be ensured that the industry keeps growing even after government support is withdrawn after some years.

### 11. “How Delhi is leading the charge in electric vehicle adoption”

**Source**– This post is based on the article “**How Delhi is leading the charge in electric vehicle adoption**” published in The Indian express on **13th Dec 2021**.

**Syllabus**– GS Paper 3 (Conservation, environmental pollution and degradation)

**Relevance**– Newly emerging technologies which may help in fight against climate change.

**News**– Electric Vehicle Penetration in Delhi has reached **9 percent as against the national average of 1.6 percent**, making **Delhi leading state in India in EV penetration**. This anomaly exists **despite the countrywide launch of FAME (Faster Adoption and Manufacturing of E-vehicles) Scheme by the central government**.

### How Electric vehicle adoption may help Delhi and Country to fight Pollution

Vehicular emission is one of the most significant sources of pollution in the country and especially in Delhi. Several studies show that a third of all PM 2.5 emissions and over 80

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percent of CO<sub>2</sub> and NO<sub>x</sub> emissions are from vehicular exhaust. Experts suggest that a reduction in vehicular pollution will require a mass shift of people to EVs, apart from greater adoption of public and non-motorised transport.

### What inhibits the adoption of Electric Vehicle Nationally and how Delhi has overcome these

1. **High upfront cost of EVs**– Even after subsidies under schemes like FAME, buyers still need to pay more for EVs upfront than for petrol/diesel vehicles. The wide acceptance in Delhi for Electric vehicle can be attributed to policies of Delhi government like targeting the most polluting vehicle segments (two and three wheeler). It has fully exempted such EVs from road tax and registration fees, making subsidies available hassle free for the masses.
2. **Unavailability of charging infrastructure**- India will need widespread charging infrastructure to make EV a popular choice. Delhi is planning to provide public charging within 3 km anywhere in the area. It already has the highest number of installed charging stations in the country. Delhi government is planning to provide charging infrastructure at all important public places like metro stations, offices, malls ,etc.
3. **Low public awareness of EVs and its benefits** — both economic and environmental. Delhi launched widespread campaign comprising print, radio, TV ads and targeted outreach to RWAs, youth and corporates was launched that involved public and celebrities.  
For widespread adoption of Electric vehicle there is **need of strong political will, comprehensive reform roadmaps and their implementation**. Best practices from states can be implemented nationally to have palpable outcomes in near future.

### 12. On COP26: Home truths on climate change

**Source:** This post is based on the article “**Home truths on climate change**” published in **The Hindu** on **13<sup>th</sup> Dec 2021**.

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

**Relevance:** Understanding domestic policies in light of the new climate targets announced by India at COP26

**News:** Surprising many, India announced its net-zero target, including many other new commitments, at the recently held COP 26 meeting in Glasgow.

This has established India as a world leader in fighting the climate change crisis. But, there is a gap between what the government says on the international stage and what it does at home.

**Must Read:** [Glasgow Climate Pact \(GCP\) – Explained, pointwise](#)

### How India’s internal policies are in divergence to what it committed at COP 26?

– **Coal use:** India is privatising the coal industry, auctioning coal mines and encouraging open cast mines without the guarantee of end use, but for commercialisation and export. Thus, coal is used as a commodity for profit, not necessarily for any development purposes.

– **Forest loss and land degradation:** India did not sign the [Glasgow Leaders’ Declaration on Forests and Land Use](#). India did not sign the agreement on the ground that the declaration linked trade to land use and trade falls under the purview of the World Trade Organization.

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However, within, India is promoting **corporatisation of agriculture and the encouragement of contract farming**.

Also, the government has moved to monetise, privatise and commercialise the forests as reflected in the proposed Forest Policy of 2018, the suggested amendments to the Forest Act of 1927, the amendments to the Forest (Conservation) Act of 1980 etc. All these changes strip the Gram Sabhas of any voice in decision-making processes. These policies have **accelerated the diversion** of forests for a variety of projects.

From 2013-2019, it is estimated that 96% of tree cover loss occurred in natural forests.

– **Carbon sequestration:** In the 2015 COP in Paris, India had promised that it would develop carbon sinks to the equivalent of 2 billion to 3 billion tonnes of CO<sub>2</sub> by 2030. The government set up a Green Mission for the regeneration of forests, afforestation, additional forest and tree cover. The Estimates Committee of Parliament in its 2018-2019 report stated that to fulfil the promise of sequestering the CO<sub>2</sub> target, **30 million hectares of land are required to plant indigenous trees**, not monocultures or plantations as is being done at present. At present, the **lands of forest-dwelling communities are being forcibly taken away** and used for plantations. The **Gram Sabhas are not being consulted**. The communities which have the least role to play in carbon emissions are being made to pay for it with their lands and livelihoods.

The pursuit of such policies domestically damages the credibility of India's stand on international platforms.

### What is the way forward?

*As per Brinda Karat, the author of this article,*

– Govt must **reverse its pro-corporate policies** reflected in privatisation.

– It **should not modify or try to effect changes in the Forest Rights Act** and constitutional provisions that protect Adivasi communities.

### 13. On USO Fund: Speed up broadband roll-out

**Source:** This post is based on the article “**Speed up broadband roll-out**” published in **The Business Standard** on **13<sup>th</sup> Dec 2021**.

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

**Relevance:** Managing the USO fund.

**News:** It has been almost two decades since the Union government's telecom policy set aside 5% of its receipts from the sector towards the Universal Service Obligation (USO) fund. The USO fund now totals in excess of Rs 1 trillion.

The management of this fund is often in question.

Also, in light of the size of the amount remaining in the fund, almost Rs 60,000 crore at present, a rent-seeking war has begun in the telecom industry.

**Note:** *When a firm uses its resources to procure an unwarranted monetary gain from external elements, be it directly or indirectly, without giving anything in return to them or the society, it is termed as rent-seeking.*

**Must Read:** [What is a USO Fund? – Everything you need to know](#)

### What are the issues with the management of the USO Fund (USOF)?

As pointed out by the Comptroller and Auditor General of India (CGI),

– The USO levy is first supposed to be credited to the Consolidated Fund of India (CFI). It is then subsequently transferred to a non-lapsable USOF created in the public account. This



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statutory obligation, **to pass dues on to the USOF is not happening in a timely manner.** As a result, the money has remained in the Consolidated Fund of India, where it has been used to artificially reduce the fiscal deficit.

– The fund, even when topped up, has been **only half used.** This defeats the purpose of the USOF to manage market failures in the telecom sector by boosting infrastructure and access in underserved areas of the country.

– About half the money disbursed from the USO fund so far has gone towards the BharatNet project initiated in 2011. The project has been delayed till early 2023. It was originally supposed to be 2016. It is worth asking whether a shortage of funds has caused this delay and if so, then **why the USO fund has not been fully utilized.**

– **Rent-seeking:** The state-controlled providers such as BSNL have traditionally seen the money in the USO fund as ways to support their operations. Now, various other telco players, apart from the BSNL, have staked their claim. This has given rise to a rent-seeking war. **For instance:** Bharti Airtel-backed OneWeb have noted that they might provide a cost-effective way of getting broadband connectivity to hard-to-reach areas. Also, Reliance Jio has argued that the USO fund could be used to **subsidise handsets.** This would enable low-income users to upgrade from feature phones to smartphones, and thereby increase the uptake of mobile broadband in the country.

### What is the way forward?

Govt must stop using the USO Fund arbitrarily, and should create a road map for utilising the funds based on transparent and commonly agreed principles.

As per the recommendation of the 2015 expert committee, the **USO Fund can be allowed to borrow on the market** to smoothen its capital flows in the short term, with the interest cost being considered part of the project expenses.

The USO fund should be fully utilised in BharatNet Phase II, with a **focus on a transparent technology-neutral financing** of broadband infrastructure.

The **focus must be on infrastructure creation,** not on other forms of subsidies.

### 14. Bank-NBFC co-lending: how it works, and the concerns it raises

**Source:** This post is based on the article “**Bank-NBFC co-lending: how it works, and the concerns it raises**” published in **Indian Express** on **14<sup>th</sup> Dec 2021.**

**Syllabus:** GS3 – Issues related to the Banking sector

**Relevance:** Co-Lending Model, Priority sector lending, NBFCs

**News:** Several banks have entered into co-lending ‘master agreements’ with NBFCs, and more are in the pipeline

Recently, the RBI permitted the banks to co-lend with all registered NBFCs (including HFCs) to increase lending to the priority sector based on a prior agreement.

This has led to unusual tie-ups between banks and NBFCs. **For instance,** SBI signed a deal with Adani Capital, a small NBFC, for co-lending to farmers to help them buy tractors and farm implements.

### What is the Co-Lending Model?

**Operational flexibility:** Co-Lending Model allows for a joint contribution of credit at the facility level by both the lenders, as also sharing of risks and rewards.

**AIM:** to improve the flow of credit to the unserved and underserved sector of the economy

**Rationale behind this model:** The lower cost of funds from banks and greater reach of the NBFCs will make available funds to the beneficiary at an affordable cost.

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**Significance for banks:** It will help banks to expand customer base and enables them to provide last mile banking services.

### **What are the issues/challenges in RBI's co lending model?**

**Disproportionate risks on Banks:** Under the CLM, NBFCs are required to retain at least a 20% share of individual loans on their books. This means 80% of the risk will be with the banks and in case of a default banks will take the big hit.

**Disparity in roles and responsibilities:** For instance, the RBI guidelines provide for the NBFCs to be the single point of interface for customers, and to enter into loan agreements with borrowers. In effect, while the banks fund the major chunk of the loan, the NBFC decides the borrower.

**Corporates in banking:** While the RBI hasn't officially allowed the entry of big corporate houses into the banking space, NBFCs — mostly floated by corporate houses — were already accepting public deposits. They now have more opportunities on the lending side through direct co-lending arrangements.

**Recent failure of NBFC's increases the risk:** For instance, the recent collapse of four big finance firms (IL&FS, DHFL, SREI and Reliance Capital). Collectively, these firms owe around Rs 1 lakh crore to investors.

**RBI's reasoning that NBFCs have wider reach is flawed:** Many bankers point out that the reach of banks is far wider than small NBFCs with 100-branch networks in serving underserved and unserved segments.

## **15. The tug of war within the gig economy**

**Source:** This post is based on the article **"THE TUG OF WAR WITHIN THE GIG ECONOMY"** published in **Livemint** on **14<sup>th</sup> Dec** 2021.

**Syllabus:** GS3 – Growth and Development

**Relevance:** Gig worker, Platform companies, Labour rights

**News:** This year, Uber lost a significant legal battle against its workers in the UK.

The U. K's Supreme Court upheld a previous ruling by the employment tribunal that the 25 drivers who had brought a case against Uber are indeed employees and not contractors.

Consequently, Uber announced that it would start treating all its drivers in the UK as workers who are entitled to a minimum wage, holiday pay, and pension.

This incident holds significance for India, as the hostility between platform companies and gig workers in India have already begun.

**Must Read:** [Gig Workers and their challenges – Explained, pointwise](#)

### **What are the developments in other countries?**

**European Union:** It recently introduced a draft that aims to make platform companies (Uber, Instacart, and Amazon) classify their gig workforce as 'employees' and provide them with additional benefits.

**US:** The Platform companies in California won a battle that would allow them to continue classifying their workers as contractors as opposed to employees.

### **What are the challenges/issues faced by Gig workers?**

**Firstly,** there is no transparency on how and when incentive structures would be provided.

**Secondly,** there is no discussion on cost structures that would be sustainable in the long term. Currently, to grab market share, platform companies are reluctant to make customers

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pay the right fares. This unsustainable model forces platform companies to sustain by charging high commissions on the gig workers.

**Thirdly**, platform workers have little or no voice. Technology has tilted the power and bargaining scales strongly in favour of the platform companies.

**Fourthly**, Platforms in India have been plagued by even more fundamental issues like

- Frequent and random changes to the commission structure
- Delays in payments
- Deliberate miscommunication of earnings potential to attract gig workers
- Lack of access to basic amenities

### **Why platform companies are reluctant to assign employee status to Gig workers?**

**Low utilization of their workforce and high operating costs** is the fundamental problem that platform companies would be faced with if their gig workers are classified as employees.

This will force them to employ far fewer gig workers on a full-time basis in order to optimize 'utilization'. The power of the platform model lies in its ability to deliver a great customer experience along with high operating efficiency by relying on many gig workers. However, **cutting down the workforce will end up killing the business model** as it will reduce customer experience by increasing wait times and it would also increase the cost for drivers by increasing their idle run.

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

**First**, Platform companies need to publicly commit to ensure that every gig worker, irrespective of the number of hours put in every month, will be paid an equivalent living/minimum wages.

**Second**, other platform companies can learn from the Uber experience in the U.K. Uber has committed to provide the national living wage, paid holiday time equivalent to about 12% of driver's earnings along with a pension plan.

**Finally**, the situation can be rectified if everyone who is a part of this dispute namely the platform companies, the gig workers, and the lawmakers take a pragmatic approach.

## **16. Why Farmers Won, People Lost**

**Source:** This post is based on the article **"Why Farmers Won, People Lost"** published in **TOI** on **14<sup>th</sup> Dec 2021**.

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

**Relevance:** Economic reforms, Democratic process

**News:** Lesson that can be learnt from the farm laws episode for navigating reforms in the future.

Economic reforms produce winners and losers. In the case of farm laws, losers were the relatively large farmers with a marketable surplus, who feared losing the protection of the minimum support price (MSP).

On the other side, potential winners were the larger public, who would have benefitted by way of a cleaner environment and lower agricultural prices. Further, the money saved on MSP could be spent on social welfare measures.

In theory, any reform measure where the winners gain more than the losers will be passed successfully. But this theory failed in the case of farm laws.

Analysing what went wrong, will help us to prepare better in the future.

**What lesson can we learn from the farm laws episode for navigating reforms in the future?**

**Firstly**, major reforms should be done with public consultation. In the absence of dissemination of right information about the reforms, minority interest groups are able to uphold their own interest over the majority's.

**Secondly**, interest group dynamics, biases, and even misinformation should be dealt properly.

**Thirdly**, governments need to invest effort into communication and consultation to prevent the debate from getting hijacked by a narrow interest group.

**Must Read:** [The farm law fiasco offers 7 key lessons on how to reform in a democracy](#)

**17. Insect hits 9L acres of chilli crop in south India; experts point to use of pesticide**

**Source:** This post is based on the article “**Insect hits 9L acres of chilli crop in south India; experts point to use of pesticide**” published in **Indian Express** on **13<sup>th</sup> Dec 2021**.

**What is the news?**

A new species of insect named “**Thrips Parvispinus**” is damaging the chilli crop in several states in south India.

**What is Thrips Parvispinus?**

Thrips Parvispinus is an invasive insect species from Indonesia. It was first discovered in India in 2015.

The insect species is affecting the plants at the flowering stage and stunting the growth of fruits.

Each female Thrips lays eggs through Parthenogenesis (without requiring the male) and sucks the sap of leaf, flower and also the fruit, causing extensive damage to the crop within no time

**What is the reason for the spread of this invasive insect species?**

The indiscriminate use of pesticides by farmers, knowingly or unknowingly, has been the main reason for this insect developing resistance to pesticides and their ‘natural enemies’ in the field being terminated.

**What is the solution to this problem?**

Scientists are advising farmers to implement **integrated pest management practices** like spraying neem oil and using bio-pesticides as an immediate remedy.

Farmers are being advised **not to use synthetic pyrethroids, organophosphates and other growth-enhancing fertilisers**, which would only aggravate the situation further

**18. Boosting agrifood life sciences is key to India's agricultural future**

**Source:** This post is based on the article “**Boosting agrifood life sciences is key to India's agricultural future**” published in **Indian Express** on **15<sup>th</sup> Dec 2021**.

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

**Relevance:** Agrifood life sciences

**News:** Innovations in Agrifood life sciences in India remain deeply neglected by venture capital investors and even entrepreneurs.

For instance, globally, \$6 billion was invested in agrifood life sciences startups in 2020, while India raised slightly over \$10 million.

India is becoming a global outlier, with the US, Israel, Europe, and China all building unicorn startups in this sector.



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Agrifood life sciences is the reverse salient in Indian agritech and will ultimately hold back the transformation of Indian agriculture and food systems until it is addressed.

**Note:** Every technological revolution, at some point in its evolution, faces strong limiting factors that prevent the technology from attaining its full potential. Technology historian Thomas Hughes called these limiting factors as reverse salients.

### What is Agrifood life sciences?

It encompasses four broad categories:

- i). Agricultural (Ag) biotechnology:** it includes, on-farm inputs for crop and animal agriculture, including genetics, microbiome, breeding, and animal health.
- ii). Novel farming systems:** It includes indoor farms, RAS (Recirculating Aquaculture Systems) aquaculture, insect protein, and algae production
- iii). Bioenergy and biomaterials:** It includes agri waste processing, biomaterials production, and feedstock technology
- iv). Innovative foods:** It includes various forms of alternative proteins (plant-based, fermented, and cell-based), functional foods, and other novel ingredients.

### How investing in Agrifood life sciences will benefit India?

- Critical innovations in synthetic biology, chemistry, and biotechnology are **very vital for the future of Indian agriculture and food systems.**
- Innovations in Agrifood life sciences can play a critical role in **tackling both climate mitigation and climate adaptation/resilience** (securing a future for India's farmers).
- Create **opportunities to completely reinvent agricultural value chains.** For instance, India's millets and pulses can be transformed into innovative plant-based proteins to meet global demand.
- It will help to **replace unsustainable animal and aquaculture feed ingredients** like fishmeal with insect protein, creating a circular economy at scale.
- **Biological substitutes** can be developed for traditional chemical fertilisers and pesticides, improving human and planetary health simultaneously.

### What is the root cause for the stagnation in India's Agrifood life sciences ecosystem?

**Regulatory challenges:** for example, ban on new transgenic traits in seeds.

**Lack of talent:** Because life science talent in India continues to migrate abroad.

**Capital availability:** venture capitals are reluctant to invest in Agrifood life sciences.

**Inadequate infrastructure** -for example, lack of wet laboratories and other critical infrastructure for synthetic biology.

**Opposition to exclusive technology licensing** discourages Universities and institutes (including CSIR and ICAR) to commercialise their intellectual property.

### What is the way forward?

- Life sciences **research and development infrastructure needs to be made available** to entrepreneurs.
- Life sciences talent in the NRI community should be **actively recruited to return to India** and build the ecosystem here, as founders and senior leaders.
- Venture investors of every stage need to **step forward with funding** to turn these dreams into our new reality.

### 19. We need a renewed conversation on economic inequality in India

**Source:** This post is based on the article “**We need a renewed conversation on economic inequality in India**” published in **Live mint** on **15<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Inclusive Growth and issues arising from it.

**Relevance:** Inequality, Wealth Gap

**News:** Gaps of income and wealth have worsened after liberalization, causing various ramifications, including political ones.

A response is clearly necessary.

#### What are the stats to substantiate that the wealth gap in India is increasing?

**World Inequality Report Data** – Read [here](#)

#### What are the implications?

**Unequal growth:** The top 10% of our population has benefited more from economic reforms than the population as a whole.

**Widening gap between the rich and the poor:** Wealth gaps are self-reinforcing because rich people use their greater resources to expand their powers. They also influence the political system to their advantage and give greater privileges to their children.

**Lack of equal opportunities:** This can be seen in the fact that our **labour force participation rate** has been falling over the years. This means that many individuals who can't find a job when they enter the workforce or even otherwise, simply stop looking for one. Further, this has **impacted women much more than men**. Data from the Centre for Monitoring Indian Economy shows that the female labour participation rate (FLPR) stood at 9.3% as of November 2021

#### How the income and wealth inequality in India is having political ramifications?

Demands are being made by land-owning castes across the country to be classified under the Other Backward Classes (OBC) category so that they are eligible for reservations in government jobs and educational institutes.

In 2019, the central government introduced a 10% reservation in government jobs for economically weaker sections.

In 2019, the Centre also decided to provide income support to land-owning farming households by paying them ₹6,000 a year, under the [Pradhan Mantri Kisan Samman Nidhi scheme](#).

#### What is the way forward?

**Long-term:** The best way to reduce inequality is an environment where more enterprises can thrive and create jobs. This is ultimately likely to reduce inequality, at least at the household level, with more women working.

**Short term:** Direct support of the population through income support schemes or subsidies. This means both direct and indirect taxes are likely to remain high or possibly even go up.

### 20. On Algorithmic trading/Algos: Regulate, don't stifle

**Source:** This post is based on the article “**Regulate, don't stifle**” published in **Business Standard** on **15<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Issues related to capital market regulations

**Relevance:** Algorithmic trading/Algos

**News:** In a consultation paper last week, the Securities and Exchange Board of India (SEBI) proposed regulating retail or third-party algorithmic trading (algos).

### What is algorithmic trading/Algos?

Algos are **programmes that automatically monitor price-volume action and make trades without human intervention**, buying and selling when pre-set instructions are triggered by price moves.

By the National Stock Exchange's estimate, about 14% of the trading volume (and around 45 per cent of the trading value) is algo-driven.

### What are the risks involved in algorithmic trading/ Algos?

Algos can place the user at **greater risk**. This is partly due to the lack of human intervention, and partly because they can be programmed to make simultaneous trades of different markets. It could spiral into a **huge market-wide risk** owing to lack of circuit filters.

The famous "Black Monday" crash of Wall Street on October 19, 1987, occurred because algos sold heavily without human intervention.

### Why SEBI wants to regulate retail or third-party algorithmic trading?

**Firstly**, the regulator believes these modes of trading are risky and there is little understanding of how they function.

**Secondly**, it can be misused for systematic market manipulation as well as to lure the retail investors by guaranteeing them higher returns

**Thirdly**, the potential loss from a failed algo strategy may be huge.

### What are the proposed regulatory changes?

– SEBI has proposed to treat **all orders based on the Application Programming Interface (API) as algo-driven**. Further, such orders should be **tagged with an ID unique** to the brokerage.

– Brokers should perform a **sequence of stringent checks on any API-based trades** to ascertain if these are algos.

– It has also stated **3rd-party algo providers could be treated as investment advisors** and that two-factor authentication (*which implies human intervention*) be put in place.

### What are the issues in the proposed regulatory changes?

– It would **impact retail traders and brokerages** in terms of the cost of compliance.

– It would **retard the use of API-based technology**, which smoothens trading processes for all investors.

– SEBI already has many robust checks in place to ensure adequate margins are collected. It has **circuit filters** to halt trading if there is an extreme price move.

**Note:** *Circuit filters are price bands imposed by the SEBI to restrict the movement of stock prices (up or down), of listed securities. When the stock price breaches a stipulated price band as decided by stock exchanges, trading in that particular stock is suspended.*

### What is the way forward?

Major retail brokerages estimate around one in 2,000 clients uses algos. This can be tackled by **adequate margining**.

Imposing high costs of compliance under the assumption that every API user is an algo trader would **punish every investor**.

## 21. The NMP is hardly the panacea for growth in India

**Source:** This post is based on the article “**The NMP is hardly the panacea for growth in India**” published in **The Hindu** on **15<sup>th</sup> Dec 2021**.

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

**Relevance:** Understanding reasons behind decline of public sector businesses.

**News:** Govt. unveiled the National Monetisation Programme (NMP) in August 2021. Under NMP, ₹6 trillion is expected to be raised by leasing core assets of the Central government over the course of four years (FY2022 to FY2025).

But, a more critical area towards which policymakers must pay attention is the investigation of the key reasons and processes behind the transformation of profit-making public sector assets into inefficient and sick businesses.

Otherwise, India may find itself in a vicious cycle of creating new assets and then monetising the same when they become liabilities for the Government at a later stage.

**Must Read:** [National Monetisation Pipeline Project – Explained, pointwise](#)

### How many CPSUs are there?

Going by the annual report (2020-2021) of the Department of Public Enterprises:

– There are **256 operationally-run central public sector undertakings** (CPSUs), employing about one million people.

– Out of these, 96 have been conferred the Ratna status.

**Must Read:** [The long and the short of the NMP](#)

### What are the reasons behind decline of PSUs?

The primary reasons for the failure of public sector enterprises are:

– **Cost overruns:** In some cases, project completion time is exceeded, leading to elevated project cost or the project itself becoming unviable by the time of completion.

– **Overcapitalisation:** Optimum input-output ratio is seldom observed in a majority of government infrastructural projects, leading to their overcapitalisation.

**Note:** *Over-capitalisation refers to a phenomenon where earnings of the corporation do not justify the amount of capital invested in the business.*

– **A reluctance to implement labour reforms**

– **A lack of inter-ministerial/departmental coordination**

– poor decision-making, ineffective governance and excessive government control

### What steps has the Govt taken to strengthen the public sector businesses?

**Pradhan Mantri Gati Shakti National Master Plan** for multi-modal connectivity was launched recently. It aims to achieve seamless planning and coordinated execution of infrastructure projects in a timely manner.

The Department of Public Enterprises has initiated **revamping of the performance monitoring system of CPSEs** to make them more transparent, objective and forward-looking, based on sectoral indices/benchmarks.

The Economic Survey highlights the Govt’s initiatives as part of the [Atmanirbhar Abhiyaan](#) in order to boost domestic production in the steel sector and protecting industry from unfair trade through measures like imposition of anti-dumping duty and countervailing duty on the products.

**Must Read:** [Making NMP work](#)



### What is the way forward?

As per the Economic Survey 2020-21, Govt needs to **revamp the corporate governance structure** of public sector businesses.

This will **enhance their operational autonomy** with strong governance practices, including listing on the stock exchange for greater transparency and accountability.

### 22. India's drone companies are soaring in these 4 sectors

**Source:** This post is based on the article “**India's drone companies are soaring in these 4 sectors**” published in **Livemint** on **15<sup>th</sup> Dec 2021**.

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

**Relevance:** Understanding various issues with India's drone sector and the way forward

**News:** India's latest drone rules have given a new life to operations in mining, energy, infrastructure and land records. Door-to-door drone delivery as a daily convenience may still be a bit in the future.

While drone delivery pilots have become bigger, commercial applications at a wider scale is yet to happen.

### What are some recent events indicating a renewed activity in drone sector in India?

**Medicine from the Sky:** Telangana Govt, in partnership with NITI Aayog, World Economic Forum and Apollo Hospitals, organised a mega pilot 'Medicine from the Sky'. Under this, several drone companies conducted more than 350 flights covering 850 Km over 45 days.

**Swiggy, along with ANRA Technologies,** conducted 100 hours of trials of food package delivery via drones in Punjab and Uttar Pradesh in June 2021.

**Svमितva scheme:** In April 2021, the Centre launched a scheme called Svमितva to map land parcels in rural areas using drones. So far drone surveys have been completed in more than 85,000 villages.

### What are the reasons behind an increased activity in drone tech in India?

**New Drone Rules:** A large part of this optimism is driven by **new Drone Rules** that were notified on 25<sup>th</sup> Aug 2021. They made **things simpler**.

– Now one can do test flights without any approval in green zones below 400 ft.

– Perimeter of the yellow zone has been reduced from 45 Km to 12 Km around airports & clear demarcation for red zones has made a large part of the country a green zone.

#### Other policy changes:

– On 3<sup>rd</sup> Nov, **Mineral Conservation and Development (Amendment) Rules, 2021**, were notified by the ministry. They mandate drone survey images for leases having an annual excavation plan of 1 million tonne or more or leased area of 50 hectares or more.

– In June, **National Highway Authority of India (NHAI)** made mandatory use of drones for monthly video recording of National Highway projects during all stages of development, construction, operation and maintenance.

### What are the areas in which drone tech has developed over time?

The use of **visual line of sight (VLOS) drone operations**, where the remote pilot maintains continuous, unaided visual contact with the aircraft, has seen growth.

VLOS operations allow surveillance and mapping and surveying that have applications in **mining, construction, energy, urban development and land records**. For these operations, drones, derive their value proposition from high-accuracy data collection.

Companies are now also offering **drone-as-a-service**.

**Agriculture sector:** Drone companies are also working with farmer producer organisations to help them consolidate their operations.

#### **How can drone tech help with rural healthcare?**

**Rural healthcare: Beyond-visual-line-of-sight (BVLOS)** solutions, which are flights beyond the visual range, can help address various rural healthcare because **lower air and population densities** in the countryside minimises operational risks.

**For instance**, a paradox that the health industry faces in remote areas is **access versus wastage** – Without stock supplies, lives are lost and with stocking, a lot of wastage happens. Faster and cheaper **two-way last-mile connectivity** between rural primary health centres and district supply hub and diagnostic centres can be the solution here.

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

- To help growth of the drone delivery industry, **pricing has to be competitive** with that of the general procurement system of the government.
- Also, delivering only emergency supplies may not allow companies to reach commercial viability. They may have to **cross-subsidize that with routine healthcare delivery**.
- Integration with the larger healthcare system requires training the local health personnel to safely load and unload payloads.
- Base infrastructure such as drone ports and corridors is needed in cities.

### **23. SafetyNet.co.in: Gig work's inevitable & indispensable. But social security for such workers is essential**

**Source:** This post is based on the article “**SafetyNet.co.in: Gig work's inevitable & indispensable. But social security for such workers is essential**” published in **TOI** on **14<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Issues related to Growth, Development, and Employment.

**Relevance:** Issues related to the Gig worker economy

**News:** The Supreme Court has agreed to take up a PIL seeking social security benefits for gig and platform workers. The case is likely to have a far-reaching effect on India's labour market. It will also be closely followed globally as Indian gig workers face issues similar to those faced by their counterparts in rich countries.

**Must Read:** [The tug of war within the gig economy](#)

#### **What is the legal status of a gig worker in India?**

The Code on Social Security, 2020, for the first time gave a legal identity to the term gig worker. It described gig work as a work arrangement **outside the traditional employer-employee relationship**. It said gig workers were entitled to a social security fund.

#### **What are the problems faced by the gig workers?**

An ILO report in 2021, which surveyed around 12,000 gig workers globally, **irregularity of work and lack of social protection** were two main issues faced by gig workers. **For instance:** Many countries classified gig work as “essential” during the first wave of Covid-induced lockdowns. Yet, they were often cut out of benefits extended to other frontline workers.

– On the positive side, gig work **expanded opportunities for people** otherwise excluded in traditional work areas.

**What are the global developments around which the current PIL is based upon?**

The current PIL has a global context, reflected in three developments in economies with a higher standard of protection:

- In 2020, California in a ballot allowed platforms to classify gig workers as independent contractors, which meant that they were kept out of obligatory benefits.
- The UK's Supreme Court ruled that Uber must treat its drivers as workers and not self-employed.
- And recently, the EU drafted a bill that presumes at least some of the bloc's gig workers are employees and not contractors. It can potentially cover up to 10% of the 28 million workers.

**What is the way forward?**

Govt needs to frame rules in a way that finds the balance between the flexibility of the gig economy and getting platforms to make a contribution to the social security fund.

**24. Needed: repeal of AFSPA, not regret**

**Source:** This post is based on the article “**Needed: repeal of AFSPA, not regret**” published in **The Hindu** on **15th December 2021**.

**Syllabus:** GS 3 Role of external state and non-state actors in creating challenges to internal security

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

**News:** The death of innocent civilians by security officers in Nagaland caused outrage of repealing the Armed Forces Special Powers Act (AFSPA).

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

**Incidents where security personals get punished under the AFSPA**

There is one incident where security personal were involved in the killing of innocent 5 young men just on the suspicion that they were involved in the killing of the general manager of the Assam Frontier Tea Limited.

Following this, the Gauhati High Court ordered a Central Bureau of Investigation inquiry, which indicted the Army personnel of murder of the five youths. Then, the army had to court-martial its 7 security personals and sentence them to life imprisonment.

**Why the demand for repeal is justified?**

**Kaka Iralu** in his book **Nagaland and India: The Blood and the Tears**, documents the extra-judicial killings and the suffering of the common people under the Draconian provisions of the [AFSPA](#). Since the first invoking of AFSPA in the Naga Hills district of Assam, there have been several instances where innocents get killed like:

**1995:** 9 innocent civilians were killed by Central Reserve Police Force personnel in front of the RIMS hospital in Imphal.

**2000:** 10 civilians were gunned down by the 8th Assam Rifles at Malom Leikai following a blast at Imphal's Tulihal Airport. This incident prompted Irom Sharmila to begin her hunger strike.

**2004:** Group of women launched a nude protest in front of the Assam Rifles Headquarters after Thangjam Manorama was allegedly tortured and killed by security personnel. This incident forced the then PM Manmohan Singh to think about the AFSPA provision and change it into a “more humane law”.

**What are the committees and Supreme Court judgments?**

SC laid down guidelines for the use of AFSPA. It held that “there is no concept of absolute immunity from trial by a criminal court.”

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

**What should be the way forward?**

**Read here:** [Nagaland killings aren't a mere 'blunder'](#)

**25. “Mainstreaming climate resilience through MGNREGS: Learning from Tamil Nadu’s Tiruvannamalai”**

**Source**– This post is based on the **article “Mainstreaming climate resilience through MGNREGS: Learning from Tamil Nadu’s Tiruvannamalai”** published in Down to earth on **14th Dec 2021**.

**Syllabus**– GS Paper 3 (Conservation, environmental pollution and degradation, environmental impact assessment)

**Relevance**– Learning from best practices of climate adaptation and mitigation

**News**

Tiruvannamalai a district in Tamil Nadu has set a record for creating more than thousands of farm ponds in 30 days by leveraging the [Mahatma Gandhi National Rural Employment Guarantee Scheme](#) (MGNREGS). This will also help the recently launched state climate mission in Tamil Nadu.

**What is the initiative**

This initiative focused on water conservation and building green infrastructure through interventions like creating mini-forests, pastureland development, rejuvenating the relevance of common property resources, etc.

This example demonstrates the value of using existing mechanisms, an inclusive approach to facilitate climate resilience.

**How this will help in climate change mitigation and adaptation**

- 1) It will **ensure adequate supply of water for agricultural and domestic purposes** throughout the year. This **will recharge local wells and other water bodies** and contribute to **water sustainability** during non-monsoon periods.
- 2) It will create assets that would make the local communities more resilient to imminent climate disasters.
- 3) **Enhanced agricultural production** (increase in crop area, crop diversity and crop yield) and **improved socio-economic conditions**.

**How MGNREGA can be used for tackling climate change?**

Bulk of work undertaken in MGNREGA relates to water conservation and harvesting, irrigation, afforestation and rural connectivity. This can be used to build climate resilience Infrastructure.

**How this initiative can be implemented elsewhere?**

- 1) **Convergence of both top-down and bottom-up processes**-key stakeholders from various government departments, professional technical and experts should be involved.



**Example** – Technology like Geographic information system was used in Tiruvannamalai and technical staff at the village panchayat level was trained to analyze spatial and non-spatial data.

2) Converting the **complex scientific information into data that could be understood** and acted upon by village departments.

## 26. IMF cues could help the world align crypto rules

**Source:** This post is based on the article “**IMF cues could help the world align crypto rules**” published in **Livemint** on **16<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – Information Technology

**Relevance:** Regulation of Cryptocurrency

**News:** A recent blog published by the International Monetary Fund (IMF) has called for coordinated regulatory frameworks designed to mitigate crypto risks, on the lines of what India already suggested.

The blog post warns of the impact that unregulated proliferation of crypto tokens could have on financial stability, especially in emerging markets.

Key points of the blog post are discussed in this article.

### What are the issues that need to be tackled by the regulators?

- Crypto valuation
- Investor protection
- Safety of crypto exchanges and wallets
- Worries of opacity and mendacity (*fraud*) on reserves held by some crypto issuers to back their stablecoins.
- Flight of capital induced by outward remittances

### What is the way forward?

The blog recommends,

- **Crypto assets be regulated separately** from digital tokens that serve as a medium of exchange.
- **Licensing** of crypto-asset service providers involved in their storage, transfer, etc
- **Systemized custody** of assets
- **Distinction based on function:** Cryptos that are held as investments could be overseen by the country’s market regulator i.e. SEBI, and those used for payments by its monetary authority, i.e. the RBI.
- **Synchronised global effort:** As the internet is borderless, so a global effort is needed to keep cryptos under adequate watch. For efficacy, common principles of supervision need to be implemented.

Given the IMF’s pre-eminent role as a policy advisor and regulator of sorts for the global economy, it is best suited to take leadership of a coordinated global approach to crypto governance.

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

## 27. Plant protection authority sets right its potato blunder

**Source**– This post is based on the article “**Plant protection authority sets right its potato blunder**” published in **Down to earth** on **15<sup>th</sup> Dec 2021**.

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

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

**Relevance:** Understanding the PepsiCo-potato case, Protection of Plant Varieties and Farmers' Rights Act, 2001, Farmers rights.

**News:** Recently, the Protection of Plant Varieties and Farmers' Rights (PPV&FR) Authority revoked the registration of PepsiCo's potato variety FL 2027. It was used in the manufacture of its Lay's chips.

This means that farmers can cultivate this variety freely without the threat of penal action for violating intellectual property rights (IPR).

### **What is the Protection of Plant Varieties and Farmers' Rights (PPV&FR) Act?**

It was enacted in 2001 to comply with the World Trade Organization's requirements on laws to protect IPRs (Intellectual property rights) in agriculture.

Protection of Plant Varieties and Farmers' Rights (PPV&FR) Authority has been established under the act to grant Intellectual Property Rights to plant breeders, researchers and farmers who have developed plant varieties (new and existing).

To remove the apprehensions of the farming community in India regarding the Act, the authority included a chapter that made the rights of farmers' paramount over those of breeders. This chapter also promised to **protect the traditional practice of reusing and sharing seeds.**

### **How is Indian law different from global practice?**

Developed countries follow the framework laid out by the International Union for Protection of New Plant Varieties (UPOV), called the UPOV convention.

This convention protects breeders' rights and bars farmers from reusing saved seeds or exchanging them with other cultivators. **India has not joined UPOV** till date.

**Must Read:** [What is the PepsiCo-potato case?](#)

### **Why PepsiCo registered FL-2027 as an extant variety instead of a new one?**

Extant variety = variety of common knowledge

This was done to **exploit a loophole** in the Indian law.

Whereas the UPOV focuses only on registration of the newly bred varieties that meet specified standards, the Indian law even allows registration of the varieties that were once publicly available and were used freely by the farming community.

Recently, Corporate entities and public institutions are registering more and more existing varieties to take leverage of this loophole.

## **28. On waste management: Zero the way to go**

**Source:** This post is based on the article **"Zero the way to go"** published in **Down to earth** on **15<sup>th</sup> Dec 2021.**

**Syllabus:** GS3- Conservation, environmental pollution and degradation

**Relevance:** Sustainable ways to tackle the menace of waste

**News:** Although India's waste management policy has evolved to suit the changing needs but there are still some gaps.

Waste must become a resource that can be reworked, reused and upcycled. This will minimise the use of materials in our world and mitigate environmental damage.

### **What is the relation b/w the nature of waste with a country's development status?**

Nature of waste changes as societies get richer and urbanize

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

**Firstly**, instead of biodegradable (wet) waste, households generate more plastic, paper, metal and other non-biodegradable (dry) waste.

**Secondly**, the quantity of waste generated on per capita basis also increases.

### How India's waste management policy has evolved?

Waste management in the 2000s revolved around collecting waste and dumping it outside the cities in landfills. This led to heaps of waste in the outskirts of every major/minor city of the country.

Current policy initiatives like Swachh Bharat Mission (SBM) 2.0 focus on source segregation, processing of and on its minimization.

Only inert waste, which is not suitable for either dry or wet waste treatment, can be sent to landfill sites. And this should not be more than 20% of the total waste.

**Note:** Inert waste is the waste which is neither chemically nor biologically reactive and will not decompose or only very slowly. **Example:** Sand and concrete.

Therefore, the premise of the guidelines is that cities must become zero-landfill i.e. they must recover and reprocess all waste.

### What should be the focus of future initiatives?

**1) Focus on segregation**– Segregation is very essential to ensure that waste sent for incineration and energy generation is of high quality. It also results in optimal working of waste to energy (WtE) plants.

**2) Reclaiming landfill sites** -This valuable land can be greened and put to suitable use, which will also help avert environmental disasters. Cities must also stop sending new waste to these landfills, otherwise they will get filled up again even while being remediated.

**3) Detailed strategies to reuse the material which will be biomineried from these sites.**

**Biomining** is the technique of extracting metals from ores and other solid materials typically using prokaryotes, fungi or plants.

**4) The practice of circular economy** needs to be followed wherein the focus is on material recovery and reuse.

**Circular economy** is “a model of production and consumption, which involves reusing, repairing, and recycling existing materials and products as long as possible”.

**5) Informal processing of waste**– Majority of waste processing happens through informal channels such as ragpickers. This should be formalised.

**6) Plastic waste** specially packaging waste has grown exponentially. This needs to be properly phased out. Although government has decided to phase out some of single use plastic, but this is not enough.

### 29. Surplus liquidity in the system: How it came and how it may go

**Source:** This post is based on the article “**Surplus liquidity in the system: How it came and how it may go**” published in **Livemint** on **16<sup>th</sup> Dec 2021**.

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

**Relevance:** Quantitative easing, Inflation

**News:** RBI has pushed excess liquidity into the system. Now, exiting this surplus liquidity scenario of ₹8 trillion will be a challenge.

### What are the reasons behind surplus liquidity in the system?

To stimulate growth, various tools were used by RBI during pre-Covid and Post Covid phase to push excess liquidity into the system. For instance,

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- **LTRO** (long term repo operations)
- **OMO** (open market operations)
- **TLTRO** (targeted long-term repo operations)
- **GSAP** (government securities acquisition programme)
- RBI's low repo rate
- A low CRR (cash reserve ratio)

As a consequence, liquidity increased. Almost ₹6-8 trillion of surplus liquidity resides in RBI's reverse repo window. But deployment avenues were limited for a variety of reasons.

**Must Read:** [Monetary Policy – Basics Simplified](#)

### Why excess liquidity was not utilized?

**First**, demand was not strong, with low-capacity utilization rates in most sectors (60-69%) holding back investment.

**Second**, private investment in infrastructure hasn't yet taken off.

**Third**, while MSMEs borrowed on the back of the guarantee, the funds were used to repay loans and maintain business rather than for growth.

**Fourth**, banks were too picky in terms of new customers, as they had just about come to get bad loans off their books.

**Finally**, the precondition on loan performance as of 1 March 2020 meant that stressed units did not qualify.

### Why exiting the surplus liquidity is a challenge for RBI now?

While the RBI has stopped buying GSAP, it does not address the issue of surplus liquidity. Further, it is difficult for RBI to manipulate the reverse repo window tools as of now.

Banks are trying to stop deposits by keeping interest rates low. Although this can ensure that surpluses don't increase, it doesn't reduce them either.

Financial markets have not quite reacted positively to surpluses, as government bond yields remain high in relative terms.

### What needs to be done to drain excess liquidity?

**First**, bank credit demand must pick up, with the economy's investment cycle turning around.

**Second**, Centre should be borrowing more so that banks automatically channel their surpluses back.

**Third**, RBI should be going in for some OMO sales to reverse its GSAP effort, so that these securities return to banks.

## 30. Protecting gig workers

Source: This post is based on the article "**Protecting gig workers**" published in the **Business Standard** on **16<sup>th</sup> Dec 2021**.

**Syllabus:** GS3 – issues related to gig workers and platform workers

**Relevance:** Gig workers, Platform workers, Code on Social Security

**News:** The Supreme Court recently made a significant intervention by **admitting a public interest litigation** from the Indian Federation of App-based Transport Workers. PIL seeks to classify gig workers as wagedworkers entitled to social security and other employment benefits. Meanwhile, the **Code on Social Security**, which covered unorganised workers, gig workers and platform workers for the first time, is awaiting implementation.



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Gig or contract employment is set to expand exponentially. According to the Boston Consulting Group, India's gig economy could increase to **90 million jobs in the next eight to 10 years** from about 24 million today.

Hence, ensuring their welfare will determine the health of India's prosperous gig economy.

In this context, the [code on social security](#) has some provisions to address the issues related to the gig workers and platform workers.

**Must Read:** [Social security for gig workers is essential](#)

### **How the Code on Social Security aims to protect the interest of the gig workers and platform workers?**

**Firstly**, it mandates the Centre to set up a **social security fund** for this category of workers in addition to separate funds by the states. Funds for such schemes are to involve contributions from the Centre, state and the aggregators

**Secondly**, it also recommends a **National Social Security Board**, with representation by the Centre and state governments, aggregators and platforms, to monitor, and recommend welfare schemes for such workers.

### **What are the issues that needs to be addressed in the Code?**

**First**, the code should **define the employee-gig worker relationship**. For example, the EU law determines this relationship in terms of levels of aggregator supervision.

This could be a tricky exercise in India since there are many categories of self-employed workers who typically divide their time between multiple employers. For example, food delivery agents or cab aggregators.

**Second**, there is a need to **balance the benefits to gig workers** against the **cost advantages** that platforms and aggregators derive from their low-cost business models.

**Third**, the bigger concern is the absence of redress for gig workers in the Code. Labour courts exist, but they are expensive for ordinary workers to access. Instead, a **responsive appeal institution** needs to be created.

### **31. Why does the Log4Shell vulnerability have tech firms worried?**

**Source:** This post is based on the article “**Why does the Log4j vulnerability have tech firms worried?**” & “**Why Log4Shell is the worst security issue in a decade**” published in the **Indian Express** and **Livemint** on **16<sup>th</sup> Dec 2021**.

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

**Relevance:** Log4Shell vulnerability

**News:** A new vulnerability named Log4Shell is being touted as one of the worst cybersecurity flaws to have been discovered.

### **What is the Log4Shell vulnerability?**

The Log4Shell vulnerability is a flaw in one of the most widely used **server software**. It is a remote code execution (RCE) vulnerability, which means **attackers can use it to remotely execute arbitrary code** on a server and steal data.

It is a **vulnerability in a logging library** that is used by almost every big company in the world, including Apple Inc., Microsoft Corp., [Amazon.com](#) Inc., Google LLC, and more.

Logging libraries allow developers to monitor their applications and catch bugs. The vulnerability has been given a 10/10, the highest severity rating for such vulnerabilities. However, Log4Shell doesn't affect users directly.

**Why it is a serious issue?**

**Firstly**, its exploitation could allow hackers to control Java-based web servers and launch what are called ‘remote code execution’ (RCE) attacks.

**Secondly**, since this library is present everywhere across applications, the vulnerability could allow the attacker full control of the affected server.

**Thirdly**, successful exploitation of this vulnerability could lead to disclosure of sensitive information, addition or modification of data, or Denial of Service (DoS).

**Is the vulnerability being exploited by hackers?**

Security firm Checkpoint Research said it had documented 846,000 attacks on corporations in the first 72 hours of the “outbreak”.

And **41% of corporate networks in India** had faced an attempted exploit.

Companies like Google, Microsoft, and Cisco Systems Inc. say their programs and applications have been affected.

In the future, serious threat actors will try to exploit this vulnerability to attack a whole range of high value targets such as banks, state security and critical infrastructure.

**How does one protect against Log4Shell?**

**For Minecraft players:** They have to ensure that they are on the newest client of the game that consists of a fix for the issue.

**For corporations:** A patch was issued for the vulnerability on 13<sup>th</sup> December, and technology teams will have to ensure that this is incorporated in their systems.

**32. Household biomass burning- The invisible polluter**

Source-This post is based on the article “Household biomass burning- The invisible polluter” published in Livemint on 15<sup>th</sup> Dec 2021.

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

**Relevance:** LPG penetration in the country, Biomass use, Behavioral change.

**News:** Biomass burning despite being a major polluter does not receive the attention it needs. An analysis by think tank Centre for policy research (CPR) also shows that even in parliamentary debates on pollution, household biomass burning is discussed much less than stubble burning.

**Why biomass burning by households should be considered a major polluter?**

**Causes bulk of air pollution:** Biomass burning by households (indoor air pollution) for cooking and heating needs in winters is responsible for up to **40% air pollution** in the NCR.

Various databases show that indoor pollution has a 27 to 49% share in India’s total annual PM2.5 emissions.

**Health implications:** Household air pollution causes 36% of all deaths due to air pollution. Women, children and the elderly who stay longer at home are at greater risk.

**Why biomass burning gets lesser attention than stubble burning?**

Household sources are less visible and have existed forever thus are paid less attention than crop burning which gets much media and public attention for a short period every year.

**Why there is energy poverty in India despite govt schemes like PM Ujjwala?**

**Energy poverty is defined as a lower penetration and usage of clean cooking fuel.**

**Energy poverty in India:**

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– According to National Family Health Survey (2019-21) nearly **41% households in India**, mainly in rural areas and poorer eastern states, still don't use clean fuel for cooking.

### Reasons for energy poverty:

– States which have **poor coverage of clean cooking fuel** see greater contribution of domestic biomass towards PM2.5 emissions.

– **Ease of availability of solid fuel:** In winters, space heating in poorer households remains dependent on biomass. As firewood is easily available, it also gets used for other purposes like cooking.

### What is the way forward?

The first step is to acknowledge that **access alone cannot ensure clean fuel use**, as a survey of urban slums by the CEEW found. – Analysis showed that nearly 88% of households surveyed in energy-poor states reported having an LPG connection, but **only 55% exclusively used it for cooking**.

We need **more awareness** about the **health implications** and **behavioural change** towards sustainable heating methods such as LPG or electricity.

This further shows that **air pollution is not just an environmental problem but is linked to larger developmental challenges**. Beijing curbed 17% of its pollution by transitioning to clean energy in residential spaces. India can, too

### 33. Wrong forum: On climate change and the UNSC

**Source:** This post is based on the article “**Wrong forum: On climate change and the UNSC**” published in **The Hindu** on **17th December 2021**.

**Syllabus:** GS3 Climate Change.

**Relevance:** Understanding the climate-related challenges.

**News:** India, voted against the draft resolution that linked climate change with global security challenges in the UN Security Council (UNSC).

### What is the resolution all about?

**Read more:** [Explained: Why India, Russia blocked move to take climate change to UNSC](#)

### What are the arguments related to the resolution?

**Favour:** Climate is creating security risks in the world, which will exacerbate in the future with water shortage, migration and destruction of livelihoods. With the support of the present US administration, the developed world is pushing to include “climate security” in the agenda of the UNSC.

**Against:** UNSC's primary responsibility is “maintenance of international peace and security” and climate change-related issues are outside its ambit. Bringing the issue under the UNSC will also give more powers to the world's industrialized countries, which hold veto power, to decide on future action on climate-related security issues. So, it was an attempt to shift climate talks from the UNFCCC to the UNSC.

### What is India's stand on it?

It is true that the pace of Climate talks is slow in UNFCCC but outsourcing to UNSC is not the solution. It is wrong to look at climate change through the prism of security. Each nation faces different challenges in transitioning into a greener economy.

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India pointed out that developed countries still do not reach the promises they made with regard to climate action. Also, the least developed and developing countries should be encouraged to keep the promises they made with financial assistance. It should be a collective task, where decisions should be made by consensus.

**Read here:** [India votes against U.N. draft resolution on climate change](#)

Instead of outsourcing it to UNSC, UNFCCC should expand the scope of discussions to include climate-related security issues.

### 34. Bridging the financing gap in the clean energy transition

**Source:** This post is based on the article “**Bridging the financial gap in the clean energy transition**” published in **The Indian Express** on 17<sup>th</sup> Dec 2021.

**Syllabus:** GS3 – Conservation, environmental pollution and degradation

**Relevance:** Climate justice, financial help to developing countries, Phase down of fossil fuels.

**News:** As per the IPCC report, the world is heading towards warmer climate and higher sea levels.

To tackle this, government around the world are planning to either to phase out or phase down their fossil fuel consumption.

Transition to an economy free from fossil fuels will require **both private capital and public finance**, esp for developing countries who are still dependent on them. A multilateral effort across nations, corporates and sectors will smoothen the process.

#### Why India focusses on phase down rather than phase out?

Read the following articles:

- [Why India's coal habit won't be easy to shake off](#)
- [India needs time and money before it can dump coal](#)

#### How this transition is currently being undertaken?

Companies in high carbon value chains, automobiles, cement and steel, have committed to sustainable practices. This becomes possible as investors are now aware of the long ignored social costs of profits.

There is increasing investment in green bonds and sustainable bonds and through funds that rely on **ESG** (*Environmental, Social and Governance*) disclosures for portfolio decisions.

#### What will be the fiscal implications of coal phase down for India?

**Decline in revenue:** There is a risk to future revenues from the tapering of fossil fuel consumption, as they account for one-fifth of India's tax revenues.

Risk to future revenues can also **affect bank balance sheets** that hold sovereign debt. This risk is particularly high for countries such as India, where around 10% of commercial bank loans are to carbon intensive sectors, half of which are in the power sector.

**Risk of inflation:** The OECD countries suggest that charging a price for emissions through a higher tax is a possible solution. But, as consumption of fossil fuel decreases, these revenues will decline and any increases in the rates to compensate for this decline can potentially spur inflation, leaving consumers to pay for the cost of transition.

**Private debt** extended to fossil fuel dependent sectors **could also turn unviable**.

#### What is the way forward?

As per an estimate by the Council on Energy, Environment and Water (CEEW), the investment requirement for meeting the net-zero target will be **\$10.1 trillion**. The promise of \$100 billion



from developed countries for climate mitigation is far less in comparison to the needs of developing countries such as India.

Therefore, **multilateral and private capital must enhance their commitments** to invest in low-cost technology.

A **development finance institution** dedicated to low carbon transition should be created which can help accurately assess the finance required, and also streamline the spending taking place in transition.

### 35. Delivering climate action: The road ahead for India after CoP26

**Source:** This post is based on the article “**Delivering climate action: The road ahead for India after CoP26**” published in DTE on 17<sup>th</sup> Dec 2021.

**Syllabus:** GS 3- Issues related to climate change.

**Relevance:** Renewable energy, net zero’ carbon emission, Decarbonising emission.

**News:** At CoP26, India pledged to become a ‘net zero’ carbon emitter by 2070. It announced enhanced targets for renewable energy deployment and reduction in carbon emissions.

Achieving these targets will require focusing on the three important areas. 1) Increasing renewable energy capacity, 2) Decarbonising emission-intensive sectors, 3) Creating more carbon sinks.

#### What needs to be done to make these targets feasible?

**Firstly, to increase renewable energy capacity, the following efforts are needed:**

**Resource mobilisation:** NITI Aayog report estimates that the sector requires \$4.5 trillion to meet the infrastructure gap and increase the share of renewable energy to 50 percent by 2030.

**Policy shift:** India should plan to shift from the grey to green economy by giving up fossil fuel and making societies and people more resilient to climate shocks.

**Creation of green jobs:** It should be supplemented with a secure and just transition for workers currently engaged with fossil fuel-based industries.

**Secondly, to Decarbonise emission-intensive sectors, the following efforts are needed.**

**Efforts are required to reduce emissions in heavy industries like iron and steel, chemicals, and cement:** Because heavy industries are also some of the highest emitters, and demand for their products is also growing due to rapid urbanization and economic growth.

**Ecosystem-based approach:** That aims at greening both ‘supply’ and ‘demand’ should be followed.

**Thirdly, to create more carbon sinks,** the Involvement of local communities is vital owing to their commitment towards safeguarding it.

**Fourthly, there is a need for a coordinated mechanism to fast-track action climate by engaging all stakeholders:** The private sector that brings investments, innovation, and the ability to transform challenges into opportunities should be made part of the process.

#### What are the steps taken in this regard?

**Steps taken to Increase renewable energy capacity**

**The share of renewable energy in India’s energy mix has more than doubled:** from 11.8 percent in March 2015 to 25.2 percent in July 2021.

**The Climate Finance Leadership Initiative:** launched by India and the United Kingdom recently to generate more resources for climate and green energy projects.

**India’s efforts in addressing the energy needs of neighboring countries:** For instance, Indian Energy Exchange, a domestic power trading platform, started cross-border electricity trade aims to create an integrated regional power market in South Asia.

**One Sun, One World, One Grid (OSOWOG):** launched by India at CoP26. It plans to create a South Asian network for the energy exchange.

**International Solar Alliance (ISA):** India was a founder-member.

### Steps taken to decarbonise emission-intensive sectors

**Domestic achievements:** India has successfully reduced its emission intensity of a gross domestic product by 24 per cent.

**Adoption of Ecosystem-based' approach in policy making:** For example, Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles scheme offers incentives to both the automotive sector and consumers to boost electric vehicle sales.

Developing domestic capacities for manufacturing lithium-ion batteries and creating charging infrastructure.

### 36. The WTO's challenge to MSP is another frontier to cross

**Source:** This post is based on the article "**The WTO's challenge to MSP is another frontier to cross**" published in **The Hindu** on **17<sup>th</sup> Dec** 2021.

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

**Relevance:** Issues related to MSP.

**News:** A legal guarantee for MSP will violate international law obligations enshrined in the Agreement on Agriculture (AoA) of the World Trade Organization (WTO)

### What is Agreement on Agriculture (AoA) of the World Trade Organization (WTO)?

**Read more here:** <https://blog.forumias.com/wto-terminologies-aoa-blue-green-amber-box-peace-clause/>

### How a legal guarantee for MSP will violate WTO rules?

**Firstly,** the price support provided through MSP will be classified as a trade-distorting subsidy because India's applied administered price for rice is much more than the 1986-88 External Reference Price(ERP). This overshoots India's de minimis limit.

For instance, according to the Centre for WTO Studies, India's fixed ERP for rice, in 1986-88, was \$262.51/tonne and the MSP was less than this.

However, India's applied administered price for rice in 2015-16 stood at \$323.06/tonne, much more than the 1986-88 ERP.

Further, procuring all the 23 crops at MSP, as against the current practice of procuring largely rice and wheat, will result in India breaching the de minimis limit.

Even if the Government does not procure directly and mandates private parties to acquire at a price determined by the Government, as it happens in the case of sugarcane, the de minimis limit of 10% applies.

For example, Very recently, a WTO panel, concluded that India breached the de minimis limit in the case of sugarcane. Because India is offering guaranteed prices paid by sugar mills to sugarcane farmers.

**Secondly,** the Peace clause cannot be used to support India's case if the MSP system is legalised for 23 crops because the peace clause is subject to several conditions.

The peace clause is applicable only for programs that were existing as of the date of the decision and are consistent with other requirements.

Peace clause can be availed by developing countries for the support provided to traditional staple food crops to pursue public stockholding programs for food security.

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Hence, India will not be able to employ the peace clause because crops such as cotton, groundnut, sunflower seed are not part of the food security program.

Therefore, India needs to recalibrate its agricultural support programs to make use of the flexibility available in the AoA.

### What can be done?

**First**, India can move away from price-based support in the form of MSP to income-based support, which will not be trade-distorting under the AoA. But the income support should not be linked to production.

**Second**, India can supplement price-based support with an income-based support policy without breaching the de minimis limit.

**Finally**, the Government needs to engage with the farmers and convince them of other effective policy interventions, beyond MSP, that are fiscally prudent and WTO compatible.

### 37. India seems likely to grow old before it can become wealthy

**Source:** This post is based on the article “**India seems likely to grow old before it can become wealthy**” published in **Livemint** on **17<sup>th</sup> Dec 2021**.

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

**Relevance:** Declining population, Demographic disaster, unemployment.

**News:** By the middle of this century, the country’s population will finally start to decline, ending up at perhaps a billion by 2100.

India is ageing faster than expected. The latest round of India’s massive National Family Health Survey (NFHS) highlights the point. For instance, in urban India, the fertility rate is now 1.6, according to the NFHS, equivalent to that of the US.

Though declining population is good news, The unexpected speed of the demographic transition has forced India to confront a new problem. The problem is whether India will grow old before it gets rich.

### Will India grow old before it can become wealthy?

A comparison of India’s developmental parameters with that of China tell us that, India seems likely to grow old before it can become wealthy. The reasons are,

#### -Inadequate focus towards Malnutrition

Children born under China’s one-child policy received unprecedented attention from their families, and the quality of their nutrition increased.

In contrast, NFHS shows that Children in India are malnutrition high. In fact, in the five years after 2015-16, acute undernourishment actually worsened for children in most parts of India.

#### -Education system not aligned with Industrial requirement

Similarly, under China’s one-child policy, average education levels rose sharply. Whereas, In India, the education system is clearly failing. For instance,

Indian companies are already reporting a shortage of skilled manpower. This is because Universities just aren’t producing the kind of workers that companies feel they can employ.

The unemployment rate for college graduates is 19.3%, almost three times higher than the national average, as per the Centre for Monitoring Indian Economy reports.

#### Increasing Unemployment

According to the International Labour Organization, Two-thirds of working-age Chinese are currently either employed or looking for a job. China’s labour force participation rate is 80%.

In contrast, CMIE estimates that the country's LPR stands at a mere 43% in India and that the pandemic has "lowered the LPR structurally" to 40%.

### 38. The hidden threat to our fledging economic recovery

Source- This post is based on the article "The hidden threat to our fledging economic recovery" published in **Livemint** on **17th Dec 2021**.

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

**Relevance:** Rising Inequality and its implications

**News:** World Inequality Report (WIR) by World Inequality Lab has found that India has high and rising inequality.

#### What are the important findings of the report?

The top 1% of Indians account for 22% of national income, while the bottom 50% account for only 13%.

**For more:** Read [here](#)

#### What government official statistics say about inequality in India?

**All-India Debt and Investment Survey of the National Statistical Office (NSO)**, found that the top 10% of urban India held 56% of all assets. In rural India, inequality in wealth was less stark, with the top 10% reported owning 51%.

Official data like [multi-dimensional poverty data](#) from the NITI Aayog or the recently released [National Family Health Survey](#) data points towards widening gap across states as well as across gender, rural/urban and caste and religion classifications.

#### Why even these estimates may also be an underestimation?

Most of the survey fail to capture assets like jewellery, real estate and thus give an underestimation. The actual real figures may paint even a grimmer picture.

#### What are the implications of growing inequality?

**Impact on India's post-pandemic recovery:** Currently, Investment demand is weak and though exports are doing better, but they are still not at a good level. In this scenario rising inequality will be harmful for India's economic recovery.

**Disproportionate impact of the pandemic on poor:** The Pandemic has devastated the lives and livelihoods of most Indians at the bottom end of the socio-economic pyramid. Large numbers, particularly those engaged in casual manual labour and in cultivation, have seen their real incomes fall.

Private consumption has declined, causing an economic slowdown. Falling income, high inflation, high unemployment in pandemic have led India into a vicious cycle.

It is a cycle of low incomes leading to low demand and low employment, resulting in even lower incomes.

#### What is the way forward?

**Increase in income** required to fuel demand -The above-mentioned vicious cycle can only be broken if there is substantial increase in the incomes of India's bottom 50%.

This will require a big **hike in government expenditure** that can generate demand and thereby employment.

India's **economic strategy needs to be inclusive, sustainable and equitable.**



### 39. How to read the WTO panel's sugar report against India

**Source:** This post is based on the article “How to read the WTO panel's sugar report against India” and “WTO's findings on India's domestic support to sugarcane growers has profound implications” published in **Indian Express** on 18<sup>th</sup> Dec 2021. **Syllabus:** GS3 – Issues related to Direct and Indirect Farm Subsidies and Minimum Support Prices

**Relevance:** WTO, Dispute Settlement Body, Sugar subsidies

**News:** A panel set up by the Dispute Settlement Body (DSB) of the World Trade Organization (WTO) has ruled against India's sugar subsidies.

#### What was the complaint against India?

Australia, Brazil, and Guatemala complained that India's domestic support and export subsidy measures appeared to be inconsistent with various articles of the WTO, namely

**Agreement on Agriculture:** It was alleged that India's domestic support to sugarcane producers exceeds the de minimis level of 10% of the total value of sugarcane production.

**The Agreement on Subsidies and Countervailing Measures (SCM):** Australia accused India of failing to notify its annual domestic support for sugarcane and sugar after 1995-96, and its export subsidies since 2009-10.

**Article XVI (which concerns subsidies) of the General Agreement on Trade and Tariffs (GATT):** India's export subsidies under the production assistance and buffer stock schemes, and the marketing and transportation schemes violated Article XVI of GATT.

#### What did the panel find?

**Firstly,** India's domestic support to sugarcane producers is inconsistent with its obligations under Article 7.2(b) of the **Agreement on Agriculture**.

The panel found that for five consecutive sugar seasons (2014-15 to 2018-19), India provided non-exempt product-specific domestic support to sugarcane producers in excess of the de minimis level.

**Secondly,** on India's argument that mandatory minimum prices by sugar mills, do not constitute market price support. The panel said that market price support does not require governments to purchase or procure the relevant agricultural product.

**Thirdly,** on India's alleged export subsidies for sugar, the panel said that since India's WTO Schedule does not specify export subsidy reduction commitments with respect to sugar, such **export subsidies are inconsistent** with Articles 3.3 and 8 of the Agreement on Agriculture.

**Fourthly,** with respect to Australia's claims regarding India's notification obligations, the panel's report said that India had violated its obligation under Article 18.2 of the Agreement on Agriculture.

Also, by failing to notify to the SCM Committee its export subsidies for sugar under the Production Assistance, the Buffer Stock, the Marketing and Transportation, and the DFIA Schemes, India has violated its obligations under Articles 25.1 and 25.2 of the SCM Agreement.

**Must Read:** [India loses WTO dispute over sugar subsidies;set to file an appeal](#)

#### What was India's argument in the WTO panel?

India said that the complainants have failed to prove that India's market price support for sugarcane, and its various schemes violate the Agreement on Agriculture.

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It also argued that the requirements of Article 3 of the SCM Agreement are **not yet applicable** to India and that India has a phase-out period of 8 years to eliminate export subsidies.

India also argued that its **mandatory minimum prices are not paid by the central or state governments** but by sugar mills, and hence do not constitute market price support.

### **Will India's sugar industry or sugarcane farmers be impacted by the panel's rulings?**

No, because high global prices and the Centre's biofuels programme have ensured continued shipments even without subsidy.

**But**, the WTO panel's findings that India's domestic support to sugarcane growers is exceeding the permitted de minimis level has profound implications.

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

India needs to initiate all measures necessary to protect its interest and file an appeal at the WTO against the report, to protect the interests of its farmers.

### **40. India must prepare for changes in the great Himalayan water**

**Source:** This post is based on the article **"India must prepare for changes in the great Himalayan water"** & **"Humans have created an unknown climate —India's per capita GDP is 30% lower due to this"** & **"Studying the weather is critical now — the tropics could have fewer mild days"** published in **TOI** on **18<sup>th</sup> Dec 2021**. **Syllabus:** GS3 – Issues related to climate change

**Relevance:** Climate change and its impacts on India

**News:** Environmental experts discuss how human actions are impacting Earth and India in Particular.

### **How is climate change reshaping dynamics which make our weather?**

Greenhouse effect causes earth's temperature to be well below the freezing point of water. The greenhouse effect is necessary for life on Earth.

However, increasing the amount of greenhouse gases increases the amount of energy going into the climate system and thereby affects weather.

Over the past 150 years, the amount of carbon dioxide, methane and other gases in the atmosphere have increased, largely due to the burning of fossil fuels.

### **How the climatic patterns are now changing in India and their implications?**

**Changes in distribution of precipitation that falls upon an area in a year:** Many places now experience high intensity of rainfall in short span or the long periods of aridity.

These weather changes influence two critical cycles. The first is the **hydrological cycle**, or the availability of water. The other is the **cycle of the variations of temperature**. These have direct impact on plant productivity, which forms the basis of all life.

Further, during the monsoon in India, precipitation has become more extreme with flooding.

**Onset and duration of winter in areas which have a cold season:** This appears to be ending faster. In much of northern India, if the cold season ends earlier and the hot season starts sooner, the entire pattern of sowing and harvesting crops will change

The rhythm of the seasons is central to agriculture which employs 45% of our population of 1.3 billion people.

**Increasing Dry spells:** Dry spells due to climate change will impact the dynamics of **Earth's third water tower**, the Himalayas.

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There are over 10,000 glaciers in the greater Himalayan Mountain chain. They are the source of the perennial rivers which flow across the northern part of South Asia.

If these glaciers are impacted by changes in temperature, their **melt rate will change**. That will affect people living even thousands of miles downstream.

A prolonged dry spell can impact both agricultural production and rural India's consumption of goods and services.

**Change in number of mild days:** According to the research by Gabriel A. Vecchi, globally on average, the number of mild days, impacted by anthropogenic warming, will go down.

For India, the temperature of the warmest days will continue to increase. The temperature at night will also continue to increase.

**The circulation of the winds in the tropics are slowing down:** Alongside, the speed of certain extreme winds, particularly tropical cyclones, are seemingly increasing, in large part due to the warming ocean.

**Other implications for India:**

– **Temperature variability affects economic growth:** Research has shown that, warm countries, tend to grow slightly less in terms of per capita GDP in warmer years than cooler years. As a consequence, India's per capita GDP is about 30% lower today than it would have been without global warming.

– **Sea-level rise:** oceans take up a lot of heat and consequently, they expand, leading to sea level rise. Further, ice on land also melts. That water, from ice caps, glaciers, etc., will run off into the oceans, causing further sea level rise.

**What steps need to be taken?**

**Changes in pattern of land utilisation:** In many sea-front cities low-lying areas have been subject to permanent structures. They restrict water flows and water percolation. Urban development must take this profound change into account.

**41. Data Protection Bill: Explained: JCP prescription for data Bill**

**Source:** This post is based on the following articles: "There's an expansion of state power in the domain of privacy" published in the **Indian Express** on **18th December 2021**.

"Explained: JCP prescription for data Bill" published in the **Indian Express** on **18th December 2021**.

**Syllabus:** GS 3 Role of media and social networking sites in internal security challenges.

**Relevance:** Understanding provisions of JCP on Data Protection Bill.

**News:** Joint Committee of Parliament (JCP) has tabled its report on the Data Protection Bill in both houses.

**What are the recommendations by JCP on Data Protection Bill?**

**Sensitive data:** JCP proposed all contracts enabling businesses to take sensitive personal data out of India's borders will now need the approval of the central government in addition to the data protection regulator (DPA).

**Read here:** [Union Cabinet approves introduction of Personal Data Protection Bill in Parliament](#)

**Transition period:** JCP suggested giving 24 months' time to all data aggregators to comply with the rules under the new Bill. All data fiduciaries that deal exclusively in children's data have to register themselves with the DPA and for this 9 months period has been suggested.

**Penalty:** [What penalties and punishments have been recommended in the report?](#)

**Timely Alert:** In case of any data breach, the data aggregator or fiduciary must notify the DPA within 72 hours of becoming aware of it. DPA will then act accordingly.

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Read here: [JPC retains exemption clause, adopts personal data Bill](#)

Source: Indian Express

**Unified system:** JCP stressed a need to set up new processes to unify all data present across spectrums and organizations such as public and private sector companies, research organizations and academic institutions.

**Exemption:** Bill gives the central government the power to exempt its agencies from the ambit of the data protection regulation. It gives the central government the power to exempt its agencies from the ambit of the data protection regulation.

**Also Read:** [Need for a robust Personal Data Protection Bill](#)

**What is the procedure for changing the bill into law?**

Read here: [Process of legislation in the Indian Parliament for an Ordinary Bills:](#)

#### 42. Tourism in Kashmir: Fixing Kashmir-Phase 2

**Source:** This post is based on the article “**Fixing Kashmir-Phase 2**” published in the **Times of India** on **18th December 2021**. **Syllabus:** GS3 mobilization, of resources, growth, development and employment – Tourism Sector.

**Relevance:** Understanding the need of bringing changes to make Kashmir a beautiful and safer place.

**News:** The UT of Kashmir saw a record 1.27 lakh tourists in November, which is much higher than the previous seven-year average. It’s a ray of hope in a land of perennial crisis where people aspire for a safer and prosperous life.

#### **How to improve the Kashmir economy and its tourism potential?**

**Boost in business:** policies should be adopted to bring big business and investment in the region. For this, the government should ensure that the region must be safe and, the business must have viable growth and return prospects. Also, ease of doing business with little political interference or uncertainty is required.

**Security:** Government should provide gated areas and communities, where security is top-notch. Any terror act in these areas should be dealt strictly.

**Tax regime:** Government should announce a reduced-tax territory akin to low-tax jurisdictions such as Delaware in the US. This will provide an incentive to businesses to come and invest there.

**Tourism:** There is a need to upgrade the tourist spots where tourists can chill and relax. To attract the young generation of India to Kashmir, there need to be cafés and bars.